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Too much of a good thing? Economic growth and human rights, 1960 to 2010



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ABSTRACT

Despite widespread belief in the benefits of economic growth, some scholars emphasize the potentially negative consequences of growth—and especially rapid growth—for social and political outcomes. Using data for 149 countries between 1960 and 2010, I analyze the effect of economic growth on fundamental human rights conditions. Dynamic random-effects and two-way fixed-effects estimators, both with and without instrumental variables, yield several conclusions. First, economic growth is causally prior to rights conditions. Second, economic growth has a modest positive effect on human rights, albeit with diminishing returns at high growth rates. Third, low-income countries account for much of this relationship: growth improves rights conditions for most low-income countries, but extremely rapid growth is inimical. Growth has little effect among middle-income countries, while for high-income countries the relationship is positive but not robust. I bring these findings to bear on long-standing debates between proponents and critics of modernization theory.

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Politicians and pundits, economists and entrepreneurs, capitalists and communists—all look to gross domestic product (GDP) as a summary measure of a country's economic health and material wellbeing. Conventional wisdom holds that a shrinking GDP is bad, a growing GDP is good, and a rapidly growing GDP is best of all. Belief in the many and varied benefits of economic growth has become an article of faith among elites and everyday people alike (Thornton et al., 2015). Indeed, the focus on economic growth assumes an “almost religious fervor” (Norris, 2012), so much so that the *Economist* (2015) regarded Shanghai's recent decision to quit setting quantifiable growth targets as “apostasy.”

The relative merits and shortcomings of GDP as a metric of prosperity are much debated. In 2008, French president Nicholas Sarkozy appointed two Nobel laureates and a prominent French economist—Joseph Stiglitz, Amartya Sen, and Jean-Paul Fitoussi—to head a commission charged with evaluating measures of economic performance and social progress. Their conclusion: “In the quest to increase GDP, we may end up with a society in which citizens are worse off” (Stiglitz et al., 2010:xvii). A decade earlier, Sen (1999:3–4) lamented that “despite unprecedented increases in overall opulence, the contemporary world denies elementary freedoms to vast numbers—perhaps even the majority—of people.” Such conclusions call into question any direct correspondence between economic development and human development.

Nevertheless, in the aggregate, level of economic development as measured by GDP has proven to be a robust predictor of improved population health (Brady et al., 2007; Firebaugh and Beck, 1994; Pritchett and Summers, 1996), increased democratic stability (Przeworski et al., 1996, 2000), and many additional beneficial outcomes. One such outcome—the focus of this article—is respect for human rights. Time and again, analysts find an inverse relationship between national income and levels

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of repression in a society (e.g., Davenport and Armstrong, 2004; Hafner-Burton and Tsutsui, 2005; Henderson, 1991; Mitchell and McCormick, 1988; Poe and Tate, 1994; Poe et al., 1999; Richards et al., 2015). On average, wealthier countries have better human rights records than poorer countries.

Yet, some scholars suggest that it is not *level* of economic development that matters so much as the *process* of development (Huntington, 1968; Robinson, 2006). Although research shows that the effect of (static) economic development on human rights conditions is positive, far fewer studies consider the consequences of (dynamic) economic growth. Does growth improve human rights, or do violations persist even when the economy is expanding? Is there an optimal rate of growth, such that too much growth over too short an interval is detrimental to human rights? Do growth rates affect human rights outcomes differently based on a country's level of economic development?

To address these questions, I investigate the empirical relationship between economic growth, measured as GDP growth rates over five-year intervals between 1960 and 2010, and rated levels of government respect for fundamental human rights across 149 countries. I focus on basic freedoms: the right to be free from torture, government-sponsored murder, political terror, physical repression, genocide, and other egregious violations of bodily integrity.

My analysis evaluates hypotheses inspired by long-standing debates in comparative social science over the consequences of economic development and modernization for democracy. This literature tends to focus on the relatively “thin” institutional aspects of democracy, counting a regime as democratic if it holds routine elections, constitutionalizes veto points, and so on (e.g., Alvarez, et al., 1996; Barro, 1999; Boix, 2011; Boix et al., 2012; Cheibub et al., 2010). In contrast, I analyze a “thick” set of substantive rights claims.

Analytically, I adopt best practices from the empirical literature on development and democracy while eschewing many of its shortcomings. Much research in this literature establishes correlations but not causation. In an effort to establish causal directionality, I follow Acemoglu et al. (2008) in their use of fixed-effects and instrumental-variables estimators. Fixed effects mitigate omitted variable bias, and instrumental variables—if properly implemented—alleviate concerns over endogeneity (i.e., that respect for human rights is a *cause* rather than a *consequence* of economic growth). To address Robinson's (2006) criticism that analysts too often measure economic development statically rather than dynamically, I model the effect of economic growth on changes in human rights conditions within countries over time, using both fixed-effects and dynamic random-effects estimators. Finally, whereas most analysts regard democracy as a qualitative state—a regime is either a democracy or a dictatorship (e.g., Alvarez, et al., 1996; Boix et al., 2012; Cheibub et al., 2010)—I analyze quantitative variation in levels of respect for human rights.

1. Theory and hypotheses

I take as my theoretical point of departure the modernization thesis, especially as it regards the relationship between economic development and political democratization. Both proponents and critics of the modernization thesis agree that economic development sets a host of social, cultural, and structural transformations into motion. They disagree, however, about the effects of these transformations. Modernization theorists contend that the changes wrought by economic development are conducive to democracy, whereas critics argue that economic development is disruptive, destabilizing, and therefore inimical to democracy. The implied null hypothesis suggests that economic growth and development are inconsequential for democracy. I extend these lines of theory to consider the effects of economic growth and development on human rights practices. Fig. 1 schematizes the contrasting arguments.

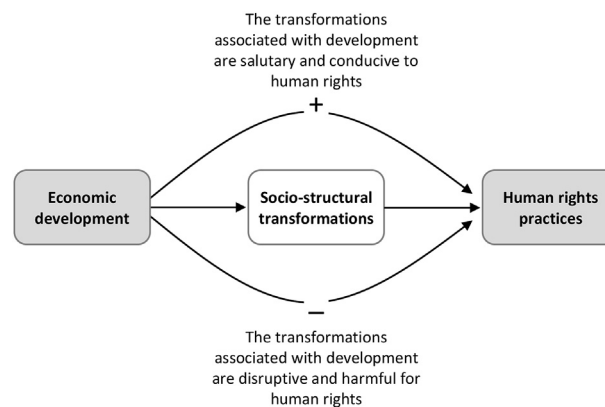


Fig. 1. The relationship between economic development and human rights practices.

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