

ENVIRONMENTAL ECONOMICS AND ECONOMIC POLICY INTEGRATION

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Abstract: This article analyzes the content, key functions, and the integration of environmental economics with economic policy. It also examines the role of economic mechanisms in addressing environmental problems and highlights the importance of environmental policy in ensuring sustainable development. The study demonstrates that integrating the principles of environmental economics into national economic policy enables efficient use of resources, ensures environmental safety, and balances economic growth with ecological sustainability.

Keywords: environmental economics, environmental policy, sustainable development, natural resources, green economy, economic mechanism, environmental safety

In the context of globalization, ensuring a balance between economic growth and environmental protection has become increasingly important. Environmental problems arising from economic activities, such as climate change, resource depletion, and environmental pollution, have become integral components of modern economic policy. Therefore, environmental economics occupies a special place within the system of economic sciences, emphasizing the necessity of incorporating ecological factors into economic decision-making processes.

Environmental economics is a field that studies the use of natural resources, their conservation, and the regulation of environmental issues through economic instruments. Its main objective is to ensure the rational use of natural resources, reduce environmental damage, and maintain a balance between economic growth and ecological sustainability.

The core functions of environmental economics include ensuring the efficient use of natural resources, which is essential due to their limited nature and the need for optimal allocation. It also involves the economic valuation of environmental damage, allowing policymakers to quantify ecological losses and design effective mitigation measures. Another important function is the regulation of externalities, particularly negative impacts such as pollution, which are controlled through taxes, quotas, and other policy instruments. Environmental economics also focuses on introducing incentive mechanisms that encourage enterprises to adopt environmentally friendly technologies, thereby promoting the development of a green economy. Additionally, it plays a key role in ensuring sustainable development by taking into account the needs of future generations in current economic planning.

Environmental economics is closely interconnected with economic policy and integrates with it in several key areas. Through fiscal policy, environmental taxes such as carbon taxes and waste charges are used to regulate business activities and reduce ecological damage. Investment policy also plays a significant role, as financing green technologies and environmental projects contributes to sustainable economic development. Government regulation mechanisms, including environmental standards, quotas, and licensing systems, ensure compliance with ecological requirements. Furthermore, environmental economics is linked with innovation policy, as the development and implementation of eco-innovations promote resource-efficient technologies and reduce environmental impact.

In the context of Uzbekistan, the development of environmental economics requires strengthening the transition toward a green economy and improving the system of environmental taxation. Expanding the use of renewable energy sources is essential for reducing dependence on traditional energy and minimizing environmental impact. Enhancing environmental



infrastructure at the regional level and creating economic incentives for enterprises to adopt sustainable practices are also important steps toward achieving ecological and economic balance.

Environmental economics represents one of the key directions of modern economic development. Its integration with economic policy provides effective solutions to environmental challenges, ensures the rational use of natural resources, and supports sustainable economic growth. In the future, it is essential to deepen the implementation of environmental economic principles, improve economic mechanisms, and widely apply international experience to achieve long-term sustainability and environmental security.

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