

2008 KOF Index of Globalization

Indices and Variables	Weights
A. Economic Globalization	[36%]
i) Actual Flows	(50%)
Trade (percent of GDP)	(18%)
Foreign Direct Investment, flows (percent of GDP)	(21%)
Foreign Direct Investment, stocks (percent of GDP)	(22%)
Portfolio Investment (percent of GDP)	(19%)
Income Payments to Foreign Nationals (percent of GDP)	(20%)
ii) Restrictions	(50%)
Hidden Import Barriers	(24%)
Mean Tariff Rate	(28%)
Taxes on International Trade (percent of current revenue)	(27%)
Capital Account Restrictions	(20%)
B. Social Globalization	[38%]
i) Data on Personal Contact	(30%)
Outgoing Telephone Traffic	(13%)
Transfers (percent of GDP)	(6%)
International Tourism	(28%)
Foreign Population (percent of total population)	(26%)
International letters (per capita)	(28%)
ii) Data on Information Flows	(35%)
Internet Users (per 1000 people)	(25%)
Cable Television (per 1000 people)	(25%)
Trade in Newspapers (percent of GDP)	(21%)
Radios (per 1000 people)	(29%)
iii) Data on Cultural Proximity	(35%)
Number of McDonald's Restaurants (per capita)	(40%)
Number of Ikea (per capita)	(41%)
Trade in books (percent of GDP)	(19%)
C. Political Globalization	[25%]
Embassies in Country	(35%)
Membership in International Organizations	(36%)
Participation in U.N. Security Council Missions	(29%)

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.