

Call for Abstract – Prof. Gribnau

ESG and the Digital Revolution: Are The Current Tax Rules and Policies Adequate?

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The rapid advancement of Artificial Intelligence (AI) presents significant challenges and opportunities that extend beyond technological boundaries, impacting economic, social, and governance dimensions. The existing Environmental, Social, and Governance (ESG) objectives, though broadly applicable, raise questions about their adequacy in specifically addressing the unique issues posed by AI technologies.

This abstract invites the participants to critically examine whether current ESG legislative frameworks within the European Union are sufficiently robust to handle the complex implications of AI or whether a comprehensive revision of ESG legislation is necessary. The discussion is oriented toward identifying and evaluating European policy pathways that effectively respond to AI-driven economic transformations.

A particular focus is proposed on the Italian context, where fiscal policy currently offers limited incentives aimed at promoting research and development, industry efficiency, and sustaining employment levels threatened by AI-induced occupational displacement. Moreover, recent scholarly discussions in Italy have highlighted the need for innovative tax approaches, including potential digital levies targeting AI-intensive activities, although concrete legislative initiatives remain nascent.

Moreover, the national regulators should address key fiscal and social implications, such as the anticipated decrease in employment-related tax revenues (including personal income taxes, VAT, and indirect taxes) and the potential increase in public expenditure on welfare. Given that Italy's taxation and social security frameworks are fundamentally employment-centric, the transformative impact of AI technologies demands careful analysis to ensure fiscal sustainability.

For a broader picture, the analysis should also reveal insights from public financial law perspective, emphasizing the examination of emerging fiscal instruments such as the Digital Permanent Establishment and the Digital Service Tax. Ultimately, the discussion should critically assess these mechanisms' effectiveness and suitability in securing sustainable public revenues and supporting social welfare in an AI-driven economic landscape.