

Interesting Data about Globalization from *World 3.0* by Pankaj Ghemawat

Summary by Venkatesh Rao

Accuracy not guaranteed. Use this data at your own risk. Refer to the book itself and its citations if you plan to use the data in any non-trivial way.

This document accompanies my review/summary at

<http://ribbonfarm.com/>

1. The probability of an adult male getting violently killed was between 15-60% in 3000 BC
2. There were 1 million political entities in 3000 BC, each with a few dozen members. This was reduced to less than 200 entities between 3000 to 2000 BC, about 50 in the age of empires, to about 75 just after World War II to about 200 today (*Expansion and contraction of Large Polities*, Rein Taagepera: <http://www.jstor.org/pss/2600793>)
3. The export to GDP ratio was about 1% in 1820 and is about 20% today.
4. 1% of snail mail crosses international borders. 2% of phone traffic, and 17-18% of Internet traffic
5. International coverage counts for only 20% in magazines like *Time*.
6. 21% of US news coverage was international, of which 11% concerned US foreign affairs, including wars. In the EU 38% of coverage is international, but half of that is within the EU.
7. Only 15% of patents in OECD countries are foreign owned
8. 1st generation immigration is only 3% of the world's population.
9. 90% of people will never leave their home country.
10. Trade intensity was 29% of GDP in 2008, 23% in 2009.
11. A meta-comment about Thomas Friedman: his book outsells all the others *combined*
12. Of the \$299 price of an iPod, \$163 goes to Apple and only a few dollars go to China
13. Foreign content accounts for 50% of China's exports, and 25% - 30% of global exports (i.e., circulation in intermediate goods is poorly modeled by commonly cited statistics, which indicate a need for value-added accounting to correct for inflated deficits (example, \$150 per iPod). Often this is about 3x due to such "roundtripping." Deflating appropriately, you get a trade to GDP ratio of more like 20%.
14. FDI (foreign direct investment) was 9% of all fixed investment in 2009. The peak was 16% in 2007. The average (in the last decade?) has been about 10%
15. 15-20% of venture capital investment is outside the home country.
16. Only 20% of stock markets represent wealth outside the home country.
17. Bank deposits are about 25% from outside the home country.
18. Government debt is about 35% from outside the home country
19. Cross-border charity is about 5-10% of total charity
20. Purely financial measures are about 21% outside home country. Non-financial measures tend to be around 10%. People (human capital measures) are typically less than 10%.
21. Summary of internationalization measures, approximately captured by bar chart on page 30
 - a. Mail: 1%

- b. Telephone calls: 2%
 - c. University students: 2.5% (?)
 - d. Immigrants: 3%
 - e. Charity: 5-10%
 - f. Direct investment: 10%
 - g. Patents: 15%
 - h. Venture capital: 17%
 - i. Internet traffic: 17%
 - j. Exports: 20%
 - k. Equity investment: 20%
 - l. News media: 21%
 - m. Bank deposits: 25%
 - n. Government debt: 35%
22. Long-term trends do *not* support the conclusion that “World 2.0” (low regulation, high integration) is happening rapidly.
 23. 40% of US imports are internal to MNCs
 24. Large companies are more globalized than markets in general. In 2008, the world’s largest 100 companies had 60% of their assets outside home markets
 25. Productivity gains explain 80% of US economic gains (Robert Solow)
 26. Services account for 2/3 of global GDP but 1/5 of global trade
 27. Most countries rely on foreign sources of technology for 90% or more of productivity gains. Only one country, the US shows the reverse pattern (original citation: Keller, “International trade, FDI and technology spillovers”)
 28. In the G7, \$1 of foreign R&D is worth 74c of domestic R&D at distances less than 2000 km, 37c at distances between 2000-7000 km and 5c at larger distances (original citation, Jaffe and Trajtenberg, “International Knowledge Flows.”)
 29. An increase in cross-border spill-over by 10% would overshadow domestic [R&D] for all but 3 countries: US, Japan and China.
 30. China has 30% of the world’s rare earth reserves, but controls 90% of the supply
 31. Transport contributed 23% of CO2 emissions in 2004, 13% of all greenhouse gases. 74% is ground, 6% is air, 9% is marine (hence..., contribution of globalization to environmental externalities is not very high).
 32. Some pollutants decrease with globalization, like SO2
 33. Processing of visas costs about \$88 billion annually
 34. 60% of immigration is from developing world to developing world, 37% is from developing world to developed world, 3% is from developed to developing world
 35. 50% of migration is within the same region, 40% is to places with the same major language
 36. The mortality risk for men increases 44% in the four years after the loss of a job (Eliason and Storrie, “Does job loss shorten life?” See also my review of *The Disposable American*)
 37. The correlation between perception of cultural superiority and need for cultural protection is 0.68. India tops this list, Sweden is near the bottom. The top four are India, Indonesia, Tanzania and Bangladesh. The bottom 4 are Sweden, Britain, France and Germany.

38. An indicator of latent separatism is provided by geography – the degree to which national borders are straight rather than squiggly, and therefore likely to have been drawn arbitrarily without attention to realities on the ground. The most artificial states, as in the ones that rank in the top tier in terms of both ethnolinguistic fragmentation and straightness of borders, are Chad, Ecuador, Equatorial Guinea, Eritrea, Jordan, Mali, Morocco, Namibia, Niger, Pakistan, Sudan and Zimbabwe (Alberto Alesina *et. al.* “Fractionalization,” Graduate School of Business, Stanford University, research paper no. 1744, June 2002 and Alberto Alesina *et. al.*, “Artificial States,” Center for Global Development working paper no. 100, September 2006, 13).
39. Democracy is stable once per capita income rises above \$3000-\$6000.
40. Between countries in EU, correlation between trust earned and self-reported cultural superiority: -0.83. Between trust earned and cultural protectionism: -0.85. Trust earned is approximately equal to trust extended. Turkey is the least trusted.