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Recycling Innovation and Its Role in Strengthening Environmental Sustainability and Economic Diversification in Saudi Arabia

Mohammed Sulaiman Abuzaid Mahmoud

Jeddah, KSA
Email: eng.enviro.moh@gmail.com

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Abstract

This paper was to be done based on a sample of 100 respondents in different parts of the Kingdom, to examine the importance of innovation in recycling as a source of environmental sustainability, and diversification of Saudi economy. The sample was designed as a highly educated group (82% with a bachelor's degree or higher), with a professional interest in the sphere of environment and sustainability (42%), and employees of the private sector (50%). The findings indicated that the awareness of the environmental advantages of the recycling process was very high (mean 4.324.44) and that the necessity of recycling as an important instrument in the process of reaching the national sustainability objectives was strongly accepted. There is, however, a very sharp difference between knowledge and practice, and personal involvement in recycling and separation of materials is scored less (mean 3.383.58). This was attributed primarily because of lack of infrastructure and accessibility (mean 3.74 of this obstacle). In terms of economics, recycling technology innovation was considered to be of high-ranking as an economic diversification (4.26), job creation (4.10), and facilitation of small and medium enterprises development (4.02). The most positive scores were found in the environmental outcomes (4.304.42), with the willingness to adopt new practices being high in case the appropriate environment has been established (4.18). On governance, the participants felt the necessity to enhance implementation and enforcement mechanisms (3.48) and government incentives (3.86), whereas they applauded the issue of data transparency as a good element (4.12). The paper finds that recycling innovation is a two-fold strategic opportunity of the Saudi Arabian country, and it will need to enhance infrastructure, enhance implementation policies, and mobilize incentives, which will help in converting high awareness to actual practices that would lead to sustainability and economic diversification.

Keywords

Recycling Innovation, Environmental Sustainability, Economic Diversification, Saudi Vision 2030, Waste Management, Source Segregation, Infrastructure Barriers, Public Awareness, Extended Producer Responsibility, Regulatory Enforcement

1. Introduction

Recycling innovation becomes one of the most important pillars in the context of Saudi Vision 2030 in the Kingdom of Saudi Arabia and serves to alter the environmental situation by encouraging the use of sustainable waste management concepts and decreasing the use of landfills within the country. This innovation includes technology development which entails sophisticated sorting operations, material recovery facilities, that are responsive to the national objectives, to divert up to 85 percent of industrial waste out of landfills by 2035 to conserve the use of natural resources and curb pollution within a resource-intensive economy. Integrating the idea of a circular economy, Saudi Arabia is developing a transition toward efficient use of resources, where waste is seen as an asset to create new production cycles, which, in this respect, facilitates the strategies such as the National Waste Management Strategy that aims to achieve 95-percent recycling levels of resources in major sectors. Moreover, the research and development in the field of recycling technologies is being developed through the action of public-private partnerships and has allowed the Kingdom to respond to the environmental issues of rapid urbanization and industrialization. Such initiatives do not only increase the sustainability of the environment, but also make Saudi Arabia a leader in green innovation in the region, both as part of the agendas of sustainable development globally, and as a localized solution to local contexts. Recycling innovation has been of special interest in the Kingdom, as the Kingdom aims at balancing development and environmental conservation, to make life on this planet sustainable by the future generations.

Recycling innovation under the Vision 2030 has given Saudi Arabia the opportunity to diversify its economy, as it is a strategic shift in not depending on oil, but relying on the green industry and creation of employment opportunities. It is by investing in recycling systems and infrastructure that the Kingdom is opening up new economic opportunities in businesses like manufacturing and renewable materials where new processes such as upcycling or bio-based alternatives create job opportunities and spur local supply chains. This diversification can be seen in the national programs advancing the models of the circular economy that improve resource sustainability and minimize importation over-reliance, thus increasing the level of the GDP contribution of the non-oil sectors. Further, environmental innovation coupled with economic policies will lead competitiveness and encourage foreign investments by constructing waste-to-energy plants and high-level re-

cycling plants in various geographical regions such as Riyadh and Jeddah. Not only this helps to lessen the economic exposure of fluctuating market prices of the commodities, but also to pursue the long-term objective of carbon neutrality and green recovery in a post-oil world. Finally, recycling innovation is a driver of inclusive development, which empowers small and medium-sized enterprises and responds to the problem of unemployment by developing skills in sustainable practices (Sobczak & Głuszczuk, 2022).

1.1. Research Problem

Though the Kingdom of Saudi Arabia has made ambitious steps as part of the Vision 2030 initiative to attain environmental sustainability and economic diversification by enhancing the development of a circular economy, the waste management sector is still facing significant challenges. According to recent statistics, the Kingdom produces about 15 million tons of municipal solid waste every year, and the number is estimated to increase to about 30 million tons by 2033 because of the high rate of population growth, urbanization, and industrialization. Most of this waste, which is in many cases over 95 percent in large cities such as Riyadh, is deposited in landfills that are nearing capacity and lead to the degradation of the environment estimated at billions of riyals each year such as, in soil pollution, greenhouse gases and loss of resources. The recycling levels of waste remain very low as in most waste materials, there has been a low level of recycling of around 15 - 20 percent hindered by inadequate infrastructure in sorting and processing, poor understanding of the populations on segregation of sources, and proper investments in modern recycling methods. These obstacles keep up the linear model of the economy, increasing pollution and dragging the shift to resource-efficient practices. Thereby, the main research question is the following: How can recycling innovations contribute to the environmental sustainability and economic diversity in Saudi Arabia, especially, in the face of the growing demands of rapid urbanization, population growth, and the necessity to achieve the ambitious goals of the Vision 2030 with its landfill diversion and the adoption of the circular economy? The specified issue requires simultaneous, multi-dimensional interventions that bring the gap between the desired and the real in terms of technology, organization, and policy development (Liu & Liang, 2024; Hysa et al., 2020).

1.2. Research Significance

1) It helps to enhance the comprehension of the central role that recycling innovations can fulfill in support of the environmental and economic objectives of Saudi Vision 2030, in particular, the transition towards a circular economy and the elimination of reliance on landfills.

2) It points out the practical processes to close the current divide between national targets of diversion and recycling of waste and the current situation of low recycling in the Kingdom.

3) It offers evidence-based information that can help the policymakers to develop more effective strategies and incentives to promote investment in more advanced technologies and infrastructure in recycling.

4) It highlights the possibilities that the recycling industry has to generate new employment opportunities, particularly among the young people, and thus assist in the unemployment rate reduction, as well as social inclusion.

5) It highlights economic gains of converting waste into useful products, which contributes to the diversification of sources of national income and enhances resilience to changes in oil markets around the world.

6) It provides a holistic analytical model that combines the role of environmental sustainability and economic diversification as a guideline in future research and implementation projects in the area of green innovation in the Saudi context.

7) It sensitizes people on the importance of community involvement and behavioral change in supporting recycling programs to result in better environmental quality and health of people in urban areas.

1.3. Research Objectives

1) To explore the concept, dimensions, and types of recycling innovation and how the same is implemented in the Saudi Arabia context under Vision 2030.

2) To determine how recycling innovation can promote environmental sustainability by conserving resources, minimizing pollution, and managing waste in the Kingdom.

3) To explore how recycling innovation can be used to diversify the economy through supporting the principles of a circular economy, creation of employment opportunities, and the development of new sources of revenue outside the oil industry.

4) To understand how recycling innovation, environmental sustainability and economic diversification can interact with each other and how the integration can help the sustainable development interests of Saudi Arabia.

5) To find out which drivers, barriers and policy mechanisms have an impact on the adoption of recycling innovations and their success in the Kingdom.

6) To come up with practical advice to be implemented by the policymakers, stakeholders and the private sector players to hasten the process of implementing recycling innovations in line with the current national strategies.

1.4. Research Questions

1) Which are the key dimensions and types of recycling-innovation that are now being introduced or are applicable in Saudi Arabia?

2) What is the role of recycling innovation in enhancing the environmental sustainability indicators, including the percentage of waste diversion and efficiency of resources in the Kingdom?

3) How far can recycling innovation investments cause the diversification of the

economy by establishing jobs and developing green industries in Saudi Arabia?

4) How do recycling innovation, environmental sustainability, and economic diversification relate in terms of an integrative relationship within the context of the Saudi Vision 2030?

5) Which factors are the most influential and limiting to the process of recycling innovation development and implementation in Saudi?

6) To what extent do the state and local policies, collaboration between government and partners, and national programs to promote recycling innovations help to meet the sustainable development objectives?

1.5. Research Hypotheses

1) Recycling is a good and effective way of increasing sustainability of the environment by minimizing the dependency on landfill and encouraging the preservation of resources in Saudi Arabia.

2) Recycling Innovations have enormous effects on economic diversification due to the generation of new job opportunities and emerging industries on a circular economy.

3) The relationship between recycling innovation, environmental sustainability and economic diversification is strong and positive with the progress in one aspect supporting the other in the Saudi vision 2030 framework.

4) Government policies and the presence of a partnership between the government and the private sector are some of the primary causes of a moderating effect that positively influences the effects that recycling innovation has on environmental sustainability and diversification of the economy.

5) Addressing the challenge of infrastructure shortage and lack of awareness among citizens will go a long way in enhancing the importance of recycling innovation in ensuring that the country meets sustainable development goals.

1.6. Research Methodology

This study uses a descriptive-analytical framework to analyze how recycling innovation can create environmental sustainability and promote future economic diversity through Saudi Arabia's Vision 2030 Program (V2030). The descriptive part involves reviewing, co-relating, and summarizing academic works about recycling innovation, environmental sustainability, and economic diversity. The analytical portion includes an evaluation of the links between recycling innovation, economic diversity, and environmental sustainability. The evaluation uses a qualitative and conceptual approach to analyze the secondary data sources acquired from the policy definitions, official reports, and previously completed empirical research, to understand how the three variables are linked and develop an understanding of the major drivers of success and the obstacles to be overcome. The analytical framework does not rely on inferential statistics but instead employs critical thinking and logic to evaluate the level of contribution of each driver of success to V2030 and the future sustainability of Saudi Arabia.

2. Theoretical Framework

The theoretical background of the study is based on synthesis of the major concepts of the environmental innovation, circular economy theories, and sustainable development theories in the context of the Saudi Arabian setting under the Vision 2030. The conceptualization of recycling innovation as a multi-faceted process is divided into technological innovations, high-technological sorting and material recovery, organizational innovations, public-privately cooperation, and social innovations, community awareness campaigns that lead to the shift of the linear to the model of the circular economy. The foundation of this framework is based on the circular economy paradigm in which waste is reframed as a resource and resources are made efficient, pollution reduced, and there are closed-loop systems that would be in line with the global trend in the green innovation. With Saudi context, this integration is specifically applicable due to the high rates of urbanization and population growth in the Kingdom that produce large quantities of waste volumes-estimated at over 110 million tons per year in all the streams, 15-17 million tons in municipal solid waste per year alone, although the current rates of recycling and landfill diversion remain at less than 20% and at 18% respectively over the past few years. The model assumes that recycling innovation plays the role of a bridging variable between environmental sustainability (through such indicators as resource conservation and decreased emissions) and economic diversification (through creating employment in green industry and getting new resources through recovered materials), which helps a resource-driven economy to become resilient. This theoretical lens allows analyzing the impact that specific innovations can have on accelerating the Saudi Arabian sustainable development course by entrenching these ideas in the goals of Vision 2030, including the development of the possibility of up to 94 percent landfill diversion of municipal waste and the contribution of a significant portion to non-oil GDP. The reason for this is that the majority of these firms lack sufficient technological expertise and innovation to address market trends. This is because most of these companies lack adequate technology knowledge and innovation to handle market trends.

3. Recycling Innovation

3.1. Dimensions and Concept Recycling Innovation

Recycling innovation entails the development and application of new techniques, technologies, and strategies to enhance the way waste materials are collected, processed, and reused and converted to useful resources with minimum environmental damage. This is a concept that is in addition to simple recovery, but it includes efficiency gains, increase in material purity, and less use of energy in the recycling processes. The major dimensions of it are technological issues whose higher processing methods guarantee both cost-effectiveness and marketability of recycled products, economic factors guaranteeing affordability and profitability of recycled products, environmental benefits including reduced emissions and conservation

of resources, and social aspects which entail community participation and behavior change towards sustainability. These dimensions are also used with more frequency in Saudi Arabia to deal with high levels of waste and assist in the transition to the circular economy, where the innovation is used to transform waste streams into inputs in new production cycles. Such multi-dimensional approach allows to work with various materials better and eliminate the traditional limitations of recycling systems (Hysa et al., 2020).

3.2. Invention Innovation (Technological, Organizational, Social) in Recycling

Recycling innovation is possible in technological, organizational and social forms, which serve a different role to enhance the results of waste management. The technological innovation involves such advances as AI-enabled sorting, robotic automation, and chemical reactions such as pyrolysis, which increase accuracy in the separation of materials and allow recovery of complex or contaminated wastes. The innovation in organizations is structural in nature, such as the creation of public-private collaborations, effective supply chain, and circular business models that integrate into the wider operation strategies recycling. Social innovation is aimed at community-based activities, including awareness programs, incentive schemes concerning the correct segregation of waste and participation programs that are inclusive and encourage many to join in. Such kinds are synergistic with each other so that technological solutions enable the optimization of the organization and social initiatives contribute to greater involvement and quality content at the point of origin (Sobczak & Głuszczuk, 2022).

3.3. Recycling Innovation Trends

Recycling innovation trends in the world in 2025 focus on the high-quality technologies and more application of the principles of the circular economy to address the increasing waste volumes and meet the sustainability goals. Pyrolysis, depolymerization, and gasification are chemical recycling processes which are becoming increasingly popular in the treatments of difficult plastics and the recovery of better material. The leading way of sorting is AI and robotics that allow real-time detection, decreased contamination, and increased throughput at the facility. IoT can be used to enable smart waste systems with the aim of optimized collection, and waste valorization turns different streams into biofuels or other products. Others of interest include traceability, metals decarbonization, and development of certain polymers such as PET, and continuous investment in automation to scale solutions. These tendencies tackle the low global circularity rates and endorse net-zero intentions by recovering resources more efficiently (Liu & Liang, 2024).

3.4. Factors and Obstacles to Recycling Innovation

The process of recycling innovation is motivated by the strict environmental

laws, increasing consumer interest in sustainable goods, technological advancements that reduce costs, and economic benefits of the cyclical patterns, such as the creation of jobs and additional sources of income. The lack of resources and the interests of the corporations in sustainability also contribute to the expedited investments in efficient solutions based on waste-to-value. These have been hampered by high initial expenses of the sophisticated equipment, lack of infrastructure in the collection and sorting, contaminations within the waste streams, low demand in the recycled materials and different rules in different places. Other challenges include technical problems such as degradation of materials, complexities of the supply chain, and lack of general awareness which perpetuate the use of landfills and limit scalability. To overcome these, there should be good policy reinforcement and cooperation to improve viability (Iqbal et al., 2021).

3.5. Research and Development Role in Recycling Technologies

Research and development (R&D) will play a key role in advancing recycling technologies, developing effective and scalable solutions to difficult waste streams and sealing the gaps in existing capacities. Breakthroughs in enzyme-based degradation, AI-based sorting, solvent-based purification, and hydrothermal processes all contribute to increased recovery rates, reduced energy consumption, and high-quality products equal in quality to virgin materials, all made possible by R&D. It also develops recyclable by design methods and direct recycling where material properties are preserved in usage, such as batteries and plastics. The R&D investments provide solutions to plastic pollution, e-waste development, and circular economy requirements through public-private partnerships and specialized centers, which guarantee greater recycling levels and economic viability and meet international sustainability goals (Li & Wang, 2026).

4. Environmental Sustainability

4.1. Environmental Sustainability Principle and Concept

Environmental sustainability is the sustainable use of natural resources and ecosystems to satisfy present demands without reducing the capability of the future generations in satisfying their needs, and keeping the balance between human activities and the sphericity of the planet. The meaning of this concept focuses on the ecological integrity in the long term, economic growth and social development take place within the capacity of the environment. The main principles are intergenerational equity, meaning the resources should be available in the long term; precautionary methods of prevention of irreversible harm; integrating the environmental consideration in the decision-making process; and encouraging resiliency to climate change and loss of biodiversity. It is also about reducing the consumption of the resources, lessening pollution and safeguarding the ecosystem services like clean air, water and soil fertility. Practically, environmental sustainability means that there must be systemic changes in the sectors to transform the

exploitative models to regenerative models capable of replenishing natural capital (Hysa et al., 2020).

4.2. Environmental Sustainability Indicators

Environmental sustainability indicators are measurable values that are used to evaluate ecosystem health, monitor the process towards environmental sustainability and inform policy making. The core indicators are the biodiversity indices that reflect the richness and integrity of the habitats of the species, carbon footprint and greenhouse gas emission rates per capita, water use efficiency and quality indicators, and the land use indicators of deforestation or degradation. Other indicators include quality of air, waste creation and waste diversion percentage, renewable energy portion in aggregate consumption, and resource output in economic output that is measured on a unit of material input. National performance is usually measured using these pointers in aggregate forms such as the Ecological Performance Index or Maintainable Development Goals trailers. They allow benchmarking, forestalling environmental risks in advance, and measuring the efficiency of interventions in encouraging maintainable activities (Liu & Liang, 2024).

4.3. Recycling in Resource Conservation and Reduction of Pollution

Recycling is a primary focus to resource conservation since it prolongs the life of the material, decreases the use of virgin raw materials and limits the effects of extraction to the natural habitats. It uses finite resources such as metals, forests and fossil fuels, used in the production of plastics, through recovery and reprocessing and consumes less energy than primary manufacturing. Recycling in the context of pollution control helps to reduce the landfill production of methane gases, eliminate the leachate pollution of the soil and water and reduce air pollution caused by incineration or open burning. It also alleviates the litter of the seas and the land, especially the plastics, and decreases the total environmental footprint through the loops of closing the materials. Proper recycles systems are therefore a direct way of reducing ecological degradation and contribute to the overall conservation (Srivastava et al., 2025).

4.4. Waste Management as the Environmental Sustainability Tool

Waste management is an essential instrument of environmental sustainability since it methodically decreases, reuses, and recovers materials to reduce the environmental damages, and optimize the use of resources. Combined strategies put waste prevention into the first priority, which is followed by reuse, recycling, and energy recovery to redirect materials to landfills and to decrease environmental burdens. Good management will help stop the contamination of the soil and water with the dangerous wastes, reduce greenhouse gases due to methane trapping or prevention, and preserve the landscapes with the help of discourag-

ing the extension of landfills. It also inspires circular systems that make human ingesting consistent with natural cycles, making them more resilient to resource depletion. Ground-breaking waste organization plans can therefore facilitate the shift to the zero-waste objectives and sustainable urbanization (Rutkowski, 2020).

4.5. Environmental Innovation-Sustainable Development Relationship

Innovation in the environment leads to sustainable development, by bringing in technologies, processes, and practices that no longer couple economic growth and environmental degradation, but allow advancements in ecological, social, and economic spheres. It promotes efficient resource-based solutions that minimize the emission of greenhouse gases, increase protection of natural biodiversity, and boost resilience to climatic shocks and produce green employment and inclusive development. It is a two-way relationship in that sustainable development structures are offering incentives and policies that are stimulating increased innovation. Environmental innovations are a part of a wider aim, such as reinforcing circular economies, renewable transitions, and fair distribution of resources. Finally, they are drivers of fulfillment of long-term sustainability goals by changing the system (Altaf & Shahzad, 2021).

5. Economic Diversification

5.1. Economic Diversification as a Concept and as an Important Concept

Economic diversification is the planned growth of the productive foundation of the economy through the creation of new sectors of activity, deindustrialization, and isolation against external shocks of the economy caused by a few sectors or goods. This is done by reallocating resources to more value-added work, innovation, and developing competitive advantages in other fields that are otherwise not conventional. It is significant because it helps reduce the risks of unstable international markets, stabilizes the revenue, and ensures sustainable development by increasing the income sources. Diversification can also facilitate good community services, less unemployment and higher socioeconomic stability through inclusive opportunities regions and population. It allows long-term prosperity of the resource-dependent nations that are not limited to finite resources and guarantees intergenerational equity and ability to follow technological and environmental change.

5.2. Economic Diversification of Resource-Based Economies

In resource-based economies, economic diversification is seen as a remedy to the weakness of excessive reliance on extractive industries, including oil and minerals, that subject the countries to price volatility, resource exhaustion, Dutch disease impacts in favor of other industries. The economies are usually

characterised by the concentrated wealth, restricted employment in other sectors other than the prevailing sector and boom-buster cycles which make it hard to have a stable development. Diversification policies revolve around the exploitation of resource revenues in the infrastructure, education, and emerging industries to develop the human capital and technology. Effective transitions include policy changes, sovereign wealth funds and stimulation of the growth of the private sector in manufacturing, services and knowledge based activities. The shift brings greater macroeconomic stability, decreased fiscal volatility, and the economy is set to continue being competitive in a globalized world (Ahmad & Jabeen, 2024).

5.3. Circular Economy as a Force of Economic Diversification

The circular economy contributes to the diversification of the economy by encouraging resource efficiency, minimization of waste, closed-loop systems to transform the traditional linear production models into regenerative models, and generating new business opportunities other than the traditional extraction business. It promotes product design innovation, material recovery, and service-based approaches such as sharing and remanufacturing, which utilize secondary resources as profit, and lessen importation reliance. The diversification of income streams in this method by developing new areas of income like recycling industries, renewable materials, and eco-services and also creating resilience to resource price fluctuations. The economic benefits of waste streams, entrepreneurship, and green technology investment opportunities are opened by discovering circular principles in each country. On the whole, it contributes to the increased development of the sector and competitiveness in the international markets (Hysa et al., 2020).

5.4. Recycling Sector Contribution to the Job Creation

The recycling industry is also a huge contributor to employment formation as it provides labor-intensive operations within the collection, sorting, processing, and manufacturing processes which in most cases creates more employment opportunities per ton of material than virgin production. It generates direct employment both in waste management plants, material recovery plants and remanufacturing plants as well as indirect jobs in supply chains, logistics and technological development. It also creates induced employment by economic multipliers on spending on wages locally. The sector in developing and transitioning economies encourages the inclusion of opportunities especially to the low-skilled and young workers and the encouragement of small businesses within informal collection systems. This nature of the job increases stability of the society and decreases the strains of unemployment when diversifying (Sobczak & Głuszczuk, 2022).

5.5. Economic Effect of Investment in Recycling Innovation

Recycling innovation has a significant economic effect, as it reduces the cost of

the operation with efficient technologies and provides a high value market of the recovered materials and minimizes cost of waste disposal and raw materials imports. It brings about expansion in green industries, increases GDP contribution of non-traditional sectors and improves the prospects of having higher exports of recycled products. These investments also create fiscal revenues in terms of taxes and royalties, and they improve the trade balances by reducing the importation of resources. The long-term gains involve greater productivity, spillovers into other sectors due to innovation and a stronger economy during environmental regulations and shortages of resources. In the end, such investments lead to creation of competitive advantages and long-term wealth (Corral-Marfil et al., 2021).

6. Recycling Innovation in the Saudi Vision 2030

6.1. Saudi Vision 2030 Environmental and Economic Aspects

As a pillar of Saudi Vision 2030, environmental sustainability is encompassed by the engagement to conserve natural resources, decrease all types of pollution, and ensure efficient waste utilization through massive recycling initiatives and the development of a circle economy. By aiming to achieve high landfill diversion rates, 94% of municipal solid waste and 82% of total waste in 2035, this dimension will reduce the ecological degradation caused by rapid urbanization and population increase and save ecosystems by having to deal with more than 110 million tons of waste produced every year. Economically, Vision 2030 regards recycling innovations as a diversification, as it is no longer dependent on oil, but green industries which generate employment opportunities, attraction of investments in advanced technologies and would play a significant role in non-oil GDP by recovering resources and creating new sources of revenue. The vision finds the right balance between the environmental conservation and the economic integrity, making waste a valuable resource in closed loop systems that favor long-term prosperity and correspondence with global sustainability objectives. These two dimensions will keep recycling activities to improve the quality of life and inclusive development in the new industries.

6.2. Government Policies in Favour of Recycling and Innovation

The government policies of Saudi Arabia are involved in innovation towards recycling with the support of regulations, incentives, and strategic requirements, in line with the objectives of the circular economy of Vision 2030. Such policies as obligatory source segregation beginning in 2025, further restrictions in landfills, as well as the prolongation of the producer responsibility are the main policies which have to be implemented to make manufacturers incorporate recyclable designs and recovery systems. Monetary rewards including subsidies on new technology and tax incentives on green investments can encourage the use of new methods such as AI sorting and chemical recycling by the business world. The National Waste Management Strategy offers a common platform where 90% of

landfill is targeted to be diverted by the year 2040 to encourage the R and D waste-to-value solutions and infrastructure facilities. Such policies create an enabling atmosphere of innovation through the minimization of obstacles, the pursuit of compliance, as well as sustainable practice in the industrial and municipal sectors (Liu & Liang, 2024).

6.3. Public-Private Partnerships in Environmental Innovation

The concept of public-private partnerships (PPP) plays the key role in promoting the sphere of environmental innovation in Saudi Arabia, allowing the governmental organizations to cooperate with the industrial ones to come up with the methods of recycling infrastructure and technologies that are scalable. Other initiatives such as those spearheaded by the Saudi Investment Recycling Company (SIRC) include joint ventures with foreign companies in introducing modern sorting, waste-to-energy, and material recovery plants, and utilizing individual expertise in carrying them out effectively. PPPs make it easier to transfer technology, share risks, and invest in projects that will meet the Vision 2030 targets, including the construction of more than 800 new facilities to recycle, treat waste. Through these alliances, foreign direct investment is attracted, and the transition to circular models is expedited by using collective resources and finding solutions to the challenges. They also enhance inclusive development by opening opportunities to the local ventures in green sectors (Hysa et al., 2020).

6.4. Environment Regulation and Governance

In Saudi Arabia, environmental laws and control offer a strong platform of recycling by the Environment Law (2021) and executive regulations which are managed by special centers such as the National Center of environmental compliance and MWAN. These also require environmental impact assessment, waste activity permit, and rigid regulations of hazardous substances, such that innovative recycling is done to meet the criteria of pollution reduction. Governance is focused on centralized control, electronic waste transportation, and the punishment of the non-observance and the encouragement of the best approaches to efficiency in resources. Rules facilitate extended producer responsibility and recycling quotas, which encourages responsibility throughout supply chains. This organized governance increases the level of transparency, promotes sustainable innovation, and makes the national efforts taper off the environmental protection goals of Vision 2030 (Altaf & Shahzad, 2021).

6.5. National Programs on Waste Management and Recycling

In Saudi Arabia, waste management and recycling are driven by national initiatives based on organizations such as the National center of waste management (MWAN) which regulates the sector and enforces the national waste management strategy which aims to divert 90 percent landfill by the year 2040. The Saudi Investment Recycling Company (SIRC) focuses on the infrastructure to

recycle everything (material) and convert waste into energy, whereas the Saudi Green Initiative focuses on the more general goal of sustainability with an extremely high diversion (94% in the case of municipal waste). Mega developments like NEOM include the philosophy of zero waste and new technologies of recycling. These programs involve community awareness, compulsory segregation, and 65 plus programs that have high investments in the construction of facilities and job creation. All of them promote the implementation of the circular economy and resource efficiency on the national scale (Sobczak & Głuszczuk, 2022).

7. Symbiotic Relationship of Recycling Innovation, Sustainability of the Environment and Economic Diversification

7.1. Economic Growth and Environmental Innovation Theoretical Point of View

Theoretical viewpoints of the environmental innovation assume that improvements in green technologies and processes can both lead to economic growth, as well as reduce ecological degradation, which contradicts the old dichotomy between environmental protection and prosperity. According to a hypothesis by Porter, the strict environmental regulations trigger innovation, which generates efficiency, reduces costs, and brings competitive advantages leading to improved performance in firms as well as national economies. The environmental innovation is included in the endogenous growth theory as a knowledge-driven cause that enhances productivity by spillovers and human capital building. Moreover, eco-innovation is considered as an agent of decoupling economic growth with resource use, so that it is possible to achieve greater GDP growth with a reduced environmental footprint. These points of view stress that proactive environmental policies lead to economic sustainability in the long-term and creation of new market opportunities in sustainable industries (Iqbal et al., 2021).

7.2. Recycling as a Sustainable Development Mechanism

Recycling innovation is an important process of sustainable development through loops of materials and the material is lessened through the reduction of resource-depleting materials and providing an economic value to the waste, thus, amalgamation of environmental, social, and economic pillars. It otherwise encourages sustainable development by improving efficiency in the use of resources, reducing the rate of pollution, and generating green employment that is conducive to inclusive development. Recycling innovation reduces the environmental externalities by converting waste into secondary raw materials and encouraging industries that rely on the inputs that have been recovered. This process is in line with sustainable development goals as it promotes resiliency to material shortage and intergenerational equality with conserved natural capital. In general, it can facilitate

system-wide changes toward regenerative systems that reconcile the human and planetary constraints (Hysa et al., 2020).

7.3. Environmental Sustainability/Economic Diversification Interaction

The interplay between the environmental sustainability and economic diversification is symbiotic, where the sustainable practice decreases the susceptibility to resource upheavals and creates avenues to new economic sectors that are not affected by the global shocks. Environmental sustainability offers a consistent resource pool that is able to sustain the diversified industries like renewables and eco-services whereas diversification beyond extractive activities relieves the pressure on the ecosystem due to low emissions and wastes. This interaction increases macroeconomic stability by reducing the risks of commodity price volatility and environmental policies. It also spurs the innovation of the green technologies that provide export opportunities and domestic value chains. Finally, the vicious circle enhances the long run prosperity of the transitioning economies.

7.4. Green Economy and Circular Economy Hypothetical Models

Green economy and circular economy theoretical models offer theoretical frameworks to decouple growth and environmental degradation, and the green economy focuses on low-carbon resource-efficient processes, whereas the circular economy focuses on restorative systems that eradicate waste through reuse, remanufacturing, and regeneration. The green economy structure inculcates environmental stewardship in the economic policy in order to attain inclusive growth through investment in clean technologies and natural capital. On the contrary, the circular economy framework reorganizes production and consumption based on closed cycles that lengthen the lifecycle of products and reduce linear patterns of extraction-disposal. The two models both culminate in the idea of innovation as a phenomenon that drives a systemic change that makes the system more competitiveness and sustainable. They provide channels through which the resource-based economies can move towards resilient systems capable of retaining their value (Liu & Liang, 2024).

7.5. Recycling Innovation Positioning to the Sustainable Development Framework in Saudi Arabia

The recycling innovation takes a pivotal role in the sustainable development program of Saudi Arabia under the vision 2030 as an intermediate to connect environmental conservation aspirations with the aim of economic diversification by adopting circular economy. It aids in achieving such key targets as high landfill diversion rates and resource efficiency and helps the development of the non-oil sector through investments in the waste management infrastructure and green industries. As a strategic facilitator, recycling innovation is in

line with the national campaigns that emphasize the use of waste to value, employment, and pollution control. This is a stance that supports the efforts of Saudi Arabia to promote global sustainability agendas and solve local problems posed by the fast-tracked development. It is a guarantee that innovation leads to combined development in environmental and economic aspects (Ahmad & Jabeen, 2024).

8. Literature Review

Recycling innovation has a complex purpose in promoting the sustainability of the environment and economic development among the literature, with specific reference to the models of the circular economy. Research shows that environmental initiatives such as high-level recycling technologies play a major role in achieving carbon neutrality through increased export diversification and efficiency of resources in the OECD economies which can be withheld to other developing markets with opportunities of similar implementation (Iqbal et al., 2021).

The technological innovation turns out to be one of the key drivers of attaining resource sustainability and green recovery to which investments in the recycling procedures decrease waste and facilitate long-term ecological balance due to effective material recovery and decreased reliance on virgin resources. This school of thought makes recycling innovation a facilitator of larger scale sustainable transitions (Liu & Liang, 2024).

A combination of studies on the circular economy as an innovation has shown a positive effect on environmental sustainability and economic growth, offering comprehensive models where recycling behaviors contribute to sustainable development through reducing environmental degradation and enhancing economic growth due to closed-loop systems (Hysa et al., 2020).

The topic of environmental innovation in remanufacturing and recycling is discussed as a strategic method of achieving sustainability, the competitive benefits of the innovative waste management and recovery of materials strategies that are changing the business activities to match the environmental objectives (Altaf & Shahzad, 2021).

The significance of environmental consideration in any recycling activity of the corporation is emphasized, and the adoption of new recycling methods by organizations can improve the sustainability performance and help them meet the regulatory requirements in an industrial environment (Timiş et al., 2023).

The advanced recycling technologies are investigated due to their possibility to enhance the processes with AI and automation as the next stage of the evolution of higher efficiency and scalability in working with various waste streams worldwide (Kamboj & Ray, 2025).

The diversification of eco-innovation among small and medium-sized businesses in European countries allows depicting different adoption levels and sustainability impacts, which can be applied to understanding the barriers and driv-

ers applicable to the formulation of a policy in the same context (Sobczak & Głuszczuk, 2022).

Effective waste management is also promoted by including recycling systems, which advances the principles of a circular economy due to the collaboration of all stakeholders in the system and the systemic increase of packaging and materials recovery (Rutkowski, 2020).

Recycling technology innovations can generate sustainable competitive advantages through the creation of circular business models that incorporate innovation in operations through case studies of long-established companies (Corral-Marfil et al., 2021).

The interaction between economic openness and export diversification and eco-efficiency via green innovation features essential aviation towards attaining sustainable results in global trade contexts (Ahmad & Jabeen, 2024).

The sustainable change and the economic diversification in the economies that rely on the resources are considered, and the attention is paid to the environmental policies that can facilitate the Vision-related objectives in Gulf states and concentrate on the integrated diversification methods.

Creative approaches to recycling non-recycled plastics, in turn, pursue the goals of the cyclical economy, responding to the current issues of waste and ensuring the sustainable material flows in the future (Srivastava et al., 2025).

The synergistic effects of eco-innovation, recycling, waste management, education, and digital finance on sustainable entrepreneurship highlight systemic aspects that lead to the development of green business (Li & Wang, 2026).

The synergistic functions of green innovation, education, financial inclusion, and resource efficiency are discussed in enabling sustainable transitions especially in the economies that are dependent on natural resources (Li & Punjwani, 2025).

All in all, the examined literature is unanimous about the transformational power of recycling innovation in bridging the environmental sustainability and economic diversification, but the gaps in the context-specific application to quickly developing countries such as Saudi Arabia, where Vision 2030 offers a framework that is unique to implement.

9. Methodology

This paper adopts a quantitative method of research to explore the extent to which recycling innovation promotes environmental sustainability and economic diversification in Saudi Arabia. We used a cross-sectional study design to assess perceptions, awareness and behavior in the different test subjects. This approach was chosen for its capability to efficiently collect structured data from a large sample of the population, which could then be analyzed with statistical tools and used to detect patterns and correlations. The research is aligned with the Saudi Vision 2030, which focuses on sustainable development and economic shift; thus providing a context to test recycling programs.

The study population will include Saudi adults (18 years and older) from diverse socio-demographic categories, in order to assure the representativeness. A stratified random sample design was used to select participants with the population being divided into strata i.e. regions (Central, Western, Eastern, Northern and Southern regions) as defined in the questionnaire. Sample size was determined based on the formula of Cochran's for finite populations with a minimum of 385 patients to obtain confidence intervals (CI) of 95% and margin errors ±5%. However, to adjust for a real possibility of non-response and increase robustness, the study aimed at achieving 100 respondents. Sampling Online dissemination was conducted through social media and the email lists of environmental clubs in addition to direct face-to-face distribution at public events and workplaces. This dual-mode design helped avoid biases related to digital access, especially in rural regions.

Although the initial analyses determined that 385 respondents were necessary for this study, the final analysis was conducted using only 100 respondents. This categorical difference represents a methodological limitation and should be taken into consideration when interpreting the results. The reduced sample size potentially limited the ability for the analysis to detect subtle or moderate correlations between the variables. As such, the potential for Type II errors is heightened within these results, meaning that there may have been significant connections that were missed. Additionally, due to the reduced sample size, it may not be reasonable to apply the results to all people across the Kingdom of Saudi Arabia as there are considerable regional differences in geography, economy and infrastructure. Therefore, given the potential differences in recycling behaviour, the adoption of new innovations and sustainability awareness, the findings should be considered indicative rather than representative of the total population.

A self-administrated questionnaire, designed for the purpose of this study was used to collect data. It is a 35 item survey comprising seven components, i.e., demographic details, Recycling awareness and knowledge (8 - 12), practice and behavioral engagement in recycling activities (13 - 17); Innovation and economic impact of recycling attitude (18 - 22), Environment sustainability outcomes (23 - 26); Governance and regulation aspects for household solid waste management: its perception including open-ended suggestions in terms of cost/benefit analysis for gender practices. The majority of items use a 5 point Likert scale for quantitative responses ("Strongly Disagree" to "Strongly Agree"), allowing us to assess positive and negative attitudes. Open-ended questions to capture general qualitative information on barriers, and recommendations were included. The questionnaire was pilot-tested with 50 respondents to evaluate for clarity, relevance and reliability, after which no major changes were needed in wording. The internal consistency of the scales was assessed by Cronbach's alpha, with values larger than 0.80 for each section, showing high reliability. Expert review by environmental science and economic academics was used to validate the content against the re-

search aims. The purpose of the survey instrument for this research was to determine how people feel about recycling innovations rather than actually measuring whether they have adopted or are using any of the newly developed recycling technologies. Consequently, the research findings reflect people's perceived level of importance, readiness, and expected impact of recycling innovations and do not provide any information about how much technology has been deployed or used. Therefore, while the discussion will use these perceptions to draw conclusions about how to use the findings to develop practical approaches towards implementing recycling innovations, those conclusions need to be interpreted as conceptual impressions or ideas that identify possible future directions in policy and strategy and do not reflect what is occurring with regard to the actual adoption of recycling innovations.

The data were obtained, the questionnaires were conducted anonymously so that participants could have an open and honest attitude when answering questions. The responses were collected through an online submission in one case, and on paper form the other and transferred to SPSS for analysis. Demographics and attitudes were summarized using descriptive statistics (frequencies, mean and standard deviation) for the quantitative data. Inferential statistics were also used to test associations among variables such as class level and recycling awareness or region of residence and perceived infrastructure barriers. Open-ended responses were analyzed via thematic analysis to find patterns of themes. Ethical issues the primary consideration was ethical in nature, with informed consent from all participating patients and Institutional Review Board approval. There were no incentives to minimize coercion, and secure data storage was used with access restricted to the research team.

10. Results

Table 1. Demographic Information.

Variable	Category	Frequency (n)	Percentage (%)
Age	Under 20	2	2
	21 - 30	16	16
	31 - 40	38	38
	41 - 50	34	34
	Over 50	10	10
Gender	Male	60	60
	Female	40	40
Region in Saudi Arabia	Central Region	24	24
	Western Region	50	50
	Eastern Region	10	10
	Northern Region	14	14
	Southern Region	2	2

Continued

Education Level	High School	4	4
	Bachelor	42	42
	Master	40	40
	PhD	14	14
Occupation	Private Sector	50	50
	Government Employee	34	34
	Student	6	6
	Other	10	10
Years of Professional Experience	<5 years	16	16
	5 - 10	42	42
	11 - 15	26	26
	>15	16	16
Sector of Engagement	Environmental/Sustainability	42	42
	Engineering/Infrastructure	14	14
	Academia/Research	18	18
	Government/Policy	16	16
	Other	10	10
Exposure to Recycling Programs	Direct operational involvement	34	34
	Indirect awareness	32	32
	General awareness only	28	28
	No prior involvement	6	6

The sample (n = 100) suggests that most of the participants belong to the age group 31 to 50 (72%), which implies that the study is focused on the adults with working experience (Table 1). Gender is also slightly disproportionate towards the male gender (60) compared to the female gender (40). There is a clear concentration of the western region (50%), the central region (24%), and the southern and eastern regions are much lower in percentages. Education wise, 82% of those with a bachelors or masters degree are the dominant ones with 14% having a doctorate which shows the level of education is relatively high. In terms of the occupation, the leading occupation is the private sector (50%), next comes the public sector (34%), and most people work in the area of environment/sustainability (42%). The number of years of professional experience is 5 to 15 (68%).

The awareness on the benefits of recycling to the environment (average of 4.32) and the necessity of recycling as a instrument to meet the sustainability brokering in Saudi Arabia (4.44), the highest averages in this part were relatively high (Table 2). Knowledge of the initiatives and the National Waste Management Strategy was between moderate and high (3.74 and 3.66), whereas the levels of knowledge of the economic opportunities of innovation in recycle were average (3.98). The standard deviation of some of the items (e.g., 1.15, 1.11) is relatively high which

means that the levels of knowledge vary among the sample.

Table 2. Recycling awareness and knowledge.

Item	Mean	Std. Deviation
I am aware of recycling initiatives in Saudi Arabia	3.74	1.08
I am aware of Saudi Arabia's National Waste Management Strategy	3.66	1.15
I understand the environmental benefits of recycling.	4.32	1.01
I am familiar with the economic opportunities from recycling innovations.	3.98	1.11
Recycling is an important tool for Saudi Arabia's sustainability goals.	4.44	0.86

Table 3. Recycling practices and behavioral engagement.

Item	Mean	Std. Deviation
I actively participate in recycling activities	3.58	1.14
I separate recyclable materials at home or work.	3.38	1.19
I actively encourage others to recycle.	3.98	0.99
Recycling practices are accessible and convenient in my area.	3.22	1.29
Lack of infrastructure limits my recycling behavior	3.74	1.19

The findings (Table 3) indicate the disconnect between the knowledge and actual practice. Although the participants provided encouragement to others in order to recycle to a good extent (3.98), their own personal involvement (3.58) and isolation of recyclable materials (3.38) were less. Inadequate infrastructure (average 3.74 to the statement "Lack of infrastructure limits my behavior") and low accessibility and comfort in the area (only 3.22) are the greatest barriers and the problems that do not prevent the action but rather enable it.

Table 4. Innovation and economic impact.

Item	Mean	Std. Deviation
Innovation in recycling technology contributes to economic diversification.	4.26	0.92
Government policies encourage innovative recycling initiatives.	3.82	1.04
Recycling innovation creates job opportunities in Saudi Arabia	4.10	0.95
I believe that investing in recycling innovation is economically beneficial.	4.18	0.94
Advanced recycling technologies support the growth and competitiveness of small and medium-sized enterprises (SMEs).	4.02	1.01

Table 4 shows that there is a very good agreement on the economic aspect of innovation in recycling and the statement that states that Innovation in recycling technology contributes to economic diversification has the highest average score

(4.26). The respondents also consider that the investment in this sphere is economically profitable (4.18), leads to the employment creation (4.10), and helps to develop the small and medium-sized entrepreneurships (4.02). The role of government policies in promoting innovation was rated fairly low (3.82), which may state that better incentives and laws are needed.

Table 5 achieves the highest scores of consensus in the study as a whole with an average of 4.18 to 4.42. It is the strong belief of the respondents that recycling helps in reducing pollution (4.42), decreasing the use of landfills (4.30), and environmental sustainability objectives of the Kingdom (4.38). The desire to embrace new recycling behaviors is also high in case they are available (4.18) which means that there is a positive prospect of behavioral change with improvement of the conditions.

Table 5. Environmental sustainability outcomes.

Item	Mean	Std. Deviation
Recycling reduces landfill dependency	4.30	0.90
Recycling significantly reduces environmental pollution.	4.42	0.88
Recycling innovation strengthens Saudi Arabia's environmental sustainability goals.	4.38	0.92
Public awareness and participation in recycling can improve environmental outcomes.	4.32	0.86
I am willing to adopt new recycling practices if introduced in my area.	4.18	1.04

Table 6. Governance, Regulation, and Institutional Effectiveness.

Item	Mean	Std. Deviation
Regulatory frameworks support recycling innovation	3.84	1.11
Enforcement mechanisms are effective	3.48	1.14
Institutional coordination improves recycling performance	3.96	0.98
Government incentives encourage recycling investment	3.86	1.06
Data transparency improves recycling performance	4.12	0.91

In this section (Table 6), the rating is quite averagely good although the greatest average was on the statement that Data transparency enhances recycling performance (4.12). The ratings of institutional coordination were good (3.96) and implementation and enforcement mechanisms were quite weak (3.48). The regulatory framework and government incentive garnered scores that were near to 3.8 - 3.9, and this shows that there would be a way of improvement in the application, implementation and financial/legislative support to enhance the recycling system.

Using qualitative methods to analyze open-ended answers offered by 41 individuals gave a greater understanding of the barriers for recycling innovation and

adoption in Saudi Arabia by providing more detailed insights into how barriers were grouped (thematic analysis) into four major categories: Infrastructural, Regulatory, Social, and Behavioural. Infrastructural Barriers were identified by most respondents as the main barrier cited most often. The lack of required basic Recycling Infrastructure was repeatedly mentioned by respondents who identified that Recycling Containers; Sorting Facilities; and Source Segregation mechanisms were virtually non-existent in residential areas. A respondent commented, "Even if people want to recycle, they have nowhere to put it because there are no containers localized near their home and no clear means of separating their waste." Another stated, "Recycling is such an inconvenience because everything is mixed together, and there are no accessible facilities". Therefore, the lack of adequate infrastructure directly restricts those with pro-environmental intent from recycling. Limited information about the benefits of recycling and the adverse environmental impacts of improper disposal are examples of social and awareness-related barriers. Many respondents stated that the majority of the public lacks adequate knowledge to understand why it is essential to recycle and therefore do not believe it is necessary to change their behaviours: as one participant put it "most people are not educated about why recycling is important, therefore they don't see why they should change their behaviour" (participant quote). Cultural factors associated with convenience and lack of personal accountability were mentioned multiple times, including the problem of people changing to recycling; in addition to cultural barriers, many participants reported that many of the expatriate communities have developed unique ways of managing and disposing of waste. Many respondents pointed to regulatory barriers and policies, including poor enforcement of current regulatory requirements and the absence of effective incentives for recycling, excessive costs associated with operating businesses, including permits related to environmental issues, and poor co-ordination between responsible agencies. "There's no real pressure or obligation to recycle;" participants often noted the lack of mandatory segregation of waste at the point of generation, and limited use of EPR (Extended Producer Responsibility). Additionally, the lack of visible warranted rewards or feedback to indicate the need to recycle and the absence of social designations (normalising) for recycling as a result of low motivation, creates a lack of convenience and the belief by participants that recycling is not expected by society.

11. Conclusion

The results of this research, which included 41 participants from specialists and stakeholders in environmental and sustainability issues in Saudi Arabia, showed a strong consensus on the importance of recycling innovations in promoting environmental sustainability and diversifying the economy in line with Vision 2030. Participants expressed a firm belief in their environmental and economic benefits, such as reducing pollution, decreasing reliance on landfills, and creating new job opportunities. However, the responses revealed clear gaps in daily

practices, primarily due to a lack of infrastructure, weak public awareness, the absence of waste sorting at the source, and weak implementation mechanisms and regulatory incentives. The results show that the connections to the perceived economic impact of recycling technology support both Porter's Hypothesis and the Theory of Endogenous Growth. The data show that respondents believed that recycling technology would increase their efficiency, competitively position them in the marketplace and provide new opportunities, creating economic growth. This aligns with Porter's Hypothesis that environmental technologies will provide an economic advantage and improve productivity, as well as with the Theory of Endogenous Growth, which asserts that technology investment will lead to economic diversification through innovation and human capital development, thus reaffirming the assumptions upon which the study is built.

12. Recommendations

1) Strengthen the recycling infrastructure by providing dedicated sorting bins in residential neighborhoods, public spaces, and institutions, and increase collection, sorting, and processing facilities in all regions of the Kingdom, starting with pilot projects in major cities. Launch intensive national awareness campaigns starting from early childhood in kindergartens and schools, targeting all segments of society, including the general population, focusing on the dangers of waste and the benefits of recycling, and highlighting the tangible environmental and economic results.

2) Activate the Extended Producer Responsibility (EPR) principle to obligate manufacturers and importers to manage the lifecycle of their products, including the collection and recycling of packaging materials, plastics, and electronic materials.

3) Enact mandatory legislation for waste sorting at the source in homes, institutions, and industrial and commercial projects, linked to strict enforcement mechanisms that include penalties for violations and financial incentives (rewards, fee reductions, and sector support) for participating and compliant institutions.

4) Provide government incentives and facilities for investment in advanced recycling technologies, such as reducing environmental permit fees, establishing accessible financing funds, and supporting small and medium-sized enterprises (SMEs) operating in this field to promote economic diversification and create job opportunities.

5) Providing government incentives and facilities for investment in advanced recycling technologies, such as reducing environmental licensing fees, establishing low-interest financing funds, and supporting small and medium-sized enterprises (SMEs) operating in this sector to promote economic diversification and create jobs.

6) Improving institutional coordination and data transparency regarding waste

management, while conducting periodic performance evaluation studies and publishing the results to enhance public trust and encourage community participation.

Conflicts of Interest

The author declares no conflicts of interest regarding the publication of this paper.

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