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CURRENT STATE AND SPECIFIC FEATURES OF GREEN INNOVATION DEVELOPMENT IN UZBEKISTAN'S INDUSTRIAL ENTERPRISES

Makhkamova Sayyora Shokirovna
assistant, Department of "Economics and management"
International Institute of Food Technology and Engineering
Ferghana Uzbekistan
E-mail: *sayyorahonshokirovna@gmail.com*

Zokirov Behruz Yo'lchiboy o'g'li, Soyibova Madinaxon Maqsudjon qizi
student, International Institute of Food Technology and Engineering
Ferghana Uzbekistan
behruzzokirov27@gmail.com, madinasoyibova200@gmail.com

Abstract *- This article analyzes the current state and specific features of green innovation development in Uzbekistan's industrial enterprises. The study emphasizes the role of green technologies in improving resource efficiency, reducing greenhouse gas emissions, and ensuring sustainable industrial growth. The research is based on analytical, comparative, and statistical methods, as well as an examination of national development strategies and regulatory documents. The findings reveal that despite the adoption of strategic policies supporting green transformation, industrial enterprises face significant barriers such as outdated technological infrastructure, insufficient financial resources, and limited human capital. At the same time, strengthening state support mechanisms and promoting circular economy principles are identified as key drivers for accelerating green innovation adoption in Uzbekistan's industrial sector.*

Keywords: *green innovation, industrial enterprises, energy efficiency, circular economy, sustainable development, Uzbekistan*

INTRODUCTION

In recent years, sustainable development has become a global priority due to increasing environmental challenges, climate change, and resource scarcity. Industrial enterprises play a decisive role in achieving sustainability goals, as they are among the largest consumers of energy and natural resources and major contributors to greenhouse gas emissions. Consequently, the transformation of industrial production through the adoption of green innovations has become a critical policy and economic issue worldwide.

In Uzbekistan, industrial development has traditionally relied on energy-intensive technologies and fossil fuel resources. However, growing integration into global markets and increasing international environmental requirements have intensified the need for green transformation in the industrial sector. The government of Uzbekistan has adopted several strategic documents aimed at promoting a low-carbon economy, increasing energy efficiency, and expanding the use of renewable energy sources. These policy initiatives reflect the country's commitment to sustainable development and environmental protection.

Despite these efforts, the practical implementation of green innovations in industrial enterprises remains uneven. Large enterprises demonstrate relatively higher levels of green technology adoption, while small and medium-sized enterprises face structural and financial

constraints. This situation highlights the necessity of a comprehensive analysis of the current state of green innovation development and its specific characteristics within Uzbekistan's industrial sector.

Additionally, the global transition toward green growth has intensified due to international climate agreements such as the Paris Agreement and the Sustainable Development Goals (SDGs). These frameworks require countries to decouple economic growth from environmental degradation by promoting low-carbon technologies and resource-efficient production systems. In this context, industrial enterprises are increasingly expected not only to comply with environmental regulations but also to actively contribute to innovation-driven sustainability.

For Uzbekistan, the relevance of green innovation is further reinforced by structural characteristics of its economy, including high energy intensity, dependence on fossil fuels, and growing industrial output. According to international assessments, Uzbekistan's energy consumption per unit of GDP remains higher than the global average, indicating significant potential for efficiency improvements. Therefore, the adoption of green innovations in industrial enterprises represents not only an environmental necessity but also an economic opportunity to enhance productivity and reduce production costs.

Moreover, the transition toward green industrial development is closely linked to national priorities such as economic diversification, export competitiveness, and technological modernization. As global markets increasingly favor environmentally certified products, Uzbek industrial enterprises must adapt to evolving standards in order to maintain and expand their market positions. This makes the analysis of green innovation development particularly important from both policy and managerial perspectives.

LITERATURE REVIEW

The concept of green innovation originates from sustainable development theory and ecological modernization approaches. Green innovation is generally defined as the development and application of new or improved products, processes, and organizational methods that reduce environmental impact while enhancing economic performance. According to Porter and van der Linde, environmental regulations can stimulate innovation and improve competitiveness by encouraging firms to adopt cleaner technologies.

International studies emphasize that green innovation contributes to long-term productivity growth, cost reduction, and risk mitigation. Rennings highlights that eco-innovation differs from conventional innovation by integrating environmental objectives into technological and organizational change. Horbach further argues that regulatory pressure, market demand, and technological capabilities are key determinants of green innovation adoption.

In developing and transition economies, green innovation faces additional challenges related to limited access to finance, weak institutional capacity, and outdated infrastructure. Research conducted by international organizations such as the OECD and the World Bank indicates that state support mechanisms and policy coherence are crucial for overcoming these barriers. However, existing studies on Uzbekistan primarily focus on macro-level sustainability indicators, while firm-level green innovation practices remain insufficiently explored.

Recent empirical studies highlight that green innovation adoption varies significantly across countries and sectors due to differences in institutional quality, financial systems, and technological capabilities. Studies conducted in emerging economies indicate that government intervention plays a more prominent role in stimulating green innovation compared to developed countries, where market-based mechanisms dominate.

Several authors emphasize the importance of financial instruments, including green loans, subsidies, and tax incentives, in reducing the cost burden of environmentally friendly technologies. Without such support, industrial enterprises—particularly small and medium-sized firms—tend to prioritize short-term economic survival over long-term environmental investments. This observation is particularly relevant for transition economies, where capital constraints remain severe.

Despite the growing body of international literature, research on green innovation in

Uzbekistan remains limited and fragmented. Existing studies primarily focus on energy policy and renewable energy development at the macro level, while firm-level behavior, sectoral differences, and practical implementation challenges are insufficiently addressed. This gap in the literature underscores the need for a comprehensive analysis of green innovation development in Uzbekistan's industrial enterprises, which this study seeks to address.

METHODOLOGY

This study employs a mixed-method research approach combining qualitative and quantitative analysis. The methodological framework includes comparative analysis, statistical evaluation, and policy document review. Official data from national statistical agencies, international organizations, and government reports were used to assess trends in energy consumption, emissions, and green technology adoption.

In addition, strategic policy documents related to Uzbekistan's transition to a green economy were analyzed to identify institutional priorities and implementation mechanisms. The methodological approach allows for a comprehensive assessment of both policy intentions and practical outcomes, ensuring the reliability and relevance of the research findings.

ANALYSIS AND RESULTS

Green Innovation Trends in Industrial Enterprises. The analysis indicates that Uzbekistan's industrial sector has made measurable progress in adopting green technologies, particularly in energy, metallurgy, construction materials, and chemical industries. Energy-efficient equipment, waste heat recovery systems, and automated management technologies are increasingly being introduced in large enterprises. Furthermore, the adoption of international environmental management standards, such as ISO 14001, has expanded in recent years.

However, the diffusion of green innovations remains limited among small and medium-sized industrial enterprises. High investment costs, limited access to credit, and insufficient technical expertise significantly constrain their ability to modernize production processes. As a result, the overall pace of green transformation in the industrial sector remains below strategic targets.

To assess the progress of green innovation adoption and energy efficiency improvements, changes in energy intensity at the national level were analyzed.

Figure 1. Trends in Energy Intensity of Uzbekistan's Economy (2010–2023)

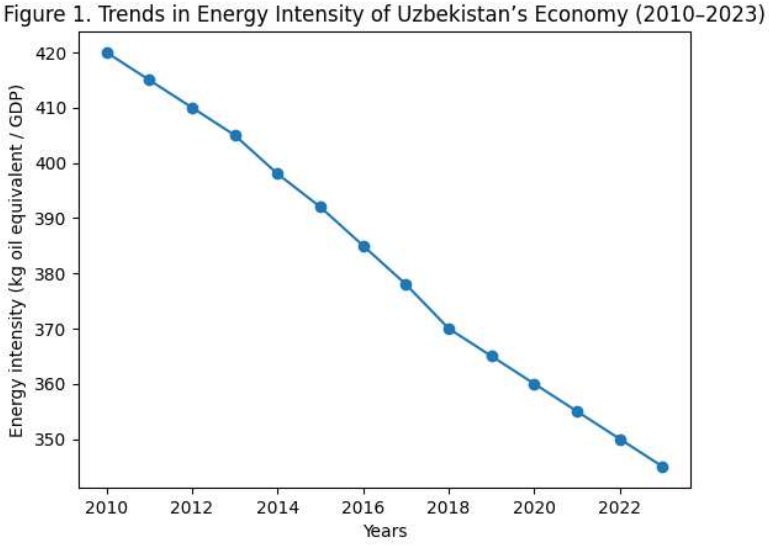


Figure 1 illustrates the dynamics of energy intensity in Uzbekistan's economy over the period 2010–2023. The steady decline reflects gradual improvements in energy efficiency driven by modernization efforts in industrial enterprises. Nevertheless, the remaining high level of energy intensity indicates the need for accelerated diffusion of green technologies.

Role of Circular Economy Principles

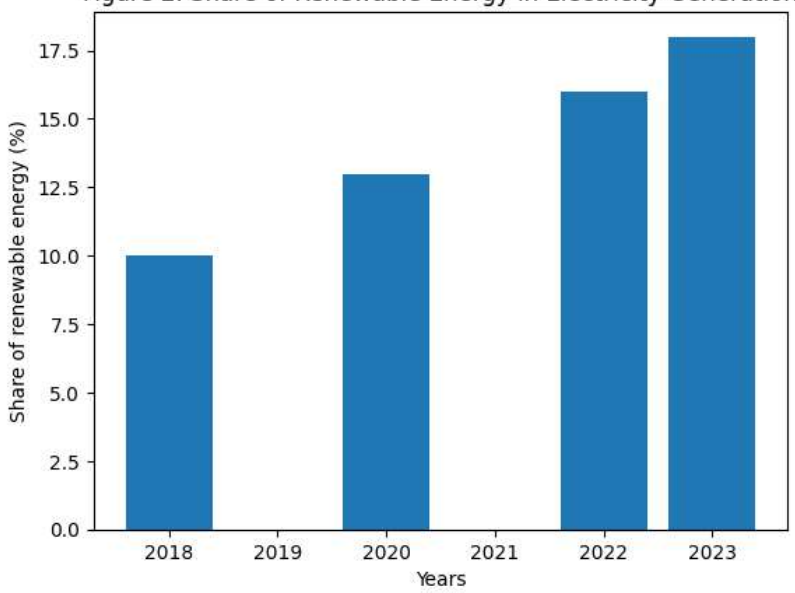
The circular economy represents an important pathway for enhancing resource efficiency and

reducing environmental pressure. In Uzbekistan, the application of circular economy principles in industrial production is still at an early stage. Industrial waste recycling, water reuse systems, and by-product utilization practices are not widely implemented, despite their potential economic and environmental benefits.

Statistical evidence suggests that inefficient resource use leads to increased production costs and environmental degradation. Therefore, integrating circular economy principles into industrial strategies could significantly improve sustainability outcomes and reduce dependence on primary resources.

The transition to a circular economy in industry is closely linked with the expansion of renewable energy use in electricity generation.

Figure 2. Share of Renewable Energy in Electricity Generation



As shown in Figure 2, the share of renewable energy in electricity generation has increased in recent years, reflecting national policy efforts to expand solar and wind power capacity. However, the contribution of renewable energy remains insufficient to significantly reduce industrial emissions, indicating untapped potential for circular and low-carbon solutions.

Figure 3. Key Barriers to Green Innovation Adoption in Industrial Enterprises

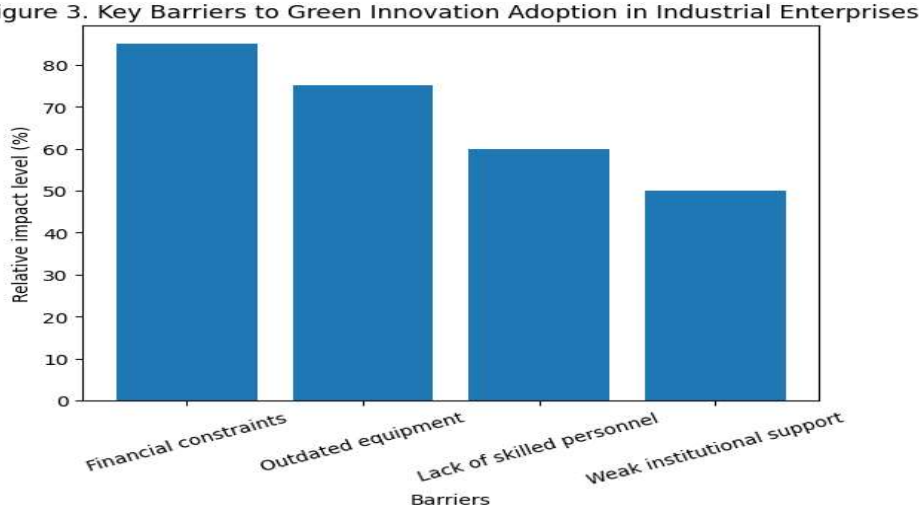


Figure 3 highlights the main barriers hindering green innovation adoption in Uzbekistan's industrial enterprises. Financial constraints and outdated equipment are the most significant challenges, followed by a lack of skilled personnel and weak institutional support, emphasizing the need for targeted policy and financial instruments.

Institutional and Financial Barriers. The results show that institutional and financial barriers

remain the most significant obstacles to green innovation adoption. Although government strategies provide a clear framework for sustainable development, implementation mechanisms require further strengthening. Limited financial incentives, insufficient technical assistance, and weak coordination between stakeholders hinder effective policy execution.

To identify the key constraints affecting green innovation adoption, major barriers faced by industrial enterprises were evaluated.

DISCUSSION

The findings confirm that green innovation development in Uzbekistan's industrial enterprises is influenced by a combination of economic, institutional, and technological factors. While strategic commitment at the national level is strong, practical implementation requires targeted support measures. International experience demonstrates that comprehensive policy packages combining regulatory instruments, financial incentives, and capacity-building initiatives are essential for accelerating green transformation.

Promoting knowledge transfer, enhancing workforce skills, and improving access to green finance can significantly increase the adoption rate of green innovations. Moreover, aligning industrial policies with circular economy principles would strengthen the resilience and competitiveness of the industrial sector.

CONCLUSION

This study highlights the current state and specific features of green innovation development in Uzbekistan's industrial enterprises. The analysis reveals that despite notable policy progress, practical implementation remains constrained by technological, financial, and institutional challenges. Strengthening state support mechanisms, expanding access to finance, and promoting circular economy practices are essential for accelerating green innovation adoption.

Future research should focus on firm-level case studies and quantitative assessments of green innovation impacts. Overall, the successful integration of green innovations will play a decisive role in ensuring sustainable industrial growth and enhancing Uzbekistan's competitiveness in the global economy.

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