

Incorporating Human Rights into the Economics Curriculum

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Presented for the Economics in the Classroom Conference
Idaho State University
September 14, 2002

Introduction

The focus of economic development as a sub-discipline of economics has undergone enormous changes during the past fifty years. Up until the early 1960s, the field was almost wholly devoted to models of economic growth, and to how poor nations could emulate rich nations' historical trajectory.

By the late 1960s, the identification of GDP growth with economic development was significantly loosened. The new objective became "economic growth *plus* social change." Social change was understood to include issues of land reform, income redistribution, and—occasionally-- the fulfillment of "basic needs." "Dependency Theory" also made its appearance then, sensitizing the field to the possibility that the historic development of today's rich nations may have contributed to the underdevelopment of today's poor nations.

Rising environmental concerns during the 1970s helped refocus again the objectives of economic development. The culmination of this process led to the Brundtland Report, published in 1987 as *Our Common Future*. The new buzzword in the field became that of "sustainability." Sustainable economic development, the Report stated, is "development that meets the needs of the present without compromising the ability of future generations to meet their own needs." While GDP growth remained an objective, it became subservient to concerns of inter- and intra-generational equity.

This broadening and deepening of the scope of economic development led, in 1990, to the UN's annual *Human Development Report* and its celebrated Human Development Index, which places equal weights on a nation's per capita income, literacy, and life expectancy. By then, even the word "economic" as a qualifier to "development" was now thought to be too confining. Per capita income was only one dimension to human development issues, no weightier than those of health and education [See Photiades, 1-38].

The influence of Nobel Prize laureate A. K. Sen in redirecting the notion of development away from traditional economic approaches is clearly reflected in the contents of the UN's annual Human Development Reports. It was mostly his personal, highly innovative approach to economics that led the *Human Development Report 2000* to focus on the issue of human rights, and their close relationship to economic development concerns. And it is Sen's concern about the positive effect of democratic institutions on both the

protection of human rights and the promotion of economic development that influenced the choice of topic for the UNDP's *Human Development Report 2002: Deepening Democracy in a Fragmented World*.

Human Rights, Economic Development, and Contemporary Economic Issues

Serious personal involvement with human rights issues began for me in the process of preparing and then teaching a course on economic development in the autumn of 2001. My choice of reading materials reflected this concern. They included the United Nation's Development Programme's *Human Development Report 2000: Human Rights and Human Development*, as well as the UNDP's *Global Public Goods*, a book of readings. In this second book, the two basic properties of public goods (nonrivalry and nonexcludability) are recognized as being present in such diverse global goods as international financial stability, the environment, health, knowledge (analyzed in an essay by Joseph Stiglitz) as well as justice (presented in an essay by Amartya Sen). As the world is getting progressively more integrated, such global public goods become increasingly intertwined with the protection of human rights and the promotion of economic development and democratic institutions.

Last Spring, I continued this human rights emphasis in my course titled Contemporary Issues in Political Economy. The reading material consisted of 77 magazine articles organized around 12 major issues and made into a "faculty pack." Issues included the war on terrorism; globalization—for and against; poverty and income inequality; technology and development; the "new economy"—and the old; individual country studies; the "war on drugs;" the evolving nature of the media; energy issues; the environment; and miscellaneous social issues including racism and sexism in the marketplace.

But the first issue we tackled in this course's reading list was titled "Human Rights." And the leading article I chose for this group was the UN's very own *Universal Declaration of Human Rights*—the first time human rights were officially recognized as a global responsibility. Now fifty four years old, this UN document remains, unfortunately, well ahead of its time as a major global objective.

Defining Human Rights

The UNDP's *Human Development Report 2000* defines human rights as “**moral** claims on the behavior of individuals, and on the design of social arrangements” [p.16, emphasis added]. In other words, an individual is endowed with particular human rights merely by the fact of being human.

Whether such moral claims over other persons or the state itself are or are not legally protected is immaterial to the **existence** of these human rights (although, obviously, quite relevant to their being enforced, or their having instrumental worth).

On the other hand, as *The Report 2000* states, “laws alone cannot guarantee human rights.” There must also be broad cultural acceptance of the notion of human rights through appropriate social norms and institutions. Further, there must be an “enabling economic environment” that provides resources to areas relevant to the protection of human rights. While economic growth may be necessary to promote human rights in highly underdeveloped economies, the emphasis must be on growth that is sustainable, improves conditions among the poor, and strengthens cultural commitment to human rights.

Properties of Human Rights

According to the *Human Development Report 2000*, human rights possess three basic properties:

- (1) *Universality*: all humans, anywhere in the world, are endowed with the same human rights, by definition. This property flows directly from the way the word “human” qualifies the word “rights.”
- (2) *Inalienability*: human rights can neither be taken away by others, nor can they be given up by a person voluntarily.
- (3) *Indivisibility*: the various particular human rights are not conceived as differing in importance: “There is no hierarchy among differing kinds of rights.” They are all viewed as equally necessary for a “life of dignity.” Furthermore, the indivisibility of human rights means that one cannot suppress some rights in order to promote others. For example, the state cannot violate civil or political rights in order to promote economic or social rights.

Are Claims of the Indivisibility of Human Rights Compatible with Economic Reasoning?

Integrating the notions of the universality and inalienability of human rights into mainstream economic thinking presents no problem.

But the two claims made regarding the property of *indivisibility* of human rights (the prohibition against their hierarchical ordering and the prohibition of tradeoffs among them), undoubtedly appears quite alien to the economic way of thinking. Economic decision-making is based on a utilitarian calculation of costs and benefits arising from different courses of action, and choices based on what maximizes “net benefits”—however these latter might be defined or measured.

The conflict between the claim of human rights’ indivisibility on the one hand, and economic reasoning based on utilitarian calculus on the other, would not be of much concern if the promotion or protection of a particular human right never came into conflict with the promotion or protection of another.

But in a world of scarce resources—particularly in very poor countries—attempts to enforce one human right (e.g., that “everyone has the right to education”—as guaranteed by article 26 of the UN Universal Declaration of Human Rights) may take resources away from promoting another human right (e.g., that “everyone, as a member of society, has the right to social security”—guaranteed by Article 22). Aren’t we forced, in such situations, to admit to the existence of a tradeoff (e.g., that more expenditures on education lead to less on social security)? And if so, don’t we end up, by weighing the relative social benefits stemming from strengthening particular human rights, with a hierarchical ordering of rights of some sort?

The problem that the claim of indivisibility of human rights presents is not necessarily confined to *economic* human rights. Many economic historians make the claim that different human rights gain cultural acceptance and the force of law at different stages of economic or human development. Article 3’s claim that “everyone has the right to life, liberty, and security of person” is the product of the Enlightenment period. A pre-industrial society lacking a middle class and the beginnings of a democratization process, may find such a right quite alien to its cultural consciousness, let alone its cultural practices.

Article 19 asserts the existence of a civil right that probably requires an even more advanced stage of economic or human development. It claims that “everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media and regardless of frontiers.”

Clearly, exercising this human right under Article 19 requires a highly advanced democratic state. The UNDP’s *Human Development Report 2000* itself admits that “the fulfillment of all human rights requires democracy that is inclusive--protecting the rights of minorities, providing separation of powers and ensuring public accountability. Elections alone are not enough” [p.7].

Article 19 supports a civil right which, at least historically, made its appearance *after* the right protected by, say, Article 4 “that no one shall be held in slavery or servitude.” One could argue that, even logically, Article 4 regarding freedom from slavery is a *precondition* for Article 19’s declaration of a freedom of expression.

But if the cultural recognition, acceptance, and enforcement of particular civil rights are associated with different stages of economic and cultural development, might not an underdeveloped country today be justified in prioritizing human rights according to a well-established developmental path?

We are led, even for non-economic rights, back to the same problem: how can one choose a course of action without “weighing” the relative importance of different human rights—in violation of their professed “indivisibility”?

I believe there exists an approach that *both* preserves the notion of the indivisibility of human rights and also permits taking action that incorporates human rights concerns into the economic calculus of costs and benefits. The solution rests in making a rather subtle distinction between the worth of a human right itself and the worth of its functional contribution (at some particular historical stage) in furthering and sustaining a process of human development that leads to a more vigorous support of all human rights.

The worth of any human right is indeed equal to that of any other. Better stated, the intrinsic worth of any human right is absolute and hence incommensurable with that of any other human right, as they are all necessary for defining a person's dignity. This approach to human rights is *deontological*—concerned with distinguishing **right** from **wrong** action and mindful more of intent than of consequences.

The economic, utilitarian approach to choice-making is not deontological but *teleological*: its concern is not with the intrinsic worth of rights, but with the instrumental worth of the consequences that arise from different courses of action implicating these rights. Put differently, economics is not concerned with the absolute worth of a human right in its association with the notion of human dignity, but with the *relative* worth of enforcing or exercising a particular human right under some particular circumstances to best further some broad social objectives. This relative worth of the functional contribution that exercising a particular human right has in promoting particular socioeconomic objectives is certainly amenable to a cost-benefit analysis.

The economic perspective is not concerned so much with economic agents' moral intentions when they are about to act, but with the consequences, the end result of these actions. Further, as moral philosophers see it, teleological moral theories like utilitarianism make decisions not based on what's right or wrong, but what's good or bad. While notions of good and bad permit comparisons of degrees of goodness and badness (this is good, but that is better), there are no corresponding degrees of "rightness" and "wrongness." (One can't say that this is wrong but that is "wronger.")

The issue of the indivisibility of human rights is therefore based on a different plane of moral concern than that which flows from the use of economic reasoning for policy-making purposes (as in welfare economics). One may indeed affirm the equal intrinsic worth of all human rights (a deontological position reflecting views of right and wrong). At the same time, however, one may also make a choice among alternatives based, where apparent "tradeoffs" in the exercise of different human rights are present, on utilitarian concerns regarding what best promotes the general welfare (issues of what is best for society).

In an earlier work I attempted to distinguish between “appropriate” and “inappropriate” hierarchies. Hierarchies pervade most human interactions—as in, say, differences of compensation among employees of a company.

In that work on hierarchies, I had raised a point similar to the one I offered above for human rights. Each of the members of a hierarchy is unique. Therefore the *worth of a person* is incommensurable, or non-comparable to the worth of any other person. This intrinsic worth is absolute, and thus beyond utilitarian or economic calculus, which applies to relative values only. For this reason, “status hierarchies” such as the caste system in India—and not only, constitute inappropriate hierarchies. They violate human dignity by rating the relative worth of persons.

On the other hand, the *worth of a person’s functional contribution* to a particular organization’s objectives (e.g., a company’s pursuit of profit) may very well differ from that of another’s. Differential payment reflecting such differences in “marginal revenue product” violates no deontological rule regarding intrinsic worth. Thus, a meritocratic hierarchy of compensation based on differential worth of functional contributions is quite appropriate from both a deontological as well as a utilitarian perspective [See Photiades, 69-95].

The case made presently regarding the difference between the intrinsic worth of human rights and that of the functional contribution of their exercise in advancing human development is very much along the same lines of reasoning. The claim of the indivisibility of human rights is preserved, while economic calculations based on their exercise’s relative worth to promoting socioeconomic objectives is also permitted.

Human Rights and Freedom

In *Capitalism and Freedom*, Milton Friedman makes the point that society’s function is not to devise a set of rules and institutions that maximize individual utilities, but one which maximizes individual freedom. Given such maximum freedom, each individual is left to pursue his own approach as to how one’s happiness is best advanced.

As a “classical liberal,” Friedman concentrated all his attention on one kind of freedom—what philosophers call “negative freedom.” This freedom, often also called “the freedom to” (do, or be), requires the *absence* of outside interference (as from government) in order to be secured. The freedom to

trade with anyone one desires is of this sort. It is the type of freedom implicit in the notion of a “free market economy” and its derivatives: “free trade,” “free enterprise,” etc.

Toward the latter half of the nineteenth century, another type of freedom began to gain prominence—what philosophers call “positive freedom” [Feinberg]. This freedom, also referred to as “the freedom from”, requires the *assistance* of an outside agent (such as that of government or an international agency) for its realization. The freedom from discrimination, illiteracy, air and water pollution, are examples of “positive freedoms.”

Human Rights are nothing but claims of particular freedoms. Broadly speaking, these freedoms and corresponding rights fall into two categories:

- (1) Civil and political rights and freedoms;
- (2) Economic and social rights and freedoms.

During the “cold war” period, the US in particular and the West in general supported primarily human rights and their associated freedoms of a civil or political sort: democratic institutions, universal adult suffrage. These are primarily “negative freedoms:” the sort, like “free trade,” that require minimal governmental interference—at least once the appropriate institutions defining and enforcing those rights have been set up.

On the other hand, most previously existing “socialist” countries as well as many developing nations tended to emphasize economic and social human rights and their associated freedoms. These were overwhelmingly of the “positive” sort of freedoms—requiring not only an expanded role for governments at all levels, but often also additional transfers of financial and technical support from the developed North to the underdeveloped South.

While the cold war has officially ended over ten years ago, the tension between North and South over these two sets of human rights and freedoms continues to the present. After all, “globalization” has not led to any obvious convergence in living standards across the globe. Presently, the standard of living in 30 countries accounting for half a billion people is *lower* than it was two decades ago. And the global Gini coefficient of income inequality has also risen during this period.

The U.S. and International Human Rights

Often justified by concerns over its “state sovereignty,” the U.S. has been no more a leader on the issue of international human rights than it has been on international environmental issues or issues of international criminal justice.

For example, the United States has yet to ratify the International Covenant on Economic, Social, and Cultural Rights of 1966, ratified by 142 countries; the Convention on the Elimination of All Forms of Discrimination Against Women of 1979, ratified by 165 countries; the Conventions on Freedom of Association and Collective Bargaining of 1948 and 1949, ratified by 128 countries; the 1957 Abolition of Forced Labor Convention, ratified by 152 countries; the 1951 Equal Remuneration Convention, ratified by 145 countries; the 1958 Elimination of Discrimination in Respect of Employment and Occupation convention, ratified by 142 countries; the 1973 Minimum Age clause in the Abolition of Child Labor Convention, ratified by 88 countries.

It is ironic that, the nation which is more than any other associated with the push toward “globalization”—a process which invariably implies a lessening in importance of national frontiers, has also been most zealously protective of its own boundaries. But as Kofi Annan, the UN’s Secretary-General, stated in a special contribution to the *Human Development 2000 Report*,

Emerging slowly, but I believe surely, is an international norm against the violent repression of any group or people that must and will take precedence over concerns of state sovereignty.

The Relation Between Human Rights and Economic Development

From the list of 30 articles in the UN’s original 1948 *Universal Declaration of Human Rights* (as well as from additional later treaties), the UNDP’s *Human Development Report 2000* has identified 7 key human rights expressed as freedoms. Despite major advances in some important areas, realizing the worth of most of these freedoms remains a goal still largely beyond reach for the majority of the world’s nations and peoples:

- (1) Freedom from Discrimination
- (2) Freedom from Want—or for a Decent Standard of Living
- (3) Freedom to Develop and Realize One’s Human Potential
- (4) Freedom from Fear

- (5) Freedom from Injustice
- (6) Freedom of Political Participation, Speech, and Association
- (7) Freedom for Decent Work

It may be noted that, with the exception of the freedom of political participation, speech, and association, all other freedoms above are of the “positive” sort that require outside assistance for their realization—more intra- and inter-governmental cooperation at the national and international levels rather than less.

The freedom to develop and realize one’s human potential, by being stated as a “freedom to,” gives the appearance of a negative freedom requiring less government. On closer examination, however, it becomes obvious that developing and realizing one’s human potential requires, among other things, freedom from malnutrition, ill health, illiteracy, etc—conditions that, especially for the underdeveloped world, may point more to active outside help than to promoting policies of minimal foreign intervention on human rights issues. This is especially so for problems still traceable to past colonial “interference” by those very same nations that today often advocate laissez-faire policies on human rights.

The free exercise of human rights is dependent on economic development (including perhaps economic growth) in the following major ways:

--No human rights can be effectively exercised when conditions leading to the fulfillment of basic physical needs are not met. In the presence of starvation, malnourishment, or preventable ill health leading to premature death, the functional worth of human rights is seriously compromised.

-- Economic development is often an enabling agent—making abstract rights capable of being exercised. For example, the right to education for all (and of “free” and compulsory elementary education, as guaranteed by Article 26 of the UN’s Universal Declaration of Human Rights), obviously requires resources which only substantial economic development can supply. The same applies to the human right to freedom of movement and residence within one’s country, or the right to leave any country, including one’s own (Article 13). Similarly for Article 24, which declares the right to rest and leisure, and reasonable limitations of working hours.

--As the *Human Development Report 2000* also points out, “social freedoms”--such as the right of equal access to public service in one’s country (Article 21), the right to marry and found a family (Article 16), the right to participate in the cultural life of the community (Article 27), all require material resources for their realization.

--A minimum degree of economic development is undoubtedly a *necessary* condition for the emergence of democratic institutions. None of the many human rights associated with civil liberties can be exercised in the absence of the social norms and political and legal institutions associated with democracy. (“Democracy,” of course, especially if confined to the right to vote, may not be a *sufficient* condition to guarantee the exercise of civil liberties).

The necessity of democracy is obvious for Article 1’s claim that “human beings are born free and equal in dignity and rights”; Article 2’s anti-discrimination clause that extends to “race, color, sex, language, religion, political or other opinion, national or social origin, property, birth or other status”; Article 3’s claim that “everyone has the right to life, liberty, and security of person”; Article 5’s prohibition of “torture or cruel or degrading treatment or punishment”; Article 6’s right to one’s “recognition everywhere as a person before the law”; Article 7’s declaration that “all are equal before the law”; Article 8’s declaration of a right to “an effective remedy by competent national tribunals for fundamental rights granted him by the constitution or the law”; Article 9’s prohibition of “arbitrary arrest, detention, or exile”; Article 10’s declaration of “an entitlement to a fair and public hearing.”

At least half of the 30 UN articles concern the protection of civil rights that can take place only within a democratic sociopolitical framework. Other rights that some may classify as economic rather than civil rights (such as, say, Article 23’s declaration of a “right to form and join trade unions for the protection of one’s interests”), are also heavily dependent on the existence of democratic institutions.

Conclusion

Human rights require various degrees of economic development. Economic (or more broadly, human) development acquires meaning as a process only if it removes particular human rights from the plane of abstract existence and places them within the everyday aspects of human life. In other words,

economic development is meaningful only in terms of its progressive transformation of moral claims on others and on one's state into specific legal duties characterized by accountability, culpability, and responsibility.

Article 27 in the UN Universal Declaration of Human Rights reminds us what the appropriate context must be for the transformation of abstract human rights into daily-exercised freedoms by all:

Everyone is entitled to a social and international order in which the rights and freedoms set forth in this Declaration can be fully realized.

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