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MANAGEMENT OF SUSTAINABLE TOURISM DEVELOPMENT IN THE REPUBLIC OF AZERBAIJAN

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Abstract. Tourism is one of the most important sectors of the development of the economy of the Republic of Azerbaijan. Over the past decade, the country has significantly improved its tourism infrastructure, creating favorable conditions for the development of external and internal tourism. Rich natural resources, cultural heritage, the development of various types of tourism attract tourists from different countries and create excellent conditions for recreation, travel, educational experience and cultural exchange. The country hosts international festivals, sports events, summits and conferences of global scale. All this emphasizes the priority direction of tourism development as an important sector of the economy. Thanks to the development of tourism, new jobs are created, the economic situation of the population improves, and professional personnel appear in various areas of tourism. The country pays special attention to the principles of sustainability during the planning and implementation of tourism projects. This also applies to large-scale infrastructure projects in the 20% of the territory of Karabakh and adjacent regions liberated from occupation by Armenia.

Key words: Sustainable development, tourism development, Azerbaijan Republic, public tourism management.

Introduction. Tourism is one of the main and profitable sectors of the economy, as well as one of the important factors determining the level of socio-economic and cultural development of society, and at the same time affecting natural ecosystems. The rapid and uncontrolled growth of tourism, especially mass tourism models, brings to the fore impacts such as disruption of the ecological balance, excessive exploitation of natural resources, commercialization of cultural heritage and deepening of socio-economic problems of local communities. In the context of global challenges such as climate change, loss of biodiversity and increasing demand for energy resources, sustainable organization of tourism is no longer just an alternative approach, but has become a necessity for humanity. When tourism is implemented with the right strategies, it serves to protect the environment, strengthen the economy of regions and improve social well-being. However, in order to fully utilize this potential of tourism, it is necessary to apply modern methods.

Today, many countries around the world see tourism as one of the main priorities of sustainable development and place it at the center of their national policies. Innovative methods are required to redefine the role of the tourism sector and ensure that it achieves a balance in environmental, social, and economic dimensions within the framework of the UN's Sustainable Development Goals (SDGs), which are aimed at being implemented by 2030. (United Nations, 2015)

In recent years, thanks to the special attention of the country's leadership, tourism projects implemented in accordance with the principles of sustainable development and events of international importance are being organized. Baku's hosting of the 29th session of the Conference of the Parties to the UN Framework Convention on Climate Change (COP29) on November 11–22, 2024, and the allocation of a special day for tourism (November 20) is a clear example of Azerbaijan's serious support for international steps taken towards sustainable development. (Summary report, 20024)

Discussion. Nowadays, tourism plays an indispensable role in the processes of expanding people's economic activities, meeting their vital needs and improving their quality. The tourism sector makes significant contributions to the economy through the creation of new jobs and the development of various service areas. At the same time, getting acquainted with different cultures and gaining new experiences enrich people's lifestyles and increase their social well-being. Every year, millions of people in the world go beyond their traditional living environment and travel to different regions, regionally and internationally, and have the opportunity to relax in different places. The organization of such trips requires the strengthening of areas such as the establishment of the necessary infrastructure that increases tourist satisfaction, the development of tourism products and services, as well as the orderly organization of production and consumption processes. This approach leads to the fact that tourism occupies a special and important place in the general economy of many countries, and as a result, the formation of the concept of tourism economy (UNWTO, 2020).

Every year, millions of people travel to different countries and regions in the world. In tourism, countries are mainly divided into two categories: first, the countries that send tourists (donors), and second, the countries that receive them (recipients). Countries that send tourists are mainly economically developed countries with high middle- or high-income levels. A large part of the population of these countries consists of people who have the opportunity to travel abroad for recreation, holidays or business trips. The first includes the USA, Germany, Great Britain, Belgium, France, Italy, Switzerland, China, Japan, South Korea, India and other countries. Countries that receive tourists are mainly countries with natural, cultural or historical attractions and developed tourism infrastructure. They have places, services and conditions that attract tourists. These countries can be both developed and developing countries. These include Turkey, Greece, Switzerland, France, USA, Spain, Italy, Hungary, Indonesia, UAE, Morocco, Mexico, Brazil and other countries. (WTTC, 2024)

Every tenth job in the world is related to the tourism industry. While the growth of the world economy used to outpace the growth rate of tourism development, the growth rate of world tourism is currently up to 5% per year, while the growth of the world economy is 2–3% per year. The tourism economy represents 10% of global GDP. It is believed that one job in the main tourism sector creates approximately one and a half additional or indirect jobs in the tourism-related economy. Thus, tourism has become a factor in the development of the world economy in many ways (Mehdiyev, 2018, p. 211).

The tourism sector is a complex sector that creates millions of jobs and increases economic activity. In 2019, the tourism sector contributed 9.2 trillion USD, or 10.4%, to global GDP. During this period, the tourism industry provided one in four new jobs worldwide, accounting for 10.6% of total employment (approximately 334 million jobs). However, the COVID-19 pandemic has led to certain changes in these indicators in the following years. According to current forecasts of experts on the impact of the tourism sector on the global economy for 2024, the contribution of the tourism industry to global GDP has reached 11.1 trillion USD, an increase of 12.1% compared to 2023, and the tourism sector supported approximately 348 million jobs. This constitutes 10% of global GDP. (UNWTO, 2020; WTTC, 2024, pp. 7–9).

The global tourism sector is expected to almost fully recover to pre-pandemic levels in 2024. The United Nations World Tourism Organization (UNWTO) estimates that approximately 1.4 billion international tourist arrivals will be recorded worldwide in 2024, an 11% increase over 2023 (WTTC, 2024, pp. 7–9; Statista, 2024).

However, tourism, while one of the fastest growing sectors of the global economy, has both positive and negative impacts on the environment. The negative impacts are particularly pronounced in regions where mass tourism is developed. As a result, the exploitation of natural resources results in increased pressure on ecosystems and increased carbon emissions (Gössling, 2005, pp. 418–420).

The tourism sector requires the development of areas in terms of infrastructure. During the construction of hotels, restaurants, amusement parks, roads and other facilities, forests are subject to

deforestation, and natural resources such as water, energy and land are overexploited. In particular, the use of water resources for tourism causes serious environmental problems in many regions. Spain is an example of this in the world. In the Balearic Islands of Spain, the demand for water by tourists has limited the access of local residents to water resources. This situation is exacerbated by the increase in tourist flows, especially in the summer months. The use of water by tourists makes it difficult for the local population to access water resources and leads to water shortages. (Rico-Amoros, 2009, pp. 493–495).

Sustainability in tourism refers to the balancing of economic, environmental and social factors. In the context of tourism, sustainability means managing the environmental, social and economic aspects of tourism in a long-term perspective. This means conserving natural resources, preserving cultural heritage, enhancing the well-being of local communities and sharing economic benefits equitably. Each of the 17 UN Sustainable Development Goals can affect or be affected by tourism in different ways. (UNWTO & UNDP, 2018 pp. 22–38).

Sustainable tourism models are not only about achieving short-term economic gains, but also have strategic importance in terms of passing on the natural and cultural wealth of countries to future generations and ensuring the well-being of local communities. As a result, the application of sustainable development principles and sustainable tourism plays a key role in strengthening the ecological, cultural and economic sustainability of countries.

After gaining independence, the Republic of Azerbaijan moved away from the legal traditions formed during the Soviet era and transitioned to a new market economy model, and during this transition, strategic goals such as diversification of the economy, reduction of dependence on oil, and development of non-oil sectors came to the fore. It was understood that tourism also had significant potential among these non-oil sector directions, and the creation of its legislative framework was considered important. This Law of the Republic of Azerbaijan “On Tourism” was prepared and adopted by the Milli Majlis in 1999. The adoption of the Law “On Tourism” created conditions for the formation of the legal framework of this field and carried out its main fundamental mission for the development of tourism in subsequent years (Bilalov, 2008, p. 31).

“The State Program on the Development of Tourism in the Republic of Azerbaijan for 2002–2005” envisaged the implementation of state policy in the field of tourism based on the Constitution of the Republic of Azerbaijan, the Law “On Tourism” and other relevant normative and legal documents. As a logical continuation of this state program, the “State Program on the Development of Resorts for 2009–2018”, “State Program on the Development of Tourism in the Republic of Azerbaijan for 2007–2016”, “State Program on the Development of Tourism in the Republic of Azerbaijan for 2010–2014” successfully implemented their mission. In 2016, the “Strategic Roadmap for the Development of Specialized Tourism Industry in the Republic of Azerbaijan” was adopted. The document outlined global trends in world tourism and an analysis of Azerbaijan's tourism potential, as well as the strengths and weaknesses, opportunities and threats of the country's tourism sector as a result of this analysis. The main goal of the Strategic Roadmap, which is to develop the tourism sector of Azerbaijan by 2025 and turn the country into a regional tourism center, is to achieve this goal. Specific goals are set for increasing the number of tourists, increasing tourism revenues, increasing employment in the tourism sector, improving the international image, etc. Analysis of the Strategic Road Map in terms of sustainable tourism principles allows assessing the impact of the document on environmental, economic and social sustainability (Strategic Roadmap for the Development of Specialized Tourism Industry in the Republic of Azerbaijan, 2016).

One of the most important progressive steps in the field of tourism management was the establishment of a special state agency related to tourism – the State Tourism Agency (2018) – on the basis of the Ministry of Culture and Tourism of the Republic of Azerbaijan.

The new “**Law on Tourism**”, adopted in 2021, includes the country's socio-economic transformation, integration into international practice, and changing priorities of the tourism strategy. The new law covers the types and forms of tourism, the role of individual types in eliminating the problem of seasonality, the main directions and objectives of the state policy in this area, as well as issues such as the establishment of a help center to increase tourist satisfaction, determining the basis of a standardization and certification system that will ensure the improvement of service quality, and determining civil liability insurance for tour operators and travel agents operating in the country.

The “**Law on Tourism**” can be analyzed within the framework of 3 main aspects of sustainability – ecological, socio-cultural, and economic aspects.

- **Ecological sustainability:** According to the law, the organization of tourism and recreation zones is carried out on the basis of the principles of preserving ecological balance and nature conservation. Ensuring the efficient use of tourism resources, as well as improving environmental standards, tourists' care for natural heritage, and the obligation not to harm the environment are brought to attention.

- **Socio-cultural sustainability:** The law stipulates the integration of cultural heritage sites under the concept of “tourism route”. Improving the quality of tourism services is emphasized to protect the economic interests of local communities. Tourists are obliged to respect customs and traditions, religious beliefs, care for natural, historical and cultural heritage, comply with the rules for their protection, and not harm the environment.

- **Economic sustainability:** Mechanisms for creating an investment environment for local entrepreneurs, as well as training professional personnel, are determined. The concept of “Tourism Registry” ensures efficient management of resources through monitoring statistical data. (Law of the Republic of Azerbaijan “On Tourism”, 2021)

In order to ensure the implementation of the goals set out in “Azerbaijan 2030: National Priorities for Socio-Economic Development”, the “Socio-Economic Development Strategy of the Republic of Azerbaijan for 2022–2026”, approved by the decree of President Ilham Aliyev dated July 22, 2022, includes an Action Plan for the development of tourism in the country. The document envisages the development and implementation of special state programs in order to ensure the sustainability of the development of the tourism sector, thereby increasing tourism revenues by 20% and increasing the specific weight of tourism in non-oil/gas GDP. The strategy includes measures to promote domestic and foreign tourism, especially during the off-season. Diversification and improvement of transport and communication links to support the tourism sector are also a priority.

Diversification of tourism into various areas such as ecotourism, rural, health, adventure, cultural, historical, gastronomic, business tourism, etc. reduces the country's dependence on oil, increases foreign exchange earnings, and creates new opportunities for small and medium-sized businesses. At the same time, diversification protects the ecological balance, increases social well-being, and provides tourists with unique tourism experiences. Diversification of tourism types is not only economic diversity for Azerbaijan, but also the implementation of the principles of ecological sensitivity, cultural sustainability, and social justice. Current types encourage the use of the country's natural and cultural potential in accordance with the “green economy” model. (Azerbaijan 2030: National Priorities for Socio-Economic Development, 2021)

Integration of local communities into tourism activities as a modern method ensures their active participation in tourism projects. This method creates conditions for both the protection of local cultural and natural heritage and the realization of communities' own economic potential. Community-based tourism promotes the sustainable use of local resources and the improvement of social well-being. The “Tourist Village” project is being implemented by the State Tourism Agency. The main goal of the project is to increase the tourist attractiveness of villages through improvement works in villages with tourism potential, to develop rural tourism by providing alternative recreation areas

for local and foreign tourists, and to contribute to the creation of new types of economic activity in villages and the formation of new jobs.

The application of modern technology and digital innovations in the Azerbaijani tourism sector is considered one of the main tools for ensuring sustainability. Since May 15, 2018, visas have been issued to foreigners at Heydar Aliyev International Airport through ASAN Visa self-service terminals. The "ASAN Visa" portal, which operates in 12 languages, provides electronic visas to 89 countries.

In 2023, the State Tourism Agency introduced the Tourism Information System (data.tourism.gov.az), which plays the role of a single tourism platform for the country. The system creates conditions for obtaining accurate and clear accounting of tourism industry entities in the country, and for building more reliable relationships with industry entities, consumers and business partners.

Adapting tourism infrastructure in Azerbaijan to international standards is one of the modern methods that gives impetus to the sustainable development of the sector. In 2020, the Azerbaijan Hotel Association, as an organization specializing in the hotel industry, developed a National Star Classification System based on the classification criteria of the European Hotel Association – "Hotelstars Union". As a result of the star rating process of hotels, by February 2025, 259 hotels (22 5 stars, 28 4 stars, 97 3 stars, 81 2 stars, and 31 1 star) were awarded star certificates across the country, most of which were located in Baku and Absheron. (Azerbaijan joins WTTC's fundamentals of hotel sustainability program, 2023)

Azerbaijan has set a target of reducing greenhouse gas emissions by 35 percent by 2030 compared to the base year of 1990, and by 40 percent by 2050. In the process of large-scale restoration and reconstruction of the liberated territories of Karabakh and East Zangezur, as well as the declaration of the Nakhchivan Autonomous Republic as a green energy zone, environmental protection has been considered a priority. Innovative approaches such as "smart cities" and "smart villages" are being applied in the liberated territories and the ecosystem is being restored.

In Azerbaijan, the integration of sustainable development principles into ecotourism in specially protected natural areas such as national parks, reserves, sanctuaries are carried out on the basis of the principles of preserving ecological balance, increasing socio-economic well-being and revitalizing cultural heritage. Protected natural areas are managed by the Ministry of Ecology and Natural Resources and the State Tourism Agency on the basis of special rules. Currently, protected natural areas covering an area of 893 thousand hectares operate in Azerbaijan. Of these, 10 are national parks, 10 are state nature reserves, and 24 are state nature reserves. In general, specially protected natural areas account for 10.31% of the country's territory, national parks separately account for 4.87% of the country's territory, state nature reserves account for 1.39%, and state nature reserves account for 4.05%. In 2024, 224,638 tourists visited national parks under the Ministry of Ecology and Natural Resources based on ticket sales (224000 tourists visited Azerbaijan's national parks in 2024, 2025).

In 2023, at the initiative of the Azerbaijan Tourism Bureau, Azerbaijan was selected as a country partner of the World Travel and Tourism Organization's "Fundamentals of Hotel Sustainability" program. The main goal of the program, which consists of 12 criteria grouped into 3 areas: "Efficiency" (reducing energy and water waste, minimizing carbon emissions, etc.), "Planet" (reusing products consumed in hotels, using environmentally friendly cleaning products, etc.) and "People" (benefiting the community and reducing inequality), is to achieve the application of these globally accepted criteria in hotels in order to promote sustainable tourism. The Azerbaijan Hotel Association is directly involved in the implementation of the program in Azerbaijan.

On November 11–22, 2024, Azerbaijan successfully hosted the 29th session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP29). As part of this event, November 20 was marked as "Tourism Day" for the first time in the history of the COP. The "First Ministerial Meeting on Improved Climate Action in the Tourism Sector" was held on that day.

The document, which reflects the goals of transforming Azerbaijan into an accessible, sustainable and high-quality tourism destination, covers the main principles of sustainable tourism such as cultural heritage, social inclusion, and economic balance. It is emphasized that sustainability, security, private sector involvement, accessibility, and inclusion are generalizing factors that must be considered in each strategic priority. The development of new destinations such as Karabakh and East Zangezur, infrastructure renewal, and inclusive tourism models open up broad prospects for the future. Thus, Azerbaijani tourism is becoming both an important tool for economic development and a competitive and responsible model in the international arena. (Azerbaijan Tourism Strategy, 2022)

Conclusion. In recent years, the Azerbaijani tourism sector has approached global standards by improving the regulatory framework in accordance with the principles of sustainable development and implementing strategies synchronized with the UN Sustainable Development Goals (SDGs). Initiatives such as the new Law on Tourism adopted in 2021, the National Priorities of Azerbaijan 2030, and the Green Economy model play an important role in ensuring ecological, social, and economic balance. Modern community-based tourism approaches have been met with interest in recent times. Ecotourism and community-based tourism forms highlight the importance of designing tourism policies in the future based on social and ecological value, not just income. More systematic application of these approaches across regions can accelerate tourism diversification. The adaptation potential of the tourism sector in the context of climate change is also noteworthy. Components such as green infrastructure, alternative energy sources, and resource efficiency form a reliable basis for the next steps towards sustainability.

Considering the role of human capital in the sustainable development of tourism, professional personnel training, environmentally conscious training programs and social responsibility approaches in tourism management stand out as important factors, and it is advisable to develop additional state strategies in this direction. In addition, a “Sustainability” module should be created in the tourism personnel training system, and subjects and training programs on sustainable tourism should be created in vocational and higher education institutions. A research and dialogue platform should be established on a regular basis for the sharing of scientific knowledge, analysis of statistical data, monitoring of pilot projects and formulation of recommendations between higher education institutions, government agencies and the private sector.

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