

Human Rights and Poverty Reduction

Rights and economic growth: Inevitable conflict or 'common ground'?

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1. Introduction

The need for a process of inter-disciplinary dialogue and consensus-building aimed at establishing the 'common ground' between rights and economics discourses has been highlighted by Mary Robinson, former UN High Commissioner on Human Rights. At the same time, there remains a wide perception of a conflict between realising rights on the one hand and economics concerns on the other – with fundamental freedoms and human rights often viewed as being in tension with development, growth and the optimal allocation of resources. This paper considers this issue specifically in relation to achieving economic growth.

Re-igniting growth, particularly in regions of the world that have experienced little or negative growth (as in much of sub-Saharan Africa), has again become an important focus in international development discussions. This is recognised as a key priority for achieving the Millennium Development Goals (not just in relation to income poverty), as stressed in the 2003 *Human Development Report* (on the MDGs) and by the UN Millennium Project. Indeed, the main motivation for the proposed scale-up in aid flows is to enable countries to reach self-sustaining growth paths and reduce long-term aid dependence.

However, this growth focus raises concerns, partly based on some past experiences, about whether seeking to achieve and accelerate growth will conflict with the realisation of key rights. This emphasises the now widely recognised fact that the nature of growth matters, in particular its distributional pattern and its sustainability (coupled with the ability to manage downturns). This focus on how to attain broad-based growth is evident in, for example, the recent multi-donor project on Operationalising Pro-Poor Growth (OPPG).¹

We argue here that there is much less conflict between the realisation of rights and economic concerns than is often assumed. Much of this perception of conflict is a matter of different language and approach, and there is considerable space for dialogue. Rights-based approaches and frameworks of analysis of economic growth are much more compatible than is sometimes supposed by detractors, and they often address very similar issues. This is not to deny that there are still real issues and choices to face, but these arise just as much within a rights approach or within an economic perspective as between the two.

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1. See for example <http://www.dfid.gov.uk/news/files/propoorgrowthcasestudies.asp> for more details and copies of country case studies completed as part of this project.

The paper highlights an established and growing body of literature in economics, including identification of ways in which freedoms and rights can be instrumentally important for economic growth (as well as the reverse relationship). The underlying rationale is the identification of the ways in which these established lines of enquiry might be extended and linked more explicitly to a research programme on human rights and economic growth. It is important to note, however, that we deliberately take a broad view of the terms freedoms and rights – their usage in economics is often different from internationally recognised meanings in the field of human rights. Some of the lines of enquiry discussed here do not make explicit reference to the international human rights framework, nor do they necessarily reflect internationally recognised interpretative principles relating to indivisibility, ‘progressive realisation’ and the ‘minimum core’.² Nonetheless, the approach we take here maps out a basis for dialogue. This choice is also dictated by the evidence currently available.

This paper briefly discusses the apparent conflict, both in conceptual terms and by drawing on frequently quoted examples of apparent conflict, such as fast growth in China. It then sets out an analytical framework; identifies some of the ways that growth is important in realising freedoms and rights; and denotes the ways in which key freedoms themselves can be instrumentally important for growth. This leads into a review, by way of specific examples of evidence, on the extent to which a rights perspective has helped to achieve freedoms and growth. The conclusion includes identification of priority areas for taking this dialogue forward.

2. Rights and economics – the nature of the apparent conflict

There already exists something of a discourse between economics and rights, notably associated with the work of Professor Amartya Sen; this includes some work on reconciling rights objectives with the need for growth (e.g. Osmani, 2004). The interpretative framework set out by the UN Independent Expert on the Right to Development (RTD) further suggests that the international human rights framework, supported by international law, has implications for the nature and scope of economic growth. For example, the formal RTD model set out by Sengupta (2004: 182-86) captures and formalises the notion of the Right to Development in terms of the phased and integrated realisation of internationally recognised human rights over time, together with a ‘modified’ measure of economic growth (‘representing human rights-compatible growth’).³ The integration of international human rights standards into the Poverty Reduction Strategy Papers’ accompanying agreements between national states and international development organisations, including the World Bank and the IMF, has also recently been emphasised (see, for example OHCHR, 2002, 2004).

There is plenty of intellectual space and common understanding for such a dialogue, and apparent differences are often much less in practice. Thus, economists often assume that because the international human rights framework is a normative framework (relating to things that ought to be the case), insufficient attention is given to costs and other types of feasibility constraints. These constraints imply choices and sequencing, which suggests a conflict with the concepts of indivisibility and interdependence of rights. However, this is largely a misperception. The need for sequencing of policies and programmes is widely recognised in the human rights field, and the international obligations of states in the field of economic and social rights are limited by the principle of ‘progressive realisation’. States are not under an international legal obligation to go beyond available resources in achieving the progressive realisation of economic and social rights. They are required to demonstrate ‘reasonable effort’ – and where resource constraints are binding, this obligation can be discharged through the adoption of policies and programmes that facilitate the achievement of human rights over time.

2. These principles are discussed, for example, in OHCHR (2004).

3. Sengupta’s interpretative framework also raises the notion of a ‘human right to economic growth’. This idea has raised various debates in the literature and will not be discussed in this paper.

This approach is reflected, for example, in the jurisprudence of the South African Constitutional Court, which has upheld claims regarding the violation of socio-economic rights in a series of landmark judgements. These cases establish that resource constraints do not relieve the government of the positive obligation to fulfil the socio-economic rights established in Articles 26–29 of the South African Constitution by taking positive measures to eliminate or reduce the large areas of severe deprivation that afflict South Africa. However, the Court has also sought to delimit the nature and scope of the duties that flow from this positive obligation. It has reasoned that where resource constraints are binding, the responsibilities of the state under these Articles can be discharged through the adoption of policies and programmes that facilitate the achievement of human rights over time rather than their immediate fulfilment.⁴

In addition, there exist important misunderstandings of economics, a particular example being the view that economics is primarily concerned with efficiency and growth. In fact, the reality is that there is often a trade-off between efficiency (e.g. growth) and equity (e.g. distribution); this is a fundamental concept of debate in economics, for example in debates around the economic impact of minimum wage legislation. Inequality here is a key point of connection between economics and rights debates.

The perception of a conflict also has many anecdotal examples but, again, the validity or generality of these examples often renders them debateable. The experience of high rates of economic growth in relatively authoritarian states in parts of East Asia during the 1980s and 1990s, together with China's record of economic growth and poverty reduction, are sometimes invoked as evidence of a positive association between economic success and authoritarian forms of government without strong commitment to civil and political rights. However, Sen among others has argued that this view is selective in its use of examples. Even when Singapore and South Korea were growing faster than any other country in Asia, the fastest growing economy in Africa was Botswana – 'a major defender of democracy' (Sen, 1999b). Moreover, as seen below, empirical research fails to establish a positive relationship between authoritarianism and high rates of economic growth.

The case of China's recent rapid growth performance also does not support this view. Drèze and Sen (2002) argue that this does not provide a case for growth without human rights protection on four main grounds:

- There is strong evidence of the importance of democratic forms of government, and recognition of civil and political rights, in famine prevention in India (discussed below).
- Democratic institutions and human rights are important in providing protection against social and economic shocks, seen in the example of the East Asian crisis (discussed below).
- Faster growth in China partly reflects low fertility rates, but it is often argued that this in part reflects coercive population policy. However, this case contrasts with the experience of similar fertility reduction on a voluntary basis in the Indian states of Kerala and Tamil Nadu.
- Without protection of civil and political rights and non-discrimination, it is more likely that population groups will be marginalised and excluded from the benefits of growth. Low educational achievement in Tibet provides a possible example.

4. See Articles 26-29 of the Bill of Rights attached to the Constitution of the Republic of South Africa [Act 108 of 1996] www.concourt.gov.za. The jurisprudence discussed here reflects the reasoning in *Grootboom vs. Government of the Republic of South Africa* (housing) especially paras 41-44, 65-69, 95 and *Treatment Action Campaign (TAC) vs. Minister of Health* (medical care), Constitutional Court of South Africa, Judgments dated 4 October 2000 and 5 July 2002, especially paras 67-95. Both available at www.concourt.gov.za.

3. Linking rights to the analysis of economic growth

In developing an analytical bridge between the analysis of freedoms and rights and the analysis of economic growth, a key distinction can be made between the intrinsic and the instrumental role of freedoms and rights in economic analysis.

- The intrinsic valuation of freedoms and rights focuses on the relevance of rights to the characterisation of growth and development and the evaluation of the benefits of different trajectories for individuals, groups and populations.
- The instrumental valuation of freedoms and rights focuses on the ways in which the recognition of freedoms and rights can influence the nature and scope of economic growth.

The sections that follow provide some examples of the instrumental importance of economic growth for freedoms and rights, and the instrumental importance of freedoms and rights for economic growth. This paper highlights the need for theoretical development and a robust evidence base relating to the predicated impact of rights-based interventions on economic outcomes. The possible effects of rights recognitions discussed include:

- Equity effects (focusing on the ways in which rights recognitions can strengthen the political influence of vulnerable groups through the political process and by influencing public policy).
- Opportunity effects (focusing on the ways in which rights recognitions can change the institutional environment in which markets function by broadening social opportunity and market access).
- Efficiency effects (focusing on the ways in which rights recognitions can result in improved access to information, but also the ways in which rights recognitions can promote efficient resource allocation by strengthening accountability and ensuring that appropriate 'democratic control mechanisms' are in place).

The examples discussed in the sections that follow also highlight the different types of channels and institutional mechanisms through which rights-based approaches can affect trajectories of economic growth and development. These include:

- The incorporation of freedoms and rights into public policy;
- Codification and judicial enforcement;
- Via social norms, behaviour and choices.

4. The instrumental importance of economic growth for rights

The protection and promotion of most rights requires resources, and this is obviously especially difficult in low-income countries. Where resource constraints are tight and choices need to be made, including among different rights objectives, the principles discussed above of progressive realisation of rights (and hence prioritisation) become important – while still aiming to achieve all rights objectives over time. In these circumstances, growth is important as the key means of providing increased resources (although aid can also play a role to complement this). Good growth performance is therefore important in achieving rights outcomes more quickly and more fully.

But the nature of growth is very important. One issue is that growth needs to be sustained, partly so that the commitment to the progressive realisation of rights can be honoured, but also because there is evidence from a number of studies that downturns often hit poorer groups harder (they are less able to protect themselves against adverse shocks), and that this group can respond less quickly in recovery periods. As such, volatility of growth is likely to compromise its ability to achieve sustained poverty reduction and expansion of key freedoms.

But also of central importance in attaining rights objectives is the distributional pattern of growth (the extent to which the poor participate). Experiences of fast but highly unequal growth in Brazil in the 1970s were associated with little poverty reduction impact (but rather increased inequality), and growth over the 1990s in Pakistan has had limited impact on key human development indicators and gender equality (Easterly, 2001). Clearly, a pattern of pro-poor or shared growth is appropriate for attaining rights objectives as efficiently as possible. Such a pattern of growth implies that the poorest groups are increasing their resources, which itself can enable them to achieve some key freedoms directly. However, better growth performance enables more resources for government (through increased tax revenue). Public actions will often play a central role in achieving key rights objectives; plus it is the governments that are committed to international human rights agreements.

The challenge, of course, is to achieve pro-poor growth – for many countries even growth itself, as well as the pro-poor pattern. These issues are considered in the current multi-donor OPPG project. Cross-country comparisons show that renewed growth in many countries over the last 10-15 years has almost always been associated with reductions in poverty headcount measures, and also with impressive progress in many key freedoms other than income. But over the 1990s and early years of this decade, the draft OPPG synthesis paper shows that growth has also more often than not been accompanied by increasing inequality – so reducing its poverty reducing impact. Such patterns of growth will be less effective at achieving rights objectives. That said, other countries were able to achieve a pro-poor (inequality neutral or reducing) pattern of growth. Indonesia showed strong pro-poor growth performance for 30 years prior to the 1997 crisis (Timmer, 2004), even though this growth was partly based on oil. A government commitment to shared growth over this period translated into impressive poverty reduction in rural areas.

However, it is important also to recognise that some trade-offs between growth and equity can be expected. For example, growth will frequently require increased levels of private sector investment; this can be important for employment creation for unskilled workers but may not bring significant benefits to poorer groups in the short term. Similarly, many means of attaining agricultural growth (for example, new seeds or new cultivation practices) are likely to be more easily accessible to, or willingly adopted by, larger farmers who face less risk and/or are better insured against it. Or trade liberalisation will often promote growth but this can be accompanied by increased inequality. That all said, it is important to note that even inequitable growth can achieve impressive reduction of poverty even for the poorest, as demonstrated by China's recent record. Sometimes, such increases in inequality may be temporary. If they persist, they reduce the future effectiveness of growth for poverty reduction – and generally for the achievement of other key rights and freedoms.

In addition, there is increasing evidence that high levels of inequality, in income or assets, have adverse impacts on future growth rates themselves (Alesina and Rodrik, 1994; Piketty, 1997; Aghion et al., 1999). The links between equity and growth are also to be considered in the 2006 World Development Report, which will highlight the ways in which inequality weakens the power of growth to reduce poverty. It also sets out the ways in which some forms of inequality can adversely affect efficiency and growth (for example, when the liquidity constraints of the poor result in lower investment rates, or when limited access to insurance markets constrains the production choices of the poor), and the ways in which economic efficiency losses can result from the coexistence of poverty and capital market failure. In addition, the report will suggest that inequality can adversely affect efficiency and growth via political interactions and increased political and social conflict, resulting in instability and inefficient economic choices (World Bank, 2004).

5. The instrumental importance of freedoms and rights for growth

There is increasing evidence, much of it based on cross-country studies, of the importance of key freedoms for growth, as well as for preventing downturns or managing them more effectively. For example, an important study by Barro (1996) confirms the importance of

higher schooling levels, higher life expectancy, better maintenance of the rule of law and lower fertility rates (related to female empowerment) as being key determinants of economic growth, and each of these findings has been confirmed by many other empirical studies. There is plenty of evidence that gender inequality, particularly in relation to education, has a substantial adverse impact on growth (World Bank, 2001). Thus Klasen (2001) reports that a significant proportion of the difference in growth rates between East Asia and other regions of the developing world (sub-Saharan Africa, South Asia and the Middle East) reflects the higher gender differentials in education in the latter. The gender gap reduces growth directly (lower human capital) and indirectly (through adverse impacts on fertility and investment).

The importance of effective institutions in promoting and sustaining economic growth is now widely recognised (drawing on recent work by Rodrik among others, e.g. Rodrik et al., 2002), with much of this being about the ability to guarantee key freedoms. These include the rule of law and security of property rights, but also effective arrangements for managing conflict (one of the potentially difficult issues in a high inequality environment) and providing security in economic downturns.

There has been considerable discussion about the impact of democracy on growth, partly based on the perception noted above that a number of high-profile fast growing countries did not have democratic forms of government. Some commentators have argued that introducing democracy in poorer countries may contribute to instability, ethnic division and poor economic performance – and there are examples (Rwanda in the early 1990s) where forced political liberalisation (pushing by donors) is considered by some as being an important contributor to the ensuing civil war and genocide. But the evidence (summarised in Box 2.4, 2002 Human Development Report) in general does not support the view that democracy – or democratic transitions – has an adverse impact on growth. In a recent study, Rodrik and Wacziarg (2004) find that cross-country evidence shows that democratisation has, if anything, a positive impact on economic growth. Moreover, this seems to apply equally powerfully in the poorest countries and in countries with sharp ethnic divisions. The same authors also find that transitions to democracy are associated with lower volatility in growth rates, the importance of which has already been noted.

A more considered analysis of the East Asian experience (Haggard, 1999) highlights that this case demonstrates that democracy did not have an adverse effect on growth, and was important in managing the downturn following the East Asian crisis. Transitions to democratic rule in Korea, Taiwan and Thailand were achieved without any significant effect on economic performance, and democratisation was good for growth in the case of the Philippines. Democratic politics may have contributed to economic problems in Korea and Thailand in the wake of the financial crises, with political conflict in South Korea militating against an effective government reform programme, and weak coalition government in Thailand producing 'serious and recurrent problems for policy making'. However, these political systems also had self-correcting mechanisms, in the form of elections, which authoritarian governments such as Indonesia lacked. Whereas non-democratic governments in Singapore in Hong Kong (with coherent governments and high administrative capacity) handled crisis relatively effectively, Indonesia's difficulties are attributable in part to a highly centralised regime accountable to relatively narrow constituencies and lacking checks and balances on authority and an adequate succession mechanism.

However, institutional quality rather than the political regime *per se* (democracy or not) may be the key factor. A recent OECD study (Borner et al., 2004) suggests that an apparent positive impact of democracy on growth in the statistics is mainly attributable to the relationship between democracy and the security and enforcement of property rights. Institutional quality is therefore key. In analysing the underlying determinants of this, the study finds evidence of the relationship between economic performance, democratic practice and checks on the abuse of power. The analysis here highlights the importance not only of elections but also of 'embedded democratic control mechanisms' (in the form of checks and balances on the exercise of arbitrary government). Although successful growth can occur

without these control mechanisms (e.g. in Chile, China and some of the East Asian Tigers), the authors argue that in the absence of such control measures, states often remain weak and are liable to capture by powerful interest groups. The study also links the quality of institutions to the availability of information – with transparency viewed as reducing information costs, and the proposition that press freedom is positively linked to institutional quality being supported by empirical data. Inequality is also found to be a key determinant of institutional quality – a key channel by which inequality can have an adverse impact on growth.

Given the focus on growth as a means of achieving key freedoms and rights, it is also important to consider the factors that influence the distributional pattern of growth as well as its level. Access to key resources for poorer groups (e.g. credit, health care, justice) is clearly a key issue here, given that these factors are likely to be key influences of the ability of the poor to participate in growth. This issue has been much less studied on a cross-country basis (given its more detailed informational requirements), but is considered to some degree in a number of country case studies, including several of those conducted as part of the OPPG study.

6. The instrumental role of rights recognitions in achieving effective economic growth

The two previous sections have highlighted the importance of growth for achieving the key freedoms that constitute intrinsic development objectives, but also the instrumental importance of freedoms for growth itself. Growth is clearly important in this framework; equally clearly, it is not just the rate of growth that matters, but also its distributional pattern and its sustainability (seeking to avoid downturns). To what extent can a rights perspective help in achieving these key freedoms which help attain such growth?

There is, in fact, surprisingly little social science based evidence on the impact of rights-based approaches (as opposed to other factors) in realising the key outcomes they seek to achieve. Much evidence is largely suggestive. We focus on a few cases related to key outcomes that are important for the level, distributional pattern or sustainability of growth.

Primary education

As noted earlier, there is very strong evidence from cross-country growth studies of the important role played by education; primary education is of particular relevance for the poor. There is a growing body of empirical evidence establishing the ways in which the recognition of human rights can be instrumentally important for the achievement of policy goals such as universal education and public health – particularly in situations of female disadvantage and/or entrenched inequality between different population groups. As well as strengthening equity, the instrumental role of rights in promoting education provides an example of the ‘opportunity effects’ of rights above, that is, the ways in which rights recognitions can change the institutional environment in which markets function by broadening social opportunity and market access.

The Ugandan experience illustrates the ways in which rights recognitions can be instrumentally important for the achievement of the policy goal of universal primary education. The right to education was recognised in the Ugandan Constitution (1995) and, following an election pledge by Museveni, the policy of Universal Primary Education (UPE) was introduced in January 1997, aiming to provide equitable, high-quality universal primary education, with primary school tuitions fees waived for all children from 2003. Whilst important concerns about quality and outcomes remain, UPE is widely recognised as resulting in increased educational allocations and achieving considerable success in increasing overall access, and reducing inequalities in access between gender and income groups. The general importance of elections as an explanatory variable in determining educational expenditure is the subject of a growing body of literature (for a summary, see World Bank 2005: Box 3.9). Whilst in the past the focus of debate has often been on the

possible negative implications of higher levels of public expenditure for economic growth (especially in advanced democracies), there is now increased emphasis on the critical role that democratic institutions can have in strengthening public service provision. In the Ugandan context, Stasavage (2005) finds evidence that UPE has been linked to democratic politics, and that this outcome has depended on the salience of education as an issue, as well as on the public's access to information about UPE (especially through the media).

Drèze and Sen (2002) discussion of education in India highlights the role of rights recognitions in achieving population level changes in individual expectations, behaviour and choices. Social norms are a key influence on individual decision-making, and Drèze and Sen's research highlights the possibility of influencing social norms through public discussion and social intervention – including through the recognition of new and strengthened rights. Case studies of the successful expansion of education (especially in the regions of Kerala and Himachal Pradesh) highlight the critical role of the emergence of consensual norms on educational matters in achieving social transformations in this field. Drèze and Sen suggest that the recognition of elementary education as a fundamental right can facilitate acceptance of the view that schooling is an essential part of every child's upbringing (girls as well as boys, and for children in all population groups) – a critical element of achieving emergence of a social consensus on the achievement of universal education (2002: 179-85). Against a general background of structural adjustment and general disengagement of the state, growing and broad-based recognition of elementary education as a fundamental right (as reflected in political campaigns and in recent amendments to the Indian Constitution) has contributed to the relatively rapid expansion of schooling facilities and school participation in India in the 1990s (Drèze, 2004:1725).

Information

Imperfect, incomplete and asymmetric information are key sources of market failure, hence inefficiency. These will have adverse effects on investment and public and financial sector development, which play a central role in growth. A growing body of research addresses the ways in which individual rights to information (e.g. in the form of Freedom of Information Acts) can help to increase efficiency by increasing the availability and quality of available information. Stiglitz (1999) sets out a theoretical framework for analysing the ways in which the absence of freedom of information can result in inefficient resource allocation and economic inefficiency. He highlights the adverse economic effects of the failure to respect the right to freedom of information, suggesting that less access to information often results in capture by special interests and in corruption by government officials, with strongly adverse consequences for investment and economic growth. Market imperfections give rise to agency problems (e.g. disparities in the actions of managers and interests and shareholders). In the private sector, informational asymmetries can create barriers to the entry of outside managers to takeovers, increasing managerial rents at the expense of shareholders, with the lack of information for outsiders increasing the costs of transition and making it more expensive to change management teams. Similarly, in the public sector, informational asymmetries can place elected officials at an advantage over their competitors. Stiglitz concludes that lack of freedom of information benefits incumbents over rivals, resulting in distortions in private and public decision-making. Strengthening rights to information can reduce the magnitude and consequences of these agency problems, with greater access to information and resulting in better, more efficient, resource allocation.

Accountability

The possible 'efficiency effects' of rights discussed above include not only the ways in which rights recognitions can result in improved access to information, but also the ways in which rights recognitions can promote efficient resource allocation by strengthening accountability and ensuring that appropriate 'democratic control mechanisms' are in place. It is relevant, then, that Stiglitz (2002) links the advantages of increased information to extensions of accountability and transparency in both the corporate and public sectors. He emphasises the participatory processes as a 'public good' – with an active civil society functioning as a check on abuses of power and influence and a source countervailing power – and recommends

extensions of individual rights to freedom of information and citizens' rights to legal recourse to sue. Drèze (2004: 1726) also discusses the important role that freedom of information can play in extending public accountability and efficiency. The right to information movement in India, which calls for a blanket right to access to all public records at all times of all citizens, has already led to concrete results in relation to the reduction of corruption in public life. In Rajasthan, for example, the 'Right to Information Movement' has contributed to important steps forward regarding the eradication of corrupt practices in relief works.

These arguments are in fact reflective of a key theme emerging in the development literature, namely, that a range of different complementary institutions (political, economic, legal etc.) is necessary for achieving accountability and efficient resource allocation. Elections are unlikely to be sufficient; other types of extensions of democratic practice (in the form of 'countervailing power mechanisms' and 'democratic control mechanisms') can also be important in reducing corruption and the inequities and inefficiencies associated with elite and interest group capture. For example, the OECD cross-country study on the underlying determinants of economic growth finds evidence of the relationship between the quality of institutions and 'checks and balances' on the abuse of power and the exercise of arbitrary government. Although successful growth can occur without 'embedded democratic control mechanisms' (e.g. in Chile, China and some of the East Asian Tigers), the authors hypothesise that in the absence of such control measures, states often remain weak and are susceptible to capture by powerful elites and interest groups. They find that economic performance in democracies can also be enhanced by 'embedded democratic control mechanisms' and extensions of democratic practice.

Public sector reform

Both the 'efficiency effects' and the 'equity effects' of rights as discussed above are relevant to the design and implementation of a successful programme of public sector reform. The public sector, as the leading provider of education, health and infrastructure, plays a key role in attaining not just growth itself, but specifically pro-poor growth. The efficiency of the public sector is thus of key importance for both efficiency and equity reasons. The role of strengthened accountability mechanisms in reducing corruption and achieving efficient public service delivery is increasingly highlighted in policy advice (e.g. World Development Report, 2004). Increasing the influence of beneficiaries over providers is key to the policy advice, and two types of direct accountability mechanisms have been highlighted for this purpose.

- Accountability-based mechanisms that focus on the extension of choice between service providers (e.g. by extending choice between public sector providers and/or facilitating the use of private and independent providers, sometimes using public finance).
- Accountability-based mechanisms that focus on strengthening 'voice' through extensions of democratic practice (including beneficiary participation, scrutiny and monitoring, direct management, strengthened complaints procedures and rights to information) as a complement and/or a substitute for choice- and exit-based mechanisms.

In the Indian context, Drèze and Sen (2002: 363) discuss the ways in which public sector inefficiency has resulted in systematic public policy failures in education, health and food security. Drawing on case studies, their analysis links persistent public sector inefficiency to a lack of public sector accountability, highlighting the failure to introduce effective accountability mechanisms in the context of even the most extreme forms of public policy failure (such as public health centres being closed on a work day, or systematic absenteeism by teachers in public schools) and suggests that low accountability in the schooling system has played a role in depriving millions of children of basic education. Their recommendations for a major programme of accountability-based public sector reform in India highlight the important role of 'counter-veiling power structures' in asymmetric power situations – with the possibility of concentrations of power in one domain being checked and restrained by a counter-veiling configuration of forces in another domain. They raise the need for public participation and scrutiny, audits, complaints mechanisms, electoral procedures and legal action in this context. In addition, Drèze and Sen (2002) and Drèze (2004) link discussions

about public sector accountability to discussions about human rights. They suggest that invoking human rights, including economic and social rights, can increase 'voice' and provide an additional source of 'counter-veiling power'. The Right to Information movement (discussed above) and the Right to Food campaign in India (discussed below) provide illustrations.

Citizen's needs, the media and political competition

For growth to be pro-poor, it is important that public policies focus on the needs of poor. The 'equity effects' of rights are particularly important here and 'rights recognitions' and extensions of democratic practice are among the underlying determinants of the distributional pattern of growth. An important theme in the literature relates to the ways in which the influence of vulnerable groups on public policy might be strengthened in order to prevent 'capture' by elites and more dominant social groups – including the positive role that extensions of democratic practice can play in increasing the 'voice' of vulnerable groups in electoral democracies. Again, there is an important link with the international human rights framework, and the ways in which the recognition of human rights (including economic and social rights) might function to increase the influence of subordinate groups in collective decision-making.

Besley and Burgess (2002) take the analysis forward by developing a formal framework for analysing the responsiveness of governments to citizens' needs in electoral democracies. The framework addresses the central question of whether the needs of vulnerable citizens are reflected in government policy in situations where vulnerable populations rely on state action for their survival. The underlying theoretical model (based on solutions to political agency problems) links the actions of an incumbent government to re-election incentives – with the question of whether a vulnerable population group has sufficient power to 'swing' electoral outcomes viewed as critical in determining whether government policy is responsive to the demands of the vulnerable population group in question. Besley and Burgess test the hypothesis that having a more informed and politically active electorate strengthens incentives for governments to be responsive to citizens needs, using Indian panel data for 16 major Indian states for the period 1958-92. State governments in India are found to be more responsive to falls in food production and crop flood damage (via food distribution and calamity relief expenditure) where newspaper circulation is higher and electoral accountability is greater.

Political incentives and famine prevention

Famine clearly represents an extreme example of an unsustainable pattern of growth, which can also have major adverse longer-term impacts on growth. Sen (1999a:178-186 among others) and Drèze and Sen (1989, 2002) have made an important contribution to discussions around these issues by establishing the ways in which democratic forms of government and civil and political rights can provide critical incentives to governments in the context of famine prevention – by disseminating information, facilitating public scrutiny and debate, building up political opposition, increasing pressure on governments, proving for the correction of errors, and helping to precipitate a more effective public policy response. In building up a general picture of an association between democracy and successful famine prevention, Sen has argued that no substantial famine has ever occurred in an independent and democratic country where government tolerates opposition, accepts the electoral press, and can be publicly criticised. In India, for example, the incidence of famines in India until independence in 1947 (for example, the Bengal famine in 1943 killed between two and three million people) contrasts with the post-independence experience following establishment of a multiparty democratic system, where timely public action has helped to effective public policy responses to the threat of famine (e.g. through food for work schemes and public food distribution) and has successfully avoided significant and widespread excess mortality through famine deaths. Drèze cites public action during the Rajasthan drought of 2002-03 as a recent example of this phenomenon (2004: 1727).

Evidence from China further illustrates the ways in which the absence of democracy and civil and political rights can militate against successful famine prevention and contribute to socio-economic shocks that are harmful to growth. When the Great Leap Forward proved to be a mistake, disastrous policies were not corrected for three full years (1958 to 1961), while 23 to 30 million people died. Although evidence relating to a number of different causal factors is relevant here, Drèze and Sen suggest that the failure of public policy to respond effectively to a famine situation fits into a more general pattern of failures of public policy in times of socio-economic crisis. Furthermore, the excesses of the Cultural Revolution in China provide an important exemplar of the ways in which the absence of civil and political rights can contribute to efficiency losses through informational failure. Assumptions at the centre regarding food stocks during this period were considerably greater than food stocks in practice turned out to be – and civil and political rights can have an important informational role in the ‘corrections of errors’ and ‘mistaken assumptions’ within complex bureaucratic systems.

The example of the Right to Food campaign in India

Assuring food security is clearly a key ultimate policy objective, but is also important for both growth rates (malnutrition having adverse impacts on production) and for the distributional pattern of growth. The Right to Food campaign in India illustrates the important role that the legal enforcement of human rights can play in promoting both equity and efficiency in food security policy). For example, Drèze and Sen (2002: vii, 336-39) and Drèze (2004: 1723) link the roots of ‘nutritional crisis’ in India to the influence of organised agricultural interests on food security policy. High ‘minimum support prices’ for food grains, fixed by government under pressure for influential farmers lobbies, have boosted production and resulted in food buffer stocks increasing to well above official levels amid ‘continuation of the severest incidence of under-nourishment in the world’. The Right to Food campaign demonstrates the ways in which legal protection of the right to food under the Indian Constitution can be invoked as a basis for challenging this policy and can function to increase the ‘voice’ and influence of vulnerable groups vis-à-vis organised agricultural interests in public decision-making.⁵

The Right to Food campaign illustrates the possible ‘efficiency effects’ as well as the ‘equity effects’ of the legal codification of human rights. In the Case of People’s Union for Civil Liberties, the Indian Supreme Court addressed the occurrence of starvation deaths despite the availability of surplus food reserved for famine situations. The People’s Union alleged that, in various locations, established policies and arrangements for preventing starvation deaths were being inadequately and inefficiently implemented – with incomplete coverage of the population at risk, inefficient delivery mechanisms, and inadequate provision for meeting minimum needs. This included uneven implementation of the Famine Codes introduced to protect people from death through starvation under officially recognised famine conditions; the failure of the public food distribution system, restricted to families below the poverty line, to meet minimum nutritional standards; and Food-for-Work programmes with ‘labour ceilings’ and inadequate cash and food provision. Legal protection of human rights under the Indian Constitution facilitated scrutiny and accountability in relation to public policy. In a ground-breaking interim order, the Supreme Court of India found systematic failure by the government to implement and finance the various policies and arrangements officially in operation.⁶

5. It has been argued that various economic and social rights, including shelter, an adequate standard of living, and medical care, are derivable from the right to life under the Indian Constitution. The right to food is arguably derivable from the right to life under Article 21, supported by directive principles.

6. Supreme Court of India, 2001, unreported, 2 May 2003; interim order of the Supreme Court as summarized in COHRE (2003: 24). The Court ordered that Famine Codes be implemented for three months; that Food-for-Work schemes be strengthened through increased grain allocations and finances; and that the access of families below the poverty line to grain at the set price at ration shops be improved and that individuals without means of support (including older persons, widows and disabled adults) be granted ration cards for free grain. State governments were also ordered to implement the ‘mid-day meal scheme’ in schools on a progressive basis. Significant progress in implementing this scheme is reported in Drèze (2004: 1728).

6. Conclusion

This initial survey has highlighted many of the main issues relating rights concerns and growth issues. It has argued that there is much less of a trade-off between the pursuit of poverty reduction through economic growth and the pursuit of rights objectives, but rather that there are significant complementarities: policies to achieve key rights outcomes can have a positive impact on growth, and in a way which is consistent with contemporary theoretical and empirical work on determinants of growth. This paper only represents a first sketch of available evidence, both in relation to growth and the analysis of the policies to achieve key freedoms and rights. At this point, further work should build on this initial survey, developing both the framework sketched out here and extending the empirical evidence. An important part of this will be to incorporate into this debate more explicitly internationally recognised standards in the field of human rights.

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