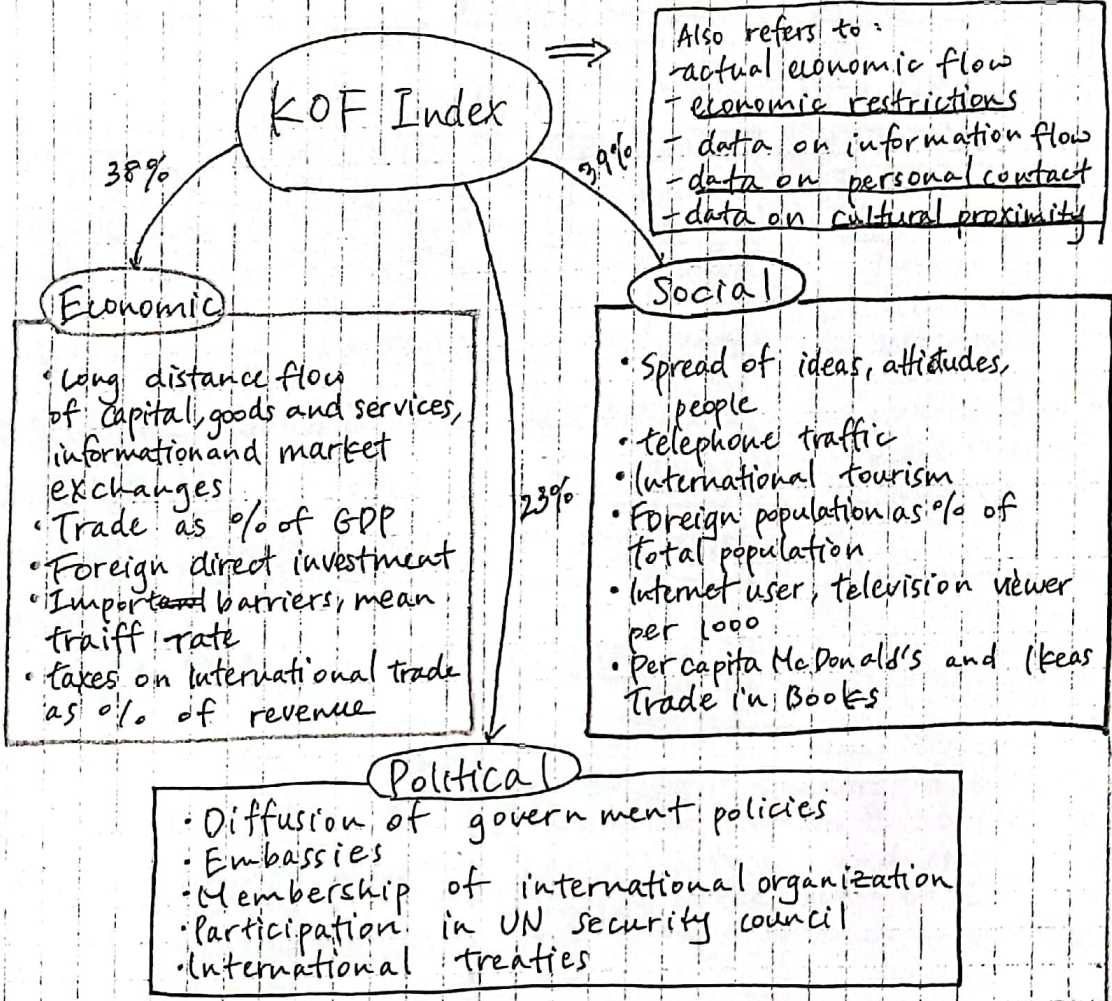


KOF Index (2002)

KOF: a leading Swiss economic think tank that also releases a yearly globalisation index.



Data are available on a yearly basis for 207 countries over the period 1970-2010.

in **2009**

- Belgium had highest value (91.5) followed by Ireland and Netherland.
- Myanmar had the lowest value (23.7)

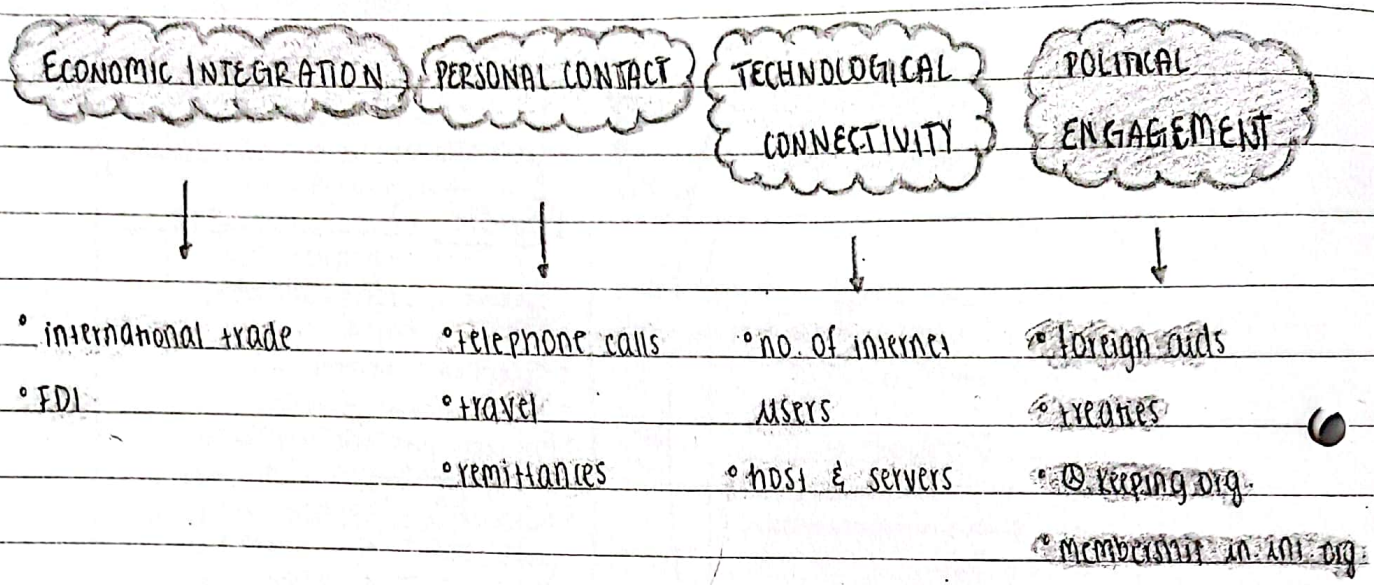
Comparative view

- KOF index...**
- more detailed and contemporary
 - multi-strand approach is very useful
 - Contradicting or insignificant data sets e.g. relation between possession of tv and globalization.
 - Lack trustworthiness to some extent.

- Kearney Index...**
- lack trustworthiness to some extent.

Indices of Globalization

KEARNEY INDEX



KOF INDEX

OTHERS:

- actual economic flow
- economic restrictions
- data on: information flow / personal contact / cultural proximity.

ECONOMIC:

- info. & market exchanges
- trade as % of GDP & taxes on int. trade
- FDI
- impedt. barriers, mean tariff rate

SOCIAL:

- spread of ideas / people / attitudes / trade in book
- telephone traffic / internet users / TV viewers
- international tourism / foreign population
- McDonald's & Ikea's GDP per capita
- diffusion of government policies

POLITICAL:

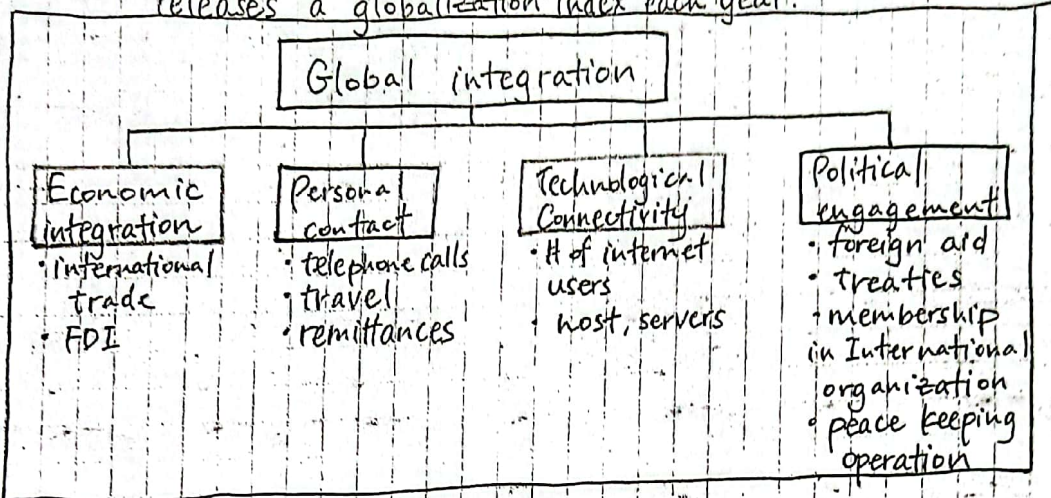
- int. treaties & memberships in int. org.
- embassies
- participation in UN security council.
- long dist. flow of capital / goods / services

Indices of Globalization

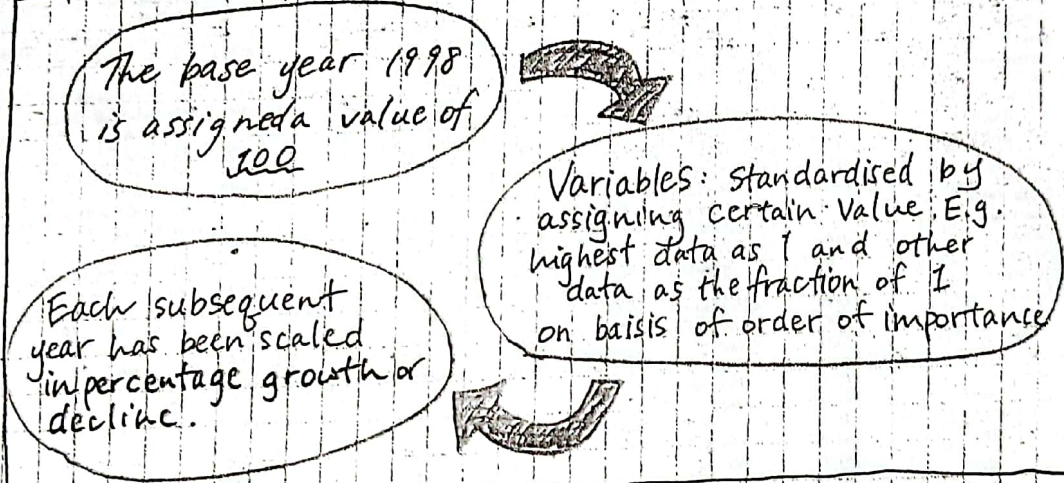
KEARNEY INDEX

3/5/2016
Sanya Hignuchi

AT Kearney: a management consultancy firm based in Chicago releases a globalization index each year.



METHODOLOGY



= 2007 Kearney index

122 countries were ranked that accounted for 97% of world GDP and 88% of world population including both developed and developing countries.

Trend in Kearney Index:

- Most top 10 countries have small land area and overall low population (not density) except for Canada and USA.
- Countries: lack of natural resources and limited domestic market e.g. Singapore, Netherland

Criticism

- Adds triple weighting to FDI; double weighting to trade volumes to judge flow of globalization. Value judgement to cater its American clients BP, chevron
- Crude averaging and statistical gap = compromise result.

To be globally competitive these countries have no choice but to open up their market and economy to have access to other large market and to attract trade and