

**THE REPUBLIC OF AZERBAIJAN**

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**ABSTRACT**

of the dissertation submitted for the degree of Doctor of Philosophy

**İMPROVING THE ORGANIZATION OF  
AGRO-TOURISM IN AZERBAIJAN**

Speciality: 5312.01 Field economy

Field of science: 53 – Economic sciences

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**Baku – 2023**

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## GENERAL DESCRIPTION OF WORK

**Actuality and degree of processing of the topic.** One of the areas of activity that plays an essential role in the sustainable and dynamic development of the national economy, improving the social welfare of the population is tourism. The role of these various types of activities in socio-economic development is positive and different. One of the essential directions of tourism is represented in the rural tourism group. It can be said that a positive impact of the rural tourism on the balanced development of the regions attracts more attention in terms of increasing business activity of agro-tourism in rural areas. Nowadays, its economic, organizational and legal aspects are seen in the center of attention in explaining the essence of agritourism.

In order to achieve its socio-economic efficiency through the effective organization of agro-tourism, firstly, the relevant regulatory framework must meet the necessary requirements. The perfection of the relevant base plays a crucial role in increasing the social demand for agro-tourism and confirming its economic expediency. As a complex of activities, agro-tourism can play an essential role in the management of rural areas. Agrotourism is able to significantly encourage investment in rural areas by giving additional dynamics to the development of domestic regions. Agrotourism aims to turn into a source of income by activating the natural and cultural-historical potential and protecting them in the rural areas and expands employment opportunities for the village's skilled and unskilled labor force.

Agrotourism has a significant impact on the sustainable development of rural areas by operating in accordance with strict environmental requirements. Even in the initial approach, it is not difficult to see that a comprehensive research of the opportunities in question should be on the agenda. It is identified priorities for its development, and is prepared an action plan in the Strategic Roadmap (3) for the Development of the Specialized Tourism Industry in the Republic of Azerbaijan by stating rural tourism (including agro-tourism) is in the initial stage of development.

Scientific support should be strengthened to increase the outcome orientation of these measures.

Nowadays, research in the development of organizational, economic and legal aspects of agro-tourism is of particular importance. The strong impact of the Covid 19 pandemic on the tourism sector should be taken into account in research in these aspects, and the expected parameters of the postpandemic period should be comprehensively characterized. The requirements of the existing realities must be taken into account in the scientific substantiation of the conceptual approach to the agro-tourism market, and the Great Victory factor must be in the center of attention. The modern status of agro-tourism infrastructure should be comprehensively analyzed in terms of current and near-term requirements. There is a serious need to assess the various factors affecting the development of the sector, as well as to characterize the environment for the formation of agro-tourism potential in terms of sustainable development requirements. At the same time, it should be noted that the organization of effective use of the potential of agro-tourism in the development of the non-oil sector in our country has not been sufficiently studied.

Determining the prospects for using the potential of agro-tourism in the territories liberated from Armenian occupation as a result of Azerbaijan's great victory in the Patriotic War is of particular importance. Increasing the role of agro-tourism in the socio-economic development of the country's regions, substantiating the directions for more active and efficient use of the relevant potential are important issues that need to be addressed. These and a number of other points give full grounds to say that the problems of improving the organization of agritourism in Azerbaijan are quite relevant.

Theoretical and practical problems of rural tourism, actual issues of organization of tourism activity have been studied in Azerbaijan by Bilalov B.A, Budagov B.A, Alirzayev A.G, Aliyev N.R, Asgarov A.T, Hasanov A.N, Ibrahimov İ.H., Gafarov N.C, Mammadov E.G, Salahov S.V, Salmanov A.A, Yeganlı S.T and others and important scientific and experimental results have been obtained. Although a

number of dissertation studies (20; 45; 46) have been conducted in connection with the development of rural and health tourism in Azerbaijan, especially recently, the actual problems of agritourism have hardly been researched.

As for foreign researchers of the issues of agro-tourism development, scientists from post-Soviet countries Alexandrova E.V., Artyomova E.N., Balabanova A.O., Zdorov A.B., Ivanovskaya K.A., Kiyanova L.D., Kuktashev I.A. Kushnarenko E.P., Novikov Y.I., Orishev A.B., Panevnikova N.O., Pecheritsa E.V., Rindach M.A., Slinkova O.K., Smirnova Q.A., Starostina O.Q., T A.V., Ulanov D.A., Shumakova O.V. special mention should be made. Western researchers include Ayeni D.A., Balaguer J., Cantavella-Jorda M., Biancamaria Torquati, Broccardo Laura, Ekanayake E., Eric Cohen, Gossling S., Hall C.M., Hall D., Hofmann, T., Howden, S. M., Ioannides D., Kachniewska M., Manzoor F., Milne S., Onder K., Pakurar M., Pavlić I., Pelican-Matetic N., Pretty J., Ramankutty N., Rhaman M.R., Rockstrom J., The works of Sanchez Carrera E.J., Scheyvens R., Tang C.F., Wright Wynne, and others are noteworthy.

These works examine the impact of rural tourism on macro indicators of the national economy, including employment, gender issues, environmental balance, "aging" of the population in rural areas, the sustainability of regional development of agro-tourism, the structure of related sectors of the economy. However, it is impossible to say that the actual problems of the organization of agro-tourism have been sufficiently studied from a theoretical and practical point of view.

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In general, it is accepted by most researchers that the level of study on these issues is not adequate for their significance.

Therefore, it is expedient to conduct a comprehensive study of the organization and development of agritourism in Azerbaijan.

The **object of the research** is the current situation and organization of agrotourism in Azerbaijan.

**The subject of the research** is the organizational, economic and social relations that appear in the organization of agrotourism.

**The purpose and objectives of the research.** The purpose of the research is to improve the conditions for the development of agrotourism in Azerbaijan, and to develop theoretical and methodological provisions and proposals for its effective organization. The following tasks have been identified to achieve this goal:

- research of the development of agro-tourism as a type of economic activity in organizational-economic and legal aspects;
- Characterization of the agro-tourism market and the pace and proportions of its development;
- comparative analysis of advanced foreign experience in agrotourism and assessment of opportunities for application of this experience;
- Characterization of environmental factors in agro-tourism in terms of sustainable development;
- assessment of the impact of regional and agrarian growth on the potential of agritourism;
- assessment of the influence of the effective organization of the use of agro-tourism potential on the development of the non-oil sector;
- identification of prospects for the use of agro-tourism potential of the liberated areas;
- preparation of proposals to increase the role of agro-tourism in the socio-economic development of the regions.

### **Research methods.**

1. The theoretical and methodological bases of the research are the laws adopted by the Milli Majlis, the decrees and laws of the President of the Republic of Azerbaijan aimed at solving the problems of the development of rural tourism, strengthening the establishment of agrotourism, and local and foreign studies on the subject.

2. The information base of the study is based on the legislation and normative acts regulating the tourism activity in rural areas, including the organization and development of agrotourism, the information of the State Statistics Committee of the Republic of Azerbaijan, the Ministries of Economy, Labor and Social Protection of the Population, the State Tourism Agency, and the materials of scientific and practical conferences.

3. The research was based on general scientific principles, monographic, scientific abstraction, structural-functional and comparative analysis, synthesis, induction, deduction and other economic-statistical analysis methods were used. A sociological survey was used as an empirical research method.

**The main provisions of the defense:**

- Theoretical and methodological provisions for the development of agro-tourism as a type of economic activity;
- organizational-economic and legal issues of agro-tourism;
- essential characteristics of the formation and development of the agro-tourism market;
- opportunities to apply the experience of various countries in the development of agro-tourism;
- environmental factors contributing to the sustainable growth of agro-tourism;
- methodological elements of assessing the impact of the development of rural areas and the agrarian sector on the potential of agritourism;
- the system of effective organization of the use of agro-tourism potential in the development of the non-oil sector;
- opportunities to utilize the agro-tourism potential of the liberated territories and the system of their realization;
- proposals and recommendations on increasing the role of agro-tourism in the socio-economic development of the regions.

**The scientific novelty of the research** is as follows:

- Theoretical and methodological provisions of agro-tourism as a type of economic activity are substantiated, and organizational-economic and legal characteristics of its development are specified;

- Criteria and indicators for assessing the development environment of the agro-tourism market have been identified, and restrictions on the implementation of the benefits of the digital environment have been indicated;
- Opportunities for the application of best practices in agro-tourism were assessed;
- Environmental factors have been characterized in the sustainable development of agro-tourism;
- The influence of the development of rural areas and the agricultural sector on the potential of regional agro-tourism was assessed;
- Opportunities to rise the efficiency of organizing the use of agro-tourism potential in the development of the non-oil sector have been identified;
- Prospects for the utilization of the agro-tourism potential of the liberated areas are substantiated;
- Proposals and recommendations have been developed to increase the role of agro-tourism in the socio-economic development of the regions.

**The theoretical and practical significance of the research.** The theoretical significance of the research is the development of proposals and recommendations for improving the efficiency of agro-tourism, the effective use of agro-tourism potential in the growth of the non-oil sector, the realization of the prospects of using the liberated areas, increasing the role of agro-tourism in socio-economic development.

The results of the research are of practical importance for business activity, employment, promotion of sustainable development, environmental balance and investment policy in rural areas.

The consequences of scientific research and analysis can be used in the development of the state strategy of rural tourism, forecasts of employment financing in rural areas, the development and implementation of growth programs in the agricultural sector and regions. At the same time, the proposed approach and the results obtained can be useful for relevant research professionals and government agencies.



**Approbation and application.** The results and main provisions of the dissertation were presented at international scientific-practical conferences, 6 articles, including 1 abroad and 9 theses, including 1 abroad, were published. Research and Scientific Group (Poland, 2019), Azerbaijan University of Languages (Baku, 2021), Sumgayit State University (Sumgayit, 2021), Baku Slavic University (Baku, 2022), Odlar Yurdu University (Baku, 2022), Azerbaijan Labor and Social It is reflected in the thesis of the materials of international scientific-practical conferences held by the Academy of Relations (Baku, 2022), Nakhchivan State University (Nakhchivan, 2022), Mingachevir State University (Mingachevir, 2022), West Caspian University (Baku, 2022). Among the published scientific works are “Problems of development of rural tourism in Azerbaijan” (Baku, 2019), “Actual issues of tourism development” (Baku, 2019), “World experience of organization and development of agrotourism” (Kiev, 2020), “Organizational-economic and legal aspects of agrotourism Aspects ”(Baku, 2020),“ Directions for increasing the role of agrotourism in the socio-economic development of the regions ”(Nakhchivan, 2022),“ Improving the use of the potential of agrotourism ”(Baku, 2022).

**Name of the organization where the dissertation work is performed.** The dissertation was completed at the Azerbaijan Cooperation University.

**The total volume of the dissertation with a sign, indicating the volume of the structural units of the dissertation separately.** The structural structure of the dissertation consists of an introduction, three chapters, ten paragraphs, conclusion, list of references. The total volume of the introduction (10839 characters), Chapter I (85308 characters), Chapter II (57784 characters), Chapter III (50011 characters), result (11138 characters) and list of used literature (23088 characters) is 246718 characters. The number of characters in the dissertation is 215080 characters, excluding tables, diagrams, pictures, list of references.

## MAIN CONTENT OF THE WORK

**The introduction part** of the dissertation work reflects the relevance and degree of development of the topic, goals and purposes, object and subject, methods, main provisions, scientific innovation, the theoretical and practical significance of the research, approbation and application, etc.

In the first chapter of the dissertation work entitled “Scientific basis of the organization of agro-tourism”, first of all, the theoretical and methodological bases of tourism as a type of economic activity are described. The essence of agro-tourism was clarified, and its organizational-economic, ecological and legal aspects were studied. Conceptual approaches to the formation and development of the agro-tourism market have been compared, and the most common approaches in modern times have been commented. The world experience of organization and development of this type of tourism was studied, more detailed attitude was expressed to the practices considered acceptable in the conditions of Azerbaijan.

Although tourism is as complex and multifaceted as socio-cultural activities, it is an active business area that primarily involves the organization of activities for recreation, health, education and sports. This business has the potential to expand to the pre-pandemic period, covering domestic and international activities. As an economic process and economic-cultural event, tourism requires a comprehensive and systematic approach to the costs of activities at the national and international levels and the assessment of their results.

Regarding the place and role of tourism in sustainable development, not enough research has been conducted so far. However, the growing role of tourism as an activity that supports integration processes in sustainable development, which does not pose a problem for future generations, was observed in the pre-pandemic period. In modern times, new models and technologies of tourism organization are in the focus of the joint consumption model. It is likely that in the post-pandemic period, the idea of joint consumption will continue to penetrate the tourism industry.

There are various types of tourism, and approaches to the

classification of tourism by species are quite different. The large number of classification features discussed, the rapid development, diversification and expansion of tourism activities are some of the factors contributing to the changes in the classification of tourism. Signs of purpose, time and demand play a significant role in the classification of types of tourism. In our opinion, special attention should be paid to the characteristics of tourist needs in the classification of tourism by type.

Emphasis on employment, infrastructure and environmental aspects of the tourism economy is currently being given special attention. The tourism economy is a diversified, complex and dynamic system. The research conducted so far and the analysis of existing experience allow us to identify the advantages and prospects of a systematic approach to tourism. The efficiency of the tourism economy, which meets the criteria of integrity, interconnectedness and interdependence, depends more on the characteristics of the relevant business environment. Tourism has a wide range of subjects as a scientific direction, and in this direction, there is an objective need in terms of deepening research, human development and economic efficiency.

Agro-tourism is an important type of tourism, a complex of activities of great socio-economic, environmental and a number of other aspects. The following subtypes of agro-tourism are distinguished: living in the village, gaining life experience, gastronomic tours, sports tourism, ecological community tourism, ethnographic tourism, etc.

Agrotourism is able to act as a vital factor in the management of rural areas. The growth strategy of this type of tourism should take into account the factor of agricultural diversification. According to a number of researchers, there are significant similarities between the economic, social, environmental, cultural functions of agro-tourism and the opportunities provided by the multifunctionality of agriculture. Thus, agro-tourism fulfills more global tasks in rural areas by serving the restoration and protection of cultural and spiritual values, including natural and historical monuments, the development of folk art, the promotion of nature (environment)

friendly activities, which are not always in the forefront in terms of economic efficiency.

The development of agro-tourism is a type of tourism that the state pays special attention to and supports. The point is that agro-tourism is not only an activity that increases revenues to the state budget, but also a type of tourism that is directly involved in the implementation of state policy priorities in the development of rural areas and the agricultural sector.

The economic benefits of agritourism for the rural population (additional jobs and income from the sale of agricultural products) occur in the process of merging with moral values. In addition to selling additional agricultural jobs and their own products, the rural population can also earn other income and benefits from agritourism. This includes, first of all, the use of real estate by the rural population for tourism purposes. On the other hand, agro-tourism can accelerate the development of social infrastructure in the area.

The aim is to research the organizational - economic and legal basis of tourism activities in rural areas, including agro-tourism, to a large extent to identify opportunities for its effective organization. The effective organization of agro-tourism means, in the initial approach, the activity aimed at maximum use of the existing potential within the conditions of ecological restrictions. The organization of agritourism, as a result, requires the regulation of the elements that make up the system for the reception of farms and tourists, the optimization of relations through the use of scientific support and experience. Management of the farm providing agro-tourism services - the organization of activities, including, first of all, the division of duties and powers, ensuring the safety of the service, preparation for force majeure, and so on consists of providing.

The characteristics of the environment for the development of agro-tourism in Azerbaijan require a unified approach to its organizational, economic, environmental and legal aspects. Thanks to the effective organization of tourism, its economic efficiency can be achieved. This is possible, first of all, if the regulatory framework of tourism meets the necessary requirements.

Tourism is a factor of integration, and therefore the agro-tourism

market is perceived as a leading component of the overall integration system, which plays a vital role in domestic and international economic, social and other aspects. The characteristics of the tourism market are largely analogous to the characteristics of the service market. The main differences are, first of all, the retail space and the resulting delay effect. The point is that information about the unique features of agro-tourism products from nature, agriculture, cuisine, local folk art in a particular country (area), no matter how visible through digital technology, can not completely replace the effect of personal contact. For these and other reasons, it can be said that the possibilities of digital technologies to neutralize the distance factor in terms of promoting the tourist product and gaining customer trust are not limitless.

People are more involved in agro-tourism in the summer for many reasons. Therefore, the harmony of the tourism company's revenues is ensured, taking into account the change in the price of the service according to the season, the specificity of the area and other factors. Flexible pricing policy tools, methods and tools are being used to alleviate seasonal fluctuations in the tourism market, including agro-tourism.

It is unacceptable to expect that rare natural monuments and other elements of rural life will attract tourists just because they are interesting, in terms of achieving the desired level in the development of agro-tourism. The requirements for agro-tourism services should be different from other types of tourism. Otherwise, it is very hard to ensure the attractiveness of agro-tourism. Therefore, digital technologies that provide creative approaches should be used to visualize the distinctive features of agritourism, which are specific to this or that rural area.

The price of services provided in the tourism market is formed primarily from elements such as the cost of organizing production and consumer services, the cost of raw materials, tax rates and revenues for certain types of services. System-forming indicators have been formed to characterize the current state of the tourism market. This system primarily includes the volume of sales of tourist products, the number of various types of enterprises operating in the

market, the capacity of the tourism market. The indicator of the capacity of the tourism market, in turn, is characterized by the ratio of demand and supply of tourism services, conditions that are subject to significant changes in supply, demand and sales of tourism products. As it is known, the capacity of the tourist market is the actual volume of tourist products and services that have been the object of trade here for a certain period of time (usually 1 year).

In addition to general criteria and indicators, specific criteria and indicators should be analyzed to assess the situation in the agro-tourism market. Increasing the attractiveness of tourism services in rural areas requires optimizing the criteria, quality and price ratio. When evaluating the supply of services in the agro-tourism market, the criterion may be to increase the period of attraction of tourist interest to this or that object, etc. General indicators for assessing the situation in the agro-tourism market should include the share of a specific tourism product in tourism products as a whole, the share of tourism in world tourism, the relative indicators that allow to compare per capita tourism in countries with different levels of development.

Agro-tourism currently exists in most countries around the world. The analysis of decades of experience in the formation and development of rural tourism in developed countries gives grounds to say that there is a positive dynamics in development in this area. The conceptual approach plays an important role in the development of agro-tourism. In this regard, there are significant differences in the national concepts of tourism growth, including agro-tourism, in different countries. These differences are reflected in the goals, opportunities and tasks set. Each of the countries, such as France, Italy, Spain, Switzerland and Germany, has developed its own models for the development of agritourism. This is actually natural. Agrotourism must choose a line of action aimed at realizing the opportunities and advantages of this or that rural area, meet the requirements of maximum realization of local agrarian potential within the framework of environmental regulations.

The experience of Western Europe is noteworthy in terms of realizing the economic potential of multifunctional agro-tourism. It is

in the countries of Western Europe that the experience of effective public-private partnership has been gained to promote the multifunctionality of agritourism. As a result, agro-tourism brings almost as much income for farmers in those countries as agriculture. In the countries in question, special attention is paid to the place and role of the system of state and local self-government support.

In the US experience in the development of agro-tourism, the flexibility in hosting tourists and in regulating the cost of services, taking into account the country from which the tourist comes, is noteworthy. As in the United States and most developed countries, associations and unions play a significant role in promoting agro-tourism by providing consulting, information, and marketing services.

In order to more actively and effectively use the potential for the development of agro-tourism in Turkey, farms are taking joint measures with state and municipal authorities. Although Turkey's experience in the field of agro-tourism is in its infancy, it is interesting and valuable for Azerbaijan. The experience of Japan and China in the development of agro-tourism is exotic and attractive for foreign tourists against the background of the peculiarities of rural life in those countries. Exoticism requires a creative approach, and in this regard, interesting approaches are encouraged in Japan.

The following can be summarized in a brief analysis and assessment of world experience in the development of agrotourism: agro-tourism is a tool to bridge the gap between rural and non-agrarian areas in terms of balanced development and socio-economic and cultural development; agro-tourism is an additional source of income for the population engaged in agriculture, which is a relatively low-income area in rural areas; agrotourism can increase the competitiveness of small farmers; the multifunctionality of agro-tourism expands its opportunities; support of agritourism by the central government and local self-government bodies is expedient in terms of increasing the level of employment in rural areas and improving its structure; among the factors hindering the development of agro-tourism in the post-Soviet countries should be noted, first of all, the state of infrastructure, staff shortages, ignorance of potential customers, including the rural population.

In the **second chapter** of the dissertation entitled “Analysis and assessment of the current state of agro-tourism in Azerbaijan”, first of all, the current state of agro-tourism and its infrastructure is thoroughly analyzed on the basis of factual materials. Factors affecting the development of agro-tourism in the country were identified and characterized. At the end of the chapter, the environment for the formation of agro-tourism potential was characterized in terms of sustainable growth requirements.

The results of the implementation of state programs on socio-economic development of the regions of the Republic of Azerbaijan have played a significant role in terms of improving the infrastructure of agro-tourism in the country. Thus, during the implementation of these programs, large-scale measures have been taken to develop the tourism infrastructure, covering the regions of the country. The current IV State Program on socio-economic development of the regions focuses on the priorities of tourism development, the means of their implementation, as well as issues of infrastructure development.

The dynamics of key indicators in the areas typical of tourism in Azerbaijan were positive before the pandemic. The number of employees working in these areas in 2018, compared to 2013, increased by 30.1%. The Covid 19 pandemic has seriously affected the development of tourism. Thus, although the number of employees working in tourism-specific areas increased by 19.8% in 2020 (Table 1), this figure was significantly lower than in 2019.

Along with the provision of tourism infrastructure, it also performs integration and regulatory functions. As a result of the integration function of tourism infrastructure, the formation of territorial tourist and recreational complexes in the country, the creation of jobs as a result of the regulatory function, the diversification of activities can be shown.

During 2013-2020, the number of hotels and hotel-type enterprises increased by 23.9%. During this period, the one-time capacity of hotels and hotel-type enterprises increased at a higher rate (49.1%) and by 2020 reached 50.7 thousand seats. During 2013-2018, the number of people accommodated in hotels and hotel-type



**Table 1.****Main indicators for specific areas of Tourism**

	2013	2014	2015	2018	2019	2020	2020 compared to 2013, in percent
Number of employees working in specific areas for tourism, thousand people	40,9	41,9	49,5	53,2	59,0	49,0	119,8
Value added in specific areas of tourism, billion manat	2,08	2,40	2,43	3,41	3,72	1,37*	65,9
The share of value-added in the country's gross domestic product in specific areas of tourism, in percent	3,6	4,1	4,5	4,3	4,5	1,9*	52,8
Investments in specific areas for tourism, million manat	1371,0	2204,0	1063,9	229,7	133,7	79,3*	5,8

\* **initial information.**

*Source: Tourism in Azerbaijan. Baku, SSC, 2016, p.28; Tourism in Azerbaijan.*

*Baku, SSC, 2021, p.19*

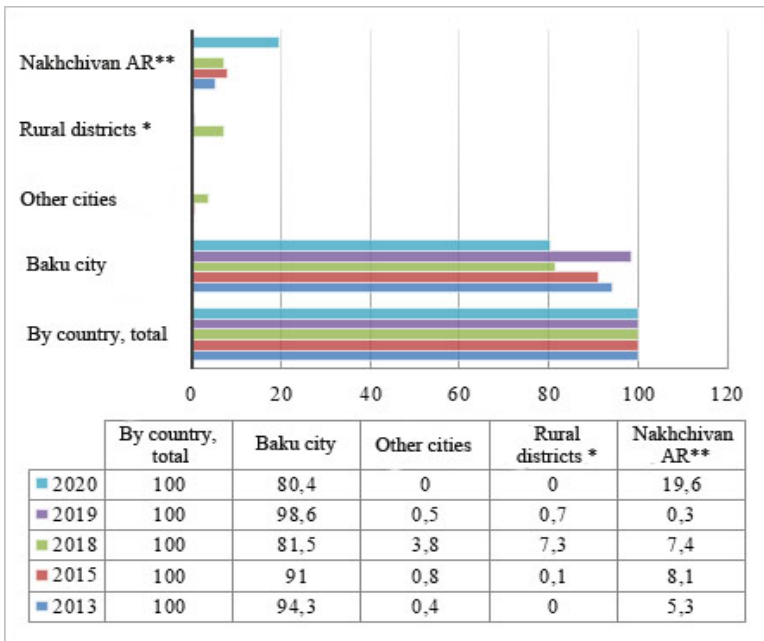
*Developed by the author.*

enterprises in Azerbaijan increased 2.6 times, compared to 2013-2020, this increase was only 0.4%. During 2013-2020, the income of these enterprises decreased by 31.8%. This negative trend has been observed since 2019 and is the result of the negative impact of the pandemic on tourism activities.

Among the factors hindering the development of various types of rural tourism, of course, is the quality of services. The unsatisfactory situation in this area is also reflected in official documents. "Although currently in different regions of Azerbaijan, including villages, various services are provided to tourists on accommodation and food, these services are not at the desired level" (Strategic Roadmap for the development of the specialized tourism industry in the Republic of Azerbaijan. Approved by the Decree of the President of the Republic of Azerbaijan dated December 6, 2016. Baku, 2016, 98 p., p.73)

The steps taken to eliminate the uncertainty in the legal status of agro-tourism are still in their infancy. The point is that the presentation of this or that object as a direct object of agro-tourism is no less important. This issue is waiting to be resolved in our country.

The development of agro-tourism in the country is directly related to the level of recognition of the uniqueness of rural areas and agricultural practices. This promotion process should be accompanied by attracting tourists to the agrarian regions of Azerbaijan, increasing their interest in rural life. It is difficult to consider the work done in this direction satisfactory. However, in 2018 there was an increase in the share of tourist vouchers sold to rural areas, and in 2020 there was a decrease due to the pandemic (figure 1).



\* Rural districts where tourism vouchers are sold are mainly Absheron, Gakh, Gabala, Shamkir and Tovuz administrative districts.

\*\* The distribution of tourism vouchers sold in Nakhchivan AR by cities and rural areas is not presented in this collection.

**Figure 1. Dynamics of the share of tourism vouchers sold for travel within the country in urban and rural areas in Azerbaijan.**

*Source: Tourism in Azerbaijan. Baku, 2021, p.35*

The great tourism potential of rural areas of Azerbaijan does not cover all regions equally. This situation is largely due to differences in the level of infrastructure development (social and industrial infrastructure).

In cases where it is complicated to provide the representativeness of indicators, the classification of several indicators, the experience of comparative evaluation of the obtained consequences, additional conditions are considered acceptable in detail, what factors and to what extent affect the development of agro-tourism (table 2).

**Table 2.**

**The direction of the influence of factors determining the growth of Agro-tourism**

<b>Factors that positively affect the development of agro-tourism</b>	<b>Factors that negatively affect the development of agro-tourism</b>
Increasing the income of the population	To have low incomes of the population
Development of transport and means of communication	Lack of development in the tourism industry
Development of information technologies	Lack of information and awareness work
Intensification of urbanization processes	Occurrence of suburbanization processes, mainly at the expense of the population of large cities
Decrease in working time, increase in free time	Lack of free time
Simplification of taxes, customs, currency and other types of regulation in rural tourism	Inadequate assessment of the role of the tourism business in budget revenues
To build an intellectual society	Underestimation of the role of tourism in the intellectual society
Stimulation of agro-tourism by applying benefits for the elderly, youth, children, the disabled	Inefficient utilization of cultural-historical heritage and the environment

*Compiled by the author.*

There is a need to distinguish between the factors that affect the development of agro-tourism, the factors that are formed in the course of the development of society, and the factors that increase the impact due to legal, economic and institutional measures taken

for the development of tourism. As static factors influencing the development of agro-tourism, first of all, geographical, natural-climatic, cultural-historical factors, and as dynamic factors, demographic, social, economic, cultural, scientific and technical factors, as well as international factors should be mentioned. Particular attention should be paid to the impact of dynamic factors affecting the development of agro-tourism.

The demand for agrotourism products is affected by the significant changes in the consumer's lifestyle. Most consumers are increasingly opting for the essential attributes of comfort in the home. This tendency, of course, does not mean that agrotourism is unequivocally preferred in the choice of agrarian and exotic tourism attributes. The point is that there is a potential to promote exotic elements in this or that type of tourism in rural areas, including agrotourism. Diversity in Azerbaijan in terms of territory, landscape, traditions, farming practices and a number of other factors allows to highlight the elements of exoticism in agritourism. At the same time, there is a need to predict changes in consumer fashion and tastes.

The information provided by the statistics is insufficient to assess the impact of the factors contributing to the development of agrotourism. Therefore, there is the experience of active use of survey information in this matter. We conducted a survey in Gabala and Ismayilli districts (100 questionnaires in total) to clarify the attitude of the rural population to agro-tourism and tourists. The respondents are farmers. The specific weights for the answers were as follows (table 3):

The enlightenment factor in the development of agro-tourism is not adequately assessed in most regions of the country. Although 60 out of 100 respondents in the survey that presented the above materials said that they were familiar with the goals of agritourism, only six of them were satisfied with the awareness-raising work on the development of agrotourism. It should be noted that almost none of the respondents could visually explain the relationship between the use of alternative energy sources and the expansion of agrotourism.

Although those who want to invest in agrotourism make up 30 percent of those polled, there are many who are reluctant to start

**Table 3**

**The share of responses to the survey conducted to clarify the attitude of the rural population toward agro-tourism and tourists, in percent**

	Yes	No
1. Are you familiar with the purposes of agro-tourism?	60	40
2. Are you satisfied with the awareness-raising work on the development of agro-tourism?	6	94
3. Are you satisfied with the attitude of tourists and those who serve them to the environment?	40	60
4. Would you like to invest in agro-tourism?	30	70
5. Do you want to expand agro-tourism services?	40	60
6. Are you having hardship getting a loan for this purpose?	90	10
7. Do you consider it significant to develop tourism infrastructure?	80	20
8. Do you utilize alternative energy sources?	0	100
9. Are you satisfied with the customer satisfaction you have gained with your service?	70	30
10. Is it possible to keep business youth in the village today by supporting the development of tourism?	20	80

immediately. Respondents could not comment on the compatibility of rural tourism, including agro-tourism, with the environment and culture, and the type of tourism with the least negative impact. Such a situation gives grounds to say that the fact that the level of awareness is unsatisfactory as one of the factors contributing to the passivity of the rural population in relation to agro-tourism is quite reasonable.

There are many factors that shape the regional agro-tourism potential of Azerbaijan, including the following: rare biological diversity; suitability of geographical location; the richness of natural resources; favorable natural and climatic conditions; history - antiquity and rarity of archeological monuments, etc.

As of 2020, there are 79 cities, 262 settlements and 4246 rural settlements in the Republic of Azerbaijan. 47.0% of the country's population lives in rural areas. In the distribution of rural settlements in the country by population, 23.8% of these settlements, ie the most numerous are villages with a population of 501-1000 people. The

number of settlements in this village is 970, and about half of them are located in mountainous and foothill areas. The next places are occupied by rural settlements with a population of 201-500 people and 1001-2000 people. In other words, these rural settlements (they make up 66% of the rural settlements in the country) can be considered a potential destination for agro-tourism. This result is partially confirmed by the responses to surveys conducted by specialists in agritourism and other types of rural tourism. Of course, the agro-tourism potential of smaller and larger rural settlements is no less important.

To clarify the logical provisions, it is necessary to look at the rural administrative-territorial units by economic regions of the Republic of Azerbaijan (table 4).

**Table 4**

**Number of rural administrative-territorial units in economic regions of Azerbaijan, unit**

Economic regions	Settlements	Rural settlements
Absheron-Khızı	13	32
Nakhchivan AR	9	203
Mountainous Shirvan	8	272
Ganja-Dashkasan	30	190
Gazakh-Tovuz	16	331
Shaki-Zagatala	7	336
Lankaran-Astara	13	638
Guba-Khachmaz	21	474
Central Aran	8	300
Mil -Mughan	18	190
Karabagh	37	600
East Zangazur	11	534
Shirvan-Salyan	12	146

*Developed by the author. Source: Demographic indicators of Azerbaijan. Baku, 2021, p.67-69*

Although a significant part of rural settlements in Ganja-Dashkasan, Mountainous Shirvan, Sheki-Zagatala, Guba-Khachmaz, Lankaran-Astara and economic regions have the necessary potential for agritourism, this potential remains almost unrealized. The problems of realization of agro-tourism potential of rural settlements of the

Nakhchivan Autonomous Republic are directly related to the blockade of the Autonomous Republic. The agro-tourism potential of the Karabakh and East Zangazur economic regions is being re-evaluated.

Ensuring sustainable development in the agricultural sector depends on the development of targeted programs for rural development, which makes the implementation of the following measures an objective necessity: creation of priority conditions for income generation in agriculture, as well as in other sectors of the economy; providing alternative employment to the agricultural sector in rural areas; reduction of cost burden related to production and social infrastructure of agricultural enterprises; strengthening the state support for the solution of the housing problem in the village, construction of health and education facilities, expansion of the communication network and ensuring social development in the village as a whole; linking the village development program with the transformation-oriented changes carried out in connection with the restructuring of the agrarian sector; Allocation of targeted credit resources by the state and stimulation of investments in agriculture in order to improve the financial situation of various economic entities operating in the agricultural sector.

The impact of the level of rural and agricultural development on the formation of regional agro-tourism potential may not be direct. Therefore, the assessment of these effects should take into account the following: some types of agro-tourism and rural tourism are cheap, in other words, this type of tourism is affordable; as a type of tourism where social status does not create a stereotypical problem, agrotourism provides a close acquaintance with national customs; short-term agro-tourism trips; careful approach to the advertising of agro-tourism facilities; the possibility of infrastructure development threatening ecotourism and, consequently, agritourism; agro-tourism promotes the development of rural areas, protection of national heritage, preservation of local traditions and products; the activity of the rural population living in the city in the organization of agro-tourism services, although strange at first glance, is high; the experience of establishing ethno-cultural guest houses in specialized tourist villages and rural areas is proving itself; an important factor in the development of agro-tourism is

the public-private partnership in the field.

The **third chapter**, entitled "Directions for improving the system of using the potential of agro-tourism in Azerbaijan" identifies opportunities for the effective use of the potential of agro-tourism in the development of the non-oil sector, and shows ways to implement them. Perspectives for the use of the agro-tourism potential of the liberated territories were assessed, the directions of increasing the role of agro-tourism in the socio-economic development of the regions were justified.

At a time when the development of the green economy is a priority, the support of tourism, including agro-tourism activity, is important for the superior and sustainable development of the non-oil sector. Looking at the role of agro-tourism in the socio-economic development of the country and the region, even in the initial approach, it is possible to see that the development of this sector creates new jobs, increases the income of people living in rural areas, causes the effect of multiplication by promoting the development of tourism-related industries, activates folk crafts, increases foreign exchange earnings.

The development of agro-tourism plays an essential role as a factor in combating poverty in rural areas. The study of the interaction between the development of tourism and the level of employment in rural areas allows us to say that this interrelation not only exists, but also has the potential to have a significant positive impact on the structure of employment. The development of agro-tourism accelerates the process of system formation of relevant infrastructure elements. This, in fact, increases the demand for products and services of the participants of this process, as well as encourages the formation of innovation infrastructure.

The impact of agro-tourism on economic activity in various sectors of the non-oil sector of the national economy manifests itself primarily in the following areas: promotion of the results of various activities, in other words, the demand for products and services; improving access to information systems to facilitate access to financial resources in rural areas; increasing interest of private investors in agrarian production entities and investments as potential



agrotourism objects; until now, only those engaged in the production of agricultural products, increasing the level of sensitivity to innovations in order to obtain a multifunctional status, etc.

In the development of the non-oil sector, the creation of an appropriate and comfortable tourist environment, the creation of an optimal ratio between the quality and price of services in terms of increasing criteria should be considered as key areas in the organization of effective use of the potential of agro-tourism.

Azerbaijan Republic which restored its territorial integrity with its historic victory in the Great Patriotic War, is taking great and well-founded steps towards the reintegration of the Karabakh and East Zangazur economic regions into a sustainable national economy. In the modern condition, sustainable development must include important incentives to promote the development of digital infrastructure. One of the priorities of the restoration and construction work started in Karabakh and East Zangazur, which is the focus of agro-tourism, is likely to significantly expand the scope of "green" economic activity of "smart" settlements.

Initiatives for cluster-based realization of agro-tourism potential in the liberated territories of Azerbaijan increase attention to program-targeted development issues. In order to eliminate the consequences of decades of environmental terror in the liberated territories, continuous work must be carried out to ensure biodiversity, and comprehensive measures must be taken to improve the environment. It is safe to say that the necessary attention to the factor of biodiversity will stimulate the development of agro-tourism in Karabakh and expand the prospects for increasing the competitiveness of the agricultural sector.

Undoubtedly, the people who will return to Karabakh and East Zangazur will play a key role in the revival. Restoration of rural areas and development of agriculture are considered to be the leading directions here. It is likely that agro-tourism services will pay for themselves more quickly in these areas and have a positive impact on employment in rural areas. Thanks to the development of agro-tourism in terms of supporting economic activity in Karabakh and East Zangazur, it is possible to increase the competitiveness of small

agricultural producers. The promotion of investment flows to the liberated territories, when accompanied by measures to create the necessary logistics, can significantly expand the opportunities in question.

In terms of increasing the efficiency of using the agro-tourism potential of Karabakh and East Zangazur economic regions, we can say that the following areas are promising: the transformation of the liberated areas into a landfill for high-tech green projects; ensuring the comprehensiveness of biodiversity restoration measures; more active involvement of foreign experts in the training of qualified personnel in the field of agro-tourism, conducting trainings on the basis of digital technologies, ensuring the sustainability of foreign language courses; improving the provision of the rural population with necessary information; promotion of investments that can be directed to agro-tourism, including the establishment of an optimal system of benefits; envisage components of using the region's recreational potential in the development of agro-tourism infrastructure; providing preferential micro-credits to rural residents for the development of agro-tourism; assessment of agro-tourism potential and research of development problems; implementation of pilot projects in the regions that can act as a source of economic impetus for the rehabilitation and development of liberated areas.

In terms of effective use of the potential of agritourism, it is important to ensure diversity and individuality in the selection of tours, to have the necessary opportunities for flexible program changes, to acquire new knowledge and experience, to diversify and enrich impressions, to increase livelihoods, to present local lifestyles.

The agrotourism business model can be seen as an instrument of sustainable community development policy. The possibilities of using this tool are expanding, and in this regard, the promotion of diversification and dynamism should be emphasized. Agrotourism has significant potential to ensure gender equality. In this type of rural tourism, the creation of home comfort for tourists, along with the necessary infrastructure and interior, tightens the requirements for the human factor. The participation of females in the activities in accordance with the requirements in question is justified in all cases

in terms of ensuring customer satisfaction.

The effective development of agro-tourism is directly related to the level of its organization and the level of organizational support in general. The promotion of the formation of agro-tourism clusters, created to ensure the sustainable development of rural areas, creates a favorable institutional environment for the organization of joint activities on the criteria of economic and environmental efficiency, according to research.

One of the factors influencing the development of agrotourism and increasing in recent years is to ensure the safety of vacationers. It should be noted that increasing the effectiveness of systemic measures taken in all countries to ensure unequivocal compliance with existing standards to ensure the safety of life, health and property of tourists during travel to rural areas remains relevant for all types of rural tourism. The issue of ensuring the safety of such agritourists should not be ignored in our country, where historically religious intolerance, xenophobia, racism and extremism are not strictly accepted.

The relationship between agro-tourism and sustainable rural development in Azerbaijan can be presented as follows (figure 2).

Agro-tourism	Environmental Protection	Rational use of land, reduction of anthropogenic burden on the environment, support for the development of specially protected natural areas, promotion of environmentally friendly economic activities, protection of rare plant and animal species	Sustainable development of territories
	Development of multiculturalism	Promoting intercultural understanding and mutual respect, the co-development of various cultures	
	Protection of cultural and historical monuments	Preservation of customs and traditions, restoration and protection of historical monuments, growth of folk art	
	Socio-economic development	Increasing the level of employment, education, development of infrastructure, including digital infrastructure, growing budget and population incomes, development of interaction, economic activity with them	

**Figure 2. Mutual relations between agro-tourism and sustainable development of rural areas in Azerbaijan**

In the “**Conclusion**” section of the dissertation work, the following are mentioned as areas to increase the role of agro-tourism in the socio-economic development of the country's regions.:

1. Ensuring a favorable “quality-price” ratio of agro-tourism services in terms of increasing competitiveness;

2. Improving the quality of human resources, promoting creative thinking and openness to innovation. Increasing knowledge and skills for the development of agro-tourism;

3. Increasing economic activity in the area and promoting employment, as well as self-employment;

4. Increasing the number of sources of funding, as well as the promotion of permanent partnerships with them, increasing family investment in sustainable business and the development of the surrounding area;

5. The establishment of a digital customer relationship management system and the implementation of optimal customer specialization are important areas in agrotourism. In this case, the quality of services and compliance with standards, as well as joint consideration of sustainable development criteria;

6. The establishment of a system of effective measures for state support for the development of agro-tourism must be ensured. Special mention should be made of the reimbursement of capital expenditures for the establishment of rural tourism infrastructure, the provision of grants to agrarian entrepreneurs and households newly established in the field of agritourism, and the subsidization of interest on loans for the construction or reconstruction of agritourism facilities. At the same time, to find a close perspective and optimal relationship between the diversification and integration of activities in the agricultural sector;

7. To take advantage of the favourable investment climate created in the country for the development of agro-tourism;

8. Implementation of sustainable economic and economic-institutional measures against the rise in prices for tourist services; organization of agro-tourism entities, including mergers in associations;

9. Involvement of the media to ensure the continuity and effectiveness of relations with the target audience;

10. Use of advanced information technologies and other advantages of the digital environment;

11. It is necessary to ensure the establishment of the most modern model of agro-tourism in accordance with the requirements of the majority of the local and foreign urban population, in accordance with the criteria of family recreation.

**The essential provisions of the dissertation are reflected in the following published scientific articles:**

1. Problems of development of rural tourism in Azerbaijan // “Cooperation” magazine of Azerbaijan Cooperation University. 2019, № 2 (53). p. 219-225.

2. Actual issues of tourism development // Azerbaijan Agrarian Science Journal. 2019, №4. p. 179-183.

3. World experience in the organization and development of agro-tourism // Ukrainian magazine “Scientific notes”. 2020, No. 4 (70). p. 21-27.

4. Organizational-economic and legal aspects of agro-tourism. Article. “Cooperation” magazine of Azerbaijan Cooperation University. 2020. № 4 (59). p. 166-172.

5. “Directions for increasing the role of agro-tourism in the socio-economic development of the regions.” Article. “Scientific works” magazine of Nakhchivan State University. 2022. № 1 (25) p. 43-50.

6. “Improving the use of agro-tourism potential.” Article. “Scientific works” magazine of Azerbaijan University of Architecture and Construction. 2022. №2 (19). p.127-137.

7. Theoretical and methodological bases of tourism development. Thesis. VIII International Scientific and Practical Conference Social and Economic Aspects of Education in Modern Society held in Poland. 2019. p. 40-47.

8. Agrotourism in Karabakh: opportunities and prospects // “The Second Karabakh Patriotic War for Ensuring the Territorial Integrity of Azerbaijan: State, People, Army Union” held at the Azerbaijan University of Languages. Materials of the Republican scientific conference “Successes and prospects”. Baku, October 29-30, 2021. p. 503-507.

9. Tourism potential of Aghdam // Building a new economy in Karabakh: development impulses from Aghdam" I International scientific and practical conference, Aghdam, 2021. p. 428-431.

10. Organization of agro-tourism in Azerbaijan // Materials of the Republican scientific conference "The Republic of Azerbaijan 1991-2021: Restoration of State Independence, economic and socio-cultural development" organized at Sumgayit State University. 2021, №5. p. 227-229.

11. "Organization of effective utilization of agro-tourism potential in the development of the non-oil sector in Azerbaijan." Thesis. Proceedings of the traditional XIII International scientific-practical conference on "Actual problems of Azerbaijan studies" dedicated to the 99<sup>th</sup> anniversary of national leader Heydar Aliyev, organized by Baku Slavic University. 2022, p. 546-549.

12. Formation and development perspectives of agrotourism market // "Odlar Yurdu" University, Republican scientific-practical conference of doctoral students and young researchers dedicated to the 99<sup>th</sup> anniversary of national leader Heydar Aliyev, Baku, May 4, 2022. p. 95-102.

13. "Potential of agro-tourism in regional development". Thesis. Proceedings of the scientific-theoretical conference "Heydar Aliyev's genius and modern Azerbaijan" dedicated to the 99<sup>th</sup> anniversary of national leader Heydar Aliyev, organized by Mingachevir State University. 2022. p. 158-161.

14. The potential of agro-tourism in regional development // Scientific-theoretical conference on "The genius of Heydar Aliyev and modern Azerbaijan" dedicated to the 99<sup>th</sup> anniversary of the birth of national leader Heydar Aliyev organized by Mingachevir State University, Mingachevir, 2022. p. 243-246.

15. Development and prospects of tourism in Karabakh // Diversification of industry in Nakhchivan Autonomous Republic as a factor of international economic integration" International scientific-practical conference, Nakhchivan, 2022. p. 296-299.



The defense of the dissertation will take place at the meeting of the ED 2.46 Joint Dissertation Council of the Higher Attestation Commission under the President of the Republic of Azerbaijan at Azerbaijan Cooperation University and Baku Business University 13.09.2023 at 14<sup>00</sup>.

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The dissertation can be found in the library of the Azerbaijan Cooperation University.

Electronic version of the dissertation and abstract are published on the official website of Azerbaijan Cooperation University ([www.aku.edu.az](http://www.aku.edu.az)).

Abstract 11.07.2023 was submitted to the necessary addresses.

Signed for publication: 10.07.2023

Paper size: 60 x 84 1/16

Volume: 47092 sign

Edition: 20