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Research on Economic Development of BRIC Countries Concerning Globalisation, Trade and FDI

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Abstract: This study investigates that how the globalisation and its related factors of migration, trade and foreign investments effect the development and growth for the BRIC economies. The main purpose is to analyze the part of globalisation in economic growth and development of BRIC countries; we used two-way approach to answer this regarding the measurement; KOF Index classification of globalisation and other four main dimensions of globalisation; namely trade, migration, foreign investments and media to see the impact of each dimension on economic growth and development of BRIC nations. It employs appropriate panel data techniques to see the role of different dimensions of globalisation in development with the data from 1990 – 2014. The findings show that economic globalisation, social globalisation, political globalisation, trade, OFDI and media are significant and increasing factors of economic development of BRIC nations while the role of remittances, unemployment and industry value is not significant.

Keywords: BRIC, FDI, Trade, Economic Development, Economic Globalisation, Social Globalisation, Political Globalisation and Media

1. Introduction

Globalisation is the expression used to explain the changes in the trendy society and the world economic climate on account of accelerated trade, certainly in cultural exchanges. It describes development via trade and the fall of investment barriers and interdependence between states. Within the fiscal context, reference is long established, nearly solely, the effects of trade and, in designated, trade liberalization. The definition given by the IMF for globalisation is about the rise in financial and economic interdependence of nations globally by way of growing quantity, and diversity of the trades of goods & services through borders, additionally its about the free and rapid flows of international investments along with broader dissemination of technological know-how.

Globalisation is a stage within the common procedure of political, low in cost and cultural development of mankind. A couple of decades ago in the past, Marshall McLuhan spoke about "the global village", synthesizing with this expression the essence of the phenomenon; he additionally stated the nowadays technology that makes communication easier, obtainable, reduces distances, enhance integration of the fiscal and commercial markets, the globalisation of manufacture approaches, the development of transnational identities.

According to Vuza (2005) globalisation is geo cultural and geopolitical one. A transnational corporation becomes the major college that sells goods/ offerings anywhere are effortless, although this means crossing borders. Globalisation helps nations to capitalize their markets, as well as to assimilate new technologies. There are many studies that think that globalisation help to increase the economic growth and development as Hassan (2019) find out that the aspects of globalisation (political, economic and social) have positive impact on the economic growth of south Asian countries.

The important growth of small companies in many of the countries all over the arena, represents the result of the advantages which these corporations possess in their competitors with tremendous organizations: dynamism, easy accommodation, drawback resistance capability, advantage of fiscal develops and new jobs production. The successful mixture of recent applied sciences with the present ones and producing new ones, allowed new preferences and desires pride and in addition, superposition of identical opportunities for exceptional organizations. For an enterprise, to be big is no longer an ability, in order that one day, the strength can be "the ample dimension to effectively handle the competition". Globalisation has gigantic abilities to generate progress. The UN Secretary, Kofi Annan mentioned: "I believe that poverty comes not from excessive globalisation, but from its insufficiency". The world-renowned interpretation of Globalisation described as the multi-dimensional process of integration of cultures, economies, political interconnections, social and financial incorporations, captivating situation on international, local and country wide phases (Rennen & Martens, 2003).

Prior to this decade, the growth of emerging economies was much faster than the advanced countries that definitely leads to rise in the share of emerging nations in world trade, world FDI flows, financial markets and in global GDP. BRIC countries gain so much importance during 2001-2008 with their financial reforms, one of the primary milestones accomplished throughout this period include China opening up and joining the WTO in 2001; Brazil kick-beginning an interval of extraordinary economic prosperity in 2003 and China had overtaken the Germany as the 3rd big economic system in 2007. BRIC countries are part of G20 and showing important place in the world, which is interpreting towards multipolar international economic order.

Prestowitz (2005) indicates that in globalisation generation almost three billion persons from emerging nations reminiscent of BRIC have managed to combine into the worldwide market. According to Yueqin (2012) the upward thrust of the first-rate powers is as a result of the growth of the emerging nations that search to trap-up the developed countries. Regarding the formalization of group, a primary assignment was created in 2006 in this path at the time of BRIC's ministers meeting. This used to be followed via a couple of other meetings. BRIC courtiers are gaining so much importance of the researchers especially related to their economic size, economic growth and development, so it makes good sample to see the impact of globalisation on economic development. The BRICS, now more and more recognized as one of the vital quickest-developing international locations and the engines of the global recovery procedure, plays an ambitious position in shaping macroeconomic coverage.

Sachs (2003) a well-known economics specialist instituted the term BRIC in an article named 'Building Better Global Economic BRICs', for characterizing the leader countries concerning the developing world, mentioning "It is time for better global economic BRICs" (O'Neil et al. 2005). The report predicted that in future the role of China will increase world trade, and this would increase the China GDP also. The selected countries are Brazil, Russia, India and China (BRIC). The first summit of BRIC held in 2009, it was the idea of finance and economist brain came into reality and just accordingly transformed into realism (Oehler-Sincai, 2011). Despite the fact that the similar exploration establishment cautioned in other document after 4 years about the fact 'How strong are the BRIC's significant qualification that must be made in the middle of potential and reality the BRIC's terminated market analysts' creative energy. The term BRIC is no more only a catchword authored about global affairs and trade, it termed as reality as well as endures as a cross-country outside strategy performer (Labes, 2015).

BRICs are becoming extraordinary as they have the scale and the direction to challenge the significant economies as far as impact on the world economy (O'Neill et al., 2005). As Sachs (2003) market analysts contend, the BRICS impact in world's economy is ascending in the connection of the universal current emergency which is yet a long way from a since a long time ago expected end. Despite the fact that the paper in which they are presenting the new pattern in creating countries – "How strong are the BRICS?" – was composed 10 years back, their proposal is still well known and fascinating. As arguing for the new emerging countries, they foresee a upward thrust of new shafts of development in more than a few constituents of the sector coming for the most phase from the developing countries and just lately industrialized economies. Their gathering has as beginning stage macroeconomic markers, for example, GDP development, salary per capita and populace progress. For an overview of BRIC nations, the main economic and social indicators are provided in Table 1.

Table -1: Social and economic indicators of BRIC - 2014

	GDP annual Growth	Exports	Industry value	Urban population of total	Trade openness
Brazil	.14470735	11.51748	23.410568	85.433	25.7919
China	7.268460	22.6182	42.72094	54.41	41.53838
India	7.286253	23.18896	30.089954	32.366	48.703469
Russia	.6404857	30.021539	35.81972	73.924	52.8925

Source: World development indicators (World Bank, 2015)

Taken as a transcontinental assembles the BRICS countries do make a difference regarding, land area, populous, and economies their dimensions are amazing. The BRICS Together almost is about of 40% of world populace, 25% of area surface & roughly 25% of the GDP of world (Van, 2012). BRIC countries ended up being a critical part of the present-day globalized period and what recognizes term as emerging economies due to rapid development. The worldwide economy and the worldwide markets also affect it. (O'Neill, Wilson, et al, 2005). Somewhere around 2000 to 2005 these four BRIC nations added about 28% to the worldwide development in US $ and almost 55% regarding PPP. Additionally, they also contributed to global trade about 15% more in 2010 from 3.6% two decades back.

Different financial and demographic pointers reflect the BRIC's significance surge for the world economy. These incorporate, however these countries are not constrained to, only expanding the offer in GDP of global, investment to GDP, Direct investment flows, trade openness, GDP per capita and the share in the world trade of goods & services. The BRIC nations have been the transcendent beneficiaries of FDI amid the most recent decades. In any case, the development of FDI inflows and outpourings demonstrates exceptionally unmistakable directions for the BRIC nations (Labes, 2015). China's growth termed as due to surge in the trade liberalization, the figure 1 and figure 2 depicts the trends of imports and exports of BRIC countries and shows increasing trend of big growth especially for China in trade.

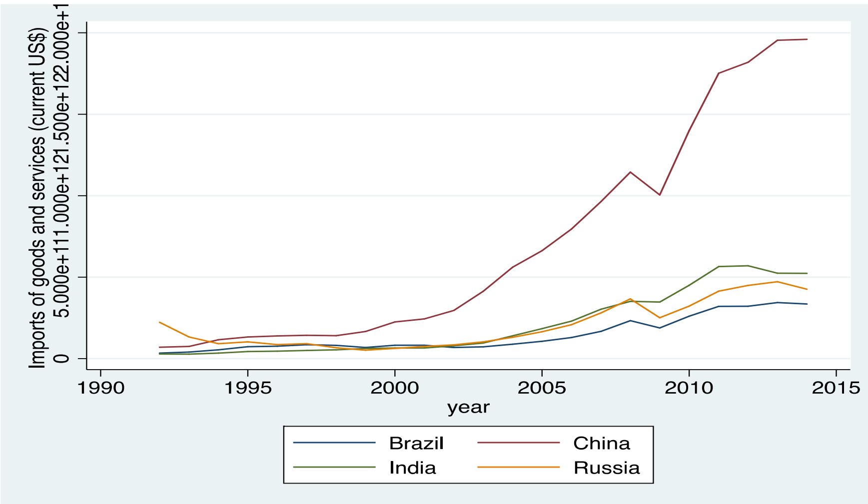

Figure -1 Imports of Goods and Services for BRIC for 1992 – 2014 period
Source: World development indicators (World Bank, 2015)

The economic history of Brazil spreads diverse occasions sketching out changes in the economy. Through the 1980"s and 1990"s, the Brazilian economy endured low and unstable development where the economy experienced inclined expansion, high genuine loan fees and adjust of installment issues somewhere around 1980s & 2007. At that time the GDP's normal development was 2.7% contrasted with the 8.7% acquired somewhere around 1970s & 1979. Amid this time, Brazil presented the progression for monetary changes and adopting Import Substitution Industrialization (Behera & Mishra 2016).

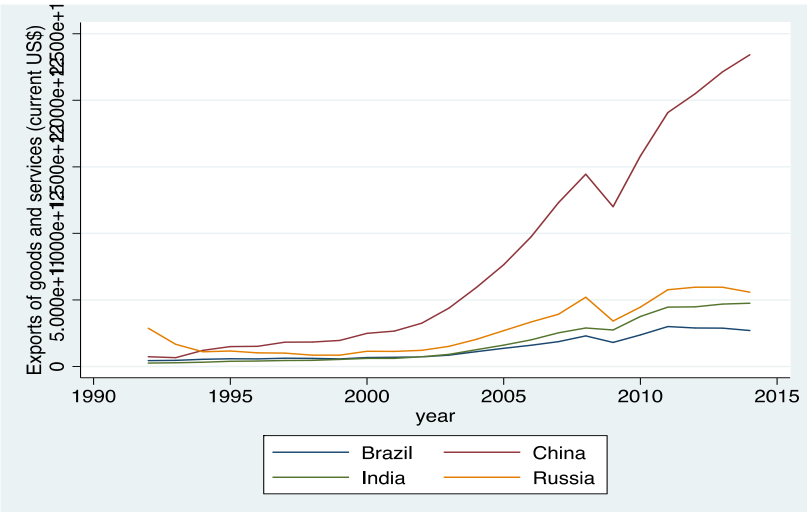

Figure -2 Exports of Goods and Services for BRIC for 1992 – 2014 period
Source: World development indicators (World Bank, 2015)

Somewhere around 1981 and 1992, Brazil's GDP expanded at a normal yearly rate at 1.9 percent and per capital pays declined 6.1percent. The physical capital proportion to GDP for Brazil tumbled from 22.1 percent to 18 %, mostly because of financial emergency and due to the cost of open area venture limit. Progression was so high about 1430% for 1989 and continued an issue in the 1990"s with normal rate of 1667 % somewhere around 1990 &1994. From the starting of 1990's Washington accord proposals were increase out over every single evolving nation, including Brazil. Taking after this Brazil created and actualized a few distinct methodologies and financial arrangements, including exchange and capital Liberalization, Privatization, adaptable trade rates and the stun adjustment program alluded to as the "plan real" in mid-1994. In the present decade, Brazil has consistently enhanced its macroeconomic dependability, working of outside store and shifting so as to diminish its obligation profile obligation load towards genuine ruled and locally held instruments.

Globalisation is important and considered as a process to account worldwide techniques and methods, plans to spread the operations of businesses and was accelerated by the innovative progressions in the world. It also refers to the advancements of financial, economic, and political factors. The extent to which an association is globalized and expanded has bearing on the techniques that it uses to seek after more prominent improvement and venture opportunities. Transnational streams of products and capital have driven globalisation amid late years. These streams have been made conceivable by the slow bringing of hindrances down to trade and investment crosswise over national fringes, so it permits to develop the inclusive economy. Economic globalisation is apprehensions of establishing for progression of overall dealings in trade, innovation, labor and capital between the nations (Stubbs and Underhill, 1994). Points of interest from this wonder involve world financial improvement, reducing exchange hindrances, higher expectations for everyday comforts, quick development, and spread of innovation and administration abilities, furthermore new monetary open doors for countries (Larkin, 1999; Wallach and Sforza, 1999). This study also focuses on Globalisation's economic parts, and particularly on FDI, trade and migration as economic globalisation is termed as important for any economic systems for the exchange of innovations, abilities and information's (Findlay, 2000).

The BRIC countries improvement regarding economic globalisation can be seen in Figure -3.

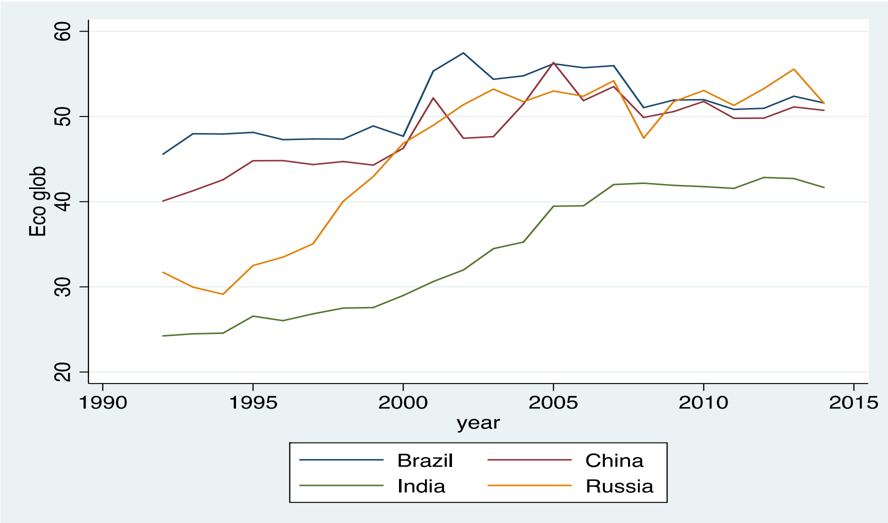

Figure -3 KOF, Index of Economic Globalisation - BRIC (1992 - 2014)
Source: World development indicators (World Bank, 2015)

This study breaks down economic globalisation and inspects how it may be opposed or managed with a specific end goal to advance maintainable enhancement and economic development. FDI, Trade and international migrations as movement of labor are altogether known as rising parts of economic globalisation. Multinationals and individuals all are doing more investment overseas then earlier times. FDI has improved a lot, with many poor and underdeveloped nations see FDI as instrument to growth, but it is also linked to inequity and instability as well. MNE's have turned into the fundamental transporters of financial & economic globalisation.

This study uses the economic flows, labor and capital movements to see the impact of Globalisation especially economic globalisation on the growth and development of BRIC nations. According to the globalisation index, BRIC (Brazil, Russia, India and China) countries fall on 77th, 53rd, 109th and 75th respectively in 207 countries; these rankings are much improved as compared to last decade (KOF 2015). For political rankings BRIC holds rank in top 50 as 8th, 48th, 20th and 43rd respectively. EY's annual Globalisation Index prepared the report of top 60 countries regarding globalisation and development, all BRIC nations are included in that, the incorporation in mature markets seems to be reducing down, reflecting the already high dissemination levels of skills and technologies like broadband and internet, its leading to the brisk growing markets (EY, 2012). Economic globalisation is simply the economic interdependence among countries.

The improvements in the life standards are very necessary, the economic development actually deal with the changes in the capability of wealth creation of nations (Kane & Sand, 1988). Conventional opinion refers to increase in market size, capital and production is economic development but them modern view is there should be change in real per capita income (Robbins, 1968). Hamilton and Webster (2009) signify the globalisation to technology, social, economic, and political links for diverse nations. Steger (2009) viewed on the globalisation as the way to shrink the time and space.

This work is to see the impact of globalisation and aspects of globalisation on the development of BRIC nations. Mainly, the economic globalisation is known as the exchange of goods & services (trade), exchange of labor (migration) and exchange of capital (FDI). The economic globalisation and other important factors used to see the impact on the development of BRIC. This analysis used annual BRIC variables of economic globalisation to understand the impact on development. As earlier there are strong views that FDI and trade really help these economies to grow but whether along with trade and FDI, the increasing migration and OFDI also help these economies to grow or not? We used the panel data estimation to answer this query.

Globalisation represents a stage where it links to different dimensions like cultural, economic, political and social. This study tries to cover all dimensions and to see how it impact economic development and which dimensions are stronger. Globalisation is very important, so its effects are which are positive as well as negative. The main positive effects of it relate to better communications among nations as well as to exploit new opportunities, cultural assimilations and progress of civilization (Vuza, 2005).

The main proposition of this study is that the four aspects of economic globalisation can be analyzed with same framework of gravity model.

> *H1: There is significant association present among economic globalisation components (economic, Social and Political), and economic development of BRIC.*

Additionally, H_{1a} mentions the significant association of Economic globalisation, H_{1b} refers to significant association of political globalisation and H_{1c} remarks the significant association of social globalisation on the development (GDP per capita) of BRIC nations.

Second main hypothesis dealt with the impact and/or of Aspects of globalisation on the BRIC's economic development.

> *H2. There is significant association present between Globalisation's Aspects (OFDI, FDI, Trade openness, Imports, Exports, Remittances) and Economic Development of BRIC.*

Additionally, H_{2a} refers to significant impact of OFDI, H_{2b} refers to significant impact of Trade openness, H_{2c} refers to significant impact of imports, H_{2d} refers to significant impact of exports, H_{2e} refers to the significant impact of Remittances received and H_{2f} refers to the significant impact of Internet growth on the GDP per capita of the BRIC nations.

Globalisation is increasing rapidly so as BRIC popularity, this study aims to see the impact of Globalisation on the BRIC development. Commonly researchers used two dimensions of globalisation data

1. Data of economic globalisation, social globalisation and political globalisation from the KOF index of globalisation developed by Dreher et al. (2008) and 2. Data of variables that are more responsible for the rapid globalisation like FDI, OFDI, Trade and Media (Asongu et al 2020 and Tseloni et al 2011). This study is important as it used both approaches to see the impact of rapid globalisation on the development of BRIC nations. The next section of this paper is about methods followed by results and discussion while last section is conclusion of the study.

2. Methods

The annual data of 1990 – 2014 for POLS and panel data estimation is used to see the impact of globalisation on the development of BRIC nations. We used log of GDP per capita of BRIC as the dependent variable, a proxy for economic development. The independent variables are economic globalisation (EG), social globalisation (SG), and political globalisation (PG) as components of globalisation, gathered from Globalisation's KOF index (Dreher et al., 2008; KOF, 2015). Other main explanatory variables include list of aspects of globalisation are FDI, OFDI, Trade openness, Imports, Exports, Internet users, and Personal remittances received (proxy for migration). The data for variables are gathered from WDI of World Bank for BRIC except for the annual stocks data for FDI and OFDI stock, which are collected from the UNCTAD (2015). We expect positive relation of globalisation with economic development.

The model of the study is:

$$Y_{it} = \alpha + \beta_1 X_{it} + \beta_2 C_{it} + \varepsilon_{it} \tag{1}$$

Where Y is the dependent variable, which is Economic development in our study, X refers to independent variable and C represent the control variables of the model.

The equations to be estimated are as:

$$ED_{it} = \alpha + \beta_1 LNEG_{it} + \beta_2 LNSG_{it} + \beta_3 LNPG_{it} + \beta_4 Internet_{it} + \beta_5 LNHTEX_{it} + \beta_6 IV_{it} + \beta_7 LNLF_{it} + \beta_8 INF_{it} + \beta_9 UN_{it} + \beta_{10} RIR_{it} + \beta_{11} LNGFCF_{it} + \varepsilon_{it} \tag{2}$$

$$ED_{it} = \alpha + \beta_1 LNOFDIstocks_{it} + \beta_2 LNFDInetinflows_{it} + \beta_3 LNImports_{it} + \beta_4 LNExports_{it} + \beta_5 LNPRem_{it} + \beta_6 LNFDIstocks_{it} + \beta_7 Internet_{it} + \beta_8 LNHTEX_{it} + \beta_9 IV_{it} + \beta_{10} LNLF_{it} + \beta_{11} INF_{it} + +\beta_{12} UN_{it} + \beta_{13} RIR_{it} + \beta_{14} LNGFCF_{it} + \varepsilon_{it} \tag{3}$$

$$ED_{it} = \alpha + \beta_1 Trade\ Openness_{it} + \beta_2 LNPRem_{it} + \beta_3 Internet_{it} + \beta_4 LNHTEX_{it} + \beta_5 IV_{it} + \beta_6 LNLF_{it} + \beta_7 INF_{it} + +\beta_8 UN_{it} + \beta_9 RIR_{it} + \beta_{10} LNGFCF_{it} + \varepsilon_{it} \tag{4}$$

$$ED_{it} = \alpha + \beta_1 LNImports_{it} + \beta_2 LNPRem_{it} + \beta_3 Internet_{it} + \beta_4 LNHTEX_{it} + \beta_5 IV_{it} + \beta_6 LNLF_{it} + \beta_7 INF_{it} + +\beta_8 UN_{it} + \beta_9 RIR_{it} + \beta_{10} LNGFCF_{it} + \varepsilon_{it} \tag{5}$$

$$ED_{it} = \alpha + \beta_1 LNExports_{it} + \beta_2 LNPRem_{it} + \beta_3 Internet_{it} + \beta_4 LNHTEX_{it} + \beta_5 IV_{it} + \beta_6 LNLF_{it} + \beta_7 INF_{it} + +\beta_8 UN_{it} + \beta_9 RIR_{it} + \beta_{10} LNGFCF_{it} + \varepsilon_{it} \tag{6}$$

Where i and t refer to BRIC and time respectively and LN refers to the natural log, while.

ED_{it} = Economic development (GDP per capita is used as the measurement of economic development)

EG_{it} = Economic globalisation score for BRIC

SG_{it} = Social globalisation for BRIC

PG_{it} = Political globalisation for BRIC

$FDInetinflows_{it}$ = the annual net inflows of FDI for BRIC

$FDIstocks_{it}$ = Annual FDI stocks in BRIC countries

$OFDIstocks_{it}$ = Annual OFDI stocks in BRIC countries

$Imports_{it}$ = Annual data on Imports of BRIC
$Exports_{it}$= Annual data on the exports of BRIC
$PRem_{it}$= Annual values for personal remittances received by the BRIC
$Internet_{it}$ = refers to the annual Internet users for BRIC
$HTEX_{it}$= annual valued for high tech exports of BRIC as the % to GDP
IV_{it}= Annual data for the industry value of BRIC
LF_{it} = Annual data for total labor force of BRIC
RIR_{it} = the annual Real interest rates for BRIC
UN_{it} = Annual rates of Unemployment for BRIC
$GFCF_{it}$ = Value of gross fixed capital formation for BRIC to their GDP
INF_{it}=Inflation
$Trade\ Openness_{it}$= Annual data for trade to GDP for BRIC

We used the POLS, FE and RE for estimation of the equations. Hausman test and F test are applied to decide appropriate method for the estimation purpose. OLS is proffered on FE as F test indicated, while Hausman test also preferred FE over RE and the null hypothesis rejected in the favor of RE. There is no issue of auto correlation in the data. We also used robust OLS and FE to have robust model. There is no big multicollinearity in the data according to the VIF test as the average value of VIF is less than 10 for all variables in model. STATA software used to analyze the data.

3. Results & Discussion.

The foremost aim of this paper is to explore the role of globalisation in economic growth and development of BRIC countries; we used two-way approach to answer this regarding the measurement. Firstly, we applied KOF Index classification of globalisation into three categories of EG, SG and PG. Secondly, we used data of four dimensions of globalisation; namely trade, migration, foreign investments and media to see the impact of each dimension on economic growth and development of BRIC nations.

Table -2 Descriptive statistics

Variables	Mean	sd	N
ED	8.621	0.849	100
INF	122.9	442.3	100
IV	34.95	8.132	100
RIR	12.43	20.35	88
UN	6.089	2.363	96
Internet	13.54	18.54	96
LNFDInetinflows	0.433	1.071	98
LNExports	25.85	1.115	100
LNImports	25.78	1.076	100
LNGFCF	3.289	0.325	100
Trade Openness	3.566	0.447	100
LNHTEX	2.314	0.568	88
LNLF	19.17	0.998	100
LNPrem	0.691	1.097	96
LNEG	3.747	0.261	100
LNPG	4.401	0.121	100
LNSG	3.627	0.459	100

Globalisation encouraged the global economic activities, based on the capabilities, which affect the global scale. Descriptive results are presented into the table (2) about the mean, Standard deviation and total number of observations for the selected variables.

Table (3) is about the significant correlation analysis among the variables of the study. The * indicate that the correlations are significant at 0.1 level. Three indicators of Globalisation, political, economic and social have significant and positive correlation with GDP per capita of BRIC. Social globalisation has high correlation with GDP per capita, indicating high impact on development. Personal remittances, Gross capital formation and Labor force negatively correlate with GDP pc with significance, while the industry value's negative correlation is not significant. The negative correlation with personal remittances can be interpreted as negative relation with emigration of Brain drain from BRIC. The correlation values of Exports, imports, high technology exports and trade openness of BRIC are positive and significant with the GDP per capita of BRIC nations.

Table - 3 Correlation results of Globalisation impact on BRIC development

	ED	LNFD Inetinflows	LNExports	LNImports	LNEG	LNPG	LNSG	Trade Openness	LNPrem	Internet	IV	LNHTEX	LNLF	UN	LNGFCF
ED	1														
LNFD Inetinflows	0.3893*	1													
LNExports	0.5220*	0.6031*	1												
LNImports	0.4772*	0.6067*	0.9831*	1											
LNEG	0.6689*	0.7466*	0.5754*	0.5354*	1										
LNPG	0.3712*	0.2170*	0.2476*	0.3137*	0.4208*	1							s		
LNSG	0.7891*	0.5701*	0.6114*	0.5290*	0.6831*	0.125	1								
Trade Openness	0.2480*	0.3447*	0.6668*	0.5869*	0.2730*	-0.164	0.5810*	1							
LNPrem	-0.3926*	-0.3648*	-0.1935*	-0.139	-0.5534*	-0.2899*	-0.3262*	0.0956	1						
Internet	0.729	0.3908*	0.6414	0.6305	0.513	0.425	0.458	0.165	-0.3	1					

	2*		*	*	6*	6*	1*		988*						
IV	-0.0017	0.2705*	0.4395*	0.3554*	0.15	-0.6189*	0.3210*	0.5081*	-0.3985*	-0.0288	1				
LNHTEX	0.3294*	0.6326*	0.6536*	0.6092*	0.6003*	-0.0689	0.6120*	0.5144*	-0.4335*	0.2670*	0.5461*	1			
LNLF	-0.6170*	0.1818*	0.2948*	0.3565*	-0.153	-0.0373	-0.3840*	0.11	0.2229*	-0.146	0.2904*	0.2378*	1		
UN	0.4571*	0.0289	-0.2662*	-0.3390*	0.2002*	-0.131	0.4350*	-0.0242	-0.3134*	0.0051	-0.12	0.134	-0.7780*	1	
LNGFCF	-0.3330*	0.2889*	0.5450*	0.5809*	-0.0468	-0.2640*	-0.0879	0.3999*	0.0439	-0.0163	0.6199*	0.3591*	0.8292*	-0.6753*	1

*** p<0.01, ** p<0.05, * p<0.1

Hypotheses are tested by the empirical analysis of the main equations with OLS and panel data techniques. Mainly the results of FE (fixed effects) with robust SE are used to test the hypotheses and for the deduction of other inferences. Table-4 gave the assessments for equation 2 and uses to test the hypothesis 1. The results of POLS, RE and FE all indicates to accept the H1. H1 concerns with the KOF index of globalisation classification; EG, SG and PG. The results indicate the significant association of globalisation with economic development of BRIC. The results show that when the EG increase by 1%, increases the economic development by 0.872% (FE) at 99% confidence level. As H1 predicts the strong association between developments and EG so we accept the H_{1a}, and as PG (6.170**) and SG (0.200**) coefficients are also positive and significant so the H_{1b} and H_{1c} are also accepted. It shows that all three types of globalisation; economic globalisation (EG), social globalisation (SG) and political globalisation (PG) play significant and positive role in the enhancement of economic development for the BRIC countries.

We had used GDP per capita as another proxy for the development of people of BRIC; the results are presented in table 4 indicating significant association between globalisation and economic development of BRIC nations. The results also indicate that Internet used as a proxy for media exposure also positively affects the development. High technology, industry value and inflation are not significant factors of the BRIC's development. Increase in labor force mean to be more labor intensive is negatively associated (-1.326*) with development.

H2 concerns the FDI (net inflows and Stocks), OFDI, Trade, and remittances impact on the economic development (GDPpc), the results are presented in table 5. The presented results indicate to accept the H2 for OFDI stocks, FDI inflows, trade openness, imports and exports. The trade related globalisation impacts are presented in table 6. The results show that trade openness, imports and exports are all significant factors of economic development of BRIC. OFDI stocks, FDI net inflows, trade openness, exports and high technology exports are positive significant factors for the BRIC development. Indicating that trade openness and exports really help BRIC to increase the GDP per capita. It can also help the BRIC nations to increase the development by increasing exports, trade openness, OFDI stock and FDI net inflows. When there are imports in the model the FDI net inflows are not significant anymore. Internet growth refereeing to more globalisation and real interest rate are also positive determinants of BRIC development.

Table-4: Globalisation impact on Economic development for BRIC 1990 - 2014

Variables- Name	POLS	FE	RE
LNEG	0.523***	0.872***	0.523***
	-0.107	-0.132	-0.187
LNPG	4.092***	6.170**	4.092***
	-0.365	-1.448	-0.497
LNSG	0.284***	0.200**	0.284**
	-0.0694	-0.0586	-0.111
Internet	0.0126***	0.0112*	0.0126***
	-0.00156	-0.00397	-0.00302
IV	0.0352***	0.00132	0.0352***
	-0.00617	-0.0111	-0.0093
LNHTEX	0.0141	-0.175	0.0141
	-0.0575	-0.175	-0.125
LNLF	-0.553***	-1.326*	-0.553***
	-0.0614	-0.422	-0.0811
INF	-0.00108	0.00128	-0.00108
	-0.00216	-0.000663	-0.00103
RIR	0.00156	0.00233*	0.00156
	-0.00114	-0.000752	-0.000989
UN	0.0105	0.0454*	0.0105
	-0.0164	-0.0152	-0.0207
LNGFCF	0.425***	0.503*	0.425
	-0.147	-0.188	-0.271
Constant	-4.725***	1.094	-4.725
	-1.661	-12.69	-3.582
Obs	78	78	78
R-sq value	0.984	0.974	
Number of BRIC		4	4

*** p<0.01, ** p<0.05, * p<0.1

Table -5: Estimation results for aspects of Globalisation and BRIC's Development 1990 - 2014

Variables- Name	POLS 1	POLS2	FE1	RE1
LNOFDIstocks	0.0508**	0.0736**	0.0580***	0.0508**
	-0.0216	-0.0364	-0.0184	-0.0216
LNFDInetinflows	0.0542**		0.0525**	0.0542**
	-0.027		-0.0219	-0.027
LNImports	-0.114	-0.0483	-0.208**	-0.114
	-0.113	-0.113	-0.0896	-0.113
LNExports	0.559***	0.471***	0.758***	0.559***
	-0.118	-0.115	-0.0961	-0.118
LNPrem	-0.0197	-0.0245	0.0506**	-0.0197
	-0.0189	-0.0194	-0.0227	-0.0189
Internet	0.00587***	0.00522***	0.00575***	0.00587***
	-0.00137	-0.00143	-0.00111	-0.00137
IV	-0.0122***	-0.00863*	-0.0334***	-0.0122***
	-0.0045	-0.00435	-0.00689	-0.0045
LNHTEX	0.126***	0.126***	0.0411	0.126***
	-0.0386	-0.0403	-0.0377	-0.0386
LNLF	-0.496***	-0.489***	-1.817***	-0.496***
	-0.0414	-0.0476	-0.217	-0.0414
INF	-0.00205	-0.00179	-0.000825	-0.00205
	-0.00148	-0.00153	-0.00117	-0.00148
RIR	0.00332***	0.00330***	0.00113	0.00332***
	-0.000891	-0.000918	-0.000941	-0.000891
UN	-0.012	-0.0151	0.00221	-0.012
	-0.0128	-0.0136	-0.0103	-0.0128
LNGFCF	-0.292**	-0.335**	-0.119	-0.292**
	-0.144	-0.156	-0.117	-0.144
LNFDIstocks		0.00887		
		-0.0399		
Constant	7.103***	7.280***	30.07***	7.103***
	-0.958	-0.988	-3.859	-0.958
Obs	78	78	78	78
R-sq value	0.992	0.991	0.987	
Number of BRIC			4	4

*** $p<0.01$, ** $p<0.05$, * $p<0.1$

Table -6: Estimation results for aspects of Trade and BRIC's Development 1990 - 2014

Variables- Name	1	2	3t
LNOFDIstocks		0.0905***	0.0543**
		-0.0252	-0.0221
LNFDInetinflows		0.00354	0.0458*
		-0.0284	-0.0274
LNImports		0.388***	
		-0.0577	
LNExports			0.447***
			-0.0488
LNPrem	0.0343	-0.0011	-0.0187
	-0.0659	-0.0229	-0.0198
Internet	0.0209***	0.00641***	0.00570***
	-0.00255	-0.0016	-0.00133
IV	-0.0172	0.00308	-0.00916**
	-0.0203	-0.00389	-0.0036
LNHTEX	0.240**	0.178***	0.132***
	-0.112	-0.0527	-0.0467
LNLF	-0.0272	-0.521***	-0.503***
	-0.632	-0.0586	-0.0513
INF	-0.00649*	-0.00119	-0.00197
	-0.0034	-0.00211	-0.00205
RIR	0.00511*	0.00156	0.00293***
	-0.00263	-0.00101	-0.00109
UN	-0.0298	-0.0266	-0.0148
	-0.029	-0.0209	-0.0177
LNGFCF	0.439	-0.557***	-0.364***
	-0.285	-0.144	-0.118
Trade Openness	0.687***		
	-0.234		
Constant	5.148	9.036***	7.289***
	-11.69	-1.31	-1.115
Obs	78	78	78
R-sq value	0.881	0.989	0.991
Number of BRIC	4	4	4

*** p<0.01, ** p<0.05, * p<0.1

4. Conclusion

Globalisation is important for the interconnectedness among nations, viewed to be the positive for the growth and the development of the economies. Based on the results it is concluded that BRIC development definitely affected by the increasing globalisation and the results clearly revealed that economic globalisation, along with social and political and trade openness and exports mainly helps to increase the development. The results show little importance of migration and industry value in the development of BRIC. This study can help in formalization of political policies concerning the development of developing countries by giving more important to globalisation specially trade, media and foreign investments. As we studied separate Trade related globalisation and media impact which are significant, we suggest having more globalisation indexes as separate for trade and media. The study had some limitations regarding data for migration; future researchers can use migration data to see the direct impact of migration on development.

Abbreviations

BRIC	Brazil, Russia, India & China
BRICS	Brazil, Russia, India, China & South Africa
FDI	Foreign Direct Investment
OFDI	Outward Foreign Direct Investment
GDP	Gross Domestic Product
MNE	Multinational Enterprises
EY	Ernst & Young
IMF	International Monetary Fund
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
POLS	Pooled Ordinary Least Square
VIF	Variance Inflationary Factor

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