

Agriculture, Education, and Sustainable Returns

Understanding Liberated Karabakh's Critical Policy Nexus

Nazrin Baghirova

“In order to perpetuate th[e] victory [achieved by the Second Karabakh War], it is necessary to ensure the return of peoples who have been displaced from their native lands. This Great Return will become a bridge for the sustainable resettlement of our citizens into the territories liberated from occupation and for the integration of these territories into our country's economic activity.”

– Azerbaijan 2030: National Priorities for Socio-Economic Development (February 2021)

The analytic policy brief serves as an introduction to the nexus of policy issues revolving around agriculture and education in furtherance of the national priority to ensure sustainable resettlement in the context of post-liberation Karabakh, which in turn requires the right sort of economic development policies.

Amongst the most important factors that will determine the ultimate success of the “Great Return to the territories liberated from occupation”—in the words of the strategic state document approved by presidential decree in February 2021, *Azerbaijan 2030: National Priorities for Socio-Economic Development*—is the establishment of a holistic approach to agricultural and educational policy regarding Karabakh. Thus, subsequent policy briefs will explore one or more aspects of this policy nexus, in furtherance of the two national goals with respect to the liberated territories: sustainable resettlement and reintegration into economic activity.

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This analytic policy brief, as well as those to come in this series, will be informed by a key finding of a large-scale survey conducted by ADA University among IDPs in the wake of the Second Karabakh War. As IDD Director Fariz Ismailzade writes in the Spring 2022 edition of *Baku Dialogues*, the survey’s intention was to “better gauge their repatriation needs, plans, concerns, and desires.” The good news is that IDPs wholeheartedly embrace the vanguard role they are expected to play in achieving the two national goals regarding Karabakh identified in *Azerbaijan 2030*. Strategically, everyone seems to be on the same page. The key finding of the ADA survey can thus be understood as being of a tactical nature: what ought to be done to ensure the “creation of jobs and industries that match the skills, educational level, and professional backgrounds” of IDPs, as Ismailzade puts it.

For centuries prior to the onset of the First Karabakh War, agriculture was the region’s dominant industry, as will be discussed below. Given Karabakh’s favorable geography, there is no reason to believe that agriculture should not again be an integral part of the region’s economy—a key to its sustainable prosperity. However, as Ismailzade writes, “new generations of young people belonging to the Azerbaijani refugee and IDP community have been born and raised in [...] urban centers and [have been] experiencing a lifestyle that is significantly different from the largely rural lifestyle their families led in the formerly occupied regions.” Hence the critical importance of getting right the nexus of policy issues revolving around agriculture and education in achieving both the sustainable resettlement of post-liberation Karabakh and its reintegration into Azerbaijan’s economic activity.

Soviet-era Agricultural Production and Education in Karabakh

The final Soviet-era statistics relating to the Karabakh region indicate that its total population was 631,000, (76 percent were Azerbaijanis, 23 percent were Armenians, and 1 percent were Russians or Kurds). At the time, its inhabitants were mostly involved in agricultural production, as they had been in centuries past. This was due to Karabakh’s climate and the fertility of its soil, which amounted to 30 percent of Azerbaijan’s quality arable lands. Agricultural production contributed significantly to Azerbaijan’s economy and varied depending on specific locations. In the 1980s, Aghdam, Jabrayil, Fizuli, Qubadli, Lachin, and Zangilan produced 13.9 percent of Azerbaijan’s grain and 25.5 percent of its grapes. Tobacco grown in Kalbajar, Gubadli, Lachin, and Zangilan also significantly contributed to Azerbaijan’s overall totals, as did animal husbandry (both cattle and small-scale livestock) in the mountains of Aghdam, Jabrail, Fizuli, Kalbajar, Lachin, and Zangilan. Lastly, according to Zaur Hasanov, a professor of horticulture at Azerbaijan State Agricultural University, “Terter and Aghdam had the finest quality of pomegranate and palms, which were famous for their taste and uniqueness.”

At that time, the agricultural production system was based on division of labor principles practiced in collective and state farms (kolkhoz and sovkhoz): large “brigades” (specialized teams) in charge of particular operations in different sections of the farm. Thus,

such workers never learned to farm autonomously, much less independently: the skills and competences they were taught were purposefully narrow and specialized.

During the Soviet period, most technical and applied education for future workers in the agriculture sector took place in institutes (i.e., technikums, vocational schools) rather than in universities. Thus, technical skills were taught apart from universities. Regarding the latter, the situation was not much better: the bearer of a university degree may have been a highly qualified professional and scientist, but his or her education was also very specialized. At that time, Azerbaijan had a single agricultural academy (it was located in Ganja) and 18 technikums (both sovkhos and agricultural), with 5 of the latter located in Karabakh. Moreover, the Terter experimental “genetics selection” station was the biggest experimental scientific station under Azerbaijan’s Institute of Genetics and its geographic scope of responsibility covered all of Karabakh (experiments involved the creation of new resistant sorts of cereal and grain seeds that were designed to survive in the region’s particular conditions).

Agricultural Policies in Azerbaijan Between the Two Karabakh Wars

During the period of Armenian occupation, most of Karabakh’s arable lands under their control were unused, contaminated, or destroyed. This limited agricultural production.

Meanwhile, in the rest of Azerbaijan, with advice provided by international financial institutions and other likeminded organizations, the government in Baku undertook a series of land and economic reforms to move the country from a planned economy to a market economy. In July 1996, a flagship land reform law was adopted, the purpose of which was to institute “new relations of land ownership on the basis of principles of economic independence and social equality, the development of a market economy and entrepreneurial initiative, and the achievement of economic independence for the country [...]. The tasks of land reform consist[ed] in determining state lands, ensuring the transfer of lands to municipal and private property, and also ensuring the rights of owners to ownership, use, and the order of lands.” From that point on, specialized brigades no longer operated the collective and state farms, which were by and large dismantled; these were substituted by new small- and medium-sized independent farms and family households.

Then, in 2016, President Ilham Aliyev decreed a *Strategic Vision and Roadmap for Azerbaijan: Agriculture*, which set the following short-term goal: “to create an enabling environment for the competitive agriculture and agro-processing sector, which will improve food security and contribute to solutions of social problems in rural areas, and economic diversification.” The document indicated that this would result in the “efficient use of natural resources, fostering the activity of farmers, and ensure the development of agricultural and food production according to their value chain of production areas and,

in doing so, advance the sustainability of food safety, increase the export volume of the non-oil sector, and boost the income opportunities of people operating in agricultural sector.” The same document outlined Azerbaijan’s long-term goal in the field of agriculture: to “create competitive agri-business through transition from the long-term traditional farming to market-oriented, value-added intensive farming.” HERE HERE The document further indicated that implementing this goal would result in the development of a “scientific, educational and consultancy system that will allow the application of advanced technologies in agricultural production and the enhancement of expertise and skills of producers.” Finally, the *Strategic Vision* document also sets an overall objective for 2025: “ensuring the full modernization and enhancing the competitiveness of the agricultural sector,” which “also includes increasing production, producing value-added crops, and strengthening value chains along agro-processing.”

Post-Occupation Planning and Actions

The Second Karabakh War resulted, inter alia, in Azerbaijan repossessing most of Karabakh’s arable lands, including some 90,000 hectares of grain production fields, the main water reservoir (named Sugovushan), and 30 (out of 36) hydroelectric power stations (the rest are located in the Russian peacekeeping zone). Hence, the urgent need and unprecedented opportunity to establish a holistic approach to agricultural and educational policy regarding Karabakh in furtherance of the national priority to ensure its sustainable resettlement.

In principle, this has been recognized by the authorities. Taking into consideration the agricultural features and advantages of the region, but at the same time the destruction of the region during the period of occupation, in February 2021 President Aliyev approved by decree the aforementioned *Azerbaijan 2030* strategic state document, which identifies several strategic goals, including this one: the “Great Return to the territories liberated from occupation.” Its success is contingent, the document states, on achieving the “sustainable resettlement” of Karabakh and its “reintegration into [the] economic activity” of Azerbaijan.

The same document further indicates that the “sustainable development of the region will depend on meeting the resource-related needs of the economy” and makes reference to Karabakh’s “abundance of natural resources.” The relevant section concludes thusly: “By providing a solid foundation for quality living, we will be able to bring the region’s share in the country’s economic activity to the level it was before the occupation and then steadily increase it. In so doing, the comprehensive promotion of private initiatives based on necessary incentives as well as the development of public-private partnerships will be of utmost importance.”

Azerbaijan has committed to investing billions of dollars to this historical endeavor and various foreign entities like the European Union and a few international financial

institutions have also made pledges. Public and private companies, headquartered in Azerbaijan and abroad, have too made commitments. Much of this work is being spearheaded by the newly-established Karabakh Revival Fund.

A series of capital infrastructure projects are in the works, including major road, rail, and air transport projects, electric modular hydro power stations, and so on. Moreover, Azerbaijan has begun to construct housing and agricultural farms. The village of Agali in the Zangelan district is being rebuilt according to contemporary “Smart Village” norms and systems. In the Aghdam district, a new industrial park is under construction. In May 2021, President Aliyev decreed the establishment of a “green energy zone” in the liberated territories, which is now in the advanced planning stage with the assistance of foreign consultants and experts. Large-scale agroparks are also being built, in accordance with an assessment by the Agriculture Economics Research Center under the Ministry of Agriculture indicating that Karabakh’s agricultural lands still have a high specific quality weight compared to other regions in the country due to their quality characteristics and foreseen productivity: Karabakh’s soil-climatic features still allow for the strong and efficient development of crop and livestock cultivation.

Of particular relevance is the fact that the Karabakh Revival Fund has signed partnership agreements with the Ministry of Education as well as with various local and foreign private entities in the field of agricultural production and processing. For example, AZGRANATA, an Azerbaijani producer of fruit juices and wine, is working with the Fund to produce wine from the Khindogni grape variety native to Karabakh.

The Ministry of Agriculture is working to revitalize and restore the soil in Karabakh’s arable areas and is coordinating its activities with mine clearing efforts led by ANAMA. To that end, the ministry has put forward a plan to stimulate the economic reintegration of the region and advance efforts to sustainably return IDP families by restoring agricultural production in Karabakh. Elements include:

1. Conducting land reforms to ensure the efficient utilization of soil and water resources. Projections indicate that 200,000 ha of lands in Karabakh will be utilized for crop production.
2. Developing the livestock sector through the (re)establishment of animal husbandry farms and apiculture in areas where pastures and meadows predominate.
3. Establishing a supply base for agro-technical services, seeds, fertilizers, and pesticides.
4. Providing educational services (specialized training) for current and prospective farmers, shepherds, and other specialized agro-industry workers.

5. Establishing a logistical chain for the supply and trade of produce.
6. Establishing special state support mechanisms for new agricultural processing enterprises
7. Encouraging the intensive cultivation of fruit trees and creating conditions for high added-value enterprises, including the supply of raw materials for the processing industry and export opportunities. Along with the restoration of traditional fruits orchards, there are great opportunities to expand the planting of potatoes, vegetables, melons, and fodder crops in the region, as well as various grape varieties for winemaking.

On this basis, one can conclude that the ministry is working to enable the restoration of Karabakh's agricultural competitive advantage through coordinated PPP mechanisms like the construction of agroparks (i.e., a flagship one in Aghdam as well as smaller ones in other parts of the liberated areas), which includes taking steps to provide returnees with adequate skills and competences in the field of agriculture so they can more easily find gainful employment or start their own agri-businesses.

Overcomeable Challenges

Still, much work remains to be done to fulfill the vision outlined in *Azerbaijan 2030*. To that end, we can list 13 challenges to the sustainable resettlement of IDPs and the launch of agricultural projects in the liberated lands.

1. The need for policies and training to ensure the optimal utilization and access to all agricultural lands, equipment, and finance for returning families to Karabakh.
2. The need for new education models, methods, and curricula to meet the modern challenges and opportunities of contemporary agricultural production and processing as well as technological advancement.
3. The need for policies that ensure public private partnerships can establish new educational complexes geared towards fostering successful agri-businesses.
4. The need for next-generation agricultural business models and on-the-job training to overcome the challenge of potential skills mismatch between the agricultural labor market and the skills of returnees.
5. The need for both short-term certified vocational and professional training and longer-term degree programs offered in Karabakh for self-employed farmers and those who want to be involved in agricultural production and processing.

6. The need for a new mechanism (regulatory policies) to establish a functioning inter-state trade corridor for agricultural producers.
7. The need for proper veterinary practices in order to ensure healthy animal husbandry and meat production as well as export to neighboring countries and the European Union.
8. The need for market-based incentives for young farmers to start their own agri-businesses, including providing access to finance and land in Karabakh.
9. The need for agricultural infrastructure, equipment, educational institutions, and special education program to close the generational gap between outdated skills and competences and those of this century.
10. The need for courses that will help returnees conceive of their vocation in terms of integrated agricultural systems so that they can understand the multi-dimensional nature of sustainable agricultural production, trade relations in a market economy, farm management incorporating the latest technological advancements, and so forth. This requires an inter-disciplinary systems approach to agricultural education.
11. The need for connecting research and production through extension pedagogical services of the kind that universities provide in many countries.
12. The need for policies that recognize the utility of short courses of continuing education designed to qualify extension services specialists and staff. Continuing education should, whenever possible, make use of farmers' associations, graduate associations, NGOs, commercial enterprises, and research and extension centers.
13. The need for compulsory IT competence training related to the agricultural production and management. No cutting-edge agropark, least of all Karabakh's flagship in Aghdam, can be successful without such training.

Strategies to overcome the nexus of policy challenges revolving around agriculture and education will be explored in subsequent analytic policy briefs conducted under the aegis of the Institute for Development and Diplomacy, and thus contribute to achieving both the sustainable resettlement of post-liberation Karabakh and its reintegration into Azerbaijan's economic activity.