The Social Footprint U.S. Multinationals™ Foreign Affiliates

Topic: Firm Heterogeneity and Input-Output Analysis  
Author: Jorge E. Zafrilla  
Co-Authors: Ángela García-Alaminos, Mateo Ortiz, Guadalupe Arce

The success of the Sustainable Development Goals (SDG) requires the rethinking of some of our ethical principles as consumers and producers. There is a growing consumer consciousness-raising related to the transition towards a more socially inclusive economy. Since consumers are becoming citizens again, the more sustainable choices from the side of the consumer can enforce firms to comply with their corporate social responsibility targets. Specifically, multinational corporations, as one of the most powerful global institutions, have the chance to lead the transnational transition, it is time to walk the walk.

In this paper, we motivate a novel assessment of the social footprint of multinationals enterprises in the last years. Concretely, and considering that the United States (U.S.) is the country with the most and biggest multinational corporations around the world, this paper assesses the social footprint from the hosting country and consumer perspective of the U.S. multinational enterprises foreign affiliates in the last years. The footprint is estimated using a socially-extended MRIO model based on the WIOD tables, combined with data of U.S. multinationals enterprises activity provided by the Bureau of Economic Analysis (BEA) in terms of value added generated by U.S. majority-owned affiliates around the world. The social extension relies on an own elaboration social database which comprises modern slavery indicators such as forced labor figures, bad labor indicators such as fatal and non-fatal injuries, and job™s quality indicators such as temporary and part-time employment.