

Rights and growth: is there a conflict?

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Introduction

- Perception of a conflict between protecting rights and promoting economic growth
- Labour rights provide a good example of this
 - e.g. a high minimum income guarantee
- The nature of growth is such that there will be losers as well as gainers

Nature of the conflict

- In fact limited dialogue and research on relations between rights and growth
- Issue is partly one of language and disciplinary perspectives
- But also conflict between universal demands of human rights legislation, versus resource constraints

Areas for dialogue

- **Some trade offs and choices are inevitable ... but**
 - Not always
 - There is basis for dialogue
- **Work of Amartya Sen as offering a bridge in conceptual terms**

Areas for dialogue (2)

- **Inequality is one key point for dialogue**
 - Inequality as multidimensional
 - Some inequality reflects discrimination and denial of rights to groups
 - Trade off between efficiency and equity very familiar in economics
 - Including in relation to labour
 - Also relations between poverty, inequality and growth

Some specific points

- Growth is not an end in itself
- But growth is very important for freedoms, especially in low income countries (LICs)
- Freedoms and rights can help to promote growth

Growth is not an end in itself

- Purpose rather to achieve expansion of human freedoms, and growth should be judged in these terms
- Type of growth therefore matters
- Pro-poor growth discussions: focus on expansion of freedoms for the poor/poorest

But growth is very important for freedoms, especially in LICs

- Negative growth constrains freedoms, and can be source of conflict
- Resource constraints mean that rights objectives cannot always be achieved immediately
 - Programmes and policies over time
- Growth/equity trade-off

Freedoms and rights can help to promote growth

- **Trade off does not always exist.**
Examples:
 - Evidence that high levels of inequality have adverse impact on growth
 - Gender empowerment often growth promoting e.g. women only local elections in some Indian states
 - Effective public service delivery and growth
 - Democratic political institutions

Conclusion

- Does not mean that trade offs between rights and growth do not exist .. they are still of central importance
- But it can give a basis for a dialogue