Policy Brief: Integrating Sustainability into Public Policy and Global Diplomacy

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Executive Summary

This policy brief synthesizes the discussions from the Second Global Forum on Public Policy, Diplomacy, and Sustainability, which identified critical challenges across corporate accountability, social security, and policy implementation. Key issues include the failure of Multinational Corporations (MNCs) to honor Environmental, Social, and Governance (ESG) pledges, the unsustainability of global pension systems facing climate risk and aging populations, and structural weaknesses in policy implementation due to a lack of global frameworks and accountability.

Key Recommendations:

1. Enforce Corporate ESG Accountability: Implement stringent global policies, ESG mandates, and green investment criteria, with an effective agency to question and penalize non-compliance.
2. Ensure Pension Sustainability: Reform public pension funds to align with Sustainable Finance (ESG investing), develop cross-border pension treaties, and explore Universal Basic Income (UBI) to address technological displacement.
3. Strengthen Global Policy Frameworks: Integrate sustainability across all national and international agencies, leveraging diplomacy to harmonize agreements and promote knowledge and technology sharing.

Context: The Need for Integrated Policy

The need to move towards more sustainable and environmental policies is paramount, requiring an understanding of the interconnectedness of social, political, and environmental factors. The current challenge is to find the right balance between economic growth and environmental protection. This forum emphasized that achieving a sustainable future is an "uphill struggle" that demands policy innovation and integrated action.

Key Issues and Challenges

1. Corporate Accountability and ESG Gaps

Multinational Corporations (MNCs) are criticized for concentrating on profits while using "proxy measures" to meet ESG goals, thereby spoiling the environment.

- Failed Pledges: Many large corporates have been postponing their net-zero and carbon-reduction pledges (e.g., shifting targets from 2025 to 2030 or 2050).
- Ethical Failures: Scandals, such as the Volkswagen Dieselgate, demonstrate that companies are willing to use software to cheat international pollution tests, releasing pollutants (like nitrogen oxide) 40 times the legal limit and resulting in massive recalls.
- Lack of Oversight: There is a fundamental question about the existence of an effective agency to hold MNCs accountable for failing to keep their sustainability pledges.

2. Threats to Pension and Social Security Sustainability

Global social security systems are moving from an economy of abundance to one of scarcity and face significant threats to their long-term viability.

- Demographic & Economic Risks: The world population is aging (average age around 50) , and moderate regional growth (3-5%) combined with high inflation is diminishing the real value of pensions for retirees.
- Technological Displacement: Advancements in AI and technology risk creating a new social class of "technologically displaced" workers who lack the qualifications to adapt to new demands .
- Portability: A lack of cross-border pension treaties prevents international migrants from safely taking their pension funds back home upon retirement, creating economic leakage and insecurity.

3. Policy and Theoretical Implementation Gaps

The challenges for policymakers and diplomats center on transforming ideals into effective, accountable action.

- Framework Gaps: There is a perceived lack of global frameworks to comprehensively integrate social, political, and environmental factors into climate diplomacy.
- Public Resistance: Policy implementation is hampered by public resistance, a lack of common language, and misinformation about policies.
- Crisis in Theory: In academia, the field of political science is criticized for a polarization in research methods, leading to a "crisis" where scholarship sacrifices political relevance and practical context for methodological rigor. This hinders the development of contextually relevant governance models, such as the ideal of a "just Islamic state" based on human reasoning in governance.

Policy Recommendations

1. Strengthen Corporate ESG Accountability

- Mandates and Investment: Foster and enforce ESG mandates and green investment criteria for all large corporations.

- Accountability Mechanism: Establish an independent international agency with the authority to effectively question and penalize MNCs for failing to meet their self-imposed sustainability pledges.
- Promote Green Technology: Encourage investment and funding toward making affordable, greener technologies and manufacturing processes the standard across the corporate sector, drawing on models like Nike's circular economy approach.

2. Reform Pension and Social Security Systems

- Sustainable Finance: Shift public pension fund portfolios toward Sustainable Finance and ESG-aligned investing to manage long-term climate and economic risks.
- Protect Retirees: Implement inflation-index pension schemes in all countries to protect the real purchasing power of retirees.
- Global Mobility Treaties: Develop comprehensive cross-border pension treaties to allow migrants to easily and securely carry their accumulated pensions across borders.
- Address Technology Shock: Explore concepts like a Universal Basic Income (UBI) to provide a minimum safety net for the emerging class of technologically displaced workers, ensuring they remain part of the societal system.

3. Improve Policy Development and Coherence

- Integration and Diplomacy: Integrate sustainability into the core functions of national and international agencies, and leverage diplomacy to facilitate cooperation on social, political, and environmental factors.
- Data and Best Practices: Utilize centralized resources, such as the new database of over half a million sustainability policies, for comparison and adoption of international best practices to avoid "reinventing the wheel".
- Contextual Research: Policy-focused academic research must incorporate historical and cultural context alongside quantitative methods to produce politically relevant theories and solutions that reflect on-the-ground realities. The aim should be to project what a just society is, where public policy and sustainability can be effectively applied.