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Assessing Impact of Emerging Market Multinationals on the Global Economy

Problem statement

I have long been fascinated with emerging markets and the role they play in our global economy. I want to understand the role multinational companies in these emerging markets play in shaping our society and our world, so I can eventually help foster human rights in these very emerging economies and countries.

I plan to take my first step in understanding the role emerging market multinationals play by contributing to research as part of the annual Emerging Markets Report, produced through Cornell's Emerging Markets Institute with Professors Casanova and Miroux's leadership.

Background

Over the past two decades, emerging economies have gained ground in wealth and influence, leading to significant and rapid changes in the global economic landscape. The rise of these economies have had to do in large part with the rise of multinational companies in these economies. We can see the impact of these emerging multinationals through several statistics:

- 20% of global outward FDI flows today are accounted for by a group of 20 top emerging economics, the E20; that share was 2% in 2000
- 30% of the firms in the Fortune Global 500 list (based on revenues) are enterprises from emerging markets; they were less than 10% fifteen years ago (China, for example, is not far behind the US in terms of Fortune 500 companies)
- Many emerging economies, which just 20 years ago did not have Fortune 500 companies, now have entries on the Fortune 500 list

Given the rise of emerging multinationals, and their subsequent impact on the global economy, it is important we understand their impact from an Environmental footprint, social impact, and governance perspective (ESG); supply chain perspective; economic development angle; and tastes and preferences as an economy.

As emerging economies take a foothold in our global economy and emerging multinationals impact the lives of not just their own citizens but those around the world, we must understand them to shape the future of our world.

Proposed work

I propose to assist Professor Casanova, the lead author on this report, with the 2023 Emerging Market Multinationals Report. As a researcher for this report, I will analyze quantitative data from economic sources (Capital IQ, ORBIS & CB Insights, World Bank, and the International Monetary Fund) to understand the legal and economic structure of multinational companies in emerging markets. I will also gather qualitative data through interviews with executives at emerging multinationals and emerging market leaders. My work will entail using this data to produce written and visual products for the 2023 Emerging Market Multinationals Report.

Objectives

My research as part of the 2023 Report will have six objectives:

- (1) *Gaining a comprehensive understanding of the economic databases mentioned above and identifying which databases should be used to support the research behind the 2023 Emerging Markets Report.*
- (2) *Leveraging these databases to develop graphs and compile data into “vignettes” or profiles on emerging market multinationals.*
- (3) *Interviewing emerging market executives and emerging market leaders to supplement these vignettes and profiles and add an anecdotal aspect.*
- (4) *Summarizing important economic policies and trends in emerging market economies that the profiles above will be used to support.*
- (5) *Using my work and what I’ve learned to help develop a ranking system along certain variables, or rank companies based on characteristics such as ESG, economic development, and supply chain volatility.*
- (6) *Assist with the drafting, editing, and compilation of the final 2023 report.*

Stakeholders

There are several stakeholders as it relates to the 2023 Emerging Market Multinationals Report: the Cornell Emerging Markets Institute, emerging market multinationals, key emerging market executives and emerging market leaders, and leaders in developed markets.

The Cornell Emerging Markets Institute defines its mission as being “the premier institute for emerging markets worldwide, to affirm the importance of emerging markets in the global economy and to equip leaders with the purpose, insights & tools to thrive in emerging markets,” and the 2023 report will play a critical role in upholding the Institute’s mission and supporting its work. Emerging market leaders and multinationals will place importance on how they are represented in this report, which defines how they are represented to the world, and leaders in

developed markets will look to this report to understand how they should interact and make sense of the rise of emerging market multinationals. This report will play a critical role in shaping how we view emerging markets, as they relate to developed markets, and how we can foster their growth in a sustainable manner that does not run counter to our values and goals for the future.