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GLOBALIZATION OF FINANCE AND HUMAN DEVELOPMENT: A COMPARATIVE STUDY OF INDIA, BANGLADESH AND CHILE

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ABSTRACT

Globalization has never been so rapid and systematic like it is today and the credit for this goes to the intervention of International Monetary Fund (IMF) in the third world economy. In the last few decades only, IMF could impose Structural Adjustment Programmes (SAP) in more than 70 countries across the globe and one of the most important components of SAP is to promote globalization of finance. Globalization of finance basically is based on the doctrine of capital account liberalization for inviting investible foreign funds. But whether it is trade liberalization or capital account liberalization the objective remains the same, it is to accelerate human development. In order to measure the impact of financial globalization on human development, the present study has taken into account three countries i.e. India, Bangladesh and Chile which have similar stylized features and have gone through the IMF SAP in recent past.

KEYWORDS
financial globalization, human development, regression analysis, t test.

JEL CLASSIFICATION
E3, H1, H3, I3, J82, J88, O5.

1. INTRODUCTION
Globalization simply refers to the expansion of economic transactions across national boundaries and globalization of finance happens when in expectations of increased level of investments, foreign capital is allowed in a country. Any country liberalizes its capital account in order to promote inflow of foreign investments while the foreigners tend to invest in a particular country expecting a better rate of return. Financial globalization became a phenomenon around the developing world only in the late nineties. 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. Financial globalization was much of a prescription for India from leading international financial institutions like World Bank and International Monetary Fund (IMF) for surviving through the 1991 crisis in the country. And like India many other countries including Bangladesh, Chile, Morocco, Mexico etc. also became beneficiaries of IMF funds in order to recover from financial crisis. 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 urban population, rural population, household final consumption expenditure, fertility rate, mortality rate, literacy rate and eradication of poverty etc. 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 on human development and consequently human resources. For this purpose, India, Bangladesh and Chile have been taken as the sampled countries. Results from tests of hypothesis and regression analysis using dummy variables suggest that after globalization of finance 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. HDI is unquestionably an improved standard of measuring well being. Although this index puts a lots of efforts to simplify human development, it's is much more complex than any index or set of indicators. Hence, economic development being the main agenda behind financial globalization 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 has been taken into account to assess the success of financial globalization in the sampled countries.

3. REVIEW OF LITERATURE
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 converges 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 is paid more attention in the workplace. In the same line, 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). 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 relate 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. Apart from these we have also reviewed the extant literature to know the real impact of the globalisation on the economy of developing countries. Through this, we found that a few Asian economies like Singapore, Hong Kong have faced financial crises due to a big difference between the real sector and finance sector. These countries gave much more importance to development of human capital for a sustainable growth of the finance sector instead of emphasized on the real sector growth. As a result, if any problem/ crisis occurred in the financial sector across the world, its impact directly affected the real sector economy that negatively influences the human development indicators of the country (dash, Sisir, 2016).

NIRD (1999) conducted a study to find out the relationship between the performance in the economy of the state and human development in the major states of India for the years 1961, 1971, 1981 and 1987-88. As per the results of this study, it was found that Human Development scores in all the states had positive correlation to turn up the state economy. States like Bihar and UP were at the bottom level in human development while the state of Gujarat did considerable strides of development. It implies that the growth rates in human development indices across the states are propositionally linked to the state economy performance (Nayak, p., 2010). In this context, Biswajit, Guha., (2003) conducted a study and titled it "Human Development in India – A Study of Interstate Disparities". In this study he has taken 41 Human Development Indices i.e. safe drinking water, electricity connections two meals a day throughout the year, permanent houses and availability of beds in public hospitals etc. in 15 major states of India. Quality of life Index for rural and urban population was worked out here. He stated that the Central Government should play an active role in removing inter-state disparities in Human Development. In his recommendation, he suggested that a Nation cannot develop without adequate provision for public health, education, food, clothing, shelter and decent standard of living. There are glaring disparities in Human Development among the states in India as analyzed by him in his article. Also, Osman-Gani, A. M., & Tan, W. L. 1998, has discussed a lot to the importance of human capital investment in the context of Singapore and found that Singapore has developed remarkably due to large scale investment in human capital, especially in education. In 19970 it had a GDP per capita US$ 3021, but in 2009 it rose to US$ 37293. Pedro Flores-Crespoa, (2007) studied and found that in Mexico, education could precipitate economic growth and development in the country. He has shown how an educational institution contributes to expanding its graduates' basic functioning's e.g. being able to acquire knowledge, being able to get a job in a short time, being able to change jobs and thus to improve earnings, being able to search for better opportunities etc. In this connection, Dr. Shasi 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 defence 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. 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. 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 globalisation. 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.

Alamsiddik, Md, et al, 2015 also stated in his study on Bangladesh that rural population is negatively associated with financial inclusion and socio-geographic variables, households and literacy rate are significant determinants of financial inclusion. The study also found that road networks, banking services and internet affect positively the state of financial inclusion caused by financial globalization. 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 and industrial globalizations help the developing countries to create new opportunities for development of their essential HD indicators. As part of it many of the countries open their economy for foreign investments so that their basic infrastructure can be developed. Consequently, 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 given by S.K. Mishra and P. Nayak that post-globalization period exhibits a comfortable position of India in terms of Gold reserves that jumped from US $ 300 million to around US $ 4000 million. There has been steep growth in foreign currency assets and foreign currency reserves well near around 1000 times. Globalization also positively affected the macro-economic balances, foreign sector, some Macro-Economic Indicators in the domestic sector, agriculture, rural economy. Now, after observing the views of the world leaders and countries' ongoing economic policy for development vis-a-vis HD indicators, we have determined the following objectives for the present study:

- To find out whether there is any impact of financial globalization on human development indicators or not.
- To find out whether financial globalization 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 characteristics and the countries chosen for the present study are India, Bangladesh and Chile. It is because these countries are similar in the sense that in all of these countries the

IMF structural adjustment programmes was implemented. 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), number of infant deaths, household final consumption expenditure, etc. (current US$), fertility rate, total (births per woman), number of under-five deaths, mortality rate under-5 (per 1,000 live births), age dependency ratio, old (% of working-age population), age dependency ratio, young (% of working-age population), rural population (% of total population), urban population (% of total). 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, Bangladesh and Chile. 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.

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 whereas 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 to1991, whereas 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 in the pre and post globalization periods

We have used MS Excel to conduct the student's t test.

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 "Population in the largest city (% of urban population)" and "Number of under-five deaths" is less than 60%. Hence, the regressions models for these two HD indicators are not nicely fitted. Additionally, F- statistics' corresponding p-values are not significant that means since they are more than 5% (See Table-1). It implies that the regression results for these two indicators are 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	Coeffi-cients	F-Statistic	Significance-F	X
Population in the largest city (% of urban population)	0.046579	0.002170	-.020508	-0.02206	0.095670	0.758548592	-.02205586
Number of infant deaths	0.883238	0.780109	0.775112	-1125488	156.09926	0.00	- 25487.739
Household final consumption expenditure, etc. (current US$)	0.243341	0.059215	0.037833	1.533465	2.769439	0.103186753	1.53346475
Fertility rate, total (births per woman)	0.875576	0.766634	0.761330	-1.69122	144.54481	0.00	-1.69121739
Number of under-five deaths	0.877677	0.770316	0.765096	-1789149	147.56787	0.00	-1789149.304
Mortality rate, under-5 (per 1,000 live births)	0.858364	0.736789	0.730807	-86.3043	123.16600	0.00	- 86.30434783
Age dependency ratio, old (% of working-age population)	0.821567	0.674972	0.667585	1.006715	91.372971	0.00	1.006714868
Age dependency ratio, young (% of working-age population)	0.856988	0.734429	0.728393	-15.8484	121.68056	0.00	-15.84835103
Rural population (% of total population)	0.838785	0.703559	0.696822	-5.97217	104.42774	0.00	-5.972173913
Urban population (% of total)	0.838785	0.703559	0.696822	5.972174	104.42774	0.00	5.972173913

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 indicators which were found to be not affected by financial globalization i.e. Population in the largest city (% of urban population) and Household final consumption expenditure, etc. (current

US$). It implies that even if the rural and urban population has changed significantly in the post globalization period, still the population in the largest city has not been changed significantly. Secondly, the household consumption expenditure has not changed significantly in the post globalization period. Since these two indicators have considerable importance, we can say that there is a long way ahead for India to go in order to achieve the true fruits of financial globalization.

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. Population in the largest city (% of urban population)	5.75678906	5.734733205	0.263426	2.07387306	0.7946739	0.05	Accepted
2. Number of infant deaths	2652823.87	1527336.13	33.41686	2.07387306	0.00	0.05	Rejected
3. Household final consumption expenditure, etc. (current US$)	3.84953209	5.382996846	-1.3222	2.07387306	0.199685	0.05	Accepted
4. Fertility rate, total (births per woman)	4.68121739	2.99	50.27491	2.07387306	0.00	0.05	Rejected
5. Number of under-five deaths	3946522.57	2157373.261	38.21287	2.07387306	0.00	0.05	Rejected
6. Mortality rate, under-5 (per 1,000 live births)	168.982609	82.67826087	45.54757	2.07387306	0.00	0.05	Rejected
7. Age dependency ratio, old (% of working-age population)	6.33593882	7.342488758	-21.128	2.07387306	0.00	0.05	Rejected
8. Age dependency ratio, young (% of working-age population)	68.8661636	53.01781252	29.0911	2.07387306	0.00	0.05	Rejected
9. Rural population (% of total population)	77.1725652	71.2003913	84.38929	2.07387306	0.00	0.05	Rejected
10. Urban population (% of total)	22.8274348	28.7996087	-84.3893	2.07387306	0.00	0.05	Rejected

Source: Researchers' Calculation using MS Excel

5. 2 BANGLADESH: MARCHING TOWARDS SUCCESS

In case of Bangladesh, the regression results show that except one indicator i.e. Household final consumption expenditure, etc. (current US$) 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 in Bangladesh has actually impacted the selected HD indicators.

TABLE 3: REGRESSION RESULTS FOR BANGLADESH

Indicators	Multiple R	R Square	Adjusted R Square	Coefficients	F-Statistic	Significance- F	X
Population in the largest city (% of urban population)	0.760982	0.579094	0.569944	28.961588	63.288026	0.00	3.362409
Number of infant deaths	0.889332	0.790911	0.786366	429190.833333	174.002013	0.00	-21064.875000
Household final consumption expenditure, etc. (current US$)	0.659159	0.434491	0.422197	14.216434	35.342660	0.00	14.216434
Fertility rate, total (births per woman)	0.909873	0.827868	0.824126	6.20404166	221.2372981	0.00	-3.182875
Number of under-five deaths	0.895496	0.801912	0.797606	637099.541667	186.220268	0.00	-351563.333333
Mortality rate, under-5 (per 1,000 live births)	0.899540	0.809172	0.805023	197.604167	195.054473	0.00	-116.483333
Age dependency ratio, old (% of working-age population)	0.742238	0.550917	0.541154	5.657036	56.430854	0.00	1.055022
Age dependency ratio, young (% of working-age population)	0.872283	0.760878	0.755680	84.497269	146.370456	0.00	1.055022
Rural population (% of total population)	0.830488	0.689710	0.682965	86.949000	102.248419	0.00	-12.805125
Urban population (% of total)	0.830488	0.689710	0.682965	13.051000	102.248419	0.00	12.805125

Source: Researchers Calculation using MS Excel

The regression results in Bangladesh has been further verified through testing of hypothesis using student's t test and the test results revealed that for 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). On the basis of these results we can say that Bangladesh is marching towards success of financial globalization in its economy.

TABLE 4: t TEST FOR BANGLADESH

Indicators	Pre Globalization	Post Globalization	t-Stat	t- Critical Value: Two Tailed	P(T<=t) Two-Tail	Level of significance	Hypothesis
Population in the largest city (% of urban population)	28.9616	32.3240	-8.645498	2.068658	0.00	.05	Rejected
Number of infant deaths	429190.8333	208125.9583	14.969876	2.068658	0.00	0.05	Rejected
Household final consumption expenditure, etc. (current US$)	14.2164	45.9578	-6.403586	2.068658	0.00	0.05	Rejected
Fertility rate, total (births per woman)	6.2040	3.0212	2.068658	2.068658	0.00	0.05	Rejected
Number of under-five deaths	637099.5417	285536.2083	16.052957	2.068658	0.00	0.05	Rejected
Mortality rate, under-5 (per 1,000 live births)	197.6042	81.1208	50.822649	2.068658	0.00	0.05	Rejected
Age dependency ratio, old (% of working-age population)	5.6570	6.7121	-9.783135	2.068658	0.00	0.05	Rejected
Age dependency ratio, young (% of working-age population)	84.4973	60.3250	15.043428	2.068658	0.00	0.05	Rejected
Rural population (% of total population)	86.9490	74.1439	65.925686	2.068658	0.00	0.05	Rejected
Urban population (% of total)	13.0510	25.8561	-65.925686	2.068658	0.00	0.05	Rejected

Source: Researchers' Calculation using MS Excel

5.3 CHILE: AN OPTIMISTIC VIEW

Chile 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 Chile. Hence, we can have an optimistic view for Chile and say that the impact of financial globalization has been well realized in Chile in connection with the human development indicators.

TABLE 5: REGRESSION RESULTS FOR CHILE

Indicators	Indica-tors	Indica-tors	Indicators	Indicators	Indicators	Indica-tors	Indicators
Population in the largest city (% of urban population)	0.599196	0.359036	0.344468	40.1102618	24.646579	0.00	40.1102618
Number of infant deaths	0.696940	0.485726	0.474038	9856.391304	41.557465	0.00	-7586.9130 43
Household final consumption expenditure, etc. (current US$)	0.115320	0.013299	- 0.009126	3.535394	0.593030	0.00	0.605222
Fertility rate, total (births per woman)	0.782647	0.612536	0.603730	2.991783	69.559024	0.00	-0.971174
Number of under-five deaths	0.695634	0.483907	0.472177	11609.956522	41.255870	0.00	-8915.0434 78
Mortality rate, under-5 (per 1,000 live births)	0.701516	0.492124	0.480581	43.217391	42.635325	0.00	-32.604348
Age dependency ratio, old (% of working-age population)	0.788249	0.621336	0.612730	9.845364	72.198037	0.00	2.715878
Age dependency ratio, young (% of working-age population)	0.809504	0.655297	0.647463	55.727567	81.683347	0.00	-18.178705
Rural population (% of total population)	0.809504	0.655297	0.647463	19.735913	83.646197	0.00	-6.483304
Urban population (% of total)	0.809504	0.655297	0.647463	80.264087	83.646197	0.00	6.483304

Source: Researchers' Calculation using MS Excel

The t test results for Chile is synonymous with the regression results for the country. For all the human development indicators, the null hypothesis is rejected which means alternative hypothesis is accepted. It implies that the human development indicators of Chile in the post globalization period are significantly different from that of pre globalization period.

TABLE-6: t TEST FOR CHILE

Indicators	Pre Globalization	Post Globalization	t-Stat	t- Critical Value: Two Tailed	P(T<=t) Two-Tail	Level of significance	Hypothesis
Population in the largest city (% of urban population)	40.1102618	42.4121017	-4.356791	2.073873	0.00	0.05	Rejected
Number of infant deaths	9856.3913	2269.47826	7.22475	2.073873	0.00	0.05	Rejected
Household final consumption expenditure, etc. (current US$)	3.53539414	4.14061565	7.22475	2.073873	0.00	0.05	Rejected
Fertility rate, total (births per woman)	2.99178261	2.0206087	13.954666	2.073873	0.00	0.05	Rejected
Number of under-five deaths	9856.3913	2269.47826	7.22475	2.073873	0.00	0.05	Rejected
Mortality rate, under-5 (per 1,000 live births)	43.2173913	10.6130435	7.2357885	2.073873	0.00	0.05	Rejected
Age dependency ratio, old (% of working-age population)	9.84536365	12.5612415	-9.201702	2.073873	0.00	0.05	Rejected
Age dependency ratio, young (% of working-age population)	55.7275668	37.5488613	6.665E-19	2.073873	0.00	0.05	Rejected
Rural population (% of total population)	19.735913	13.2526087	26.739168	2.073873	0.00	0.05	Rejected
Urban population (% of total)	80.264087	86.7473913	-26.73917	2.073873	0.00	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 has empirically proved this fact 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 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 financial globalization least affecting the human development indicators of the economy. Bangladesh is in a better position in this connection because in Bangladesh financial globalization has been found to be more effective than in India. Chile is however the country out of the three sampled countries that has been found to have implemented financial globalization most properly so that human development will happen. Therefore, a country like India needs to have better participation in the financial globalization to benefit the development of human development indicators.

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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