

Financial Globalization and its Impact on Human Development: A Comparative Analysis of India, Singapore and Japan

La globalización financiera y su impacto en el desarrollo humano: un análisis comparativo de India, Singapur y Japón

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Content

- [1. Introduction](#)
- [2. Rationale of the Study](#)
- [3. Review of Literature](#)
- [4. Research Design](#)
- [5. Analysis and Findings](#)
- [6. Conclusion](#)
- [7. Limitations of the Study and Scope for Further Research](#)

References

ABSTRACT:

The changing world economic order has been shifting in favour of the third world countries and India is poised to edge past the USA by 2040 to become the world's second largest economy in terms of purchasing power parity. The SAP under the belt of the IMF has succeeded in promoting globalization across the world which is having a direct positive bearing on Human development Indicators. The present study considers the impact of financial globalization on human development, across India, Japan and Singapore which have similar stylized features and have gone through the IMF SAP in recent past.

Keywords: Financial Globalization, Human Development, Regression Analysis, t Test

RESUMEN:

El cambiante orden económico mundial ha ido cambiando a favor de los países del tercer mundo e India está lista para superar a los EE. UU. Para 2040 y convertirse en la segunda economía más grande del mundo en términos de paridad de poder adquisitivo. El SAP bajo el cinturón del FMI ha logrado promover la globalización en todo el mundo, lo que está teniendo una influencia positiva directa en los Indicadores de desarrollo humano. El presente estudio considera el impacto de la globalización financiera en el desarrollo humano, en India, Japón y Singapur, que tienen características estilizadas similares y han pasado por el SAP del FMI en el pasado reciente.

Palabras clave: globalización financiera, desarrollo humano, análisis de regresión, prueba t

1. Introduction

Financial Globalization simply refers to the expansion of economic transactions across national boundaries. It happens when in expectations of increased level of investments, foreign capital is allowed in a country and it follows certain principles like; First, it has increased the capital available to developing countries, which potentially enhances their ability to grow faster using their own allocated resources; at the same time, it increasing the mobility of capital which can also lead to greater volatility that is very costly for growth. Second, capital flow is unequally distributed by region and country, thus skewing the patterns of growth. There is also an unequal distribution of capital within countries by geographic area, sector wise, type of firm, and social groups, creating a division between haves and have not. Third, government attempts to extract the benefits from the globalization of capital, while limiting the costs which is possible than usually thought. In this context, it has been proved that the source of many problems is local rather than global, and the experience of several countries indicates that 'Heterodox' policies can be followed. Finally change of policy at the global, regional, and national levels could improve the picture just sketched out. (Corporate author, p35, NU. CEPAL. División de Desarrollo Economic). Hence, Financial Globalization had become changed the real phenomenon around the developed and developing countries only in the late nineties. Hence, according to PwC, E7 economic countries comparing Brazil, china, India, Russia and Turkey would grow at an annual average rate of almost 3.5% over the next 34 years, compared to just 1.6% for the advanced G7 nations of Canada, France, Germany, Italy, Japan, the UK and the USA (TheTimes of India, Feb8, 2017). Based on this analysis, it was either as a precautionary measure for achieving consistency in economic development or as a cure to financial crisis that the liberalization process got adopted by the developing and emerging economies of the world. Through financial globalization, the great leading international financial institutions like World Bank and International Monetary Fund (IMF) have helped a lot for the financial empowerment of developing countries for their survival, especially in India 1991 economic crisis. And like India many other countries including Japan, Singapore and Mexico etc. also became beneficiaries of IMF funds in order to recover from financial crisis and real financial growth. Financial Globalization brought investible funds from the surplus to deficit regions of the world promoting cross country integration. Through the movement of capital, goods and technology the countries could develop in a holistic manner. Several socio-cultural human development indicators like Inflation, consumer prices, Final consumption expenditure, Life expectancy at birth, Adolescent fertility rate, Birth rate, Death rate, Trade (% of GDP), Mortality rate, infant (per1,000 live births), Number of infant deaths, Exports of goods and services (% of GDP) got upgraded because of Financial Globalization. This enhanced the quality of human resources and it is extremely vital since the human resources constitute the ultimate basis for the wealth of nations. Capital and natural resources are passive factors of production whereas human beings are the active agents. They accumulate capital, exploit natural resources, build social, economic and political organization, and carry forward national development. In a nutshell, the country which is unable to develop the skills and knowledge of its people and utilize them effectively in the national economy will not be able to develop anything (Harbison, 1973, p.3). The present study has been conducted with the broad objective to measure the impact of financial globalization and its impact on human development and consequently human resources. For this purpose, India, Japan and Singapore have been taken as the sample countries. Results from the tests of hypothesis and regression analysis using dummy variables of the proposed study suggest that after Financial Globalization most of the selected human development indicators in these countries have upgraded significantly.

2. Rationale of the Study

It is believed that the world could see growth of globalization in actual sense only since the mid-1980s under the leadership of developed countries like UK and USA. It has helped cross country flow of finance, trade and production for sustainable development of the different economic indicators of the participating countries. In this connection, there are studies that give necessary information that human-capital growth has positive impact on national output

and economic growth. Various indicators of human development i.e. gross total capital formation, total stock of human capital and total government expenditure on education significantly determine the economy's output (Eigbiremolen, O.G., & Anaduaka. U. S., 2014). Ohlin-Heckscher also emphasized that the US economy became developed by putting more force in the human capital rather than physical capital. Development of human capital helps to increase export and upgrade different economic indicators in the country (Gary S Becker, 1962). Globalization however has many dimensions like social, political and economic. It can bring long-run equilibrium relationship between variables like Gross Domestic Product (GDP), financial integration, human resource development and trade openness (Nwakanma, P.C. & Ibe.E,R.C.,2014). The components of globalization are GDP, industrialization and the Human Development Index (HDI). The GDP is the market value of all finished goods and services produced within a country's borders in a year and serves as a measure of a country's overall economic output. Industrialization is a process that is driven by technological innovation; effectuate social change and economic development by transforming a country into a modernized industrial or developed nation. And the Human Development Indicators (HDI) is the normalized measure of life expectancy, education, literacy, standard of living, physician & GDP per capita for countries worldwide. Hence, economic development being the main agenda behind economic liberalization in any country, HDI becomes ideally the best way of representing it. That is why in the present study some of the human development indicators have been taken into account to assess the success of financial globalization in the sampled countries.

3. Review of Literature

As per United Nations Development Programme (UNDP), India was ranked 131 in the 2016 Human Development Index (HDI) among the 188 countries and got scored 0.624 which was placed in medium human development category where as Norway was (0.949 score), Australia (0.939) and Switzerland (0.939). In addition to the above, the SAARC countries likes; Sri Lanka (73) and Maldives (105) were placed in "high human development" category, followed by India (131), Bhutan (132), Bangladesh (139), Nepal (144), Pakistan (147) and Afghanistan (169). As concerns of BRICS Countries, India ranks lowest among BRICS nations like Russia (49), Brazil (79), China (90), South Africa (119) and India (131). India related facts: India's HDI value increased from 0.428 in 1990 to 0.624 in 2015. In this context, India related facts: India's HDI value increased from 0.428 in 1990 to 0.624 in 2015.

In this juncture, as per the report of the International development council suggested in its report "growth building jobs and prosperity in developing countries" and said that growth of the country helps people move out the poverty, transforms society, create jobs and subsequently it can help a lot to drives human development. Qaisar, A., (2000) reiterated the theory of Adam Smith that country growth is related to division of labor, but he did not link them clearly. After it Thomas Malthus developed a formal model of a dynamic economic growth process in which he argued that each country converge towards its stationary per capita income. As per this model, death rates fall and fertility rate rises when income exceeds the equilibrium, and opposite occur when incomes are less than that level. In this context, it has been explained that human capital are paid more attention in the workplace. In the same line, it has been mention in his report on economic growth and human development by Alejandro Ramirez (1997) that there is correlation between economic growth and human development which are like two chains. One is from economic growth to human development, the other, from human development to economic growth. Especially, public expenditures on health, education, female participation in the national streamline which determines the strength of the relationship between economic growth and human development. On the other hand, the investment rate and income distribution are significant links determining the strength of the relationship running from development to economic growth.

Also it has been defined by the Amartya Sen (1977) in his paper "Human capital and Human capability" that the conceptual meanings of Human Capital relates to skill, knowledge and

productivity and human capability helps the individuals to live the lives they choose and increases the choices they have. He has also linked it to productivity and the ability to lead better lives by putting emphasis on human capital instead of physical capital. According to Lucas (1988) defined that a microeconomic model shows that investment on education for workers significantly affect his/her productivity in the workplace. Along with the belief of education for improving workers' productivity, many researchers brought forward the importance of education and training in the field of human capital (Griliches & Regev, 1995; Rosen, 1999).

In this connection, Dr. Shashi Tharoor, (Former Education Minister, Govt of India and Member of parliament) views that there are two types of power generally used by the country for empowering the economy i.e. hard power and soft power. He cited example of the countries like Switzerland and Singapore whose economic development became possible due to the soft power that means spending money for the further development of intellectual and human capital as per the requirements of the global markets. Hence, a country can focus on the development of education, hospitals, skill enhancement, global university, GDP, per capital income of the people and also the higher education. Consequently, it can help the up gradation in human development indicators. On the other hand, hard power is one that always put importance on the defense and rigid domestic policies that also prevent inflow of the capital inside the country development. Here, we may take the example for North Korea; the hard power has deteriorated the country's economy backed by restrictions imposed by the United Nations. Because of this the country is not able to import necessary and essential commodities basis requirement of its people and the human development indicators are getting severely affected. Also, here, we may say that due to financial globalization, it has been create big difference between the real sector and financial sector growth. As a result, if any problems occurred in the financial sector across the world, its impact directed affected the real sector economy which negatively influences the human development indicators of the country.

In the same line of thought, A.K. Akabar, (Member of Parliament and journalist) says that for there are four important principles of a modern economy i.e. democracy, equality of faith, equality of gender and economic equality. These four pillars can only push overall development of an economy in modern times. At this juncture, Nirvikar, S., & T. N. Srinivasan., 2002 stated that financial sector reforms, infrastructure development, privatization, Tax reforms, Reform of center-state fiscal transfer mechanisms, Local government reforms and Patterns of change in regional inequality has become the real parameters of development in India. As per the Human Development Report 2016 in Singapore, it has identifies that national policy is the key strategies to ensure every human of the country will enable at least basic requirement for related to the country human development so that it will protect the people interest.

Additionally, the study conducted by Daniel C. & William W. Olney, 2010 has conducted a case study in USA on Globalization and Investment in Human Capital. The study found that the low-skilled labor force faced severe competition due to immigration, off shoring, co-sourcing caused by globalization. As a consequence, to increase the efficiency of human capital in the country, USA govt. sanctioned huge investments for enhancing the workers efficiency through training programs. In this juncture, as per the report OECD Economic Surveys (2015), two decade of the Japan economy has been sluggish the growth and persistent deflation which have reduced Japanese living standard below the OECD average. In addition to that it has been rising social spending and in adequate revenues. Further, ageing population of the Japan is putting pressure for public spending more. As a result, it is pushing while pushing down Japan's potential growth rate to around $\frac{3}{4}$ per cent.

As per Abenomics (refers the economic policy introduced by Japanese Prime Minister Shinzo Abe.) bold monetary policy, flexible fiscal policy and the right growth strategy to revitalize the economy and end deflation – had an immediate positive effect in 2013, as a result it is increasing female employment by expanding childcare, reforming aspects of the tax and social security systems that reduce work incentives for second earners and breaking down labour

market dualism to reduce gender inequality. Further, set out a detailed and credible plan to constrain government spending and raise revenues so as to achieve the target of a primary surplus by FY 2020. In this context, it has been stated that any country who adopts the process of financial globalization is likely be able to impact its human development indicators (Dash. S. et. all. 2016). The regression results and the results from testing of hypothesis has empirically proved it that globalization of finance has definitely an impact on human development. It is true that financial globalization may not work uniformly in all the countries since the stylized features of the economies differ from country to country.

In the India scenarios, it has been found that human barriers, institutional barriers and telecom barriers are the real challenges on the path of financial inclusion (Verma, Y., & Garg, 2015). Authors suggest redesigning of financial literacy program in the country for increasing the understanding about financial globalization and its impact. Hence, from the review of these literatures it is evident that there exists an impact of financial globalization on human development.

4. Research Design:

Financial Globalization can help the developing countries to create new opportunities for development of their essential HD indicators. Hence, many of the countries open their economy for foreign investments directly or indirectly so that their basic infrastructure can be developed and it could help for the country economic prosperity. Further, it can help to the development of different indicators like increased standard of living, literacy rate, poverty eradication and mortality rate of the (Angie Mohr, Demand Media, 2016). Today, a majority of world's population lives in cities and by the 2050 two-third of world population will reside in urban area expecting to get better facilities and amenities. Because of it the developing countries like India, Pakistan and Bangladesh are creating a hub of urban poverty who resides in slum conditions (Journalists resource, 2014). Additionally, we can also consider the view of the Economic Times (16th may,2017) that India and Japan will develop strategy for infrastructure development especially to focus in south East Asia. It is viewed as pushback against china's unilateral infrastructure initiatives under the One Belt One Road (OBOR) connecting it with Europe and Africa. As a result it will help easy for communications between the countries and further enhance the HD indicators of the countries. In this Juncture, we have determined the following objectives for the present study:

- To find out whether there is any impact of Financial Globalisation on human development indicators or not.
- To find out whether Financial Globalisation has brought significant change in human development indicators.

4.1. Sample Design

As discussed earlier, financial globalization in India has happened largely due to the prescriptions of IMF and World Bank through the IMF structural adjustment programmes. That is why in order to facilitate a cross country comparison of the analysis, it became necessary to take countries with similar economic characteristics and the countries chosen for the present study are India, Japan and Singapore. It is because Japan and Singapore have developed so rapidly as compared to India due to different reasons. Where as in the present situation, India has invited to Japan for Infrastructure development with a strategic partner in regional stability especially to prevent China. In the same line, the relations of India and Singapore have been constantly increasing in different economic activities since 1991 like Export, Import and FDI. In addition to that it has been discovered from the review of extant literature that one of the main objectives of financial globalization is to allow free flow of capital so that it will well establish economic equality for further development of the countries' HD indicators. The human development of any economy is ideally assessed through the following important indicators i.e.

population in the largest city (% of urban population), Life expectancy at birth, household final consumption expenditure, etc. (current US\$), fertility rate, total (births per woman), Adolescent fertility rate (births per 1,000 women ages 15-19), Birth rate, crude (per 1,000 people), Death rate, crude (per 1,000 people), Trade (% of GDP), Mortality rate, infant (per 1,000 live births), Number of infant deaths, Exports of goods and services (% of GDP). The data on these indicators has been taken from www.worldbank.org.

4.2. Period of Study

Financial globalization in a real sense has started around the beginning of 1990s in India and subsequently real economic reforms started in Japan and Singapore since 1991 onwards. On the basis of this fact we have taken 1991 as the year of demarcating a pre globalization and a post globalization period. We have taken 1969 to 1991, the pre-globalization period and 1991 to 2014, the post-globalization period. Whereas, in the Singapore, we have taken 1962 to 1989, pre globalization period and 1989 to 2014 the post-globalization period

4.3. Techniques of Data Analysis

The first objective of this study is to find out whether there is an impact of financial globalization on human development indicators or not and in order to fulfill this objective, we have made a regression analysis. Secondly, the other objective of this study is to find out whether financial globalization has brought significant change in human development indicators and in order to fulfill this objective, we have conducted hypothesis testing by using students't test.

4.3.1. Regression Analysis

A statistical measure that attempts to determine the strength of relationship between a dependent variable (usually denoted by Y) & a series of other changing variables (known as independent variables) is known as regression analysis. The two basic types of regressions are linear regression which is confined to two variables & multiple regressions which studies more than two variables at a time. The equation for this forecast is: $Y =$ Dependent variable where as $X =$ Independent variable which is calculated by determining coefficient of intercept & coefficient of x variable through regression analysis. Here we have taken financial globalization represented by dummy variables as the independent variable and the values of selected human development indicators as the dependent variable. The dummy zero (0) represents that there is no financial globalization which is applicable for the period from 1969 to 1991, where as dummy one (1) represents that there is financial globalization which is applicable for the period from 1992-2014 in the selected three countries. After denoting the periods by appropriate dummy values the regression model has been run. For the regression analysis using dummy variables, MS Excel has been used.

4.3.2. Student's t test

We have used the famous student's t test of paired two samples for means in order to compare the pre-globalization and post-globalization periods. In simple terms, the t-test compares the actual difference between two means in relation to variation in the data. The test statistic in the t-test is known as the t-statistic. The t-test looks at the t-statistic, t-distribution & degrees of freedom to determine a p value that can be used to determine whether the population means differ. Here the mandate is to identify whether the mean values of selected human development indicators in post globalization period are different from that in the pre globalization period. The hypotheses so formed for the analysis are as follows:

H0: There is no significant difference in the mean values of human development indicators in the pre and post globalization periods

H1: There is significant difference in the mean values of human development indicators

5. Analysis and Findings

Here, we have taken dummy variables to capture the effect of financial globalization on the selected HD indicators. The two dummies that has been taken here are '0' that denotes the zero effect of financial globalization and '1' that denotes the full effect of financial globalization. The regression model has been assessed following the prescribed guidelines i.e.

- R square value is desired to be greater than 60%.
- Referring the F Statistic and corresponding p value, the p value should be less than 0.05 (5%) so that the significance of the model is revealed.
- Sign of the coefficient should follow either the economic theory or expectation or induction, only then we can say that it is a best fit model.

And for interpreting the results of student's t test, the p value should be less than 0.05(5%), so that we can reject the null hypothesis and accept the alternative hypothesis that reflects that there is significant difference in the mean values of selected human development indicators between pre and post globalization period.

5.1. India: A Long Way Ahead

First let us analyze the regression results for India. We found that the R square value for the indicators "Inflation, consumer prices (annual %)" is less than 60%. Hence, the regressions models this HD indicators is not nicely fitted. Additionally, F- statistics' corresponding p-values is not significant that means since it is more than 5% (See Table-1). It implies that the regression result for the above indicator is not worthy to explain the impact of financial globalization. But, for the rest of the indicators since the R square values and p-values are as per the guidelines, we can conclude that regression model is nicely fitted. In this juncture, we can say that in a country like India, Financial Globalization is the boon for most of the HD Indicators and consequently for the overall growth of the country.

Table 1- Regression Results for India

Indicators	Multiple R	R Square	Adjusted R Square	Coefficients	F-Statistic	Significance-F	X
1. Inflation, consumer prices (annual %)	0.06574482 23354635	0.00432238 166392166	- 0.016420902 0514133	- 0.66251 6111774 335	0.2083749 96130735	0.650102985 614535	- 0.662516 112
2. Final consumption expenditure, etc. (current US\$)	0.96436387 2444774	0.92999767 847668	0.926954099 280014	2446656 8320	305.56053 1986616	8.904518774 83656E-15	0.161504 741
3. Life expectancy at birth, total (years)	0.85619512 6662775	0.73307009 4921086	0.727509055 231942	52.2215 4829	131.82248 93	2.27462E-15	11.47643 83
4. Adolescent fertility rate (births per 1,000 women ages 15-19)	0.85707137 2	0.73457133 7	0.729041574	106.950 1	132.83955 04	1.984733339 62616E-15	-50.3459
5. Birth rate, crude (per 1,000 people)	0.88907977 9	0.79046285 3	0.786097496	36.2637 3077	181.07632 67	.5782069410 086E-18	- 11.40689 744
6. Death rate, crude (per 1,000 people)	0.83262978 7	0.69327236 2	0.686882203	14.2375 7692	108.49062 59	6.560102383 14581E-14	- 5.800743 59
7. Trade (% of GDP)	0.78725393 4	0.61976875 7	0.611847273	11.9637 7339	78.238968 83	1.199248055 0145E-11	23.79505 1878448 7
8. Mortality rate, infant (per 1,000 live births)	0.85883596 8	0.73759922	0.732132538	119.123 0769	134.92628 59	1.504080695 44952E-15	- 59.44807 6923076 9
9. Number of infant deaths	0.87943807 7805126	0.77341133 3	0.768690735	2758743 .962	163.83760 23	4.345690044 55209E-17	- 1155334. 4615384 6
10. Exports of goods and services (% of GDP)	0.87943807 7805126	0.77341133 2693575	0.768690735 458024	2758743 .962	163.83760 23	4.345690044 55209E-17	- 1155334. 4615384 6

Source: Researchers' Calculation using MS Excel

After the regression analysis, the tests of hypothesis using students't test has been conducted and the results of t test are supporting the results of regression for India. The null hypothesis that there is no significant difference in mean values of HD indicators is getting accepted for the same indicator which was found to be not affected by Financial Globalization i.e. Inflation,

consumer prices (annual %). It implies the Inflation, consumer prices (annual %) has not changed significantly in the post globalization period. Hence, we can say that there is a long way ahead for India to go in order to achieve the true fruits of Financial Globalization. Inflation has long been the common man's concern about economy. In this context, we say that inflation is commonly referred as the synonymous index for the price hike of daily commodities. Though inflation is the most immediate economic parameter to be associated with the hike of price, it has its long and far reaching effects on the society and social indicators of the country like India. (S.Jamuna, 2016).

TABLE-2: t Test for India

Indicators	Pre Globalization	Post Globalization	t-Stat	t- Critical Value: Two Tailed	P(T<=t) Two-Tail	Level of significance	Hypothesis
1. Inflation, consumer prices (annual %)	8.00244773	7.817801367	0.09266188	2.063898547	0.946557856	0.05	Accepted
2. Final consumption expenditure, etc. (current US\$)	127196164222.549	636077895103.679	-7.33345316487093	2.06389854731807	1.42038370025615E-07	0.05	Rejected
3. Life expectancy at birth, total (years)	52.2215482926829	63.697986594722	-57.5091132584863	2.06389854731807	3.16179502109839E-27	0.05	Rejected
4. Adolescent fertility rate (births per 1,000 women ages 15-19)	107.37184	58.196296	11.2348675553499	2.06389854731807	4.8273666250853E-11	0.05	Rejected
5. Birth rate, crude (per 1,000 people)	36.4778	25.09904	54.8052366312914	2.06389854731807	9.95945495966039E-27	0.05	Rejected
6. Death rate, crude (per 1,000 people)	14.38384	8.5226	18.8148369549659	2.06389854731807	7.13000855650918E-16	0.05	Rejected
7. Trade (% of GDP)	11.7745263886529	34.9962701890556	-9.70585160714324	2.06389854731807	8.77804773550017E-10	0.05	Rejected
8. Mortality rate, infant (per 1,000 live births)	120.444	60.732	56.4946131407413	2.06389854731807	4.83210973004058E-27	0.05	Rejected
9. Number of infant deaths	2777869.36	1630497.48	23.0224043823512	2.06389854731807	7.18290333273011E-18	0.05	Rejected
10. Exports of goods and services (% of GDP)	5.28996580793014	16.2925224365397	-10.3752128782615	2.06389854731807	2.3825619933112E-10	0.05	Rejected

Source: Researchers' Calculation using MS Excel

5.2. Japan: Marching Towards Success

In case of Japan, the regression results show that except one indicator i.e. Inflation, consumer prices (annual %) in all other cases the R square value is either more than 0.6 or near to it. Additionally the F statistic p values for all the indicators are significant (See Table 3). Hence, we can interpret here that financial globalization or financial globalization in Japan has actually impacted the selected HD indicators.

TABLE: 3- Regression Results for Japan							
Indicators	Multiple R	R Square	Adjusted R Square	Coefficients	F-Statistic	Significance- F	X
1. Inflation, consumer prices (annual %)	0.350192191	<u>0.1226345</u> <u>71</u>	0.0808552 65	5.1507783 17	1.9352945 8	<u>2.1013889</u> <u>32</u>	1.763936 511
2. Final consumption expenditure, etc. (current US\$)	0.904761608	0.8185935 68	0.8144706 94	884770091 093.498	198.54928 27	6.45E-18	2.64532E +12
3. Life expectancy at birth, total (years)	0.834159342	0.6958218 08	0.6889086 67	76.096861 08	100.65205 3	6.04334E- 13	5.422152 704
4. Adolescent fertility rate (births per 1,000 women ages 15-19)	0.616721	0.6303442 75	0.3662611 9	4.1572695 65	27.007170 9668426	5.0200788 7236954E- 06	0.656930 435
5. Birth rate, crude (per 1,000 people)	0.756412	0.672159	0.562435	14.373913 0434783	58.841834 9490474	1.2033880 6944642E- 09	- 5.377091 44418365
6. Death rate, crude (per 1,000 people)	0.796711	0.634749	0.626447	6.3434782 61	76.464960 4719656	3.5333633 4529363E- 11	1.988331 024
7. Trade (% of GDP)	0.209853	0.644038	0.022312	22.404915 9623596	2.0269511 9851357	0.1615834 36065359	2.382029 38325049
8. Mortality rate, infant (per 1,000 live births)	0.750322	0.662982	0.55305	8.0652173 91	56.682452 8108734	1.9338342 8220523E- 09	- 4.973913 04347826
9. Number of infant deaths	0.703112	0.694367	0.482875	13774.521 74	43.019611 6816428	5.0805664 4251691E- 08	- 10257.34 7826087
10. Exports of goods and services (% of GDP)	0.183227	0.063572	0.011608	11.868320 42	9.266184	1.528493	0.897638 64194815 3

Source: Researchers Calculation using MS Excel

The regression results in Japan has been further verified through testing of hypothesis using student's t test and the test results revealed that for all most all the HD indicators the null

hypothesis that there is no significant difference in mean values of selected HD indicators in pre and post globalization period is rejected (See Table 4) instead of Inflation, consumer prices (annual %). On the basis of these results we can say that Japan has been rapidly marching towards success of financial globalization in its economy. As a result, Japan HD indicators consistently upward mark as per international standard due to the Abenomics bold monetary policy since 1992.

TABLE-4: t Test for Japan							
Indicators	Pre Globalization	Post Globalization	t-Stat	t- Critical Value: Two Tailed	P(T<=t) Two-Tail	Level of significance	Hypothesis
1. Inflation, consumer prices (annual %)	5.555923572	0.229682448	2.295921482	2.073873058	2.58101E-05	0.05	Accepted
2. Final consumption expenditure, etc. (current US\$)	884770091093.499	3530085449607.31	-29.401940880688	2.07387305831561	3.74210222920152E-19	0.05	Rejected
3. Life expectancy at birth, total (years)	76.09686108	81.51901379	-28.9519679925482	2.07387305831561	5.21088603013493E-19	0.05	Rejected
4. Adolescent fertility rate (births per 1,000 women ages 15-19)	4.157269565	4.8142	-4.381998485	2.073873058	0.000237300892544531	0.05	Rejected
5. Birth rate, crude (per 1,000 people)	14.37391304	8.996821599	9.368125849	2.073873058	3.90501E-09	0.05	Rejected
6. Death rate, crude (per 1,000 people)	6.343478261	8.331809285	-8.89383000417373	2.07387305831561	9.73985922937641E-09	0.05	Rejected
7. Trade (% of GDP)	22.40491596	24.78694535	-1.39130627733385	2.07387305831561	0.178043409447955	0.05	Rejected
8. Mortality rate, infant (per 1,000 live births)	7.786363636	3.031818182	10.5241421579937	2.07961383708272	3.93076200232853E-10	0.05	Rejected
9. Number of infant deaths	13774.52174	3517.173913	7.624396311	2.073873058	1.29925E-07	0.05	Rejected
10. Exports of goods and services (% of GDP)	2.918209079	9.206390656	-1.352237877	2.073873058	0.190037197	0.05	Rejected

Source: Researchers' Calculation using MS Excel

5.3. Singapore: An Optimistic View

Singapore is the only country which shown the most optimistic results among the three sampled countries of the study to find out whether there is an impact of financial globalization on human development indicators or not. It is because if we will follow the guidelines for interpreting the regression results, here it has been found that the dummy variables denoted for financial globalization has shown significant impact on human development indicators of Singapore. Hence, we can have an optimistic view for Singapore and say that the impact of financial globalization has been well realized in Singapore in connection with the human development indicators. It has been proved by the following way, how the Singapore has got gaining momentum after policy legalization i.e;

A. Medium-term Economic outlook (forecast, 2013-17 average):	
GDP growth (percentage change):	3.1
Current account balance (% of GDP):	18.9
Fiscal balance (% of GDP):	4.2
B. Medium-term plan	
Period:2010-20	
Theme: High-skilled people, innovative economy and distinctive global city	

Source: OECD Development Centre, MPF-2013, national sources and IMF through structural policy country notes
Singapore

In addition to the above Steps, the Singapore has taken right steps for the Upgrade the skills of the local workforce which has been helped to the local workers adjust to the changing needs in the market so that they can remain employable over a longer period .In the same line the govt. of Singapore sanction huge budget in the 2012 to provide choice based training programmes for the workers especially keep in mind for the growth of the country SME sector.

TABLE: 5- Regression Results for Singapore

Indicators	Multiple R	R Square	Adjusted R Square	Coefficients	F-Statistic	Significance- F	X
1. Inflation, consumer prices (annual %)	0.192651	0.067114581	0.018597553	3.516364743	2.004349	0.162810571	- 1.591528725
2. Final consumption expenditure, etc. (current US\$)	0.752412187	0.666124099	0.557780331	5067655183	67.84993832	5.38185E-11	5067655183
3. Life expectancy at birth, total (years)	0.856128271	0.732955616	0.727820147	70.3207299	142.7241848	1.57615E-16	8.476469738
4. Adolescent fertility rate (births per 1,000 women ages 15-19)	0.66341919	0.640125022	0.429358195	20.77173333	40.87787816	4.57849E-08	- 14.27731111
5. Birth rate, crude (per 1,000 people)	0.695483563	0.683697387	0.47376849	21.7	48.71612781	5.33169E-09	- 9.159259259
6. Death rate, crude (per 1,000 people)	0.779129617	0.607042961	0.599486094	5.225925926	80.32998722	3.96413E-12	- 0.681481481
7. Trade (% of GDP)	0.548826217	0.601210216	0.287771951	302.9291123	22.41436783	1.73136E-05	55.94775803
8. Mortality rate, infant (per 1,000 live births)	0.792084224	0.627397418	0.620231983	17.07407407	87.55888249	9.79073E-13	- 13.78148148
9. Number of infant deaths	0.710039883	0.604156636	0.494621187	807.7407407	52.87182802	1.82782E-09	- 636.9259259
10. Exports of goods and services (% of GDP)	0.662769438	0.439263328	0.42847993	148.1509771	40.73515109	4.76959E-08	41.37160494

Source: Researchers' Calculation using MS Excel

The t test results for Singapore is synonymous with the regression results for the country. For all the human development indicators, the null hypothesis are rejected which means alternative

hypothesis are accepted. It implies that the human development indicators of Singapore in the post globalization period are significantly different from that of pre globalization period.

TABLE-6: t Test for Singapore

Indicators	Pre Globalization	Post Globalization	t-Stat	t- Critical Value: Two Tailed	P(T<=t) Two-Tail	Level of significance	Hypothesis
1. Inflation, consumer prices (annual %)	3.516364743	1.924836019	1.809646005	2.055529418	0.170494426	0.05	Rejected
2. Final consumption expenditure, etc. (current US\$)	5067655183	68094919499	-9.253276499	2.055529418	1.04019E-09	0.05	Rejected
3. Life expectancy at birth, total (years)	70.3207299	78.79719964	-190.1094254	2.055529418	2.12286337164784E-42	0.05	Rejected
4. Adolescent fertility rate (births per 1,000 women ages 15-19)	20.77173333	6.494422222	7.185144384	2.055529418	1.24702E-07	0.05	Rejected
5. Birth rate, crude (per 1,000 people)	21.7	12.54074074	14.60149323	2.055529418	4.83132E-14	0.05	Rejected
6. Death rate, crude (per 1,000 people)	5.225925926	4.544444444	9.43709069	2.055529418	6.98518E-10	0.05	Rejected
7. Trade (% of GDP)	302.9291123	358.8768703	-8.5525063	2.055529418	4.94394E-09	0.05	Rejected
8. Mortality rate, infant (per 1,000 live births)	17.07407407	3.292592593	11.44309471	2.055529418	1.19271E-11	0.05	Rejected
9. Number of infant deaths	807.7407407	170.8148148	8.707137267	2.055529418	3.48557E-09	0.05	Rejected
10. Exports of goods and services (% of GDP)	148.1509771	189.5225821	-12.35634712	2.055529418	2.18529E-12	0.05	Rejected

Source: Researchers' Calculation using MS Excel

6. Conclusion

On the basis of above findings it is concluded that any country that adopts the process of financial globalization is likely be able to impact its human development indicators. The regression results and the results from testing of hypothesis have empirically proved this fact that financial globalization has definitely an impact on human development. It is true that financial globalization may not work uniformly in all the countries since the stylized features of the economies differ from country to country. In the present study three countries has been

considered and the results are different for each of the country. India has been found as a country with good impact for financial globalization which affecting the human development indicators of the economy as well as Japan is in a better position in this connection because of Abenomics bold monetary policy. Singapore is however the country out of the three sampled countries that has been found to have accepted financial globalization most properly so that human development will be important resource for the country development. Therefore a country like India needs to have better participation and accepted in true sense in the Economy Internationalization for benefit of human development indicators as well as country economy development.

7. Limitations of the Study and Scope for Further Research

One of the major limitations of the present study is that it has considered only three countries for facilitating cross comparison. Secondly, there are many other sophisticated statistical tools except regression analysis and student's test for measuring the impact financial globalization on human development indicators. Lastly, there are only a few human development indicators only that have been selected for analysis in the present study. Hence, in this connection there remains scope for further research by taking more countries in to consideration, more human development indicators selected and robust techniques for analysis.

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[Index]

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