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## DEVELOPMENT OF AGROTOURISM APPLICATION IN GANJA-GAZAKH ECONOMIC CIRCLE

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### SUMMARY

Azerbaijan has its geographical position, nature, history, and material-moral resources dating back hundreds of years. Therefore, there shouldn't be any problem for the development of agro tourism. Local citizens should be properly mobilized in this direction, and regional centers should be established for the development of agrarian tourism in each economic region. At the same time, special stimulating credit conditions should be created in the banking sector to build local small agro businesses in the regions. In this regard, the problem of self-financing of the regions will be eliminated and the dependence of the regions on the state budget can be minimized.

Tourism is one of the most potentially developing sectors of the non-oil sector in the Republic of Azerbaijan in a modern market economy. Since independence, the state has shown great interest in various areas of tourism in any part of the country, and the geographical location and climate zone of Azerbaijan is suitable for any type of tourism. As the youngest and most developed type of tourism in recent years, it is in the interest of the state in the field of agro-tourism. This type of tourism has been used and developed in many foreign countries for over a century.

Ganja-Gazakh economic region, the second largest economic region of Azerbaijan, is suitable for any field of tourism in terms of its economic and geographical location. For this reason, the main purpose of the study is to ensure the application of agritourism in the Ganja-Gazakh economic region and to study the issues of educating the population in this region in the field of tourism.

**Key words:** development of agro-tourism, regional potential, experience of agro-tourism in the world, financing of regions.

**The research methodology.** Based on the use of rural areas in the tourism industry, agro-tourism activities are expanding year by year. Agrotourism is now one of the most important areas in the development of tourism in many countries.

Agrotourism plays an important role in the development of villages and agriculture, the creation of socio-cultural services, increasing employment and income.

According to the opinion, I first came across when I was doing internet research on agrotourism: "Agrotourism is a type of tourism that brings a view of the farm from an agricultural point of view. Agrotourism has different meanings in different parts of the world. Agrotourism combines different options of activities - fruit picking, animal feeding, farm snacks, etc.

Agrotourism is a growth industry in many parts of the world, including Australia, Canada, the United States and the Philippines. "

Based on these views, I can say that agritourism arose from the generalization of tourism to agriculture, which is the brightest area of the period, in order to create interest in agriculture and develop agriculture.

**The importance of applying the research.** The development of agro-tourism accelerates the reduction of unemployment in the regions, the creation and improvement of infrastructure, as well as the development of the region. Agro-tourism revenues play an important role in the development of the regions, the preservation of historical monuments and the improvement of living standards. The development of agro-tourism, especially international tourism, is one of the factors ensuring the inflow of currency into the country.

**The result of the study.** As a result of research, I can say that the Ganja-Gazakh economic region has great potential for any tourism sector, as well as for agritourism. However, the main problem of the region, of course, is the lack of development of this industry in our country and the lack of a company operating in this field. For this reason, we conduct research mainly with the experience of foreign countries.

**The originality and scientific novelty of the study.** There are many favorable conditions for the development of agro-tourism in the Ganja-Gazakh economic region. Thus, in many regions of the country (north, south, north-west) there are the necessary geographical and climatic conditions for the comprehensive development of this area. These regions are completely surrounded by high mountains, charming forests, mountain rivers, cool springs and waterfalls. Along with nature, rich cuisine also makes these regions more attractive and important.

In the development of the agro-tourism sector, our state and the population of the region can achieve the following positive results.

- An additional source of income is created by creating new jobs in the villages selected for the development of this sector, which reduces social tensions;
- Decreases in the process of internal and external migration;
- New ideas and approaches lead to additional investment, which stimulates the overall development of agro-industry;
- Revenues to the state budget are increasing;
- Entrepreneurial spirit is strengthened in people;
- The living standards of the population are increasing, etc.

According to the information given by the Ministry of Economy of the Republic of Azerbaijan on 01.08.2020, the general information of Ganja-Gazakh economic region for 2019 is as follows:

**Table 1. Ganja-Gazakh economic region for 2020**

<b>Administrative districts included in the economic region</b>	<i>Agstafa, Dashkasan, Gadabay, Goranboy, Goygol, Gazakh, Samukh, Shamkir, Tovuz regions, Ganja and Naftalan cities</i>
<b>Territory</b>	12.3 thousand sq. M. Km
<b>Population</b>	1294.1 thousand people
<b>The main sectors of the economy</b>	Agriculture, industry, tourism and folk crafts
<b>Natural resources</b>	Iron ore, alunite, limestone, marble, gypsum, zeolite, cement raw materials, hydropower and natural-recreational resources
<b>Key socio-economic indicators:</b>	<i>944,1</i>
<b>Volume of industrial output (works, services) (mln. Manat)</b>	<i>917,7</i>
<b>Fixed capital investments</b>	<i>212,8</i>
<b>(million manat)</b>	<i>40</i>
<b>Reconstructed and overhauled roads (km)</b>	<i>369</i>
<b>Newly built and renovated social facilities (education, health, culture, youth-sports)</b>	<i>13171</i>
<b>According to the National Fund for Entrepreneurship Support:</b>	
<b>- amount of soft loans issued, mln. In manats</b>	<i>22,3</i>
<b>- number of financed investment projects</b>	<i>199</i>
<b>- number of jobs to be created</b>	<i>718</i>

Source: Official website of the Ministry of State Economy of Azerbaijan

The new jobs created in the economic region have had a positive impact on the level of employment in the region, and most of the opened enterprises are tourism, hotel and catering enterprises. The number of permanent employees of the newly opened enterprises has increased:

**Table 2. New jobs in Ganja-Gazakh economic region, which have been operating for years**

	2016	2017	2018	2019	2020
<b>Number of new jobs, total</b>	17057	13510	26134	28857	18296
<b>permanent jobs from him</b>	11436	7654	18642	15789	10491

According to the table, it can be noted that the number of new jobs created from 2010 to 2019 has increased, and compared to 2010, the number of new jobs in 2020 increased by 72.6 percent.

As mentioned in the table above, the vast majority of new jobs are in tourism.

**Table 3. Trade and catering activities in Ganja-Gazakh economic region for years**

	2016	2017	2018	2019	2020
<b>Retail trade turnover, million manat</b>	1886,4	2141,6	2499,9	2891,7	3019,5
<b>physical volume index compared to the previous year, in percent</b>	107,6	107,7	100,9	101,5	102,2
<b>turnover per capita, manat</b>	1472,01	1654,45	1914,1	2196,86	2273,48
<b>The share of total retail trade turnover in the country, in percent</b>	8,57	8,33	8,28	8,20	8,14
<b>Catering turnover, thousand manats</b>	55341,1	58931,5	64862,0	73519,6	76601,5
<b>physical volume index compared to the previous year, in percent</b>	105,5	104,4	100,7	101,7	101,7
<b>catering turnover per capita, manat</b>	43,19	45,53	49,66	55,85	57,67

From the table, we can see that in 2020, compared to 2016, the retail trade turnover increased by 1771.4 million manat, and the catering turnover increased by 42133.6 thousand manat, which means an increase of about 2.5 times in the relevant sectors. In addition, per capita trade turnover in 2018 increased by 2.24 times compared to 2010 and amounted to 2273.48 manat, and catering turnover increased by about 2.1 times and amounted to 57.67 manat. However, the share of retail trade in the region in total retail trade in the country decreased by 1.29% to 8.14%.

The number of people engaged in the development of tourism in the economic region and tourism and hospitality in general has increased to some extent over the past 10 years. Buddha has led to an increase in the number of hotels and hotel-type establishments in the region. In addition, the volume of paid services provided to tourists in the region has increased. The following table contains information on tourism and other paid services in the Ganja-Gazakh economic region for 2016-2020:

**Table 4. Tourism and paid services in Ganja-Gazakh economic region for years**

	2016	2017	2018	2019	2020
<b>Number of hotels and hotel-type enterprises, unit</b>	43	41	43	41	43
<b>Number of numbers, unit</b>	1341	1453	1475	1425	1589
<b>Disposable capacity, space</b>	2773	3006	2911	2978	3312
<b>Number of placed people, people</b>	46697	89847	41331	43011	56868
<b>Number of nights, man-night</b>	104141	155079	113943	170580	205239
<b>Cost of paid services provided to the population, thousand mantas</b>	592818,2	626204,0	669032,9	742424,1	787153,5
<b>as a percentage of the previous year</b>	105,2	104,4	101,0	101,5	103,2
<b>per capita, manat</b>	462,60	483,77	512,24	564,03	592,66

<b>Domestic service in the total cost of paid services, thousand manat</b>	56206,6	58547,4	62073,9	67282,5	69461,2
<b>as a percentage of the previous year</b>	106,4	104,1	101,8	101,1	101,4
<b>per capita, manat</b>	43,86	45,23	47,53	51,12	52,30

Based on my research, I can say that the number of hotels and hotel-type enterprises located in the Ganja-Gazakh economic region, which has the second largest area in terms of territory, is not economical. Nevertheless, there is already enough potential and opportunities for the implementation of agro-tourism in the region. If the widespread use of agritourism is ensured, the level of applications for tourism purposes in private homes will increase, and in this case, individual family businesses will be formed. According to the table, we can conclude that the paid services provided to tourists in the region are growing at an increasing pace every year. Thus, compared to 2010, the amount of paid services provided in 2018 increased by 116 percent and reached 787,153.5 thousand manat. This is an increase of 3.2 percent compared to 2017. Although this amount has increased over the years, it does not fully reflect the existing potential of the region. Because the amount per capita of income from paid services in 2018 amounted to 592.66 manat. With agro-tourism, which will help to use the existing potential of the region, this amount can be increased by about 2.5 times. Because in this case, not only tourism services, but also agriculture is expected to develop.

Along with agriculture, which plays a key role in the application of agritourism, household services are used in the region, the income from this service in 2018 amounted to 69461.2 thousand manat, an increase of 3.1 percent compared to 2017, 2010 increased by 39.83 percent compared to the previous year. The amount per capita from this service in 2018 was 52.30 manat. These results show that consumer services exist in the region, and the development of this service will be inevitable if combined with agro-tourism.

From the given table it is possible to get some facts and reasonable directions for application of agrotourism. Thus, in the world practice, in the countries where agro-tourism is developed, many agricultural and livestock sectors, which are the main areas of interest for tourists, are widespread in this region. Horticulture and melon growing, which are mainly of interest to tourists, are widespread in the region. The total area of vineyards in the region in 2018, mainly used for winemaking and table in the country, is 4194 hectares. In this case, the productivity of this farm was 147.9 quintals per hectare. This is an important factor in attracting tourists. In addition, the area of cotton in the region in 2018 increased by 5,400 hectares. This area increased by 6.4 percent compared to 2017 and increased by 6 times compared to 2010. However, the productivity of cotton is very low. Thus, the productivity of cotton in 2018 is 18.6 quintals per hectare, which is 1.6 percent less than in 2010 (18.9 quintals / hectare). It has been used in tobacco growing in the region since 2016. In 2016, the area of tobacco fields was 38 hectares. If in 2018 this area increased 3 times to 118 hectares. Productivity has thrown over the years. Thus, while in 2016 the tobacco yield was 6.8 quintals per hectare, in 2018 the productivity more than doubled to 14.0 quintals per hectare.

Along with agriculture, livestock is one of the main economic objects of the region. Thus, in the region, mainly large and small cattle, beekeeping and poultry are the main livestock areas. The number of cattle and buffaloes in the region was 151,515 in 2018, while in 2017 this number was 155,718. This means a decrease of 2.7 percent in 2018 compared to 2017. The number of sheep and goats decreased in 2018 compared to 2017. So, if in 2017 this number was 1699257, in 2020 it was 1633924. This means a decrease of 3.82 percent. However, in contrast, beekeeping is developing in the region. The number of bee families in 2017 was 39,594 units, while in 2020 it was 73,754 units. This means an increase of 186 percent.

These calculations show that the region is attractive for tourists in agritourism, both for agriculture and livestock, and the introduction and development of agritourism will increase the interest and development of the region's economy, as well as economic self-financing in tourism.

As in any field of tourism, infrastructure such as transport and communications are important factors in the application and development of agritourism. In the Ganja-Gazakh economic region, more attention has been paid to domestic transport and communications over the past 10 years, and new roads have been built, outdated roads have been renovated and communications have been built to reach even the most remote mountain villages. -internet lines are laid. The most important trade route in history, more than 200 km of the Silk Road passes through this economic region, the presence of the largest border checkpoint "Red Bridge" in this economic region, the presence of 1 airport in Ganja and the Being the capital city before Baku, Ganja-Gazakh economic region has been an important region since ancient times. In addition, the Baku-Tbilisi Railway, the longest railway line in the country, passes through the Ganja-Gazakh economic region. Detailed information on the transport and communication services of the economic region since 2010 can be found in the table below:

**Table 5. Transport and communication services in Ganja-Gazakh economic region by years**

	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Cargo transportation by road, thousand tons	12871	13373	13778	14164	14358
Freight turnover, mln. ton / km	1539,8	1599,5	1650,2	1696,1	1725,5

Transportation of passengers by road, thousand people	198731	207452	213650	217901	223855
Passenger turnover, mln. passenger km	1479,8	1544,2	1591,6	1623,7	1673,7
Total number of cars, units	130102	137934	144868	150136	156092
including:					
Trucks	15551	16092	16598	17116	17751
Buses	2711	2878	3014	3160	3244
passenger boarding	110775	117859	124110	128639	133727
personal ride	109773	116829	123046	127640	132600
special purpose vehicles	694	695	679	715	803
Number of post offices, unit	279	280	281	282	282
Fixed network phones for every 100 families, number	58	53	54	54	55
in the city	81	72	72	72	72
in the village	39	37	38	39	40
Number of fixed network telephones in apartments, number	151390	139350	141774	143708	145968
Number of automatic telephone exchanges, unit	294	294	297	307	379
Total capacity of automatic telephone exchanges, number	199395	199794	199790	195532	219410
Number of long distance and international telephone calls, thousand calls	9078	7476	6216	5490	4803
Volume of telecommunication services, thousand manats	11269,9	11793,5	12515,8	13416,2	14777,8
Number of mobile phone subscribers, thousand subscribers	1087,7	984,5	978,6	999,2	1019,2

**Source:** Official website of the State Statistics Committee of Azerbaijan (stat.gov.az)

According to the table, with the expansion of roads and the construction of new roads in the economic zone, the total number of cars in the region has increased by more than 71 percent in 9 years, and the number of freight and passenger buses has increased significantly. The Buddha shows that the level of speed and convenience in the delivery of tourists to the region is high. In addition, although the number of post offices has increased to some extent, with the development of mobile operators and an increase in the number of mobile phone users, there has been a partial decrease in the number of fixed network telephones per 100 people. Thus, compared to 2010, the number of automatic telephone exchanges in 2019 increased by 91.4 percent and the total number of automatic telephone exchanges increased by 27.8 percent. According to the table, the number of mobile phone subscribers has increased by 15.3 percent over the past 9 years. With the increase in the number of mobile phone users, there has been an increase in the number of mobile stations in the region, which means that in many remote villages in the region, users can now easily connect to the mobile network and use the Internet.

**Conclusions and Recommendations.** Research shows that the interest of Azerbaijani citizens in agritourism is low. The main reason for this is the lack of awareness and information among the population. At the same time, it should be noted that the number of companies engaged in agro-tourism is small. Although this is typical of many former Soviet countries, Belarus and Georgia have been paying close attention in recent years. For example, in Belarus, where economic and financial opportunities are less than in Azerbaijan, this area is new, but it has already achieved some success. In this country, people who want to engage in agritourism are provided with loans, land and the necessary technical support at 7% per annum for 7 years. The cost of one person, including one day's stay and food, in these village houses, which have normal conditions for staying and resting, is about 20-24 manats. All conditions have been created for the normal rest of the tourists. This area of business is considered profitable. Thanks to the development of this sector, new jobs have been created and the flow of labor from the villages has been prevented. Unemployment in rural areas is 1.3%.

From this level of research, it can be concluded that the potential of agritourism in the region is quite high. However, the optimal use of existing potential is not enough. In addition, surveys of people in the region suggest that awareness of agritourism and individual business in general is very low and people are unable to assess opportunities. Buddha is one

of the main problems in the region. We believe that in order to effectively use the potential of agritourism, the economic mechanism must be improved and targeted programs must be adopted.

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