

**“GREEN ECONOMY” AS ONE OF THE DIRECTIONS OF SUSTAINABLE
DEVELOPMENT**

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Annotation. This article analyzes the concept of green economy, its theoretical foundations and practical significance. Also, using the example of Uzbekistan, measures to achieve sustainable development and international experience were studied. It should be noted that the activation of the sustainable development process can be achieved through the implementation of the green economy program and the creation of a healthy environment. The article is based on analytical tables and statistical data and contains scientific and practical proposals.

Key words: Green economy, sustainable development, ecological efficiency, energy saving, environment, energy, inclusive, sustainable, clean energy, inclusive finance, society "green" technologies.

Introduction. The green economy is considered one of the principal directions of sustainable development in the modern world. Climate change, depletion of natural resources, and increasing environmental problems necessitate the development of the economy on the basis of new principles. This article examines the theoretical foundations of the green economy, international practical experiences, and the measures being implemented in Uzbekistan in this sphere.

A green economy is an economic system aimed at ensuring economic growth without causing harm to the environment. This concept is based on ecological sustainability, energy efficiency, and the rational use of resources.

From a theoretical perspective, the application of economic instruments makes it possible to achieve the objectives set by the green economy while minimizing the total costs incurred in reaching these goals. This indicates that economic instruments provide participants with greater flexibility in decision-making compared to regulatory instruments. In particular, when technological standards are applied, the advantage in regulation belongs exclusively to the regulatory authority. In such cases, the regulator informs companies about the permissible amount of environmentally harmful emissions and the technologies required to achieve these standards. Consequently, companies' decision-making activities in this area become limited. In practice, the regulatory authority standardizes the level of environmental responsibility for companies regardless of the cost of such measures.

The greening of the information and communication technology (ICT) sector is regarded as one of the informational resources of the green economy. The term "Green ICT" refers to technological solutions aimed at minimizing environmental impact and maximizing positive environmental outcomes in the use of computer technologies and communication systems. Such technological solutions include reducing energy consumption, extending the service life of ICT equipment, ensuring the safe disposal and recycling of computer and communication devices, reusing equipment, and utilizing renewable energy sources to support data storage facilities and processing centers.

Like any economic theory, the green economy is clearly defined as an approach according to which the economy constitutes an integral part of the ecosystem in which it exists, following the ideas of Lin Margulis. A holistic approach to the subject is typical, and depending on the theorist, economic ideas may intersect with various other fields. Supporters of feminism, postmodernism,

environmental movements, peace movements, green politics, green anarchism, and anti-globalization movements have used this term to describe ideas that differ significantly from mainstream economics.

The application of this term has become further specified through the political distinction of Green parties, which formally claim the term “Green” as a unique and distinguishing feature.

Some economists regard the green economy as a branch or subfield of more established schools of economic thought. For instance, it may be considered an extension of classical economics in which traditional land is generalized as natural capital possessing characteristics similar to labor and physical capital. Natural capital assets, such as rivers, can directly substitute human-made assets such as canals. Alternatively, it may be interpreted within Marxist economics, where nature represents a form of lumpenproletariat — an exploitable base of non-human labor that generates surplus value for the human economy — or as a branch of neoclassical economics in which the cost of life for development is maintained in proportions reflecting the balance of power in developed countries, while non-human life is valued relatively low.

The role of the green economy in ensuring sustainable development is highly significant. Alongside addressing socio-economic problems, it also contributes to environmental security.

In studying the role of green financing in ensuring economic sustainability, economic research methods such as analysis of studies conducted by international scholars, data collection, comparison, and logical reasoning were employed.

Global climate change leads to abnormal increases in average temperatures, negatively affecting countries’ economic growth indicators. Simultaneously, population growth, diversification of needs, changes in consumption culture, and increasing wastefulness, together with the erosion of cultural and religious values such as moderation, frugality, and satisfaction with fewer possessions, have resulted in excessive consumption of resources, misuse of natural assets, and environmental pollution worldwide. These factors not only encourage governments to focus more on controlling carbon emissions and environmental protection, but also transform the investment concepts of financial institutions and individual investors. As a result, green finance and environmental, social, and governance (ESG) processes are developing rapidly.

Many developed countries are achieving considerable success in transitioning to a green economy. In Uzbekistan, the use of renewable energy sources, waste recycling, and other ecological programs are being actively introduced.

In response to population growth and the increasing demand for resources, as well as environmental challenges, the President of the Republic of Uzbekistan adopted the Resolution “On Approval of the Strategy for the Transition of the Republic of Uzbekistan to a Green Economy for the Period 2019–2030.” According to this resolution, priority areas include improving energy efficiency, developing renewable energy sources, adapting to the consequences of climate change, and ensuring the rational use of natural resources. These target indicators are expected to be achieved through technological modernization and the development of financial mechanisms.

Furthermore, the Development Strategy of New Uzbekistan for 2022–2026 outlines measures aimed at improving the effectiveness of reforms related to the transition to a green economy, ensuring green and inclusive economic growth, expanding the use of renewable energy sources, and increasing resource efficiency across all sectors of the economy.

The primary objective of green finance is to direct economic reforms toward environmental sustainability while supporting financial policy. This approach involves channeling financial resources into activities that improve the environment, combat climate change, conserve resources, and enhance resource efficiency.

The Presidential Resolution of December 2, 2022, “On Measures to Improve the Effectiveness of Reforms Aimed at the Transition of the Republic of Uzbekistan to a Green Economy until 2030,” serves as a logical continuation of these processes. This important historical document ensures the timely implementation of the tasks outlined in the Development Strategy of New Uzbekistan, improves the effectiveness of measures aimed at green and inclusive economic growth, promotes renewable energy use, and supports resource conservation across all sectors of the economy.

The program approved by this resolution sets several strategic objectives for ensuring the transition to a green economy and green growth in Uzbekistan by 2030. In particular, while remaining committed to the obligations of the Paris Agreement, Uzbekistan aims to reduce specific greenhouse gas emissions per unit of GDP by 35 percent compared to the 2010 level.

To achieve these goals, the country plans to increase renewable energy generation capacity to 15 GW and raise the share of renewable energy in total electricity production to more than 30 percent.

In the industrial sector, the objectives include increasing energy efficiency by at least 20 percent and reducing energy intensity per unit of GDP by 30 percent, including through the expansion of renewable energy use.

Additionally, significant improvements in water-use efficiency across all sectors of the economy are planned through the introduction of water-saving irrigation technologies on up to one million hectares of land. Environmental sustainability will also be strengthened through the annual planting of 200 million trees, increasing the total number of trees to over one billion, expanding urban green areas by more than 30 percent, and increasing forest reserves to more than 90 million cubic meters.

Increasing the recycling rate of solid household waste to over 65 percent is also considered an essential measure for improving the sanitary and ecological conditions of populated areas. The resolution further approved a concept for the transition to a green economy and energy efficiency in industrial sectors, an action plan for ensuring green growth in Uzbekistan until 2030, and target parameters for saving fuel and energy resources in economic sectors during 2022–2026.

It should be noted that substantial progress is already being achieved toward these goals. For example, during the first nine months of 2022, 150 dust and gas cleaning units with an efficiency rate of no less than 95 percent were modernized at 28 large enterprises operating in metallurgy, oil and fat production, energy, and construction materials industries. As a result, emissions of 2.2 thousand tons of harmful gases into the atmosphere were prevented.

Due to such measures, atmospheric emissions have decreased by 11 percent over the past five years. Increasing the number of environmentally friendly vehicles and adapting fuel quality to international standards are also important steps in preventing air pollution. In this regard, Uzbekistan has undertaken several initiatives, including the growing number of electric vehicles and the introduction of electric buses in Tashkent.

Significant achievements are also being made in expanding renewable energy production capacity. In 2021, a solar photovoltaic power station with a capacity of 100 MW and a project value of USD 110 million was commissioned in the Karmana district. This became the first major step in the country’s renewable energy system.

The station generates 252 million kWh of electricity annually, providing power to more than 30,000 households while saving 80 million cubic meters of natural gas and preventing the emission of 160,000 tons of greenhouse gases into the atmosphere.

A similar station was launched in the Nurobod district. Furthermore, the UAE-based company Masdar is constructing a 500 MW wind power plant in the Tomdi district of Navoi

region. The project, valued at USD 600 million, is expected to be completed by the end of 2024 and will generate 1.8 billion kWh of electricity annually.

As a result, 540 million cubic meters of natural gas will be saved annually, and emissions of 720,000 tons of harmful gases into the atmosphere will be prevented. By 2026, Uzbekistan plans to increase the total capacity of solar and wind power plants to 8,000 MW, while by 2030 renewable energy generation capacity is expected to reach 15 GW.

This will not only improve the supply of electricity to the population and economic sectors, but also contribute to regional energy stability and ensure the fulfillment of Uzbekistan's obligations under the Paris Climate Agreement.

The Development Strategy outlines six specific tasks aimed at ensuring uninterrupted electricity supply to the economy, actively introducing green economy technologies into all sectors, and increasing energy efficiency by 20 percent.

To date, in order to improve energy efficiency in the industrial sector, more than USD 700 million in direct foreign investment has been attracted, enabling the commissioning of five power plants with a total capacity of 1,154 MW in the Tashkent, Bukhara, and Khorezm regions.

The main objective of the "green economy" concept is to ensure sustainable economic growth, increase the use of renewable energy sources, protect the environment, and improve the quality of social integration. Achieving this goal requires broad involvement of public and private investments directed toward the ecological and social dimensions of sustainable development.

The transition to a green economy is of particular importance for each country and depends directly on such factors as natural capital, human capital, and the level of economic development. Therefore, it is necessary to create a favorable environment for the transition process, including an appropriate legal infrastructure, incentive mechanisms, and other supporting conditions. If national-level incentives, including investments and public procurement policies, are directed toward the development of the green economy, the process of "greening" the economic system becomes significantly more active [3].

Green finance is one of the key instruments for building a more inclusive and sustainable economy. Historical experience demonstrates that since the First Industrial Revolution, finance has served as a powerful driver of human development. Considering the interdependence and mutual benefits of these concepts, green finance can be regarded as a contributor to economic equality. Some of the clearest examples include:

- Job creation: Through green financing, investments can be directed toward renewable energy, energy efficiency, sustainable agriculture, and other environmentally friendly sectors, thereby creating new employment opportunities. In particular, it can create entrepreneurial prospects for marginalized groups, innovators, and small business owners.

- Access to clean energy: Green financing can increase access to affordable and clean energy sources for low-income populations, thereby improving living standards. At the same time, it can enhance economic opportunities by enabling small businesses to operate more efficiently.

- Inclusive finance: By providing individuals and enterprises engaged in green activities with access to affordable financial services such as low-interest loans and microcredit, green financing can integrate inclusive finance with green investment opportunities. This allows them to invest in sustainable projects and expand their businesses even on a small scale.

- Community development: Through the development of green infrastructure, urban regeneration, and improved access to clean water and sanitation systems, green projects improve living conditions within communities and create economic opportunities, such as recycling initiatives.

– Sustainable agriculture: In addition to increasing productivity and income in the agricultural sector, green financing, together with access to knowledge and technologies, can ensure food security through sustainable farming methods. This expands opportunities for small farmers and increases their profitability.

– Use of green technologies: Green finance can provide low-income households with funding for the installation of green technologies, such as solar panels and energy-efficient equipment. The use of eco-technologies reduces energy costs, improves household welfare, and may encourage participation in innovative solutions to environmental problems.

– Access to green markets: By supporting the inclusion of low-income groups in green supply chains and markets — such as renewable energy, regenerative agriculture, ecotourism, and environmentally friendly products — green finance can expand economic opportunities for producers in remote and impoverished regions. For example, medicinal plants native to these areas may reveal hidden economic potential [6].

Green financing can also allocate resources to research laboratories and start-up companies that generate benefits for entire communities. As part of promoting an inclusive economy, green finance offers various mechanisms and strategies for accelerating financial inclusion. In this context, green finance also aims to strengthen the role of financial inclusion in helping vulnerable communities improve resilience and minimize the negative impacts associated with climate change.

Conclusion. The green economy is an important factor in ensuring sustainable development. It is necessary to continue the implementation of measures aimed at developing this sector in Uzbekistan and to actively utilize international experience. The most significant conclusions are as follows:

1. The concept of the green economy is aimed at improving people's living standards and achieving welfare and sustainable development in its various forms.
2. The green economy can be characterized as a long-term strategy aimed at achieving economic recovery across different sectors.
3. The green economy promotes pollution reduction and encourages new methods of energy use while preserving human and material resources, reducing carbon emissions, and supporting social development.
4. The green economy operates at two levels. The first is the partial level, which focuses on studying ecological investments to reduce pollution risks. The second is the macro level, which addresses the study and mitigation of environmental problems on a broader scale.
5. Achieving and transitioning to a green economy is not an easy process. On the contrary, it is a long and complex undertaking that requires broad public participation while contributing to higher per capita income.

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