

Simpol Business Briefing



Simultaneous Policy: Humanity taking Responsibility

Simpol is an international advocacy group working for improved global governance. Simpol seeks your support in setting in place a system, which will enhance the security of New Zealand's business sector and of its society as a whole.

Contents: *The threat to New Zealand business: *too much or too little regulation: *a level playing field and how to achieve it: *support for Simpol - what's in it for business; *how you can help.

Securing your business's future in an increasingly unstable world

Most New Zealand businesses recognise the importance of ethical and socially responsible behaviour. Furthermore, most New Zealand business people recognise the importance of national and global, environmental sustainability, both for the future of business and for the future of the whole of humanity. It is obvious, however, that it would be dangerous for New Zealand to advance these aims if it risked finding itself too far ahead of, and out of step with, competing nations.

As the effects of global warming become ever more apparent and its underlying causes remain largely unchecked, despite many good-ideas and good intentions, concerted global counter-action, on a sufficient scale, remains at best a possibility rather than a probability. The unregulated depletion of fossil fuels and other resources, rapidly rising populations and rising food costs all add to increased international tensions. The stability of the US Dollar-based, globalised economic system is in question and global inflation looks set to run out of control. The gap between rich and poor, both within and between nations, is in nobody's interest, yet it continues to grow and makes for an increasingly unstable world.

As business people, we rightly expect our government to take substantive action to solve these problems - but we rarely consider why our, and indeed, all governments, either fail to do so, or if and when they do move, it is with less decisiveness than the situation would demand.

Our government proposes to make New Zealand, in the words of Helen Clark, "the first country which is truly sustainable." This could provide a wonderful market positioning for New Zealand. However it does involve risk. If we find ourselves too far out in front of other nations, the viability of our businesses could be threatened by cost differentials that see jobs and investment move elsewhere. That won't be the only threat. If other nations kept pace with

New Zealand's ambitions, it is possible that the world might avoid the worst effects of impending global warming. But, if they don't, we can expect to be caught up in the ensuing mess, no matter what might have been our well-intentioned and costly, yet on the global scale, puny, efforts to combat the problems.

Both risks would be greatly reduced had we a mechanism to ensure that our competitor nations were moving to resolve global problems at a similar speed to ourselves and were locked into a system that made it impossible for any of them to opt for a short-term competitive advantage at our expense.

Regulation and governance: business friend or business foe?

In a globalised and borderless world, only *simultaneous* regulation by all, or most, governments can hope to solve global warming, regulate uncontrolled and destabilising capital flows and tackle many other of the pressing global problems in a manner that does no harm to the international competitiveness of their business sectors. Unilateral New Zealand government regulation on the scale required to tackle such major problems, would harm our competitiveness; but *simultaneous*, multilateral regulation would be in all business's – and everyone else's - best interests.

But how to achieve it? The Simpol solution

The Simpol system identifies highly desirable policies that have difficulty finding legislative support in any single nation. It then provides the mechanism whereby these policies can be implemented simultaneously by so wide a range of national legislatures that no single nation is placed at a competitive disadvantage. The proposed Simpol structure is such that the individual politicians have no choice but to implement Simultaneous Policy (SP) when called on to do so. There is no practical wriggle room. Once in the system, they are obliged by political circumstance to follow through with the policies proposed to them (and with which, by that stage, they will almost certainly be in full agreement.)

This is how it works. In each democratic country, members of the electorate are asked to become "Adopters" of SP. By doing so, they undertake to vote in national elections for *any* candidate, within reason, who has signed a pledge to implement SP alongside other governments (The SP Pledge). In addition, they may also undertake to encourage their preferred party to sign that pledge. As a result of this electoral pressure, political candidates who fail to sign the Pledge risk losing their seats to those who do. With globalisation restricting the policy options open to the main parties, more and more parliamentary seats, and even entire national elections, are being decided on diminishing margins. Only relatively few Adopters may be needed to make it in the interests of the majority of competing politicians to pledge their support for SP in order to assure their political survival.

In this way, relatively few citizens can ensure that even unwilling governments cooperate with the implementation of SP. However, as a democratic safeguard, the only time when MPs will be called on to act on their pledge, will be after a national referendum has approved the policy and when the majority of nations are also positioned to implement it. It is unlikely, under those circumstances, and with global problems posing a dire threat to all, that any MP will want to risk going back on their word.

- *What are SP measures?* SP is restricted to policy measures that demand international cooperation if they are to be implemented without adverse consequences to the competitiveness of individual nations and their economies. (See our website for details).
- *How are they decided?* Any elector who Adopts SP (and there is no financial cost involved – Adoption is free and open to all) can participate in formulating the Simultaneous Policies to be put into place. The policies themselves will be formulated through a series of Internet and physical meetings throughout national Simpol organisations. Before implementation proceeds, as a democratic safeguard, all proposed SP measures will be subject to a national referendum in each country.

The above proposal may appear naively simplistic – until you think about it. In most democracies, the demands of globalised economic competition have greatly reduced the options open to governments. This is preventing sufficient action on global warming and on other matters that threaten business interests. No matter which major party comes to power, the limited choice of policies open to them, renders them almost indistinguishable. How should the puzzled and disillusioned electorate choose between them? As a consequence, time after time, democratic governments get in by the slenderest majority drawn from a small proportion of the swing vote.

Simpol adds a tiny bias to that swing vote. To succeed, Simpol does not need to win the support of fifty percent of the electorate. In many countries, with just one percent in the hands of SP Adopters, the majority of electoral candidates could be induced to pledge themselves to implementing it.

In the first field trial, which was conducted during the 2005 UK General Election, with less than one thousand Adopters throughout the country, Simpol UK persuaded thirty-six candidates, from across all major parties, to sign the SP Pledge. Twelve of these were elected to the House of Commons. Subsequently a further fifteen UK MPs, drawn from all the main political parties, have signed the Pledge. In some cases this was not through the urge to win tightly contested by-elections, but because they saw SP as the best opportunity of overcoming global problems. When they are asked by their constituents, “What are you doing about global problems,” with their Pledge to implement Simultaneous Policy, those twenty-seven (and counting) UK MPs, now have a very reasonable and responsible answer to give.

Why Simpol deserves the ‘business vote’

The long-term viability of business and of the open global economy, depend on governments being released from the dilemma of first-mover disadvantage so they can move to solve our mounting global problems. Millions, especially in developing countries, are already being displaced or dying from the freak weather conditions induced by climate change. Increasingly business is suffering too. Increasingly volatile forex and soaring commodity costs, rising insurance premiums to cover for extreme weather events, the frequency and gravity of international tensions, military conflicts and terrorism, all combine to make the uncertainties and costs of doing business higher – both at home and abroad.

A *simultaneously* governed world, which ensures a simple, fair and level playing field for all businesses, while releasing governments to solve global problems substantively and

effectively, is fast being recognised as being in business's best interests and key to its longer-term survival.

The business benefit in supporting Simpol

Businesses will receive direct as well as indirect benefits from their support of the Simpol campaign. Apart from the wider survival benefits outlined above, supporting Simpol shows customers, employees and other stakeholders that a company promotes a viable, responsible and democratic political solution to global problems; a solution that harms no one's competitiveness and which takes the whole world into account. By supporting Simpol, the "blame and shame" tactics used against business by many "anti-globalisation" NGOs can be successfully out-flanked by revealing them as partial, unfair and unnecessary in the face of the Simpol solution.

What you and your business can do

- Invite a speaker to come and present Simpol to your senior managers and employees;
- Adopt, and encourage your employees to Adopt, SP;
- Enlist the support of your trade association to lobby politicians to sign the SP Pledge;
- Encourage your supply chain by informing them about Simpol and enlisting their support for it;
- Enhance your business's reputation by publicising your support for SP in company literature, in-house newsletters and in corporate advertising; (the SP logo is available on request.)

Adopting Simultaneous Policy is one of the few available concrete steps you can take towards rationalising the globalised economy and resolving many of the problems implicit in its current, unregulated rush towards unsustainable excess and subsequent collapse.

Please visit our website or contact us for more information.

Simpol-NZ Inc.

PO Box 701, Blenheim 7024, New Zealand.

+64 (0)3-5786545 www.simpol-nz.org

hugh@simpol-nz.org

International Simultaneous Policy Organisation

www.simpol.org

27 London Road, Bromley, BR1 1DF, UK

info@simpol.org Tel +44 (0)20-8464 4141 Fax +44 (0)20-8460 2035