

The Evolution of Fiscal Instruments in the Digital Age: Proactive Models of Poverty Alleviation and the Georgian Experience

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Abstract

This paper explores the transformation of fiscal policy in the context of the digital economy. The study aims to analyze how Artificial Intelligence (AI) and unified data infrastructures are reshaping traditional poverty alleviation mechanisms. Drawing on World Bank data for 2024–2025, the research examines "proactive social support" models and their impact on fiscal efficiency. A dedicated section evaluates Georgia's recent milestones—specifically pension indexation and Gini coefficient dynamics—while providing strategic recommendations for adapting the "Estonian model" within the Georgian socioeconomic framework. The study concludes that transitioning to smart fiscal governance and AI-driven analytics is essential for automating poverty reduction and ensuring maximum social equity.

Keywords: Smart Fiscal Policy, AI in Economics, Proactive Governance, Gini Coefficient, Pension Indexation, X-Road.