

HUMAN RIGHTS AND ECONOMIC GROWTH

In the econometric analysis “Human Rights and Economic Growth” the Danish Institute for Human Rights investigates how freedom and participation rights interact with economic growth. Using a dynamic panel data estimation method on 167 countries between the years 1981 to 2011, we can see that freedom and participation rights have a positive effect on economic growth.

Observers have argued that investments in human rights generally are a burden on economic growth. Our analysis shows this not to be true. Globally, there is no trade off between human rights and economic growth.

This means that by investing in human rights, the economic growth rate of a country is likely to increase. Especially, the rights to freedom of speech, freedom of assembly and association and electoral self-determination demonstrate a significant positive effect on economic growth.

The positive effects from freedom and participation rights on economic growth are channelled through institutional and economic factors such as government effectiveness, investments and trade.

$$y_{it} = \sum_{k=1}^p \gamma_k y_{i,t-k} + \sum_{k=0}^r \beta_k x_{i,t-k} + \sum_{k=0}^q \phi_k z_{i,t-k} + u_{it}$$

$$u_{it} = \alpha_i + \varepsilon_{it}$$

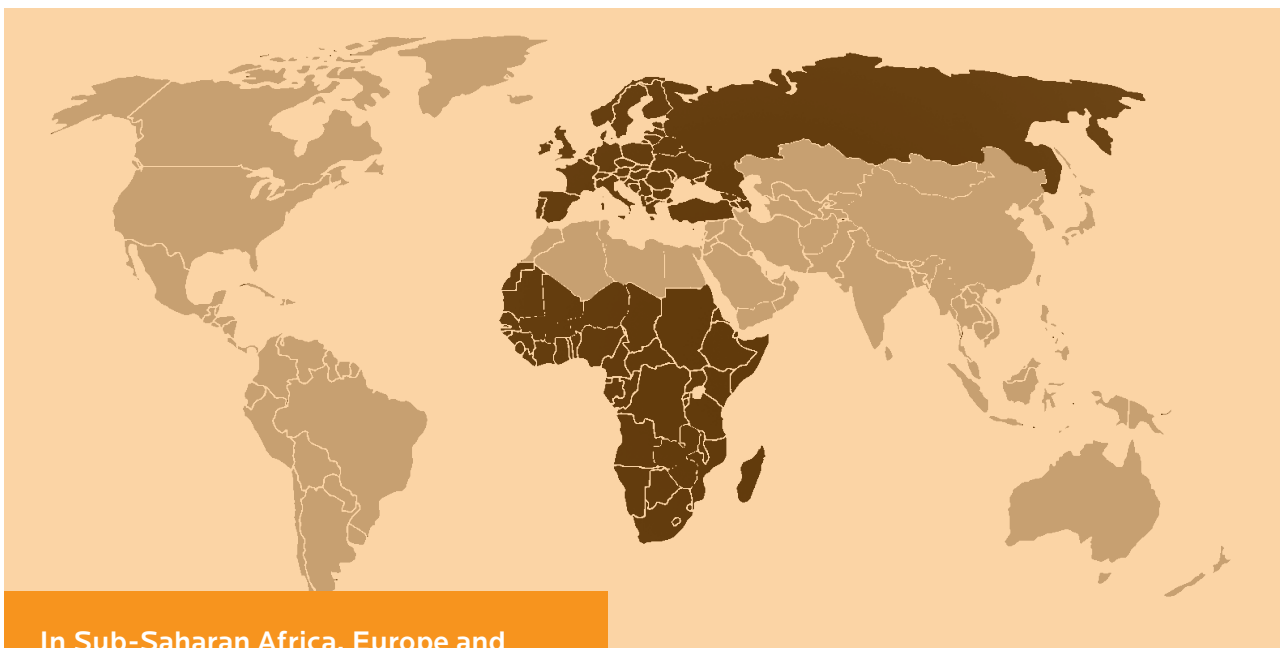
FREEDOM AND
PARTICIPATION
RIGHTS



EFFECTIVE
INSTITUTIONS,
INVESTMENTS
AND TRADE



ECONOMIC
GROWTH



In Sub-Saharan Africa, Europe and Central Asia the analysis finds a significant, positive, long-run effect of human rights investments on economic growth.

The analysis reveals no evidence of the reverse causal effects from economic growth to human rights: higher economic growth does not result in higher respect for freedom and participation rights across the countries analysed.