POST-CONFLICT URBAN DEVELOPMENT AND EMPLOYMENT: SPATIAL PLANNING AS A TOOL FOR SUSTAINABLE RECOVERY IN KARABAKH

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Abstract. The present work examines the relationship between integrated spatial planning, employment generation, and sustainable population return during the post-conflict reconstruction of Karabakh following the restoration of Azerbaijan's territorial integrity in 2020. Using a qualitative document-based case-study approach, this study analyzes the official master plans of six liberated cities: Shusha, Aghdam, Fuzuli, Zangilan, Lachin, and Kalbajar. The findings demonstrate that housing alone cannot guarantee successful resettlement; long-term recovery depends on polycentric urban development, smart-city concepts, and the simultaneous provision of economic opportunities and social infrastructure.

Keywords: post-conflict reconstruction, spatial planning, employment, Karabakh, sustainable return

1. Introduction

Post-conflict territorial reconstruction does not mean only the rebuilding of settlements. Sustainable recovery should encompass economic activity, tools that encourage the permanent return of internally displaced persons, and social solidarity. This process requires integrated spatial planning, land use, the provision of public services, carefully considered location-appropriate employment, and environmental sustainability. These elements should be integrated with one another. In 2020, Azerbaijan restored its territorial integrity. In the Karabakh region, which had been under occupation for 30 years, urban centres, villages, infrastructure, monuments, and productive lands had been destroyed and left unused. Therefore, reconstruction should support long-term economic sustainability and include efforts to improve residents' quality of life.

International experience shows that housing construction alone does not ensure successful resettlement. The parallel provision of education, healthcare, social infrastructure, and other services makes this process sustainable. The Azerbaijani government has adopted comprehensive master plans for several liberated cities. It has sought to implement sustainable

urban planning and smart village concepts. Using a case study approach, this article examines the relationship between spatial planning in the reconstruction of Karabakh, efforts to develop social infrastructure, and the sustainable return of the population. The article argues that spatial planning should be considered not merely a mechanism for physical reconstruction, but also a tool capable of ensuring that the post-conflict population remains in the region.

2. Literature Review / Background

2.1. Historical and Post-Conflict Context

For centuries, Karabakh has served as a centre of trade, craftsmanship, agriculture, and cultural exchange, gaining historical significance through its cultural heritage, urban development, and strategic location at the crossroads of the South Caucasus. Shusha, Aghdam, Fuzuli, Lachin, Jabrayil, Kalbajar, and Zangilan are cities in the Karabakh region, each with its own distinctive landscape and identity.

The occupation, which lasted for nearly three decades, resulted in the destruction of settlements, cultural heritage sites, public infrastructure, transport networks, and other assets. The displacement of nearly one million Azerbaijanis disrupted long-established social and economic systems, leaving many settlements without permanent residents or functioning local economies (UNDP, 2022).

In 2020, following the Second Karabakh War, Azerbaijan launched the largest reconstruction programme in its modern history (State Committee on Urban Planning and Architecture of the Republic of Azerbaijan, 2022).

2.2. Spatial Planning, Employment, and Return: Theoretical Foundations

Employment is recognised as one of the key factors influencing return decisions in post-conflict societies. Internally displaced persons are significantly more likely to return to their places of origin when stable sources of income and economic opportunities are available there (IOM, 2021).

Spatial planning is conceptualised not merely as a technical tool, but as a strategic framework that links land use, infrastructure, and economic diversification (OECD, 2021). This perspective is consistent with place-based and integrated territorial development approaches, which

emphasise the interrelationship between spatial organisation, economic productivity, and social well-being (European Commission, 2020; UN-Habitat, 2020). International research also shows that successful post-conflict recovery depends not only on housing construction, but also on integrating land-use planning with employment creation and social infrastructure (United Nations and World Bank, 2018).

3. Method / Approach

This study adopts a qualitative, document-based case-study approach. The primary sources are official master plans and reconstruction strategies published for six liberated cities — Shusha, Aghdam, Fuzuli, Zangilan, Lachin, and Kalbajar — by the State Committee for Urban Planning and Architecture of the Republic of Azerbaijan, supplemented by international institutional reports on post-conflict reconstruction, employment, and territorial development (United Nations & World Bank, 2018; UN-Habitat, 2020; OECD, 2021; IOM, 2021; UNDP, 2022;). Findings are organised thematically to identify each city's designated economic function and its expected relationship to employment generation and population return, summarised comparatively in Table 1.

4. Results and Discussion

4.1. Functional Differences Among the Cities Under Reconstruction

Taking regional development into account, the Azerbaijani government has sought to develop individual master plans defining the future role of each city (State Committee on Urban Planning and Architecture of the Republic of Azerbaijan, 2022). For example, Shusha has been declared the cultural capital of Azerbaijan. Given the prominence of Shusha’s historical identity, reconstruction efforts prioritise the preservation of historical monuments, the restoration of the traditional urban fabric, and the development of cultural tourism. The city’s historic centre has been included on UNESCO’s World Heritage Tentative List (UNESCO World Heritage Centre, n.d.), and spatial planning aims to strike a balance between heritage preservation and modern urban infrastructure. In 2023, Shusha was also declared the Cultural Capital of the Turkic World (TÜRKSOY, 2023), further strengthening the international profile of its heritage-based reconstruction strategy.

Taking its geographical location and landscape into account, Aghdam is being rebuilt as a major industrial and logistics centre. The master plan for Aghdam includes industrial zones, logistics

facilities, commercial areas, and modern residential neighbourhoods. The city's strategic location and transport connections are expected to stimulate regional economic growth.

In 2021, Fuzuli International Airport was constructed in Fuzuli. The airport primarily serves the Karabakh region. The construction of new transport corridors has also established the city as a transport and service hub. Planning efforts focus on investment and regional accessibility.

Kalbajar, known since the Soviet era for its mountainous landscape, forests, and mineral springs, and as a destination for health tourism, is being developed in line with its traditional role. At the same time, accessibility and public services are being improved in Lachin and Kalbajar to meet the needs of returning residents.

Although each city performs a different function, together they aim to form a polycentric urban system in which complementary economic roles help balance regional development and strengthen the sustainability of the wider settlement network (UN-Habitat, 2020).

4.2. Employment as an Incentive for Sustainable Return

Spatial planning is not merely a technical process of urban development. It serves as a strategic tool for linking investment with regional competitiveness. It brings together residential, economic, institutional, and green infrastructure land uses within a unified framework for social and economic recovery (OECD, 2021). In Karabakh, industrial investment in Aghdam, tourism in Shusha, transport and logistics in Fuzuli, and sustainable agriculture in Zangilan support balanced regional development through diversified urban functions. At the same time, these activities provide tangible evidence of employment creation.

The relationship between employment and spatial planning is not limited to economic production. The geographical distribution of public spaces, community centres, schools, healthcare facilities, and transport systems affects residents' quality of life. This, in turn, encourages residents to remain in the area permanently.

Consequently, successful reconstruction requires the parallel and integrated development of physical infrastructure, economic revitalisation, and social structures within a coordinated planning framework (UNDP, 2022).

From this perspective, the long-term success of Karabakh's reconstruction should not be measured solely by the number of housing units delivered or infrastructure projects completed. Rather, it should be assessed by the extent to which reconstruction creates sustainable, socially inclusive, and environmentally sensitive communities that encourage the permanent return of the population.

City	**Spatial Planning Priority**	**Primary Economic Function**	**Expected Employment Sectors**	**Planning Document**
Shusha	Heritage conservation, tourism-oriented regeneration	Cultural tourism	Tourism, hospitality, creative industries, public services	Shusha Master Plan (State Committee, 2022); UNESCO Tentative List (n.d.); TURKSOY (2023)
Aghdam	Industrial development, regional service centre	Industry and logistics	Manufacturing, logistics, construction, trade	Aghdam Master Plan (State Committee, 2022)
Fuzuli	Regional transport and logistics hub	Transportation and services	Logistics, transport, commerce, public administration	Fuzuli Master Plan (State Committee, 2022)
Zangilan	Smart settlement development, sustainable agriculture	Smart agriculture, green economy	Agriculture, ICT, renewable energy, rural services	Zangilan Master Plan (State Committee, 2022); Aghalı Smart Village Project (2022)
Lachin	Eco-tourism, mountain settlement development	Nature-based tourism	Tourism, agriculture, forestry, local services	Lachin Master Plan (State Committee, 2023)

Kalbajar	Environmental conservation, sustainable resource use	Eco-tourism, natural resources	Tourism, agriculture, environmental management	Kalbajar Master Plan (State Committee, 2022)

Table 1. Designated spatial-planning priority, economic function, and expected employment sectors by reconstructed city.

5. Conclusion

The reconstruction of Karabakh illustrates how physical rebuilding can be integrated with long-term spatial and socio-economic development objectives. Sustainable recovery cannot be achieved through housing and infrastructure alone; it requires a spatial-planning framework that simultaneously supports employment generation, economic diversification, public-service provision, and environmental sustainability. The differentiated functional roles assigned to Shusha, Aghdam, Fuzuli, Zangilan, Lachin, and Kalbajar promote balanced territorial development by aligning local resources and economic potential with regional planning objectives. Employment should accordingly be treated as an integral component of spatial planning, not a secondary outcome of reconstruction. The Karabakh experience offers insights for policymakers and researchers working on post-conflict recovery elsewhere; future research may evaluate the long-term socio-economic impacts of the reconstruction process as population return continues to evolve.

*Keyword***s:** post-conflict reconstruction; spatial planning; employment; Karabakh; sustainable return

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