

GREEN ECONOMY PERSPECTIVES IN GEORGIA

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Methods. This article provides an in-depth analysis of the role of the green economy as a key tool for achieving the Sustainable Development Goals (SDGs), with a particular focus on Georgia. The research is based on a combination of a case study and an analytical approach. For this purpose, data from a number of sources were used: official reports of the Georgian government, publications of international organizations, as well as the results of quantitative and qualitative research. In particular, the article uses the findings of a specialized study on climate change and environmental issues in Georgia, which was conducted by IPM Market Intelligence Caucasus (IPM MIC) on behalf of the Westminster Foundation for Democracy (WFD) in November 2022. In addition, scientific works and expert opinions of leading Georgian and foreign scholars in this field were taken into account.

Novelty. The study is unique in that it not only confirms, but also substantiates in detail that the green economy is a fundamental basis for the sustainable development of Georgia. For the first time, the article highlights the inextricable link between societal values – such as democracy, human dignity, privacy, and equality – and the successful achievement of the SDGs, emphasizing that these values are necessary prerequisites for the formulation of effective and equitable green policies.

Results. The analysis of a wide range of international and national studies confirms that Georgia is demonstrating significant progress towards the integration of the green economy and sustainable development. According to the results of quantitative and qualitative research conducted within the framework of the article, it was established that environmental problems are extremely relevant for Georgian society. The conclusions of the work clearly indicate the need to expand public discussions, develop and implement specific measures to effectively address these problems. The study emphasizes that without active public participation and targeted state policies aimed at addressing environmental challenges, the achievement of the SDGs will be difficult.

Practical value. In view of the Sustainable Development Goals for the period up to 2030, this work demonstrates that Georgia pays significant attention to the development of a national program focused on the green economy and environmental protection. The materials of the article are of great importance for a wide range of stakeholders: from representatives of the scientific community and state figures to practitioners working in the field of ecology and sustainable development, as well as for everyone interested in the future of Georgia and global environmental trends. This work serves as an important contribution to understanding how the country can successfully transition to a sustainable development model.

Keywords: green economy, sustainable development, environmental protection, European Union, state, Georgia.

Statement of problem. In the 21st century, one of the most important issues of state economic policy is the problem of environmental protection. Scientists have long argued that solving the problem of environmental protection is essential for the survival of humanity. There are many problems

related to environmental protection, including important ones: deforestation, climate change, radioactive waste, landfills, noise, etc. The approach that existed in the 20th century – to subjugate nature and put it at the service of society – is a thing of the past.

In November 2022, the world population exceeded 8 billion people, which is a record number in the history of mankind. The increased population increases the demand for such means of subsistence as water, food, electricity, etc. Moreover, according to the latest UN study, the world population will be between 9.4 and 10 billion with a 95% probability by 2050, and between 8.9 and 12.4 billion by 2100. It is interesting to wonder how the world economy is supposed to meet the growing demand? You might think that the solution is to produce more. (12, pp. 8–10).

Green economics, on the other hand, fully engages with pluralism, history and interdisciplinary work and is, therefore, better placed to provide a more robust explanation of economic realities, particularly in times of crisis. One of the key historic strengths of the GEI is that it has celebrated and, furthermore, enjoys the diversity and inclusion of its membership, associates and core team and this has been reflected in all of its activities. The growing impact of GEI's journal, book output and reporting, manifested in work such as digitisation, finance or the climate emergency, illustrates that it has a key role to play in multi-agency partnering that facilitates the resilience and sustainability of life on the planet. - Simon Mouatt, Trustee (11, p.28).

On the challenges arising in the process of Georgia's rapprochement with the European Union. Green economy contributes to the implementation of sustainable development goals. Sustainable development is a system of social development that, taking into account the interests of economic development and environmental protection, ensures human well-being, an increase in the quality of life and the right of future generations to enjoy natural resources and the environment that are maximally protected from reversible quantitative and qualitative changes. Sustainable development implies a form of economic growth that ensures the well-being of society in the short, medium and, most importantly, long term. It is based on the principle that today's needs must be met without endangering future generations. Sustainable development implies the creation of conditions for long-term economic

development with maximum consideration of environmental protection issues (8).

The EU-funded EaP GREEN program and its Resource Efficient and Cleaner Production Demonstration Component provided a significant support to Georgia to make first steps towards transition to a green economy. The RECP project assessed the potential and demonstrated the practical ways for improving the resource productivity, reducing the environmental impact and achieving economic benefits in Georgian industrial enterprises. The project supported the creation of human and institutional capacities for a wider application of RECP in the country. It demonstrates successful application of this methodology and promotes transfer of and investment into RECP technologies as the best practice for small and medium sized businesses on their way to greener and more competitive production.

Georgia's economic development, especially of its industrial sector, relies heavily on the exploitation of the country's natural capital such as minerals, water, biological resources, landscapes and pristine ecosystems. Air emissions and pollution of surface water, groundwater and soil remain important issues in regions where manufacturing and mining enterprises are located. The energy intensity of the Georgian economy is high and the amount of specific energy needed to produce goods and services in Georgia is 2–2.5 times higher than in Western countries.

Analyses of recent papers. The Global Green New Deal analysis focuses on energy-efficient buildings, sustainable energy, sustainable transport, sustainable agriculture and freshwater which, on one hand, could ensure economic, employment and environmental benefits and, on the other, deliver gains quickly. These areas are particularly important for Georgia, while representing potential for green business development in the country.

Instead, we must get to know and get along with nature (3, pp. 60–61). The Georgian government is concerned about environmental problems and is trying to protect the basic human right to live in a safe environment. The Law of Georgia on Environmental Protection was adopted in 1996. After that, it underwent

many amendments, the last amendment was made in 2023. The main goal of the law is to determine legal norms in the field of environmental protection and ensure a safe environment – in accordance with rational nature use and economic interests. It also ensures the solution of common global and regional problems in the field of environmental protection and the conditions for sustainable development of the country. (7).

Georgia has signed an Association Agreement with the European Union to facilitate political association and economic integration into the Union. The Agreement envisages Georgia's increased involvement in EU strategies, programmes and organisations; in accordance with Article 301 of the Association Agreement, the Parties shall build and strengthen their relations taking into account the long-term objectives of sustainable development and a green economy. In addition, the benefits of sustainable development principles and the promotion of the development of a green economy are highlighted in the Georgia Socio-Economic Development Strategy. (2).

Green growth and the green economy are recognised by the United Nations as important factors contributing to sustainable development. Green growth was part of the Millennium Development Goals and is also highlighted in the Sustainable Development. The Georgian government considers the green economy as one of the main means of the country's future development and is taking the initiative to implement voluntary measures to promote sustainable development. In this regard, it is important to promote the development of ecosystem services, clean production, environmental education and green jobs. The Georgian government is well aware of the benefits that the green economy can bring to people and the environment (9, p.296).

The Green Economy Institute meets annually to explore how we can transform the economy to secure a future for humanity. With a Green New Deal, we can bring the economy back from the small groups and protect the planet. On 19 and 20 June 2020, the Green Economy Institute, together with the Green Europe Foundation, hosted a webinar on «Smart Cities in the Time of Coronavirus».

Across Europe, municipalities are aiming to become «smart cities» – leaders in the use of sensors, big data, algorithms and applications. Speakers explained that smart technologies offer opportunities to improve the quality of life in cities, reduce their ecological footprint and create new urban common spaces. However, as many speakers pointed out, this can also pose a threat to civil liberties and social justice. A smart city should not be an end in itself. A smart city is only truly smart if data collection and artificial intelligence are driven by values.

One of the main issues discussed was how to ensure that public values such as democracy, human dignity, privacy, equality and sustainability are at the heart of smart cities. (4, p.10).

In 2016, Georgia joined the Green Growth Declaration of the Organization for Economic Cooperation and Development (OECD), the main goal of which is cooperation between countries to promote the development of a green economy. Based on the principles of the aforementioned declaration, the Ministry of Economy and Sustainable Development of Georgia is working on the development of a Green Economy Policy Document and a National Green Growth Strategy, the main goals of which are to promote the modernization of the Georgian economy and create a basis for sustainable and green development. The steps taken towards green development will positively impact our country's international image and will enable Georgia to join the ranks of developed, advanced countries been adopted in Georgia in recent years:

According to the EU Scoreboard on Resource Efficiency in 2017, our country has the largest increase in consumption of natural resources in Central and Eastern Europe. Of course, such a percentage, which indicates that we are deficient in increasing the productivity of resource use, requires both a reduction in the gap with other EU Member States and a boost to business development in the green economy.

That is why, the challenge is firstly represented by minimizing the loss of resources that can be reintroduced into the economic circuit, and secondly, by changing the mentality of those interested in promoting ecological behavior. A successful economy requires the

efficient use of natural resources and waste, and protection and sustainable development of the environment. (10, p.350).

Materials and methods. The research methodology is based on an interdisciplinary approach that combines economic theory and social research. The theoretical basis of the work is the role of the green economy in strengthening sustainability.

The research methodology is based on comparative-analytical and statistical analysis, which allows assessing the processes on the example of Georgia, as well as comparing them with international experience. Descriptive statistics, comparison, analysis, generalization and modeling were used to study the issue. At the same time, the research used a systematic analysis method, reviewed the existing material surrounding the work and modern theoretical and empirical sources on the development of the green economy. Based on the current situation, primary and secondary sources were processed based on data from the Georgian Economy and Sustainable Development Agency.

Results and discussion. One of the priorities of the Georgian government in the process of economic development is the rational use of natural resources, ensuring ecological safety and sustainability, and preventing the risks of natural disasters.

It should be noted that the global mission of the green growth strategy is to increase the efficiency of the use of existing resources and the formation of environmentally friendly production systems. The goal that international organizations and national governments have set for the transition to green standards is to improve the productivity of existing resources and the environmental performance of industrial companies in developing and developed countries and to promote the sustainable development of industry and consumption.

Accordingly, it is about integrating the environmental goals of business and long-term sustainable development, creating economic opportunities, as well as finding innovative ways for business, which will create an economic-industrial basis for the further evolution of an ecologically oriented economic

system. The essence of green development, in our opinion, is to increase the efficient use of resources and the scale of clean production operations, incorporating them into «sustainable», and «green» cities. In such economic systems, economic and social symbiosis can be achieved in all aspects of sustainable planning: for example, waste streams can be exchanged at the regional level using a wide range of infrastructure, logistics, and recycling, as well as turning them into a cheap energy source.

When making decisions, it is necessary to assess both economic feasibility and ecological and social effectiveness IPM Market Intelligence Caucasus (IPM MIC), commissioned by the Westminster Foundation for Democracy (WFD), conducted a study focused on climate change and environmental issues in Georgia in November 2022.

The majority of respondents (64% of men and 70% of women) answer that climate change is most caused by deforestation, reduction of vegetation cover; then in place is excessive energy consumption (43% of men and 46% of women), then in place is the increase in the number and use of private cars. (5, p.48).

If we analyze the data on the structure of the green technology market, we can note that its two main segments are environmentally friendly production, energy storage and distribution, and the energy efficiency submarket. Segments such as environmentally sustainable mobility and efficient use of raw materials are predicted to grow by 2025 (see Figure 1). The agenda combines three main goals: healthy marine and coastal ecosystems; a competitive, innovative and sustainable blue economy for the Black Sea; attracting investments for the development of the Black Sea blue economy. It is noteworthy that, Efforts to reduce disaster impacts and risks have not yet stemmed billions in economic losses. Despite significant efforts to reduce disaster impacts, related economic losses remain stubbornly high. From 2015 to 2022, average annual direct economic losses exceeded \$115 billion worldwide, an amount equivalent to 0.3 per cent of the gross domestic product (GDP) of reporting countries.

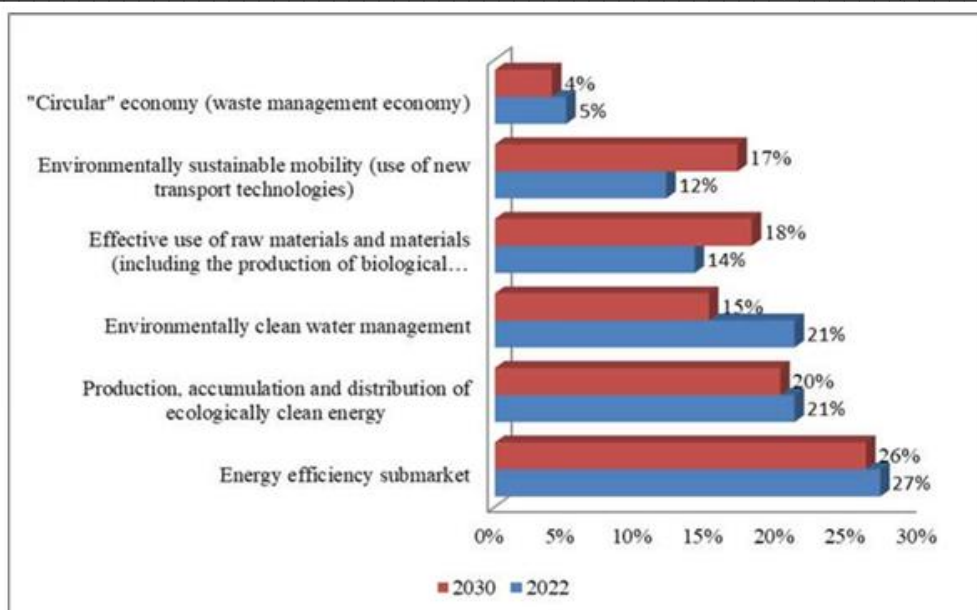


Figure 1. Green economy market 2022–2030 (Grand View Research, 2023)

LDCs and landlocked developing countries (LLDCs) suffer disproportionately from disasters. Disaster-related economic losses in LDCs are over six times the global average. From 2015 to 2022, this group of countries accounted for 6.9 per cent of global reported economic losses from disasters despite comprising only 1.1 per cent of reporting countries' combined GDP. Similarly, LLDCs reported 4.9 per cent of total economic losses, four times the global average, while accounting for only 1.1 per cent of reporting countries' combined GDP. Government spending on essential services is ticking up but with a chronic gap between advanced and developing economies. Based on recent data from about 100 countries, worldwide government spending on essential services – encompassing education, health and social protection – averages around 50 per cent of total government expenditure. Among advanced economies, this figure rises to 60 per cent, while in emerging market and developing economies, it stands at 40 per cent. Over the past two decades, both groups have seen a slight uptick in their shares, maintaining a consistent 20-percentage-point gap between them.

Environmental policy stringency is becoming more pressing. The OECD Environmental Policy Stringency (EPS) index has become a widely used tool for policy analysis since its creation in 2014 (6, p.123).

Conclusions. The Sustainable Development Goals 2024 report details the significant challenges the world faces in making significant progress towards achieving the Sustainable Development Goals, based on the latest data and assessments. The report also highlights areas where action needs to be accelerated, particularly in critical areas that undermine progress on the Sustainable Development Goals – climate change, peace and security, inequality among countries, and more. According to the Sustainable Development Goals 2024 report, with only six years left, current progress falls far short of what is needed to achieve the Sustainable Development Goals. Without large-scale investment and large-scale action, the Sustainable Development Goals – a path to a more resilient and prosperous world and a path out of the current global crisis – will not be achieved.

Despite the increase in the intensity of environmental protection measures, at the modern level of technical development it is not always possible to completely avoid the harmful impact of the environment on nature. The expansion of the economy and the adoption of new technologies still increase the magnitude of the negative impact on nature. However, humanity cannot stop the production process because of this. Therefore, carrying out the production of material wealth, society

always makes certain ecological concessions. (1, pp. 39–45).

It is necessary to tighten environmental policies and use the necessary tools to achieve the Sustainable Development Goals by 2030.

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ПЕРСПЕКТИВИ ЗЕЛЕНОЇ ЕКОНОМІКИ В ГРУЗІЇ

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Методологія дослідження. У цій статті глибоко аналізується роль зеленої економіки як ключового інструменту для досягнення Цілей сталого розвитку (ЦСР), з особливим фокусом на Грузію. Дослідження базується на комбінації тематичного дослідження (case study) та аналітичного підходу. Для цього були використані дані з низки джерел: офіційні звіти уряду Грузії, публікації міжнародних організацій, а також результати кількісних і якісних досліджень. Зокрема, у статті використовуються висновки спеціалізованого дослідження з питань кліматичних змін та екологічних проблем у Грузії, яке було проведене IPM Market Intelligence Caucasus (IPM MIC) за дорученням Вестмінстерського фонду за демократію (WFD) у листопаді 2022 року. Окрім того, були враховані наукові праці та експертні думки провідних грузинських та іноземних науковців у цій галузі.

Новизна. Дослідження є унікальним, оскільки воно не лише підтверджує, а й детально обґрунтовує, що зелена економіка є фундаментальною основою для сталого розвитку Грузії. Вперше в такому контексті наголошується на нерозривному зв'язку між суспільними цінностями – такими як демократія, людська гідність, конфіденційність та рівність – та успішним досягненням ЦСР. У статті підкреслюється, що ці цінності є необхідними передумовами для формування ефективної та справедливої "зеленої" політики.

Результати. Аналіз широкого спектру міжнародних та національних досліджень підтверджує, що Грузія демонструє значний прогрес у напрямку інтеграції зеленої економіки та сталого розвитку. За результатами кількісних і якісних досліджень, проведених у межах

статті, було встановлено, що екологічні проблеми є надзвичайно актуальними для грузинського суспільства. Висновки роботи чітко вказують на необхідність розширення публічних дискусій, розробки та впровадження конкретних заходів для ефективного вирішення цих проблем. Дослідження підкреслює, що без активної участі громадськості та цілеспрямованої державної політики, спрямованої на вирішення екологічних викликів, досягнення ЦСР буде ускладнено.

Практична значущість. З огляду на Цілі сталого розвитку на період до 2030 року, ця робота демонструє, що Грузія приділяє значну увагу розробці національної програми, орієнтованої на зелену економіку та охорону навколишнього середовища. Матеріали статті мають велике значення для широкого кола зацікавлених сторін: від представників наукової спільноти та державних діячів до фахівців-практиків, які працюють у сфері екології та сталого розвитку, а також для всіх, хто цікавиться майбутнім Грузії та світовими екологічними трендами. Ця робота слугує важливим внеском у розуміння того, як країна може успішно перейти до моделі сталого розвитку.

Ключові слова: зелена економіка, сталий розвиток, охорона навколишнього середовища, Європейський Союз, держава, Грузія.

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