Which country do you think is the 'most globalized'?

Measuring globalisation

What: Globalization indices showing how countries participate in global interactions

Why: Wealthy and powerful places exist at varying scales, and how the global map is complex and subject to change

Measuring globalisation

Levels of globalisation can be measured to show to what extent countries participate in global interactions. There is considerable spatial variation in levels of globalisation: some countries can be considered to be 'cores' (at the centre) of global interactions, initiating and receiving high volumes of interactions. while others may be considered to be 'peripheral' (on the edge or periphery), initiating and/or receiving low volumes of global interactions. In between these extremes are the semi-peripheral or transitional regions, in the process of becoming more or less globalised.

How would you measure globalization?

- Think of approx. 5-10 ways of measuring the degree to which a country is globalized.
- In each case justify your choice of measure.
- Try to group the measures - come up with your own group headings.

MEASURING GLOBALISATION

How could you measure and provide data for the following aspects of globalization? Write your ideas into your notes.

If you had to give a higher weighting to these figures, which would you say are more important as measurements of globalisation?

- flows of people
- flows of information
- flows of ideas
- flows of capital
- flows of goods

KOF Index

- The KOF Index of Globalization is an index of the **degree of globalization of 122 countries**. It was conceived by Axel Dreher at the Konjunkturforschungsstelle of ETH Zurich, in Switzerland. It was first published in 2002, and covered the period from 1970 until that year. A new version of it was published in 2017 . It is measured on a scale from 0.00 – 100.00

3 Dimensions Of The KOF Index

- **Economic Globalisation**: Long distance flows of goods, capital and services, as well as information and perceptions that acompany market exchanges.

- **Political Globalisation**: Diffusion of government policies.

- **Social Globalisation**: Expressed as the spread of ideas, information, images, and people.

Weightings of the KOF index

Criteria	Weighting
Economic (flow of trade, investment & capital)	36%
Social (diffusion of ideas, information, images & people)	38%
Political (diffusion of government policies)	26%

Economic Globalization

Social Globalization
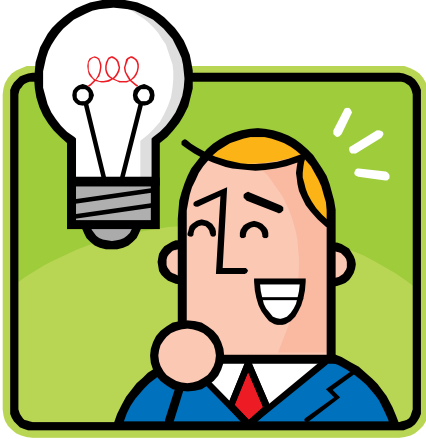

Political Globalization

What factors are included in the KOF index?

- The KOF index uses many variables for each criterion, and these are individually weighted too. Can you correctly classify them into the three criteria?

Predict – top 5 globalised countries according to KOF……

Task 1 – Using the information above as a starting point, write down what you think are the top three most globalized countries in the world and in the second column, a brief reason why.	
1	Why?
2	Why?
3	Why?

Economic Globalization

KOF Index of Globalization - Economic Globalization

- Long distance flows of goods, capital and services.
- Actual economic flows - trade, FDI (foreign direct investment) and portfolio investment.
- Restrictions to trade and capital - import barriers, mean tariff rates, taxes on international trade.

- Trade (% of GDP)
- Income payments to Foreign Nationals (% of GDP)
- Mean Tariff Rate

Political Globalization

KOF Index of Globalization - Political Globalization

- Number of embassies and high commissions.
- Number of international organizations to which a country is a member.
- Number of UN peace missions a country participated in.
- Number of treaties signed between two or more states.

Social Globalization

- Personal Contacts
  - Direct interaction among people living in different countries
  - International telecom traffic
  - Degree of tourism
- Information flows
  - Measure the potential flow of ideas and images
  - Number of internet users
  - Share of households with a television set
- Cultural Proximity
  - Imported and exported books
  - Number of McDonald's restaurants and IKEA stores

2017 KOF rankings

2017 KOF Index of Globalization*

	country	Globalization Index
1.	Netherlands	92.84
2.	Ireland	92.15
3.	Belgium	91.75
4.	Austria	90.05
5.	Switzerland	88.79
6.	Denmark	88.37
7.	Sweden	87.96
8.	United Kingdom	87.26
9.	France	87.19
10.	Hungary	86.55

	country	Globalization Index
185.	Cayman Islands	31.45
186.	Sudan	31.42
187.	Sao Tome and Principe	31.32
188.	West Bank and Gaza	30.93
189.	Comoros	30.84
190.	Micronesia, Fed. Sts.	27.96
191.	Equatorial Guinea	26.16
192.	Eritrea	25.07
193.	Solomon Islands	23.98
194.	American Samoa	.
195.	Andorra	.
196.	Channel Islands	.
197.	Greenland	.
198.	Guam	.
199.	Isle of Man	.
200.	Korea, Dem. Rep.	.
201.	Liechtenstein	.
202.	Marshall Islands	.
203.	Monaco	.
204.	Netherlands Antilles	.
205.	Northern Mariana Islands	.
206.	Somalia	.
207.	Virgin Islands (U.S.)	.

1. What are the most and least globalised countries according to the KOF Index?
2. What are the reasons behind low-globalisation status?

Read this [KOF press](#) release to help with your analysis

Figure 3. The KOF index for 1970.
Source: KOF.

Figure 4. The KOF index for 2012.

No data | 0-20 | >20-40
>40-60 | >60-80 | >80-100

Animated version

Task
1. Describe how the worldwide level of globalisation changed between 1970 and 2012.
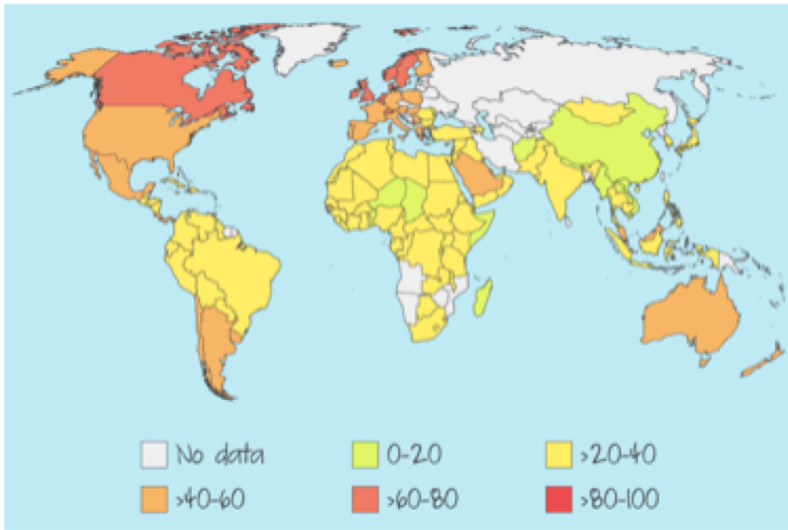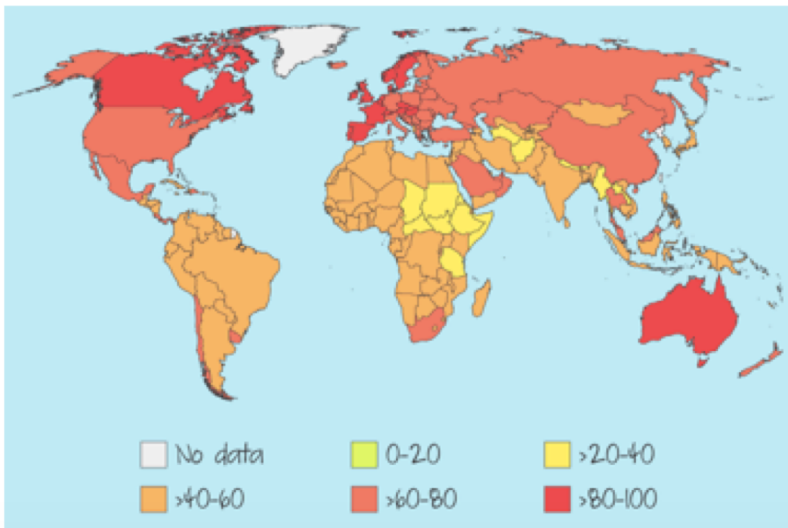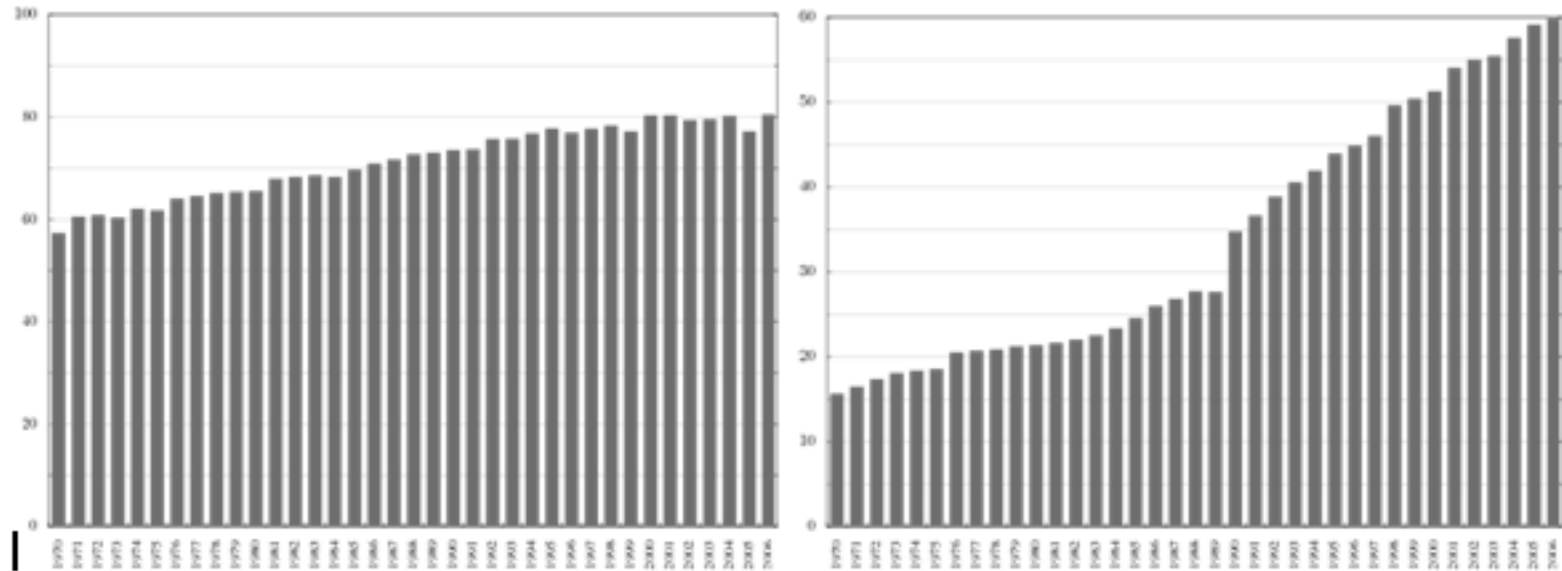2. How may we explain the pattern shown on this map?

KOF Index of Globalization - Globalization in France

As in the previous year, the Globalization Index ranked France in 13th place. The economic, political and social globalization sub-indices also remained unchanged. In the field of economic globalization, the country holds a rather modest 34th place. At least the previous year's downward trend did not continue. France still tops the index in terms of political globalization, a position it has held without interruption since 1998. The country's wealth of foreign embassies in Paris, its memberships in international organisations, the extent of its participation in UN peace missions and the number of international treaties it is party to is unparalleled.

KOF Index of Globalization - Globalization in the USA

The USA's ranking on the KOF Index of Globalization dropped one place to number 27. There has been a slight advance in economic globalization compared to the previous year. Both the "Actual Flows" sub-indicator, which includes trade and capital movements, and the removal of trade restrictions have led to an increase in economic globalization. All in all, globalization in the USA has stagnated since the end of the 1990s. Similar to most other industrialised countries, social globalization in the USA has remained unchanged for several years now. This is also true for political globalization which was rising until 1993 and has stagnated since.

KOF – Globalization Index for Australia and China 1970 – 2006 (Left and right graphs)

(a) Describe the trends for Australia and China between 1970 and 2006.

(b) Suggest reasons for the differences in the trends.

(c) Referring to the two maps below select one country which shows a different trend in its level and rate of globalization.

(d) Examine the reasons why the level and rate of globalization varies between countries.

Example questions

Using examples, explain how a country's global interactions can be measured [12]

Give an example of a measurement of globalization and evaluate its effectiveness in describing patterns of globalization. (12)

Describe the spread of globalization using one official index that you have studied (12)

Describe how one prominent index measures global interaction. (12 marks)

Past paper question from Nov 2013

3. (a) Analyse the strengths **and** weaknesses of **one named** globalization index. *[10]*

Evaluation….

- Globalization is complex
- Regularly collected data?
- Does the possession of a television set make a household more globalized?
- Is a country that is proactive in volunteering troops for UN missions more globalized or are the reasons more complex?
- When calculating the index economic globalization is weighted at 37%, social globalization at 39% and political globalization at 25% - why not a third each?
- Which do you think is the 'weakest' data set?