



## **Securing your business's future in an increasingly unstable world**

Business people fully recognise the importance of environmental sustainability, both to humanity and to the future of business itself. Business has been responsible for many cutting-edge initiatives including Corporate Social Responsibility (CSR), international environmental operating standards such as ISO 14001, and for participating in UN-sponsored initiatives such as the UN Global Compact. Businesses recognise the importance both for their reputations and for staff morale of responsible ethical and environmental behaviour.

But are these initiatives enough? The effects of climate change continue largely unchecked. The world continues to face the risk of financial melt-downs. Fossil fuel scarcity increases international tensions, and the gap between rich and poor, both within and between nations, makes for an increasingly unstable world which is ultimately in no one's interests. As business people, we rightly expect governments to take substantive action to solve these problems, but we rarely consider why governments aren't doing so.

### **Regulation and governance: business-friend or business-foe?**

Globalisation, the world-wide spread of open markets and new technology, has brought wonderful benefits to much of humanity in terms of economic growth and prosperity. But the relative ease with which capital moves across national borders has also had the effect of making it difficult or impossible for governments to act to solve climate change, financial crises and many other problems which increasingly threaten the global market system. The problem is that the economy is global, yet governance remains only national. In today's economically borderless world, no government can implement much-needed regulations and taxes to solve these problems for fear that the higher costs involved would make their industries uncompetitive and would risk jobs and investment going elsewhere.

Governments, then, are caught in much the same dilemma as businesses. Businesses are caught because, as *The Economist* recently reported, "Many big companies say they are keen to do their bit to fight global warming. [But]... they are shy of making the first move, since firms that go green will merely burden themselves with higher costs than their competitors." But governments are caught in exactly the same dilemma! Business wants government action, but how can a government act if other governments don't take it too? It is this collective action problem that Simpol is designed to solve. In a globalised and borderless world, only *simultaneous* regulation by all, or virtually all, governments can hope to solve global warming and a host of other global problems. *Unilateral* government regulation would certainly harm business competitiveness; but *simultaneous*

regulation would not. Global and simultaneous regulation would be in business's – and everyone else's - best interests.

## **But how to achieve it? The Simpol solution**

Simpol is an international association of citizens who use their votes in a new way to drive all or sufficient governments towards *simultaneously* implementing solutions to global problems. Simpol is based on three principles:

1. *Simultaneous implementation*: if all or sufficient nations act together, no nation, corporation or citizen need lose out to its peers. Global problems could be solved while everyone's *relative* competitiveness would be maintained.
2. *Multi-issue policy framework*: At present, international negotiations deal with single issues, such as carbon emissions reductions. But negotiating one issue alone means there will always be some nations that win and others that lose – and the losers have no incentive to cooperate. This is why current UN-sponsored negotiations frequently achieve little. Simpol, by contrast, offers a *multi-issue* framework by which nations that lose on one issue can gain on another, so potentially making substantive cooperation in every nation's immediate self-interest.
3. *Citizen voting leverage*: At present, there is no incentive for politicians to reach international agreements. If they fail, they can always claim 'the national interest' as an excuse. Simpol incentivises international cooperation because its supporters in each democratic country have pledged to give strong voting preference at all future national elections to politicians who have pledged to implement Simpol alongside other governments. As Simpol's voting block grows, politicians who fail to sign the Pledge risk losing their seats to those who do. With many parliamentary seats, and even entire national elections, being decided by relatively small numbers of votes, only relatively few supporters are needed to make supporting Simpol in politicians' vital survival interests. And yet, for politicians, signing the Pledge is a no-risk proposition since implementation only occurs if and when all or sufficient nations are on board.

Sound far-fetched? At the UK general election in 2017 over 650 candidates from all the main parties signed the Pledge and, of those, 65 are sitting Members of Parliament. Simpol is also making progress in other countries.

*What are Simpol's policy measures?* Simpol is restricted to policies that cannot be implemented unilaterally without significantly damaging a nation's competitiveness. (See website for details).

*How are they decided?* Any citizen who supports Simpol (no financial cost involved – Simpol is open to all) will be able to participate in formulating, or voting on, Simpol's policy measures. The process of policy formulation would only commence once sufficient support in principle from politicians around the world had first been achieved. Before implementation proceeds, all proposed measures would be subject to national referenda in each country. (See website for details).

The above proposal may appear naïve – until you think about it. In most democracies, the demands of a competitive globalised economy have greatly reduced the options open to governments, regardless of the party in office. This is preventing action on global problems and so threatens business interests too. That's why governments are unlikely to cooperate unless citizens take the initiative to ensure that they do.

## Why Simpol deserves the 'business vote'

The long-term viability of business and of an open global economy depend on governments being released from their dilemma so they can solve mounting problems like global warming. Millions, especially in developing countries, are being forced to flee from the freak weather conditions and crop failure induced by climate change. But increasingly business is suffering too. Insurance costs to cover for flood, storm and terrorist damage are rising; the frequency of international tensions, military conflicts and terrorism make the risk and cost of doing business higher – both at home and abroad. Global corporations pay ever-higher costs for the security of their personnel, for risk assessments, green audits, etc, all in an unending bid to avoid reputational risk. Increasingly, therefore, a *simultaneously* governed world would ensure a fair and level playing field for all businesses, while releasing governments to solve global problems substantively and effectively in everyone's best interests.

For too long the world has looked mainly to *business* to solve social and environmental problems. A culture of blame and shame has resulted, with business often on the losing end. Simpol, conversely, allows the main focus to be put back where it belongs: on *governments*. It is the job of governments to set the rules – but for that they need to co-operate!

### The business benefit in supporting Simpol – What your business can do

Simpol is a campaign business can benefit from. Apart from the wider benefits outlined above, supporting Simpol shows your kids, your customers, employees and other stakeholders that your company supports a viable, responsible, fair and democratic political solution to global problems; a solution that harms no one's competitiveness and which takes the whole world into account. Unlike other campaigns, Simpol does not 'blame and shame' business or anyone else; it offers a solution *everyone* can support.

### What you and your business can do

- Invite a speaker to come and present Simpol to your senior managers and employees;
- Encourage your employees to become supporters of Simpol;
- Enlist the support of your trade association to lobby politicians to sign the Pledge;
- Enhance your business's reputation by publicising your support for Simpol in company literature, in-house newsletters and in corporate publicity;
- Encourage your supply chain by informing them about Simpol and enlisting their support for it.
- Donate personally to Simpol. To maintain independence and democratic legitimacy, we don't accept donations from for-profit organisations, so Simpol relies on your *personal* generosity and support.

Please visit our website or contact us for more information.

## International Simultaneous Policy Organisation

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