

Additional Praise for *The Laws of Globalization and Business Applications*

“Globalization is taking a beating partly because of our poor understanding of the phenomenon. This well-organized, meticulously researched book is a breath of fresh air in this respect, and is best read cover to cover. Once you have done so, you will reject the hype about globalization as an overpowering force and better recognize the patterns to which it is subject. And that has implications for how globalization should be thought about in a broad range of fields, not just in international economics and international business.”

Bernard Yeung, Dean and Stephen Riady Distinguished Professor of Finance and Strategic Management, National University of Singapore (NUS) Business School

“For some time now, there has been an incredible amount of hype about the advent of globalization. As significant as this phenomenon might have been, it has surely been exaggerated by both the popular press and, more worryingly, by academics too. In the last few years, Pankaj Ghemawat has embarked on a much needed crusade to document the actual depth and breadth of this globalization process. The picture that emerges from this academic endeavor is much more nuanced than the one often portrayed in the literature. This magnificent book overviews much of Ghemawat’s recent work on this topic and should appeal to a broad range of social scientists interested in globalization.”

Pol Antràs, Robert G. Ory Professor of Economics, Harvard University

“At a time of great angst and uncertainty about globalization, it is enormously important to have a fact-based perspective on the phenomenon. That is what *The Laws of Globalization* provides. Solidly grounded in international economics as well as business, this book draws on rigorous research (much of it reported here for the first time), is replete with interesting applications, and is easy to read—all of which should make it appealing to a wide variety of audiences.”

Peter Blair Henry, Dean, Richard R. West Professor of Business, and William R. Berkley Professor of Economics & Finance, New York University Leonard N. Stern School of Business

“Pankaj Ghemawat makes readers think again about globalization from new, non-conventional perspectives, always based on data. In this insightful and well-researched book, he describes some key patterns in the globalization process and offers very useful strategic reflections for international companies’ senior executives and policy-makers on the implications of the semiglobalized world we live in.”

Jordi Canals, Dean Emeritus, IESE Business School

## The Laws of Globalization and Business Applications

*The Laws of Globalization and Business Applications* employs a variety of empirical methodologies to establish two broad regularities that apply to international activity – the law of semiglobalization and the law of distance – and explores some of their implications for business. Part I presents current and historical evidence in support of the law of semiglobalization at the country and the business levels. Part II performs an analogous function regarding the law of distance, showing that the gravity models that international economists have used to analyze merchandise trade between countries also apply to other types of international interactions – and at the industry and firm levels as well. Part III applies these laws to various challenges and opportunities that distance along various dimensions presents to multinational firms. A free online appendix provides additional analysis and documentation to support research applications.

PANKAJ GHEMAWAT is Global Professor of Management and Strategy at New York University's Stern School of Business, where he directs the Center for the Globalization of Education and Management, and the Anselmo Rubiralta Professor of Global Strategy at IESE Business School. He served for more than twenty years on the faculty of Harvard Business School, where in 1991, he became the youngest person ever to be appointed a full professor. Recent honors include the Booz Eminent Scholar Award of the International Management Division of the Academy of Management and the McKinsey Award for the best article published in Harvard Business Review. He served on the AACSB's taskforce on the globalization of management education, and authored the report's recommendations about what to teach students about globalization, and how.

Additional Content Online: A free online appendix is available at [www.ghemawat.com/laws](http://www.ghemawat.com/laws). The online appendix expands upon the empirical basis for *The Laws of Globalization and Business Applications* by providing additional analyses, technical notes, and references. It also includes links to tools and maps designed to help readers generate their own analyses and tailor their views of globalization according to their locations and interests.

# The Laws of Globalization and Business Applications

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Pankaj Ghemawat



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To my parents, Mahipal and Shanta Ghemawat,  
Who are the two greatest reasons I am an academic.

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