

Review Paper

# Human Right and Stable Economic Growth: Implications for Corporate Social Responsibility

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## ABSTRACT

Stable economic growth is usually a factor of several indices. Modern economists generally believe that economic growth is principally and primarily influenced by factors around it thus, the paper studied the relationship between human rights and stable economic growth observing that these variables could affect directly on corporate social responsibility initiatives. The study examined the nexus between human rights, stable economic growth and corporate social responsibilities. Explorative research design was adopted. The study adopted secondary sources of data. The study sample size was the 19 countries in the population of G-20. The study explanatory variable is human right, measured by Best Countries Index, while the dependent variable is stable economic growth, measured by Gross Domestic Product per capital and Human Development Index. Ordinary least square regression analysis was adopted. The findings of the study exposed that measuring a country's human rights does not immediately translate to an improved economy. There is a need to improve the measurement criteria of human rights and make it more economical and quantitative to aid scientific testing. The study concludes that a country that monitors and improves its human rights indicators and encourages formal and informal businesses to embark on corporate social responsibilities would improve its ratings. The study recommends that countries should make a conscious effort to improve the defense of human rights to reflect the country's perception and its image. The study would assist policymakers in measuring human rights and formulate policies that would assist the government in pursuing these factors deliberately to improve economic growth.

## HIGHLIGHTS

- This paper is devoted to highlighting the relationship between human rights and stable economic growth and the effect of these variables on corporate social responsibility initiatives. The study suggested that a country's human rights does not immediately translate to an improved economy. However, a country that improves and monitors its human rights and encourages businesses to embark on corporate social responsibilities would improve its ratings.
- The study recommends that countries should make an effort to improve the defense of human rights to reflect the country's perception and its image.

**Keywords:** Human rights, economic growth, corporate social responsibility, gross domestic product

The United Nations development charter has defined human rights as rights basic and innate to all humans, regardless of sex, race, ethnicity, nationality, religion, language, and any other status. Human right include right to existence and liberty, freedom from being slaves and being tortured, freedom of opinion and expression, work

and training, growth and ownership and many others (Marinki & Tea, 2014). The call for human

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rights and their applicability is as old as modern-day civilization. The Worldwide Affirmation of Human Rights (UDHR) was permitted by the 56 members of the United Nations in 1948 (Frans, 2019). As a result, the first international human rights conference was held in Teheran in 1968 where the charter that established human rights agreed that human right is difficult to measure (Human Rights Measurement Initiative). The anticipation to assess if there is a contributory link between human rights and stable economic growth, though desirable, would be challenging and explorative at best. Economic growth itself is not a new proxy. For instance, according to the association of corporate citizenship professionals, economic growth started to take preserve in the United States of America within the 1970s, whilst the idea of social agreement between business and society was declared, employing the Committee for Economic Development in 1971 (Jok, 2020).

Corporate social responsibility initiatives stimulate and trigger entrepreneurship, competition and market expansion. Higher share of corporate social responsibility in the economy means higher economic growth (Marinki & Tea, 2014). Stable economic growth is usually a factor of several indices. Land, labour, capital, and entrepreneur are the indices first relied on for measuring economic growth. However, these indicators have been modified and strengthened to include information, technology, human behavior, social responsibility and several other indicators in recent times (Marinki & Tea, 2014). As such, stable economic growth may be likened to human right. A country like Denmark, which is ranked 2nd in the countries that care about human rights, is 12th in the ranking in the overall Best countries in the 2021 study. According to John (2019), modern economists generally believe that economic growth is principally and primarily influenced by factors around it. Thus it is, in fact, exploring to study the relationship between human rights and stable economic growth observing that these variables could affect directly on corporate social responsibility initiatives.

Generally, it can be postulated that human rights and economic growth are contemporary issues to scholars and studies. Several authors have discussed human rights at one time in several articles, forums, and peer reviews (Čertanec, 2019;

Adagye & Ibrahim, 2019). This shows the topic is typical to scholars. However, it is difficult to find literature that attempts to establish relationships between human rights and economic growth, especially in different fields of study. More so, the US News and world report' (2021), a non-governmental news agency, attempts to rank countries into several categories using a variety of metrics. The study concluded that the best countries usually do not have the highest GDP and surprisingly are not the best countries that care about human rights. It was also revealed that the report was based on perception studies using carefully designed survey techniques. Thus, the study considered the constrain and limitations of the research to be that of a lack of quantitative analysis that can be regressed and proposed to rely on the research design to help gain insight into the subject variables. This study therefore attempts to initiate this discussion.

The objectives of the study are summarized below:

- ♦ To assess the causal relationship between human rights and stable economic growth.
- ♦ To evaluate the generally accepted measurement criterion that can be universally relied on as proxies to evaluate the effect of human rights on the level of economic growth in an economy by these proxies
- ♦ To examine the extent to which the variable can be isolated and tested with economic growth
- ♦ To investigate the relationship in the form of correlation between the levels of the variable, human rights, that could significantly affect economic growth in an economy.

The findings of this study would assist policymakers in measuring human rights and formulate policies that would assist the government in pursuing these factors deliberately to improve economic growth. Answers to these objectives would also inspire studies around human rights as an economic tool rather than just social order or a desirable state of influence.

## LITERATURE REVIEW

### Economic Growth

The measure of Gross Domestic Product signifies the economic growth in a country. Economic growth

can be defined as an increase in the number of goods and services produced in a country measured over time adjusted for inflation. Economic growth is the sustained increase in the net real national product (or income) per inhabitant (Van, 2013). According to him, as a general practice, economic growth is not measured against production capacity, as there is very difficult to estimate. Rather, it is measured against national production. He also defined economic growth as 'a sustained increase in the net real national product (or income) per inhabitant. Economic growth is an increase in the capacity of an economic system to produce services and goods, measured from one period of time to another (Van, 2013). In his definition, economic growth may be measured in either nominal or real terms. If measured in real terms, it has to be adjusted for inflation. Van also noted that although alternative metrics are sometimes used but traditionally aggregate economic growth is measured in gross national Product (GNP) or gross domestic product (GDP). This paper adopted the latter. Kevin (2021) explained that economic growth occurs whenever people take resources and rearrange them in more valuable ways. Fleming (1970), in his report of a conference at Ditchley, 1970, discussed the flaming five factors likely to affect economic growth. These factors are outlined below.

The pivotal determinant of the economic growth of a country is it human resource. The growth of an economy is directly affected by the qualitative and quantitative value of available human resources. The quality of human resources is dependent on the quality of its skills, creative abilities, training, and education. Therefore, so that economic growth can be achieved, the availability of human resources of a country should be adequate in number with the required skillset and competence. Natural resources involve resources produced by nature either on or under the earth. The resources on earth include plants, water resources and landscape. The resources beneath the land or underground include crude oil, gas, and minerals. Climatic and environmental conditions influence the resources of a country. A country having the skillful and proficient workforce with abundant and useful natural resources would take the country's economy on the growth path. However, some countries have few natural resources but high per capita incomes, i.e. Saudi Arabia, leading to high economic growth.

Capital formation involves investment in land, building, machinery, power, transportation, and communication medium. Producing and acquiring all these manufactured products is termed capital formation. Technological development requires the use of scientific methods and advanced techniques. Technology can be defined as the nature and type of technical instruments used by a certain amount of labour. Technological development aids in increasing productivity with a limited amount of resources. Social and political factors also play a crucial role in the economic growth of a nation. Social factors connote beliefs, traditions, customs and values that contribute to the growth of an economy to an extent. A society with unconventional beliefs and superstitions resists adopting modern ways of living. In such a case, achieving economic growth becomes difficult.

### **Human Rights**

The United Nations development charter has defined human rights as 'rights basic and innate to all humans, regardless of sex, race, ethnicity, nationality, religion, language, and any other status. Human right include right to existence and liberty, freedom from being slaves and being tortured, freedom of opinion and expression, work and training, and many others. Andrew (1962) defined Human rights as 'basic moral guarantees' that people in all countries and cultures allegedly have because they are people (Nickel, 2007; Guellil & Benhabib, 2022; Quacoe *et al.* 2022). The United Nations has defined many internationally well-known rights, including civil, cultural, monetary, political and social rights. The United Nations has additionally mounted mechanisms to promote and guard those rights and help states carry out their responsibilities. It has additionally agreed on mechanisms to sell and guard these rights and assist states in carrying out their duties.

The foundations of this frame of law are the Charter of the United Nations and the Universal Declaration of human rights, adopted through the General Assembly in 1945 and 1948, respectively. Since then, the United Nations has steadily multiplied human rights law to embody specific standards for women, kids, and people with disabilities, minorities, and different susceptible businesses, who now own rights that guard them against discrimination long

ago in many societies. Nayar (1980), in his article, identified five categories of rights as defined by the UN bill of rights. They are as discussed below;

### **(i) Individual (civil) rights**

This is the right to life, liberty, and safety of persons; right to privacy and the liberty of movement; ownership of the property; freedom of thought, conscience, and religious belief and practice; prohibition of slavery, torture, and cruel or degrading punishment.

### **(ii) The rule of law**

This is the equal recognition before the law and equal protection of the law; effective legal remedy for violation of rights; impartial hearing and trial; presumption of innocence; and prohibition of arbitrary arrest.

### **(iii) Rights of political expression**

This right includes freedom of expression, assembly, and association; the right to participate in government; and periodic and meaningful elections with universal and equal suffrage.

### **(iv) Economic and social rights**

an adequate standard of living; free choice of employment; protection against unemployment; "just and favourable remuneration"; the right to form and join trade unions; "reasonable limitation of working hours"; free elementary education; social security; and the "highest attainable standard of physical and mental health."

### **(v) Rights of communities' self-determination and protection of minority cultures**

Sometimes, Monsieur René Cassin is referred to as the father of the Universal Declaration of human rights. He was a French-Jewish jurist, law professor and judge. Efforts to establish basic rights began a very long time ago. Some scholars believe they began thousands of years ago. An important early document in these efforts was the Magna of 1215, which gave rights to persons and guaranteed that England's king would be answerable to the law. Magna became a reference guide for later reviews and reports, for instance, the United States Constitution's Bill of Rights, adopted in 1791. The

Bill suggested the idea of universal rights, but in practice, it was not truly universal. The NC State University identifies three generations of human rights development.

### **(a) Enlightenment Generation, 17<sup>th</sup> to 18<sup>th</sup> century**

The first "generation" considered civil and political rights. It derives primarily from the seventeenth and eighteenth-century political theories noted earlier. This was associated with the French, English and American revolutions. Think "life, liberty, and the pursuit of happiness." These times favoured limiting government by placing restrictions on state action.

### **(b) Socialist tradition, the Nineteenth Century**

This second generation of rights includes economic, social, and cultural rights. This view originates primarily in the socialist traditions of Marx and Lenin. According to this view, rights are conceived more in positive rather than negative terms and thus encourage the state's intervention. Articles 22-27 of the Universal Declaration of Human Rights demonstrate these rights. The socialist tradition include the right to social security, the right to work, a standard of living adequate for the health and well-being of self and family, and the right to education.

### **(c) The 3<sup>rd</sup> generation - "solidarity rights" (20<sup>th</sup> Century)**

These views are a product of the rise and decline of the nation-state in the last half of the twentieth century. These rights have been championed by the Third World and remain somewhat controversial and debated. The specific rights include the right to political, economic, social, and cultural self-determination, economic and social development, and the right to participate in and benefit from "the common heritage of mankind."

Understanding human rights have been defined as subjective; however, the attempt to understand the concept, i.e., from standard-setting to effective measurement and implementation, depends on the availability of the correct instrument for policy formulation and evaluation. The United Nations Office of the High Commissioner in

2018 propounded a guide that can be relied on in developing indicators (variables) in measuring human rights. The document understood that there are several issues to consider identifying indicators for use in human rights assessments: To assess what do we need to measure: To evaluate the potential indicators of what we want to measure: To investigate how many indicators are required to assess the implementation of a human right: To identified indicators be used to rank countries according to their human rights performance. The approach to conceptualizing the indicators depends on how these issues are addressed and the assumptions made. However, the actual process of measuring these indicators is beyond the scope of this study.

### **Corporate Social Responsibility**

Initially, corporate social responsibility was considered philanthropic. However, it has evolved to do with organizations' attempts to initiate actions that will positively impact its host community, its environment, and the human beings, typically away from its core mandate of maximizing profit. Corporate social responsibility is regarded as a comprehensive set of regulations, practices, and programmes incorporated into enterprise operations, supply chain, and decision-making strategies integrated into business operations, supply chain, and decision-making processes throughout the company and wherever the company does businesses endorsed and praised by the board and top management (Macmillian, 2005). It also includes responsibility for current and past decisions and future impacts. Corporate social responsibility is concerned with treating the firm's stakeholders ethically or socially responsible (David, 2012). Therefore, corporate social responsibility can be referred to as decisions and actions taken by organizations for reasons at least, particularly beyond the organization's direct financial or business interest or even its technical benefit. From the definitions above, it stands out that corporate social responsibilities are activities undertaken by companies to maintain balance and sustain a harmonious working relationship with their communities and not necessarily for profit.

The origin of corporate social responsibility cannot be pinned on one specific location and or community

or company. However, Thomas (2019) opines that evidence of businesses' concern for society can be traced back to activities of companies originating from the ages of the Industrial Revolution. There were concerns about the well-being of workers and their productivity levels among wealthy industrialists in the late 1800s (Thomas, 2019). Thomas (2019) further explained that companies had always relied on corporate social responsibility to give back to society while improving and advertising brand reputation. This concept as we know it today is mainly a consequence of the twentieth century, taking shape in the early 1950s. Howard Bowen, an economist, ceremoniously referred to the term Corporate Social Responsibility for the first time in 1953 in his published work 'Social Responsibilities of the Businessman'. Bowen is often considered and referred to as the father of CSR (Thomas, 2019).

By the 1980s, corporate social responsibility continued to evolve as more organizations incorporated 'social interests' in their business models while becoming more responsive to stakeholders (Thomas, 2019). The 1990s saw the beginning of widespread approval of Corporate Social Responsibility. Business management author and Professor Archie B. Carroll at the University of Georgia published a seminal paper, 'The Pyramid of Corporate Social Responsibility. In the article, Carroll expanded on areas he believed were crucial when implementing CSR in an organization (Thomas, 2019). By the early 2000s, Corporate Social Responsibility had become an essential strategy for many organizations. Rich firms, such as Wells Fargo, Coca-Cola, Walt Disney, and Pfizer, incorporated this concept into their business's models (Thomas, 2019).

### **Human Right, Economic Growth and Corporate Social Responsibility**

Any review of economic growth would be insufficient if it is not anchored on the activities of the society. Indeed, several opinions confirm that the measurement of economic growth and development is strengthened by the contributions of both the formal and informal business factors.

US News and world report' (2022), a non-governmental News agency, attempts to rank countries into several categories using a variety of

metrics. The study and method used to score and rank countries were developed by BAV Group and Wharton School of the University of Pennsylvania, notably Professor David Reibstein, in consultation with US News & World Report. In the 2022 report, two sets of reports stood out for this study; best Countries Overall Rankings 2022 report and countries that care about human rights reports. The methodology used to score countries in the first report to measure variables such as; Agility, Entrepreneurship, Quality Of Life, Movers, Social Purpose, Cultural Influence, Open For Business, Power Adventure, Heritage and most importantly, the Country's Gross Domestic Product. The global perception index report was based on perception studies using carefully designed survey techniques for the second report. The study concluded that the best countries usually do not have the highest GDP and surprisingly are not the best countries that care about Human rights.

Hammarberg (2021) studied human right and the community. Human rights can never be fully measured in statistics; this is because, in his opinion, 'the qualitative aspects are too important. In 2012, their quantitative and qualitative indicators were one such essential tool. While the significance of indicators for the realization of human rights is extensively known or even enshrined in human rights treaties, as in article 31 of the Convention at the Rights of Persons with Disabilities, their use has no longer yet become systematic. The conclusion, however, is not that the human rights community should avoid using quantitative facts but rather learn how to use them effectively. The study recommended that the challenge is to improve the knowledge on how to plan such fact-finding, assemble the data, organize them meaningfully and present and disseminate them properly in order that high standards of relevance and reliability are met.

Posk *et al.* (2021) studied the relationship between corporate social responsibility and the society. Corporate social responsibility entails that a corporation 'should be held accountable for any of its actions that affect people, communities, and its environment'. It implies that negative business impacts people and society should be acknowledged corrected, if possible. The study concluded that it may require a company to forgo some profits if its

social impacts are seriously harmful to some of its stakeholders or if its fund can be used to promote a positive social good.

Korhonen (2019) assessed should we measure corporate social responsibility. The study opined three main points of critique, presented toward the current efforts in the literature to measure corporate contributions to economic, social and ecological sustainability. The concepts of eco-efficiency and eco-efficacy in measuring corporate contributions to sustainability are criticized from the complementarity relation of human-manufactured capital, natural capital and sustaining social functions. The measures that focus on an individual processor company are reconsidered with an approach to industrial and firm networks. Lastly, the monetary value is reconsidered. The study concluded that the social and ecological indicators illustrating economic activity and firms' social and environmental impacts could be combined with economic indicators. It was recommended that corporate responsibility should not be expressed in monetary terms.

Čertanec (2019) drew connections between corporate social responsibility and human rights in an exploratory study. The author verified empirically that enterprise entities have a responsibility to recognize human rights and that this duty becomes a part of their corporate social duty. The researcher advocates that business human rights issues are distinct from the issues raised by corporate social responsibility in their legal nature and content, while the strategic approach to implementing these concepts is the same. The author examines finally if voluntary corporate social responsibility initiatives include human rights and how society understands the connection between the two. The article concluded that there was an interconnection between these two terms from the company's perspective. Letnar (2009) definition of corporate social responsibility properly encapsulates Čertanec (2019) assertions. Letnar (2009) defined it as 'commitment of a business enterprise to respect fundamental human rights, ensure the rule of law, prevent corruption, protect the environment, act ethically, pursue economic development, and improve the quality of life for employees, the local community and society as a whole.

## Underlying Theories

Related theories in line with the motivation of the studies were reviewed. The theories are signaling theory, stakeholder theory and theory of social contract.

### (i) Signaling Theory

Signaling theory was first was initially developed by Spence (1975) based on observed knowledge gaps between organizations and prospective employees. The signaling theory talks about the reason firms have a motivation to report information to the capital market voluntarily. Investors will protect themselves by offering a lower price for the company because insiders know more about a company and its future prospects than investors do (Omran & El-Galfy, 2014; Thorne *et al.* 2014; Kobayashi & Takahata, 2022; Mubeen *et al.* 2022). If the firm voluntarily reports private information about itself that is credible and reduces outsider uncertainty, however, the value of the company can be increased (Connelly *et al.* 2011; Mahoney, 2012). Signaling theory has been used to explain voluntary disclosure in corporate reporting (Ross, 1977), although it was originally developed to clarify the information asymmetry in the labor market (Spence, 1973). In order to signal that an organization is better, disclosure on corporate social responsibility is one of the signaling means, where companies would disclose more corporate social responsibility information than the ones mandatory by laws and regulations (Mahoney, 2012; Thorne *et al.* 2014).

### (b) Stakeholder Theory

Stakeholders' theory was first propounded by Edward (1984). Stakeholders create, increase, and maintain the value of an organization (Adeleke, 2014). The stakeholder theory relies on this premise. Corporate social responsibility specifies organization's responsibilities, whereas the stakeholder theory designates to whom the organization should be accountable. These positions suggest that contemporary business concern should not only be on the shareholders or employees but on the entire stakeholders of the organization, which includes government and communities; without their continuous participation, the corporation cannot survive as a going concern (Adagye & Ibrahim, 2019).

### (c) The Theory of Social Contract

The best-known proponents of this theory are Jean-Jacques Rousseau, John Locke and Thoma Hobbes. Social contract theory believes that someone's moral or political responsibility and commitment are dependent upon an unwritten contract or agreement among them to form and improve the society in which they reside. The social contract theory is almost as old as philosophy itself. It explains why in 399 BC, rather remain in prison and accept the death penalty rather than go rather than be exiled in another Greek city. Social contract theory has influenced the development of several other philosophical, economic, and political arguments in the ancient and recent past. It is one of the most dominant theories within moral and political theory throughout history. Social contract theory has been reported to have influenced the development of human rights and corporate social responsibility (Ibrahim, 2019). More recently, scholars from different studies have offered new criticisms of social contract theory.

The study is anchored on social contract theory. It is convinced that theory of social contract explains the justification that human rights and stable economic growth. It could also premise the implications for economic growth and on the ability to draw causal relationships between the concepts initially stated. The theory of social contract draws its thinking historically in Hobbes (1946), Rousseau (1968), and Locke (1986). The business and society relationship is viewed from the philosophical thought (Donaldson, 1982). There exist an implicit social contract between business, society and the economy and this contract implies some indirect obligations of business towards society (Dunfee, 2006).

## METHODOLOGY

This study is exploratory. It follows, therefore, that the design approach adopted is explorative. The study has considered the constrain and limitations of the research to be that of a lack of quantitative analysis that can be regressed and proposed to rely on the research design to help gain insight into the subject variables, i.e. human rights, corporate social responsibilities and economic growth. Therefore, the objective of this design method is to obtain insights into the general nature of the problem statements

as itemized and to define them concisely. Another objective of this design approach is to understand the problems in the environment, the practicability of this study, and correctly identify the proxies around the subject matter.

The proxies used for the variables used in this study are as follows:

**Table 1: Operationalization of Variables**

Variable	Proxy
Human Right	The study relied on the report by the “US News and world report”, which ranked countries into several categories using a variety of metrics. The study and method used to score and rank countries were developed by BAV Group and Wharton School of the University of Pennsylvania, notably Professor David Reibstein, in consultation with US News & World Report.
Economic Growth	Gross Domestic Product per capital and Human Development Index These proxies for the G 20 Countries were provided by Country Economy retrieved from <a href="https://countryeconomy.com/countries/groups/g21">https://countryeconomy.com/countries/groups/g21</a>

**Sample Selection**

The G-20 is made up of 19 countries and the European Union. It was created in 1999, in order to deal with important issues in the world economy. It is a forum of finance ministers and central bank governors of twenty major world economies. The G-20 is made up of the world’s leading industrialized and emerging economies. The sum of the population of its member countries represents two thirds of the world’s population and 85% of GDP (Country Economy, 2022).

The study sample selection was the 19 countries in the population. The list of the sample size is as follows:

**Table 2: Samples of the Study**

Sl. No.	Country	Sl. No.	Country
1	Argentina	11	Japan
2	Australia	12	Mexico
3	Brazil	13	Russia
4	Canada	14	Saudi Arabia
5	China	15	South Africa

6	France	16	South Korea
7	Germany	17	Turkey
8	India	18	United Kingdom
9	Indonesia	19	United States
10	Italy		

Source: <https://countryeconomy.com/countries/groups/g21>.

Ordinary least square (Linear regression) was used to regress the variables extracted for the 19 countries in the G 20. Linear regression analysis was used as the objective was to investigate if the independent variable (Human rights Index) can be used to predict the value of the dependent variable (GDP) just simply based on the value of the GDP.

**RESULTS AND DISCUSSION**

This study discusses human rights and stable economic growth and finds out whether there are implications for corporate social responsibilities that could affect stable economic growth. The findings of the study are shown and discussed below:

**Table 3: Summary statistics for Human Right Perception against GDP per Capital**

Variable	Obs.	Obs. with missing data	Obs. without missing data	Min	Max	Mean	Std. deviation
GDP per capita In Dollars	19	0	19	2204.00	69231.0	27835.474	21647.419
Human Right Perception	19	0	19	1.0	68.0	32.737	20.949

**Correlation matrix**

	Human Right Perception	GDP per capita In Dollars
Human Right Perception	1	-0.757
GDP per capita In Dollars	-0.757	1

Regression of variable GDP per capita In Dollars:  
Goodness of fit statistics (GDP per capita In Dollars):

Observations	19
Sum of weights	19

DF	17
R <sup>2</sup>	0.572
Adjusted R <sup>2</sup>	0.547
MSE	212131112.218
RMSE	14564.721
MAPE	96.656
DW	2.276
C <sub>p</sub>	2.000
AIC	366.168
SBC	368.057
PC	0.528

**Table 4:** Summary statistics for Human Right Perception against Human Development Index (HDI)

Variable	Obs.	Obs. with missing data	Obs. without missing data	Min	Max	Mean	Std. deviation
HDI	19	0	19	0.645	0.947	0.843	0.092
Human Right Perception	19	0	19	1.000	68.000	32.737	20.949

Correlation matrix:

	Human Right Perception	HDI
Human Right Perception	1	-0.726
HDI	-0.726	1

Regression of variable HDI:

Goodness of fit statistics (HDI):

Sum of weights	19
DF	17
R <sup>2</sup>	0.527
Adjusted R <sup>2</sup>	0.499
MSE	0.004
RMSE	0.065
MAPE	6.096
DW	2.306
C <sub>p</sub>	2.000
AIC	-102.109
SBC	-100.221
PC	0.584

## DISCUSSION

Human rights and corporate social responsibilities may have implications for stable economic growth.

However, these may not be significant as evidenced from the results (goodness of fit). When the human right perception index was regressed with GDP per capital, it indicated the R<sup>2</sup> value of 0.57 and an adjusted R<sup>2</sup> value of 0.54. This is an indication that Human Right Perception Index (HRPI) per capital can only be slightly used to predict GDP. Similarly, when regressed against Human Development Index, it indicated the R<sup>2</sup> value of 0.53 and an adjusted R<sup>2</sup> value of 0.50 indicating a similar result. Similarly, the perception index report collaborates with this finding that in measuring a country's human rights, this does not immediately translate to an improved economy (US News and World Report, 2022). While respecting human rights and promoting social justice can contribute to long-term economic growth, it is not necessarily a guarantee of short-term economic success. Economic growth is influenced by a complex set of factors, including political stability, trade policies, infrastructure, access to resources, and technological advancements, among others. Referring to Table 5, the ranking of countries has demonstrated that, a country like Denmark, which is ranked 2<sup>nd</sup> in the countries that care about human rights, is 12<sup>th</sup> in the ranking in the overall best countries in the 2021 study.

**Table 5:** Relationship showing Human Right Index with Best Countries Index

Country	Cares About Human Rights Rank	Overall Best Countries Rank
Canada	1	1
Denmark	2	12
Sweden	3	9
Netherlands	4	10
Australia	5	5
Switzerland	6	4
Norway	7	13
Ireland	8	23
New Zealand	9	7
Finland	10	18

*Source:* US News and Reports. Retrieved from <https://www.usnews.com/news/best-countries/rankings>

Some countries may prioritize economic growth over human rights, leading to policies and practices that may be detrimental to social justice. For example, a government may prioritize industrial development over environmental protection, leading to pollution and negative health outcomes

for citizens. Therefore, while human rights and corporate social responsibilities can have implications for stable economic growth, the relationship between the two is complex and influenced by a range of factors. It is important to recognize that economic success should not come at the expense of human rights and social justice, and that a balanced approach is needed to ensure sustainable and inclusive economic growth.

The concept of human rights has subjective and qualitative variables that make measuring their effect on the economy subjective, although not impossible. The US News and world report (2022) agrees with the United Nations Office of the High commissioners (UNHR, 2012) report. However, by using relevant indicators and taking a balanced approach, it is possible to assess the impact of human rights on economic growth and ensure that economic policies and practices are inclusive and sustainable.

Previous studies on corporate social responsibility had focused on the firm and or a group of firms and not on the effect on the economy. This is because corporate social responsibility has always been studied purely as a responsibility of companies and not as an element of the human resources component of the factors of production. However, there is a need to improve the measurement criteria of both human rights and make it more economical and quantitative to aid scientific testing. Posk *et al.* (2021) affirms this discuss by reporting that corporate social responsibility entails that a corporation 'should be held accountable for any of its actions that affect people, communities, and its environment'. By adopting sustainable and ethical practices and engaging in stakeholder dialogue and collaboration, corporations can build trust and credibility with their stakeholders and contribute to long-term financial performance and economic growth.

It, therefore, follows that though implied, the level of measurement for human rights cannot be said to have a significant effect on economic growth. However, these findings are debated and subject to further peer reviews. Hammarberg (2021) supported in the study human right and the community. Human rights can never be fully measured in statistics; this is because, in his opinion, 'the qualitative aspects are too important. While statistics

can provide some insights into the state of human rights in a particular country or region, they cannot fully capture the qualitative aspects of human rights or the positive conditions that promote dignity, equality, and justice. A more holistic approach that takes into account personal narratives and experiences is needed to fully understand the impact of human rights on individuals and communities.

## CONCLUSION

The concept of human rights has a long history of development spanning from the development of the various social contract theories to the stakeholder's theory. Concepts that started as ideas have become important phenomena changing the ways firms and countries are perceived. Various studies agree with this conclusion. The paper would conclude that there are several implications for economic growth. Major among them are the factors of production that have metamorphosed into factors that impact the growth. The study also concludes that a country that monitors and improves its human rights indicators and encourages formal and informal businesses to embark on corporate social responsibilities would improve its ratings.

One critical recommendation coming from this study is a need for further research. The study would also like to recommend that countries make a conscious effort to record the efforts by companies engaged in corporate social responsibility and improve the defense of human rights to reflect the country's perception and its image. A data repository would not at all be a bad initiative.

The study would like to encourage further studies on the same topic. However, individual country as a case study should be involved. It would be eliminative to get insights into the each country's human rights, economic growth and corporate social responsibility evolution. Also, these variables may be tested independently in a panel study.

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