

ECONOMIC IMPACT OF ARTIFICIAL INTELLIGENCE AND POLICY FRAMEWORK: ANALYSIS OF INTERNATIONAL PRACTICE AND STRATEGIC RECOMMENDATIONS FOR GEORGIA

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Abstract

The following paper explores the macroeconomic impact of Artificial Intelligence (AI) and the role of national strategies in shaping the technological ecosystem, with the goal of developing evidence-based policy for Georgia. The first part of the study analyzes the sectoral economic effects of AI based on projections from Goldman Sachs, McKinsey, Penn Wharton, and the IMF and assesses the potential for technology integration in Georgia's finance, healthcare, and education sectors. The second part presents a comparative analysis of the AI strategies of Singapore, the United Kingdom, Canada, and France - countries that have achieved success through institutional flexibility and targeted policies independently of the dominant models of the USA and China. The research reveals that an effective AI ecosystem requires an adaptive regulatory framework, infrastructural investments, the integration of ethical standards, and cross-sectoral coordination. In Georgia, the total absence of a national AI strategy and legal definition leads to fragmented approaches, which creates a structural barrier to technological development. The paper argues for the critical necessity of developing an integrated strategic framework that will ensure Georgia's positioning as a regional technological leader.

Keywords: Artificial Intelligence (AI), National AI Strategy, AI Governance , Technological Ecosystem, Economic Impact of AI

Introduction

Artificial Intelligence represents the most dynamically developing direction of the modern technological landscape, with a transformative potential that encompasses practically every sector of the economy. The emergence of Generative AI has significantly accelerated this process, while simultaneously giving rise to substantial ethical and legal challenges in the fields of data privacy, intellectual property, and the societal impact of AI-generated content. By 2026, three distinct poles have formed in the international regulatory arena: the European Union is implementing a risk-based ethical control model through the EU AI Act, while simultaneously directing €200 billion toward AI infrastructure via the "InvestAI" initiative; the USA is pursuing a course of maximum deregulation; and China is developing an "open-source sovereignty" model. On a multilateral level, the Council of Europe Framework Convention, OECD principles, UNESCO ethical guidelines, and the 2026 UN Resolution A/RES/79/325, which established minimum AI safety standards, collectively form the international normative framework. From a technological standpoint, 2026 has become the era of Agentic AI: systems such as GPT-5.4 and Claude 4.6 have established the "Native Computer Use" standard, marking a transition to autonomous, multi-agent systems. In Georgia, in the conditions of the total absence of a national AI strategy, framework policy, or legal definition, this study aims to facilitate evidence-based policy formation through the adaptation of international best practices. The first part of the study is dedicated to the analysis of the sectoral economic impact of AI, while the second part includes a comparative study of the national strategies of seven countries based on the principles of selected geographical, political, and technological diversity. The analysis reveals that the formation of a successful AI ecosystem requires an integrated approach that combines a legislative framework, educational initiatives, research and development support, and ethical standards under a single strategic vision.

1. Macroeconomic Impact of Artificial Intelligence and Sectoral Transformation

The accelerated evolution of Artificial Intelligence (AI), specifically generative algorithms and Large Language Models (LLM), has fundamentally transformed the paradigm of macroeconomic assessment for technological innovation. The transformative potential of these technologies became particularly evident in November 2022, following the launch of "ChatGPT" by the company "OpenAI". In just two months, the platform reached 100 million monthly active users, earning the status of the fastest-growing consumer technology application in history.¹ This precedent demonstrated the potential for large-scale adaptation of generative AI and laid the foundation for intense academic discussion regarding its macroeconomic impact.

Forecasts related to the economic efficiency of artificial intelligence are complex and rely on in-depth research from various leading institutions, which by 2025 have already been reflected in real figures.

Goldman Sachs analysts believe that generative AI will significantly increase global Gross Domestic Product (GDP) by 7% over the next decade, which is equivalent to approximately 7 trillion US dollars in monetary terms. This growth will mainly be driven by raising the annual rate of labor productivity by 1.5 percentage points. The study highlights that AI can subject two-thirds of current jobs in the US and Europe to automation; however, for the majority of employees (approximately 63%), the technology will become a productivity-enhancing tool rather than a replacement. Historical experience shows that technological progress, while abolishing certain positions, ultimately promotes the creation of new types of professions and industries, as evidenced by the fact that 60% of today's jobs did not exist at all in 1940.²³

McKinsey & Company's latest 2025 report, "The State of AI," focuses on the real integration of technology and the fundamental transformation of business processes. According to the data, 88% of global organizations already use artificial intelligence in at least one business function, indicating that the experimental phase has ended and large-scale implementation has begun. Particular attention is paid to "Agentic models" (Agentic AI), which 62% of companies are already working on; this signifies a transition from automating simple tasks to managing complex, multi-stage logical processes. Nevertheless, two-thirds of companies remain in the pilot phase due to data infrastructure limitations and a shortage of qualified personnel.⁴

The University of Pennsylvania's Wharton School (Penn Wharton Budget Model) offers more long-term and dynamic modeling of AI's impact. According to the September 2025 report, the effect of generative AI on labor productivity will grow exponentially over time: if the GDP growth is 1.5% by 2035, this figure will reach 3% by 2055, and 3.7% by 2075. This forecast is based on the assumption that AI has the ability to accelerate scientific discoveries and the pace of technological innovation, which determines capital accumulation and economic welfare in the long term.⁵

The International Monetary Fund (IMF) global modeling shows that the productivity growth caused by AI will increase global GDP by an additional 4% over the next decade. However, the Fund warns the world that these benefits will be distributed sharply and unequally: developed economies will receive twice the effect compared to low-income countries (LICs). This creates a risk of deepening the global digital and economic divide, as high-tech infrastructure and access to data provide an-disproportionate advantage to developed countries.⁶

Against the backdrop of global technological progress, an analysis of Georgia's economic structure reveals that AI integration can provide significant leapfrog development in sectors of critical importance to the country.

¹ Hu, K., ChatGPT sets record for fastest-growing user base. Reuters, 2023.

² Goldman Sachs, Generative AI could raise global GDP by 7%, Goldman Sachs Global Investment Research, 2023.

³ Briggs, J., & Kodnani, D., How Will AI Affect the Global Workforce? Goldman Sachs Insights, 2023.

⁴ McKinsey & Company, The state of AI in 2025: Agents, innovation, and transformation, 2025.

⁵ Arnon, A., The Projected Impact of Generative AI on Future Productivity Growth. Penn Wharton Budget Model, 2025.

⁶ International Monetary Fund (IMF), Macroeconomic Impacts of Artificial Intelligence, 2025.

1. Finance Sector and FinTech: Georgia's banking system is one of the most high-tech in the region, creating an ideal platform for the large-scale implementation of AI. Artificial intelligence allows for the algorithmic assessment of credit risks (Credit Scoring), which reduces operating costs and promotes financial inclusion. Real-time fraud detection and personalized financial advisor systems increase the sector's stability, which is directly linked to the National Bank's FinTech strategy.⁷

2. Healthcare Sector: Improving the quality of healthcare services in Georgia is linked to AI-based diagnostics. Algorithms can analyze medical images with high accuracy, which is especially important given the shortage of specialists in the regions. Predictive analytics helps clinics optimize resources, which is part of the Ministry's digital healthcare strategy.⁸

3. Education and the Public Sector: The long-term guarantee of macroeconomic growth is the integration of AI into the education system. Personalized learning platforms allow for more effective training of personnel for the digital economy. Georgia should use AI to automate public services and reduce bureaucratic barriers, which will make the business environment even more attractive.

2. Artificial Intelligence "Nationalization"

In the modern global technological race, "AI Nationalism" has become the primary subject of strategic discourse. This concept, first extensively discussed by The Economist, has evolved by 2026 into an indispensable model for state survival and sovereignty. This trend is clearly reflected in the massive investments made by leading states, such as the United States of America and the People's Republic of China.⁹

At the beginning of 2025, the U.S. administration presented a comprehensive strategy for artificial intelligence development, which involves capital investments totaling 500 billion USD (including the "Stargate" project). This initiative underscores the U.S.'s purposeful policy to maintain technological hegemony and ensure dominance in computing power. Simultaneously, China strengthened its position by introducing a new model, DeepSeek-V3 (and its subsequent Reasoning versions), which proved China's ability to create top-tier algorithms even under conditions of Western sanctions and chip shortages.¹⁰

The United Kingdom has also joined this technological race with its "AI Opportunities Action Plan," which envisages the investment of 2 billion pounds sterling in supercomputing infrastructure over the next five years. Meanwhile, the governments of France, Germany, India, Saudi Arabia, and the United Arab Emirates have collectively directed approximately 40 billion USD toward strengthening their own AI infrastructure. These investments are prioritized for the acquisition of Graphics Processing Units (GPUs) and the development of local integrated circuit production.¹¹

The United States' strategy is particularly focused on strengthening domestic semiconductor manufacturing (CHIPS Act 2.0). The country plans to invest 50 billion USD to minimize dependence on Taiwanese suppliers (TSMC). This initiative is bolstered by strict export controls, which limit the export of advanced technologies to China and Russia. On the other hand, China is responding to these restrictions with a 300 billion dollar fund aimed at achieving full self-sufficiency in semiconductor production.¹²

The Gulf States, specifically Saudi Arabia and the United Arab Emirates, are effectively using their economic strength to transition to data-driven economies. Their strategy includes not only the

⁷ National Bank of Georgia, Strategy of Financial Technology (FinTech), 2024.

⁸ Ministry of Internally Displaced Persons from the Occupied Territories, Labour, Health and Social Affairs of Georgia, Digital Health Strategy. 2024.

⁹ The Economist Article, "Welcome to the era of AI nationalism".

¹⁰ White House Office of Science and Technology Policy (OSTP), "American AI Strategic Initiative 2025/26", DeepSeek Technical Report on V3/R1 Architecture (2025/26).

¹¹ UK Department for Science, Innovation and Technology (DSIT), "AI Opportunities Action Plan Progress Report 2026", Global AI Infrastructure Investment Tracker 2026.

¹² U.S. Department of Commerce, "CHIPS and Science Act: 2026 Strategic Implementation"; China's National Integrated Circuit Industry Investment Fund (Big Fund) Phase III Report.

acquisition of infrastructure but also the establishment of leading academic centers and the attraction of global AI talent, making them formidable players on the global stage.¹³

In Europe, Germany and France are actively financing new integrated circuit plants (e.g., Intel's project in Magdeburg), while India is intensively improving its own semiconductor and cloud computing industries (IndiaAI Mission). However, unlike America, these countries are more open to sharing public data; France, the United Kingdom, and India promote the accessibility of government data for commercial enterprises to accelerate AI integration in the public sector.¹⁴

Analysis reveals that the United States prefers a decentralized approach, where sectoral regulations and industrial self-regulation are prioritized. The "AI Bill of Rights" represents recommendatory principles rather than an imperative legislative framework.

China implements a statist approach, where the regulation of algorithms, data localization, and national security are of central importance. Regulations focus on content filtration and compatibility with state policy.

The United Kingdom relies on existing sectoral institutions and is developing a principle-based model aimed at encouraging innovation by minimizing administrative barriers.

India is developing a liberal strategy focused on stimulating local innovation and consolidating digital sovereignty.

These differing regulatory approaches have a significant impact on the pace of AI innovation, international competitiveness, and the social integration of technology within the respective jurisdictions.¹⁵

In conclusion, it can be said that states no longer view AI merely as a technological tool, but as a decisive component of geopolitical influence, economic power, and national security. Technological sovereignty has become the primary condition for global positioning.

3. Policies Implemented for Artificial Intelligence Development

Against the backdrop of the aforementioned global polarization and "AI Nationalism," the question arises: is there a way to achieve technological sovereignty without giant resources and political dominance? To find the answer to this question, this paper examines the practices of states that have managed to establish unique and effective management models.

For the purpose of this study, Singapore, the United Kingdom, France, and Canada were selected. These countries consistently hold high positions in international indices; however, their success is based not only on capital but on institutional flexibility and purposeful policy. The study intentionally excludes the analysis of US and Chinese practices, as their dominant models fully commercial-decentralized and centralized, respectively overshadow the experiences of small and medium-sized economies. The paper aims to showcase an "alternative third way" that emphasizes the quality of resource management and adaptation to the national context rather than the volume of resources.

By studying a broader spectrum of small but innovatively developed countries, this work is oriented toward identifying diverse strategies. These approaches may be appropriate for states interested in developing their own artificial intelligence policies independently of the dominant influence of the world's two largest economies. This methodology ensures we can determine how countries with different resources and constraints effectively manage technological achievements and policy challenges in AI.

This is important because familiarizing ourselves with the practices of other countries allows us to avoid mistakes, mitigate risks, and use proven and effective approaches. It also helps identify directions that

¹³ G42 and PIF Joint AI Strategy Review 2026, "Stargate UAE" Infrastructure Project Overview.

¹⁴ European Chips Act Progress Monitoring 2026, IndiaAI Mission, Ministry of Electronics and Information Technology (MeitY) Annual Update.

¹⁵ The Economist article, "Welcome to the era of AI nationalism", 2024.

will allow compatibility with other countries' standards and facilitate international cooperation. Furthermore, this analysis will assist in developing the action plan accompanying the strategy by recognizing successful examples, better planning necessary tasks and activities, and distributing resources. Simultaneously, it helps avoid unnecessary costs and time on ineffective approaches while implementing safety and ethical standards based on best practices.

3.1. Singapore

Within the framework of this paper, Singapore represents a particular analytical interest as an example of a small but institutionally organized state that has achieved significant results in the AI field through purposeful policy. The projected volume of the country's generative AI market by 2030 is 5.09 billion USD, which empirically confirms the effectiveness of strategic intervention in forming a technological ecosystem.

In February 2026, through the state budget, the government introduced 400% tax incentives for companies on AI expenditures, making Singapore the most attractive place in the world for conducting AI business. Studying Singapore's experience shows how targeted AI policy can have a positive impact on a country's economic and technological development.¹⁶

Singapore published its first National Artificial Intelligence Strategy in November 2019. The strategy was developed by the Smart Nation and Digital Government Office in cooperation with the Infocomm Media Development Authority (IMDA).

The Strategy¹⁷ aimed to transform Singapore into a global AI leader by 2030 and focused on 5 main directions:

1. Economic transformation
2. Transformation of government and public services
3. Development of talent and education
4. Research and innovation
5. Creation of an AI governance framework

3.2. United Kingdom

The United Kingdom began forming its AI policy in 2018 with the "AI Sector Deal," which focused on industry development and attracting investment. The 10-year National AI Strategy adopted in 2021 aimed to position the country as a global leader, while the 2023 "AI White Paper" shifted the focus to issues of regulation and safe development. In 2024, the first report of the newly founded AI Safety Institute further strengthened this direction. The consistent evolution of policy documents indicates a systemic approach that constantly adapts the strategy to changes in the technological environment.

According to the "Government AI Readiness Index" published at the end of 2025, the UK maintains leadership in Western Europe and ranks third globally after the US and Singapore. Notably, in "The Global AI Index" rankings for January 2026, the UK holds fourth place (after the US, China, and Singapore).¹⁸

By early 2026, a strategic shift occurred in UK policy: the government introduced the "Artificial Intelligence Bill" (AI Bill 2025/26), which establishes mandatory standards for companies developing the most powerful models. Additionally, the UK AI Safety Institute (UK AISI) became a global leader in model testing and risk assessment in 2026.¹⁹

¹⁶ "Singapore to invest over S\$1 billion in National AI Research Plan (NAIRD) over 5 years" (January 2026); Statista, "Artificial Intelligence Market Size and Forecast: Singapore 2024-2030".

¹⁷ Singapore's National Artificial Intelligence Strategy.

¹⁸ Oxford Insights, "Government AI Readiness Index 2025" (Dec 2025); Tortoise Media, "The Global AI Index 2026" (Jan 2026).

¹⁹ Department for Science, Innovation and Technology (DSIT), "UK AI Safety Institute Progress Report" (Feb 2026).

Economically, with the 2025/26 budgets, the government confirmed the allocation of 1.3 billion pounds sterling for the expansion of technological infrastructure and supercomputing capacities. At the sectoral level, the implementation of AI in British Financial Technologies (FinTech) and healthcare (NHS) contributed an additional 1.5% to the country's GDP growth in 2026.²⁰

3.3. Canada

Canada is one of the leading countries in the world in the direction of AI research and development. Among G7 countries, it maintains leadership in the growth rate of AI talent concentration. According to 2025-2026 data, the number of employees in the AI sector exceeded 200,000, which is a significant jump compared to 2023 figures.

Canada remains first in the annual growth of female employment in the AI field, which promotes the creation of an inclusive technological ecosystem. The number of active AI startups in the country that have attracted at least 1 million USD in investment exceeded 850 by 2026.²¹

In terms of strategy, Canada was the first in the world to approve a strategic document back in 2017, prepared under the coordination of the Canadian Institute for Advanced Research (CIFAR). By 2026, the country is in the final stage of the second phase of the "Pan-Canadian AI Strategy." The 2.4 billion Canadian dollars allocated in the 2024 federal budget ensured the launch of the "Canada AI Compute" program by 2026, allowing the country to avoid dependence solely on American infrastructure and develop sovereign models.²²

Regarding international policy and regulation, 2026 proved decisive for Canada due to the implementation of the "Artificial Intelligence and Data Act" (AIDA). This law, part of Bill C-27, entered the full enforcement phase in 2026. AIDA establishes strict requirements for "high-impact" AI systems, making Canada one of the strictest regulatory jurisdictions, similar to the EU. The Canadian model pays special attention to the protection of consumer rights and the prevention of algorithmic bias.²³

The Canadian experience, which combines academic freedom (Mila, Vector Institute, Amii) and state control, is exemplary for countries trying to find a balance between innovation and ethics. The Pan-Canadian AI Strategy aims to position Canada as a leader through coordinated cooperation between government, academia, and industry. Canada's long-term strategic goal is to form a globally competitive national AI ecosystem by 2030 based on five fundamental principles:

- Highest standards of scientific research
- Quality-oriented educational programs
- Training of highly qualified specialists
- Effective cooperation between public and private sectors
- Technological innovation based on ethical values.²⁴

Following the activation of the strategy, Canada significantly strengthened its international positioning. Assessments reveal the country's stable progress in the direction of artificial intelligence research and implementation. Canada is distinguished by a high concentration of AI specialists and the dynamic growth of the sector. This success is reflected both in the rate of technological patent registrations and in the quantity and quality of scientific papers, which indicates the country's significant role in the process of developing innovative artificial intelligence technologies.

²⁰ The Alan Turing Institute, "The Economic Impact of AI on the UK Service Sector: 2026 Analysis".

²¹ Global AI Talent Report 2025/26. Statistics Canada, "The Evolution of AI Workforce in 2026". CIFAR, "Annual Report on Canada's AI Ecosystem".

²² Government of Canada, "Budget 2024: Powering Canada's AI Advantage". CIFAR, "Pan-Canadian Artificial Intelligence Strategy: Phase 2 Progress Report 2026".

²³ Innovation, Science and Economic Development Canada (ISED), "AIDA Implementation and Enforcement Guidelines 2026". Law Commission of Canada, "AI and the Future of Regulation".

²⁴ It is noteworthy that in March 2025, the Treasury Board of Canada Secretariat published Canada's first Artificial Intelligence Strategy 2025-2027 for the Federal Public Service. This strategy focuses on strengthening research capabilities, improving workforce productivity, and providing better digital services.

3.4. France

France represents one of the earliest and most consistent examples of strategic positioning in the AI field on the European continent. By early 2026, more than 850 AI startups are operating in the country, including about 120 in the direction of generative AI. The trajectory of Mistral AI is of particular analytical interest, as it acquired global player status in 2025-2026 and became a symbol of European technological sovereignty. The dynamism of the country's AI ecosystem is empirically confirmed by the record investment attracted to the sector in 2025, which exceeded 5 billion euros.²⁵

The AI Action Summit held in Paris in February 2025 gave a significant boost to international cooperation. Within the summit, France, in partnership with the UNEP and ITU, founded the Sustainable AI Coalition. By 2026, France was the first to implement an "ecological labeling" system for AI models, requiring companies to disclose the amount of energy and water resources consumed during training.²⁶

Strategically, by 2026, France completed the second phase of the "AI Pro" program, through which 2.5 billion euros were directed toward creating sovereign computing capacities. The country presented Europe's most powerful AI-oriented supercomputer, "Alice Recoque," built entirely on French technologies. France recognizes that progress in the AI field must be based not only on technological innovation but also on responsible management.²⁷

The formation of the strategic development vision for artificial intelligence in France within "France 2030" was implemented in 2 phases. The first phase (2018-2022) was oriented toward strengthening research capabilities across the country. The goal of this stage was to position France as a leading country in the field of AI research, which included infrastructural investments - among them in the Jean Zay supercomputer - and the implementation of educational support measures. The first phase of the National Strategy for Artificial Intelligence (SNIA), launched in 2018, made it possible to systematize the national research ecosystem and showcase France's advantages and opportunities, while the second phase (2022-2025) aims for greater integration of artificial intelligence into various sectors of the economy to strengthen France's industrial competitiveness and societal well-being.²⁸

The strategy supports the strengthening of the artificial intelligence ecosystem at the national level through public-private partnerships, focused on the following key objectives:

1. Finding AI professionals with the best skills;
2. Integration of artificial intelligence into the economy and various governance spheres;
3. Development of ethical and reliable artificial intelligence.

To ensure the tasks set within the strategy specifically for attracting talent in the field of research and development and to increase the number of students/researchers interested in artificial intelligence France implemented the National Research Program (PNRIA).

Conclusion

The present work empirically confirms that artificial intelligence technologies have been established as a structural determinant of socio-economic transformation. Analysis of the experience of developed countries reveals that the effective integration of AI technologies requires the synergy of three interdependent components: an adaptive regulatory framework, an innovation-oriented business ecosystem, and targeted state policy.

²⁵ Digital France Annual Report 2026. France Digitale, "The State of AI Startups in France: 2026 Update". Statista, "Venture Capital in French AI Sector".

²⁶ United Nations Environment Programme (UNEP), "Sustainable AI Coalition: First Year Progress Report 2026". French Ministry of Economy and Finance, "Ecological Labeling for AI Models: Guidelines 2026".

²⁷ French National Research Agency (ANR), "The Alice Recoque Project: Towards Sovereign Exascale AI 2026". Government of France, "National Strategy for Artificial Intelligence: Phase 2 Outcomes".

²⁸ More information <https://www.inria.fr/en/french-national-artificial-intelligence-research-program> [L.s. 24.03.2026].

In the context of Georgia, the strategic development of artificial intelligence acquires particular relevance due to two factors. On one hand, the country's growing information technology sector creates institutional prerequisites for the formation of an AI ecosystem. On the other hand, Georgia's geopolitical position at the crossroads of Europe and Asia moves AI development beyond a purely technological dimension and turns it into an instrument for consolidating the country's competitive advantages and repositioning it in the international economic architecture. Therefore, the implementation of a systemic policy in the AI field represents a real prospect for Georgia to obtain not only technological modernization but also regional innovative leadership.

The first part of the study emphasized the macroeconomic impact and sectoral transformation of artificial intelligence and revealed that artificial intelligence no longer represents only a futuristic concept; by 2025, it has become a significant driving factor for global economic growth. Analysis of international institutions confirms that the impact of AI on GDP and productivity will be exponential, although the realization of its benefits is directly dependent on institutional readiness and technological infrastructure.

In the second part of the study, the research of successful countries' strategies and policy documents emphasizes the importance of solid governance frameworks, the implementation of significant investments in the infrastructure necessary for artificial intelligence development, the introduction of ethical standards, and the raising of public awareness. These elements are decisive for creating a favorable environment for the integration of artificial intelligence into various sectors. The purpose of this section is to showcase the critical necessity of developing a unified strategic vision for artificial intelligence development for Georgia. Currently, the absence of a national strategic framework in the country causes the formation of uncoordinated and fragmented approaches in different sectors. This situation produces significant structural challenges for both public administration institutions and the private sector.

Analysis of international experience clearly confirms that the development of a comprehensive national strategy ensures the clear identification of state priorities and promotes the formation of a long-term, sustainable innovative ecosystem. Such a strategic document provides the opportunity for financial and human resources to be optimally distributed to sectors important for the national context, such as healthcare, education, and the agrarian sphere. Furthermore, under the conditions of rapid development of artificial intelligence technologies, especially generative artificial intelligence, it is necessary for the country to ensure synchronization with global technological innovations and trends.

In the context of Georgia, the leading role of the state in the development of artificial intelligence is determined by several objective factors. First, AI research and development requires large-scale, long-term investments with an uncertain payback period, which is difficult to achieve for small economies without stable funding of the public sector. Second, the state possesses a unique institutional capacity for the coordination of academic, private, and international players - which represents a necessary prerequisite for the formation of a functional AI ecosystem. Third, state investments strengthen local expertise and technological autonomy, which represents a critical component of economic security for a small country like Georgia.

Analysis of international experience confirms that early state intervention - through the development of research infrastructure and human capital - represents a catalyst for attracting private investment and establishing a sustainable innovative ecosystem. In all successful cases, a common sign emerged: a clear long-term strategic vision, a coordinating institution operating at the central level, and the institutionalization of intersectoral cooperation.

Based on the best international practice, the present study aims to develop an integrated strategic framework for Georgia, which will coordinately unite AI development initiatives in different sectors of the economy and at the same time systematically direct the accompanying ethical, legal, and social challenges.

International experience has shown that the successful implementation of artificial intelligence technologies is significantly dependent on public trust and support. The implementation of similar practice ensures the formation of an informed society that actively supports and participates in artificial

intelligence initiatives. Public consultations and transparent processes of policy development help in conducting an active dialogue, which might be essential for the implementation of rapid policy interventions.

Taking the context of Georgia into account, we can conclude based on the work that the strategic vision in the direction of artificial intelligence development should be oriented towards establishing Georgia as a regional leader. The country's strategic task should be the creation of a future based on digital technologies, which will not only ensure economic growth but also significantly raise the well-being and quality of life of all layers of society. This strategic approach implies the development of an integrated artificial intelligence ecosystem, which will promote effective cooperation between state structures, the business sector, and academic circles, while simultaneously ensuring the protection of ethical norms and international standards of data security.

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