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INNOVATIVE TRANSFORMATION OF THE ECONOMY BASED ON THE CIRCULAR DEVELOPMENT MODEL

The article examines the theoretical foundations of the circular economy as a modern economic model aimed at ensuring the rational use of natural resources, minimizing waste generation, and establishing closed-loop material flows. It is substantiated that the transition to a circular economy represents one of the key directions for achieving sustainable socio-economic development, enhancing the competitiveness of the national economy, and ensuring environmental security. The study identifies the role of public policy in creating institutional, economic, and regulatory conditions for implementing the principles of the circular economy, particularly through the promotion of resource efficiency, the development of secondary raw material markets, eco-design of products, systems for material reuse, waste recycling, and the establishment of closed production cycles. The social dimension of the circular transformation is revealed through the development of responsible production and consumption patterns, the promotion of a culture of rational resource use, the expansion of repair, refurbishment, and product reuse practices, and the creation of circular jobs. Particular attention is paid to innovation as a key driver of circular economy development. It is established that the implementation of technological, organizational, and digital innovations facilitates the emergence of new circular business models, promotes industrial symbiosis, improves resource efficiency in production, and reduces the consumption of primary natural resources. The interrelationship between innovation activity, corporate social responsibility, and the development of the circular economy is substantiated, demonstrating that their integration creates the preconditions for strengthening the economic resilience of enterprises and ensuring long-term sustainable development. The study concludes that the effective combination of government support, innovation-driven development, resource-efficient technologies, and responsible management of material flows constitutes a necessary prerequisite for the successful transition to a circular economy.

Keywords: circular economy; innovation; resource efficiency; circular business models; corporate social responsibility; sustainable development; public policy.