The KOF Index

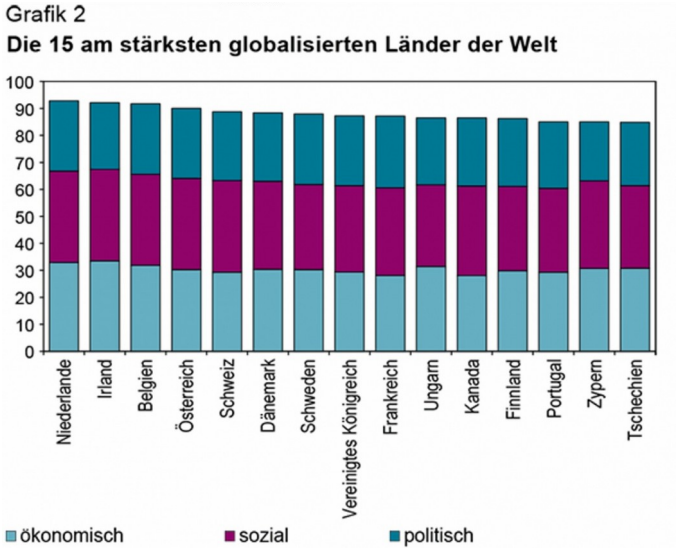
Introduction: The KOF Index of Globalization is an index of the degree of globalization of 122 countries. It was conceived by Axel Dreher in Zurich,Switzerland. It was first published in 2002. The KOF Globalization Index measures the economic, social and political dimensions of globalization. It does not cover environmental globalization. Globalization in the economic, social and political fields has been on the rise since the 1970s, receiving a particular boost after the end of the Cold War.

Component of the KOF Index:

36% of the index is made up of economic flows, that include trade flows and trade in investment portfolios. It also takes into account trade restrictions and protectionist policies.

38% of the index is made up of social globalisation and is expressed as the spread of ideas, information, images and people. The index refers to estimated personal contact, which includes international telephone traffic, transfers, tourism, foreign population, and international letters as well as information flows, including Internet usership and television ownership. It also includes levels of government and private financial flows, including FDI and remittances. Cultural proximity is also measured based mainly on the number of US cultural products such as McDonald's restaurants, but also the number of Ikea shops and trade in books. Some argue that this suggests a bias as it fails to take into account the wider global presence of companies like, Toyota, Sony etc.

26% of the index concerns the political dimension and is characterised by the degree of political cooperation. It is measured by the number of embassies, membership of international organisations, participation in UN Security Council missions, and number of international treaties signed. The following graphic shows the country ranking in 2017 for the three dimensions of economic, social and political.



The KOF Index does provide a broad range of measures that link to a country's level of connectivity. However, the fundamental criticism concerns the question of to what extent any one pressure truly reflects global interactions and the Index does not really examine the motivations for any specific level of political participation.

KOF Index Top 10 Rankings 2020

Other Indices

A number of different indices exist to measure participation in global interactions. Two other well known indices include the **AT Kearney World Cities Index** and the **Ernst & Young Globalisation Index.**

The Kearney Index compiles a broad range of data sets based on the amount of business activity, cultural experience and political engagement to rank cities against each other. For example '**Alpha Cities'** are those cities that have the highest number of TNC headquarters, government embassies as well as renowned museum collections. This creates a global landscape of cities of global importance. The 2017 ranking for the Kearney Index in specific areas can be seen below.