

### Activity 1. Index of Globalization

**Source:** <http://globalization.kof.ethz.ch>, accessed June 20, 2010

**Background:** The Swiss Institute for Business Cycle Research publishes an annual Index of Globalization that measures economic, social, and political dimensions of globalization in 158 countries. Small countries active in global financial markets are considered the most globalized. They include Belgium, Ireland, Switzerland, and Singapore. On the other extreme are countries such as Myanmar (Burma), the Democratic Republic of the Congo (formerly known as Zaire), and Burundi that remain virtually outside the global system. In 2010, Germany ranked highest on the globalization index among the industrialized nations (18th) while the United States ranked 27th overall.

**Instructions:** Examine the chart Index of Globalization. It is a composite score based on three criteria. Economic globalization measures imports, exports, and foreign investments either in the country or by the country around the world. Social mobilization measures things such as international phone calls and emails, international tourists, and immigrants. Political globalization is measured by the number of embassies a country has in other countries and its memberships in international organizations. More populated countries with larger domestic markets and more internal communication tend to score lower on the index. In your opinion, is this an accurate or useful measure of globalization? What criteria would you use to measure global interaction? Why?

#### Index of Globalization

Rank	Country	Index
1	Belgium	92.95
2	Austria	92.51
3	Netherlands	91.90
4	Switzerland	90.55
5	Sweden	89.75
18	Germany	84.16
24	United Kingdom	80.18
27	United States	78.80
45	Japan	68.16
63	China	62.68