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.
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.

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

Contact: Research Director, Hans-Otto Sano, +45 91 32 57 77, hosa@humanrights.dk
The Danish Institute for Human Rights, www.humanrights.dk