

## 2012 KOF Index of Globalization

Indices and Variables	Weights
<b>A. Economic Globalization</b>	<b>[36%]</b>
i) Actual Flows	(50%)
Trade (percent of GDP)	(21%)
Foreign Direct Investment, stocks (percent of GDP)	(28%)
Portfolio Investment (percent of GDP)	(24%)
Income Payments to Foreign Nationals (percent of GDP)	(27%)
ii) Restrictions	(50%)
Hidden Import Barriers	(24%)
Mean Tariff Rate	(27%)
Taxes on International Trade (percent of current revenue)	(26%)
Capital Account Restrictions	(23%)
<b>B. Social Globalization</b>	<b>[37%]</b>
i) Data on Personal Contact	(34%)
Telephone Traffic	(25%)
Transfers (percent of GDP)	(4%)
International Tourism	(26%)
Foreign Population (percent of total population)	(21%)
International letters (per capita)	(25%)
ii) Data on Information Flows	(35%)
Internet Users (per 1000 people)	(33%)
Television (per 1000 people)	(36%)
Trade in Newspapers (percent of GDP)	(32%)
iii) Data on Cultural Proximity	(31%)
Number of McDonald's Restaurants (per capita)	(44%)
Number of Ikea (per capita)	(45%)
Trade in books (percent of GDP)	(11%)
<b>C. Political Globalization</b>	<b>[26%]</b>
Embassies in Country	(25%)
Membership in International Organizations	(28%)
Participation in U.N. Security Council Missions	(22%)
International Treaties	(25%)

Source:

Dreher, Axel, 2006, Does Globalization Affect Growth?  
Empirical Evidence from a new Index, *Applied Economics* 38, 10: 1091-1110.

Updated in:

Dreher, Axel; Noel Gaston and Pim Martens, 2008, *Measuring Globalization  
- Gauging its Consequence*, New York: Springer.