

**RECONFIGURING ACCOUNTING SYSTEMS FOR SUSTAINABLE  
DEVELOPMENT: EMPIRICAL EVIDENCE FROM AN EMERGING ECONOMY**

**Shakhlo T. Ergasheva**

Doctor of Economics, Professor,

Tashkent State University of Economics, Tashkent, shahloer@gmail.com,

sh.ergasheva@tsue.uz,

ORCID: 0000-0001-9896-3953.

**Rano A. Mannapova**

PhD in Economics, Assoc. Professor,

Tashkent State University of Economics, Tashkent,

e-mail: r.mannapova@tsue.uz

ORCID 0000-0003-4577-8847

**Abstract.** This study examines the transformation of accounting systems in the context of sustainable development within an emerging economy. The research aims to identify key drivers, institutional conditions, and organizational factors influencing the integration of sustainability principles into accounting practices. Using empirical data collected from firms operating in an emerging market, the study applies quantitative methods to assess the relationship between sustainability-oriented policies and changes in accounting frameworks. The findings indicate that regulatory pressure, stakeholder expectations, and internal strategic orientation play a significant role in reshaping accounting systems toward sustainability alignment. Moreover, the results suggest that accounting transformation contributes to improved transparency and decision-making quality rather than immediate financial performance. This study contributes to the accounting and sustainability literature by providing empirical evidence from an underexplored economic context.

**Keywords:** accounting, sustainable development, ESG, corporate reporting, accounting methodology, globalization, value added, investment.

### **1. Introduction**

Sustainable development has become a central concern for both policymakers and corporate managers, prompting a reassessment of traditional accounting systems. Accounting, as the primary mechanism for recording, reporting, and analyzing financial and non-financial



information, is increasingly expected to support sustainability objectives by integrating environmental, social, and governance (ESG) considerations. In emerging economies, where institutional frameworks are evolving and market pressures are distinct from developed contexts, the transformation of accounting practices toward sustainability presents both opportunities and challenges. Despite growing recognition of sustainability-oriented accounting, empirical evidence from emerging markets remains limited, particularly regarding the drivers, mechanisms, and organizational responses that shape this transformation. This study addresses this gap by examining how firms in an emerging economy adapt their accounting systems to align with sustainable development imperatives. The research contributes to both theory and practice by providing evidence on the institutional, strategic, and operational factors that influence accounting transformation in contexts of economic transition.

## 2. Literature review

The relationship between accounting and sustainable development has been explored through multiple theoretical lenses, including institutional theory, stakeholder theory, and legitimacy theory. Institutional theory emphasizes that accounting practices are influenced by regulatory frameworks, professional norms, and socio-cultural pressures, which collectively guide organizational adaptation to sustainability requirements (DiMaggio & Powell, 1983). Stakeholder theory complements this perspective by highlighting the role of external actors—investors, regulators, consumers, and civil society—in shaping corporate accounting behavior, as firms seek legitimacy and continued access to resources (Freeman, 1984). Legitimacy theory further suggests that accounting transformation is often a strategic response to societal expectations, where organizations adopt sustainability reporting to maintain credibility and reputation (Suchman, 1995).

Empirical studies indicate that developed economies have experienced substantial accounting adaptation toward sustainability, often driven by formal regulations and voluntary reporting standards (GRI, IFRS Sustainability Disclosure Standards). However, in emerging economies, institutional environments are frequently less structured, with weaker enforcement and varying stakeholder pressure, which affects the pace and scope of accounting transformation (Adams et al., 2016). Research in these contexts suggests that internal organizational factors, such as leadership commitment, strategic orientation, and accounting system flexibility, are critical determinants of successful sustainability integration (Bouten et al., 2011).



Despite the growing literature, significant gaps remain. First, most studies are country-specific, with limited cross-sectoral evidence from emerging markets. Second, the interaction between external pressures (regulation, stakeholder demands) and internal capacities (strategic alignment, managerial competencies) remains underexplored. Finally, the consequences of accounting transformation for organizational decision-making and sustainability performance are not yet fully understood. This study aims to address these gaps by providing empirical evidence on the drivers, mechanisms, and outcomes of sustainability-oriented accounting transformation in an emerging economy, thereby enriching the theoretical understanding and offering practical guidance for policymakers and corporate practitioners.

### **3. Analysis and results**

Accounting is essential for the establishment, operation, and development of international companies, providing information support for decision-making not only by internal but also by external stakeholders. However, the problem is that the development of accounting methodology has not kept pace with the rapid evolution of global business culture.

One of the main manifestations of this problem is the fact that the global initiative for sustainable economic development has not yet been reflected in corporate accounting. A separate field of corporate accounting has emerged, focused on the consideration of sustainability performance. Consequently, most modern international companies publish corporate sustainability reports. However, accounting continues to focus primarily on the financial performance of companies.

The fragmented nature of corporate accounting and reporting complicates their practical application, leads to incomplete and fragmented information, and reduces its empirical value for all stakeholders. A serious obstacle to solving this problem is the uncertainty about which specific areas of global sustainability contribute to the development of international companies and therefore require inclusion in accounting and reporting.

This determines the relevance of identifying those areas of global sustainability that facilitate the development of international companies. Therefore, the purpose of this study is to determine prospects for improving companies' accounting methodology by integrating global sustainability principles.

One of the most important manifestations of the development of international companies is the growing activity of global trademark registrations, demonstrating not only a favorable business climate in the country but also its integration into the global economic system. The



following are identified in the existing scientific literature as the key areas of global sustainability for modern companies:

Support for the implementation of the Sustainable Development Goals (SDGs);

Globalization: expanding the presence of companies in global markets;

Increase in gross value added: growth in production capacity and its utilization rate, which is reflected in the acceleration of economic growth.

To obtain practical results, this study is conducted using the economy of the Republic of Uzbekistan as an example. The following system of indicators was developed for the study:

“Trademarks by origin/bn PPP\$ GDP” from WIPO data (2024) as an indicator of global trademark registration activity;

“SDG Index Score” from UN data (2024) as an indicator of SDG implementation;

“Globalization index” from KOF Swiss Economic Institute data (2024) as an indicator of globalization;

“GDP growth (annual %)” from World Bank data (2024) as an indicator of gross value added.

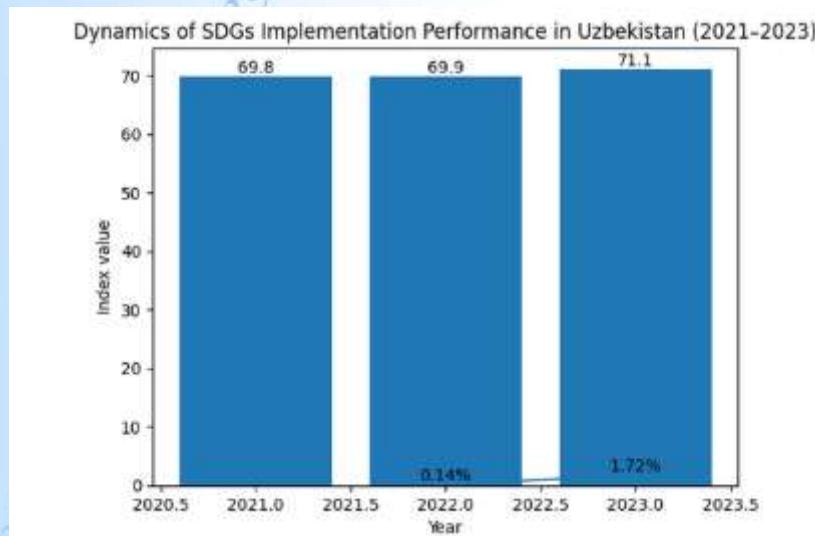
To determine the relationship between the identified areas of global sustainability and the development of international companies, this study uses horizontal and trend analysis methods to examine the dynamics of the global sustainability of Uzbek companies, as well as a variance analysis method to assess the interdependence of global trademark registration activity with other indicators.

The dynamics of global trademark registration activity in the Republic of Uzbekistan and its trend analysis from 2020 to 2023 are shown in the slide. As we can see, global trademark registration activity in the Republic of Uzbekistan increased by 31.72% in 2023 compared to 2021, indicating an upward trend during the period under review (Figure 1).



**Figure 1. – Dynamics of global trademark registration activity in the Republic of Uzbekistan and its trend analysis in 2020-2023.**

The dynamics of SDG implementation performance in the Republic of Uzbekistan and its trend analysis for 2021-2023 are shown in the slide. As we can see, SDG implementation performance in the Republic of Uzbekistan increased by 1.86% in 2023 compared to 2021, indicating an upward trend during the period under review. Its correlation with global trademark registration activity in the Republic of Uzbekistan was 87.07%, demonstrating a close relationship between the two (Figure 2).



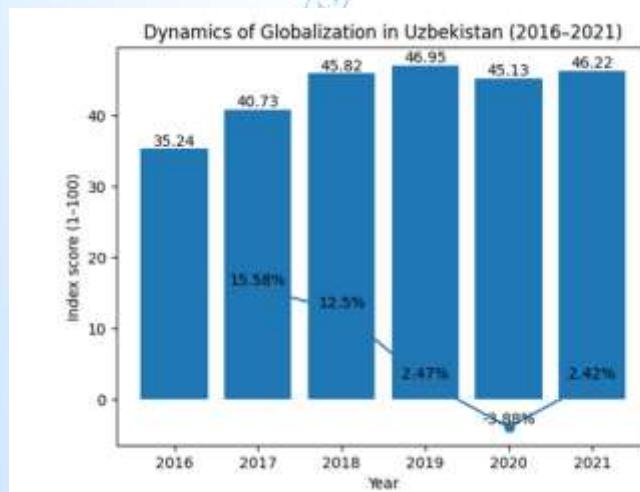
**Figure 2. – Dynamics of the effectiveness of SDG implementation in the Republic of Uzbekistan and its trend analysis in 2021-2023.**

In this regard, to improve the accounting methodology of companies, it is proposed to include the collection of information on such an area of global sustainability as support for the implementation of the SDGs through the following indicators:

- the overall level of support for the SDGs by an international company;
- the international company's results for each of the 17 SDGs;
- the change in the international company's performance in implementing each of the 17 SDGs.

The dynamics of globalization in the Republic of Uzbekistan and its trend analysis from 2016 to 2021 are shown in the slide. As we can see, the globalization of the Republic of Uzbekistan increased by 31.14% in 2021 compared to 2016, demonstrating an upward trend during the period under review. Its correlation with the activity of global trademark registrations

in the Republic of Uzbekistan was 41.21%, indicating a close relationship between the two (Figure 3).



**Figure 3. – Dynamics of global trademark registration activity in the Republic of Uzbekistan and its trend analysis in 2020-2021.**

In this regard, to improve the accounting methodology of companies, it is proposed to include the collection of information on such an area of global sustainability as globalization through the following indicators:

- the share of foreign direct investment in the structure of financing the activities of an international company;
- the share of foreign markets in the structure of sales of the international company's products;
- the share of imported raw materials, materials, and components in their overall structure in an international company.

The dynamics of economic growth in the Republic of Uzbekistan and its trend analysis for 2016-2024 are shown in the slide. As we can see, the economic growth rate of the Republic of Uzbekistan decreased by 4.38% in 2024 compared to 2016, that is, it demonstrated a downward trend during the period under review. Its correlation with the activity of global trademark registrations in the Republic of Uzbekistan was 42.31%, indicating a close relationship between the two. (Figure 4).

In this regard, to improve the accounting methodology of companies, it is proposed to include the collection of information on such an area of global sustainability as created gross value added through the following indicators:

annual change in production capacity and its utilization rate in an international company;



labor productivity and its annual change in an international company; the number of foreign branches of an international company, their annual change, and their share in the structure of its production.

Thus, using the example of the economy of the Republic of Uzbekistan and statistical data for 2016–2024, the need to improve corporate accounting methodology by integrating global sustainability principles is substantiated. These principles are formulated as the principle of supporting the SDGs, the principle of globalization, and the principle of sustainable development. Specific indicators for inclusion in accounting and reporting are proposed to more fully reflect the global sustainability of international companies.

### **Conclusions**

This study investigates the transformation of accounting systems in the context of sustainable development within an emerging economy. The findings underscore that accounting practices are increasingly influenced by both external pressures and internal organizational factors. Regulatory frameworks, stakeholder expectations, and market dynamics serve as critical drivers that compel firms to integrate sustainability considerations into their accounting systems. Simultaneously, internal determinants—such as strategic orientation, leadership commitment, and the flexibility of accounting processes—play a decisive role in shaping the depth and effectiveness of this transformation.

Empirical evidence from the study demonstrates that firms that actively adapt their accounting systems to align with sustainability objectives achieve higher transparency and improved decision-making quality. While immediate financial performance gains may not be observable, the strategic integration of environmental, social, and governance considerations contributes to long-term organizational resilience and legitimacy. This finding aligns with institutional and stakeholder theories, highlighting the dual influence of external pressures and internal capabilities on accounting adaptation.

The study contributes to the literature by providing evidence from an emerging economy, a context that has been underrepresented in previous research. By identifying the interplay between external and internal factors, it offers a more nuanced understanding of the mechanisms through which sustainability-oriented accounting evolves in transitional markets. Practically, the findings provide guidance for policymakers, regulators, and corporate managers aiming to enhance accounting systems to support sustainable development. Firms are encouraged to strengthen internal capacities, foster leadership commitment, and proactively engage stakeholders to effectively implement sustainability-oriented accounting practices.



Despite its contributions, the study has certain limitations. The analysis is based on a specific emerging economy, which may limit generalizability to other national contexts. Additionally, while the study focuses on organizational and institutional determinants, further research could explore the long-term financial and non-financial impacts of accounting transformation. Future studies may also employ longitudinal designs or cross-country comparisons to deepen understanding of sustainability-oriented accounting dynamics in emerging markets.

In conclusion, the transformation of accounting systems toward sustainability is both a strategic necessity and a complex organizational process in emerging economies. By integrating external pressures with internal capabilities, firms can enhance transparency, legitimacy, and long-term resilience, thereby contributing to broader sustainable development goals. The findings underscore the importance of a holistic approach, combining regulatory guidance, stakeholder engagement, and internal strategic alignment, for fostering effective accounting transformation in the contemporary global economic landscape.

**References:**

1. Ergasheva S. T., Mannapova R. A., Yuldashev E. I. Accounting—a System for Managing Economic Information in Agriculture //New institutions for socio-economic development: The change of paradigm from rationality and stability to responsibility and dynamism. – 2021. – T. 5. – C. 173.
2. Turgunovna E. S., Abrorovna M. R. Accounting policy of the enterprise: Development and amendments //Asian Journal of Technology & Management Research (AJTMR) ISSN. – 2022. – T. 2249. – №. 0892.
3. Popkova E. G. et al. The role of knowledge and technology management in improving the quality of business 4.0 products //International Journal for Quality Research. – 2024. – T. 18. – №. 1.
4. Mannapova R. Application of IFRS In the Conditions of Digital Technologies //Science and innovation. – 2023. – T. 2. – №. A11. – C. 301-307.
5. Burkhanov A. U. et al. Digital Inclusiveness in Entrepreneurship Through the Lens of the Technological Barriers of Markets //Digital Inclusiveness: Bridging the Divide in the Digital Economy. – 2025. – C. 49-60.
6. Супиянова А., Маннапова Р. А. Преимущество международной стандартизации и интеграции в области контроля и аудита в государственном секторе //Academic research in educational sciences. – 2021. – T. 2. – №. 3. – C. 124-132



7. Mannapova R. Improvement of accounting of public catering organizations //Science and innovation. – 2023. – T. 2. – №. A6. – C. 297-300.

8. Hakimov, Z. A., Medatov, A., Kotetunov, V., Kravtsov, Y., & Abdullaev, A. (2023). Algorithm for the development of information repositories for storing confidential information. Proceedings on Engineering Sciences, 5(2), 227-238.

9. Hakimov, Z. A. (2017). Panel Researching in Study of the Competitive Environment in Clothing Market. Journal of Accounting Marketing, 6(3).

10. Yang, L., Sultan, M. S., Ibrahim, M. I., Xakimov, Z., & Zhang, C. (2025). Unraveling the economic and environmental impacts of emerging financial risks: A strategic perspective. Ecotoxicology and Environmental Safety, 303, 118786.

11. Aliev, A., & Hakimov, Z. (2023, December). Digital marketing and marketing technology the framework of identifying barriers to digital transformation of textile cluster in the digital era. In Proceedings of the 7th International Conference on Future Networks and Distributed Systems (pp. 475-482).

