# Securing your business's future in an unstable world

Business leaders understand that sustainability matters, both to society and to the long-term health of business itself. Companies have led or embraced many responsible-business initiatives, from Corporate Social Responsibility (CSR) and environmental management standards such as ISO 14001 to the UN Global Compact and net-zero commitments. Responsible environmental and ethical conduct strengthens reputations, helps attract and retain staff, and builds trust with customers and investors.

But are these initiatives enough? Climate change continues largely unchecked. Frontier artificial intelligence is advancing faster than any government's ability to regulate it. The risk of financial crises has not gone away, competition for scarce resources is fuelling international tensions, and widening inequality within and between nations is making the world ever more unstable, which is in no one's interest. As business people, we rightly expect governments to act on these problems, but we rarely ask why they don't.

## Regulation and governance: friend or foe of business?

Globalisation, with its open markets, mobile capital and new technology, has brought enormous gains in growth and prosperity. But the ease with which capital moves across borders also makes it difficult, often impossible, for governments to tackle climate change, financial instability, the risks of advanced AI and other problems that increasingly threaten the global market system itself. The economy is global, yet governance remains national. In an economically borderless world, no government dares to introduce the regulations and taxes needed, for fear that higher costs would make its industries uncompetitive and drive jobs and investment elsewhere.

Governments, then, are caught in the same dilemma as businesses. As *The Economist* observed, “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.” Governments face exactly the same first-mover problem, and the same is now true of AI: governments hesitate to regulate frontier AI for fear of handing an advantage to rival nations and their AI companies. Business wants government action, but how can one government act if others won't?

This is the collective-action problem Simpol is designed to solve. In a borderless world, only *simultaneous* regulation by all, or sufficient, governments can hope to solve global warming, make frontier AI safe and address a host of other global problems. *Unilateral* regulation would harm a country's competitiveness; *simultaneous* regulation would not. Simultaneous global regulation is therefore in the best interests of business, and of everyone else.

## How to achieve it: the Simpol solution

Simpol (short for the Simultaneous Policy) is an international citizens' initiative whose supporters use their votes in a new way to drive governments to implement solutions to global problems *together*. It rests on three principles:

1. **Simultaneous implementation.** If all or sufficient nations act together, on the same date, no nation, company or citizen need lose out to its competitors. Global problems can be solved while everyone's *relative* competitiveness is maintained.
2. **A multi-issue framework.** International negotiations usually tackle one issue at a time, such as carbon emissions. With a single issue there are always winners and losers, and the losers have little reason to cooperate, which is one reason UN-sponsored negotiations so often achieve so little. Simpol instead combines two or more issues in each policy package, so that nations which lose on one issue can gain on another, making cooperation in every nation's self-interest.
3. **Citizens' voting power.** At present, politicians have little incentive to reach ambitious international agreements; if they fail, they can always plead "the national interest". Simpol changes that. Its supporters in each democratic country commit to giving strong preference at national elections to candidates, from any party, who have signed the Simpol Pledge to implement Simpol alongside other governments. Because many seats, and even entire elections, are decided by small margins, relatively few supporters are needed to make signing the Pledge in a politician's electoral interest. And for politicians, signing carries no risk: implementation happens only if and when all or sufficient nations are on board.

Sound far-fetched? At the 2024 UK general election, more than 650 candidates from all the main parties signed the Pledge, and more than 100 sitting MPs are now signatories. Simpol is also active in many other countries.

**What policies does Simpol cover?** Only those that a nation cannot implement on its own without suffering a significant competitive disadvantage. Simpol currently addresses issues including climate change, frontier AI, financial instability, tax justice and global health, and is running a dedicated campaign to regulate frontier AI. (See simpol.org for details.)

**How are the policies decided?** Supporting Simpol is free and open to everyone. Once sufficient politicians around the world have pledged their support in principle, supporters will be able to help design, propose and refine Simpol's policies, drawing on the work of NGOs, think-tanks and experts. An international negotiation would then agree the final measures, and citizens in democratic countries would be invited to confirm their agreement before implementation. (See simpol.org for details.)

This may sound idealistic, until you think about it. In most democracies, the pressures of a competitive global economy have narrowed governments' options, whichever party is in office. That paralysis blocks action on global problems, and so threatens business too. Governments are unlikely to cooperate unless citizens take the initiative to make sure they do.

## Why Simpol deserves the business vote

The long-term viability of business, and of an open global economy, depends on governments being freed from this dilemma so they can tackle mounting problems. Climate change is already displacing millions of people, especially in developing countries, through extreme weather and crop failure. Business is increasingly feeling the costs too: rising insurance premiums for flood and storm damage; disrupted supply chains; volatile energy and commodity prices; trade conflicts and geopolitical tensions that make doing business riskier at home and abroad; and ever-growing

spending on security, risk assessment, compliance and sustainability reporting. Meanwhile, the unregulated race to build ever more powerful AI systems creates new risks, from large-scale cyber-attacks to the loss of human control, that no company or country can manage alone.

A simultaneously governed world would provide a fair and level playing field for all businesses, while freeing governments to solve global problems effectively, in everyone's interests.

For too long the world has looked mainly to *business* to solve social and environmental problems, and a culture of blame and shame has often left business on the losing end. Simpol puts the focus back where it belongs: on *governments*. It is their job to set the rules, but to do so they must cooperate.

## What you and your business can do

Supporting Simpol shows your customers, employees, investors and other stakeholders that your company backs a practical, fair and democratic solution to global problems: one that harms no one's competitiveness and takes the whole world into account. Unlike many campaigns, Simpol does not blame or shame business, or anyone else; it offers a solution *everyone* can support. You can:

- Invite a Simpol speaker to present to your senior managers and staff.
- Encourage your employees to become Simpol supporters.
- Ask your trade association to urge politicians to sign the Pledge.
- Publicise your support for Simpol in company literature, internal newsletters and corporate communications.
- Tell your suppliers and business partners about Simpol and invite their support.
- Become a supporter and donate personally. To protect our independence and democratic legitimacy, we do not accept donations from for-profit organisations, so Simpol relies on your *personal* generosity.

To find out more, visit our website or contact us.

SIMPOL

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