



Global Institute for
Structure relevance,
Anonymity and
Decentralisation i.G.

GISAD statement on https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13330-Sustainable-finance-environmental-social-and-governance-ratings-and-sustainability-risks-in-credit-ratings_en

GISAD (Global Institute for Structure relevance, Anonymity and Decentralisation i.G.) is an institute in founding. GISAD wants to develop a digital system (EU-D-S) from the perspective of the citizens of Europe, which can hold its own in system competition with gatekeepers and a social credit system.

The aim of GISAD is to support the creation of a holistic Marshall Plan, as called for by the President of the European Commission, Ursula von der Leyen. The core of the Marshall Plan must be a digital concept adapted to civil rights and diversity. If individual measures are taken without an overall system of their own, Europe runs the risk of losing the system competition to other economic areas such as a centrally controlled China.

- GISAD's opinion is subject to the proviso that it is to be as part of an overall digital concept understood (multiple use of the same infrastructure without additional costs).

GISAD has defined three goals on which a Marshall Plan should focus:

1. The optimal refinement and simple exploitation of digital data, while maintaining diversity and performance-adopted involvement of all parties involved in the value creation.
2. The stigma-free, lifelong digital inclusion of all citizens with incentives for self-development.
3. The digital guarantee of the necessary state tasks to maintain security for citizens, the economy and the state, while preserving pre-digital democratic achievements.

Challenges:

GISAD welcomes the intention of the EU Commission to develop and standardise ESG ratings. Already in 2017, GISAD proposed in its policy statement at <https://gisad.eu/wp-content/uploads/2021/08/taking-the-economy-and-society-into-the-digital-transformation.pdf> to introduce a key figure on societal structural relevance. It is not only the risks of climate change and the resulting changed demands on companies that are significant. In the short term, the changes in the social environment - currently in digitalisation - play an even more significant role for corporate development. For example, the costs for companies due to the Ukraine war are enormous. If one takes the Ukraine war as the beginning of a global confrontation between democracies and autocracies, the costs and thus the entrepreneurial risks themselves cannot be estimated. However, the probability of a change in the social environment, its influence on social stability and thus a calculable risk environment for companies can be assessed.

GISAD argues that regardless of what geographical boundaries exist after the Ukraine war or whether Putin politically survives the war, it will currently be a victory in the cyberwar of autocracies over democracies. The autocracies can use surveillance and manipulation tools without much discussion. Without their own democratic strategy of involving as many citizens as possible in social digital control, the democracies have nothing to counter this. They cannot win the arms race for manipulation and surveillance in accordance with their fundamental rights. Democracies will probably increasingly give up their fundamental rights until they have dissolved in the digital transformation. A development of most states that is remote from democracy has

been predictable for many years in the context of the digital transformation and is reflected in the Democracy Index.

As digital products have an increasingly significant role in the value generated by companies, the challenge is not only to determine risks of social change on company development, but the rating must equally contribute to stable social conditions through guidelines for product development. This is based on the assumption that democracies offer more sustainable stability than autocracies.

Against this background, GISAD proposes the following measures:

- Develop a rating for societal structural relevance and incorporate it as an integral part of the ESG rating.
- EU-wide to introduce this indicator with the potential of worldwide recognition in democratic states.
- Against the background of the current digital misdevelopment, it can be assumed that self-regulation by the companies will not work in the existing structures. However, since the indicator is intended to intervene directly in product development, there must be a high level of understanding among companies of the necessity of the indicator. Self-regulation within an internationally standardised and verifiable framework should be guaranteed.
- The pre-digital democratic achievements of society can only be maintained through a digital infrastructure of services of general interest in the face of the advanced digital aberration. In this context, products to be developed by companies play an essential role.
- As a first pilot project, it is proposed to establish GISAD in the EU framework. In a second step, a cooperative should be founded in each language area for the development and operation of a democracy-sustaining infrastructure. In the cooperative, remuneration should be based on performance and small enterprises should be able to grow quickly. In a third step, GISAD should become the property of the cooperatives for all language areas.