# BAKU DIALOGUES

## POLICY PERSPECTIVES ON THE SILK ROAD REGION

Vol. 9 No. 3 Spring 2026

## *Housing the World: Safe and Resilient Cities and Communities*

*Anar Valiyev, Guest Editor*



bakudialogues.ada.edu.az

DOI: https://doi.org/10.60119/VMMG4782

ISSN Print: 2709-1848
ISSN Online: 2709-1856

# BAKU DIALOGUES

POLICY PERSPECTIVES ON THE SILK ROAD REGION

Vol. 9 No. 3 Spring 2026


## *Housing the World: Safe and Resilient Cities and Communities*

*Anar Valiyev, Guest Editor*




bakudialogues.ada.edu.az

Issue's (Vol. 9 No. 3 Spring-2026) DOI
https://doi.org/10.60119/FKCO7278

# BAKU DIALOGUES

## POLICY PERSPECTIVES ON THE SILK ROAD REGION

bakudialogues.ada.edu.az

Published by
Institute for Development and Diplomacy, ADA University
Baku, Azerbaijan



Mr. Fikrat Malikov, Layout, Digital and Print Production
Manager for Creative Services, ADA University

Mr. Murad Taghizada, Designer
Specialist for Graphic and UI Design, ADA University

Ms. Fidan Allahyarova, Communications and Content Management
Coordinator, Institute for Development and Diplomacy

Please direct all inquiries, submissions, and proposals via email to Baku-Dialogues@ada.edu.az. Submission guidelines are available on the *Baku Dialogues* website: bakudialogues.ada.edu.az.

# Table of Contents

Vol. 9 No. 3 Spring 2026

## Essays

https://doi.org/10.60119/NZZR4563

# Housing at the Center

## Rebuilding the Social Contract for Cities in a Fragmented World

*Anacláudia Rossbach*

As the world turns its attention to Baku in anticipation of the Thirteenth Session of the World Urban Forum (WEF13), a profound realization is taking hold across governments, institutions, and communities: the future of cities will be determined not only by how they grow, but by how they house their people.

Across continents and contexts, housing has emerged as the defining challenge of our urban age. It sits at the intersection of inequality, climate change, economic instability, and social fragmentation. And yet, for decades, it has too often been treated as a sectoral issue—something to be addressed through discrete policies, market adjustments, or targeted programs. It is increasingly clear and consistently emphasized by UN-Habitat that housing must be understood not as a standalone domain, but as the foundation of the entire urban system.

The scale of the challenge is staggering. Over 2.8 billion people worldwide live in inadequate housing conditions. Hundreds of millions experience homelessness, often in forms that remain invisible in official statistics—people living in temporary shelters, overcrowded spaces, or precarious arrangements that offer little security or dignity. More than 1 billion people reside in informal settlements or slums, where access to basic services such as water, sanitation, and electricity is uncertain, and where tenure insecurity leaves communities vulnerable to eviction and displacement. In short, the housing crisis affects nearly 40 percent of the global population.

***Anacláudia Rossbach*** *is an Under-Secretary-General of the United Nations and Executive Director of the United Nations Human Settlements Programme (UN-Habitat). The views expressed in this essay are her own.*





*Housing has emerged as the defining challenge of our urban age. It sits at the intersection of inequality, climate change, economic instability, and social fragmentation.*

Yet these figures, as striking as they are, only tell part of the story. The housing crisis is not confined to low-income or rapidly urbanizing regions. In high-income countries, housing affordability has deteriorated to the point where middle-income households—once considered secure—are increasingly excluded from urban centers. Rising land values, commodification of housing markets, and speculative investment have transformed housing into an asset class, often detached from its social function. The result is a paradox: cities are engines of economic growth, yet increasingly inaccessible to those who sustain them.

This dynamic is becoming increasingly visible in the countries of the South Caucasus and Central Asia, where rapid urban transformation is reshaping economic and spatial patterns, with cities like Almaty, Astana, Baku, Bishkek, Tashkent, and Tbilisi becoming highly polarized hubs of growth. Concentration of investment, infrastructure, and opportunity in these urban cores is accelerating internal migration, driving up land and housing costs, and widening disparities between metropolitan centers and intermediate cities. As a result, these capitals are simultaneously magnets of opportunity and sites of exclusion, reflecting a broader global trend in which urban prosperity is increasingly unevenly distributed both within and across national territories.

**Figure 1. The housing crisis affects nearly 40 percent of the global population.**

This paradox reveals a deeper structural issue. Housing systems around the world have become misaligned with broader societal goals. They no longer reliably deliver affordability, inclusion, or resilience. Instead, they often amplify inequality, entrench spatial segregation, and expose vulnerable populations to environmental and economic risks. In this context, UN-Habitat's call to reinforce housing as a human right and a public good is not merely normative—it is a pragmatic response to systemic failure.

To understand housing as a public good is to recognize its centrality to social and economic life. Housing is not simply a physical structure; it is the entry point to the city. It determines access to jobs, education, healthcare, and social networks. It shapes daily life in ways that are both visible and invisible, influencing everything from commute times to exposure to environmental hazards.

*Housing systems around the world have become misaligned with broader societal goals.*

When housing systems function well, they support productivity, stability, and cohesion. When they fail, the consequences ripple across society and the economy. In this regard, important challenges to be addressed at WUF13 are post-conflict reconstruction, return, and housing recovery, underscoring the critical role of housing in rebuilding communities and restoring social and economic systems.

This is one reason why an emerging consensus is taking shape around the idea of housing as social infrastructure. Much like transport systems connect people to opportunity, and healthcare systems sustain wellbeing, housing provides the foundation upon which all other urban systems depend. Without adequate, affordable, and secure housing, investments in other sectors are undermined. Schools cannot function effectively if children lack stable homes. Labor markets cannot operate efficiently if workers are priced out of cities. Climate adaptation efforts falter if housing remains vulnerable to extreme weather events.

## *Reframing Housing Systems*

The implications of this reframing are profound. It challenges policymakers to move beyond narrow conceptions of housing provision and to engage with the broader systems that shape housing outcomes. Land governance, for instance, becomes a central concern. In many cities, land is scarce, fragmented, or subject to speculative pressures that drive up prices and limit access. Addressing this requires not only regulatory reform but also new approaches to land management, including land value capture mechanisms that can redirect the gains from urban development towards public benefit.

Financing is another critical dimension. The scale of investment required to address the global housing deficit is immense, and traditional funding models have proven to be insufficient. In the present circumstances, where most countries in both the Global North and the Global South are facing housing challenges, finance needs to draw on resources from the domestic public sector at all levels—federal, provincial, or local. Global and regional climate funds need to be combined with private capital provision at scale, and mortgage markets need to be expanded to previously unserved populations.

*A contextual rebalancing of housing institutions and finance is a critical need of our time across UN member states.*

Bridging the housing finance gap requires innovative financing approaches that align financial returns with social outcomes. Blended finance models, social and green bonds, and targeted housing funds together are the solution. These need to be deployed alongside coherent policy and urban planning frameworks that ensure accountability and inclusion.

The importance of nationally targeted public finance for housing, especially for the most vulnerable, and the way this also incentivizes greater involvement of provincial and local governments, cannot be overstated. In countries in the Global South, where urbanization is most rapid and informal settlements are expanding, special targeted housing finance solutions are required for their residents.

A contextual rebalancing of housing institutions and finance is a critical need of our time across UN member states. This rebalancing needs to happen in the national sphere through regulatory and incentive mechanisms to increase financial allocations and improve incentivizing and targeting strategies.

At the level of private financial markets and mortgages, new and innovative instruments need to be crafted within a well-regulated framework that makes private markets work better for the poor and vulnerable sections of society. It also needs to happen at the provincial and city levels, where urban planning instruments can be leveraged to better target local resources for populations facing the greatest need. National and international climate finance mechanisms, including disaster risk finance, could also play a role, as urban housing is a growing and critical area of vulnerability. Private firms and public-private partnerships can play an important role in increasing housing supply and driving down costs within well-defined planning, policy, and regulatory frameworks.

In summary, the housing finance challenge today requires both interventions aimed at making housing markets work better for all and, simultaneously, targeted interventions, especially for the most vulnerable sections, whose representation is growing worldwide, including young people, migrant populations, and people living in informal settlements, among others.

The intersection of housing and climate change adds another layer of not only complexity, but also of urgency. Housing is both a contributor to and a casualty of climate change. The construction and operation of buildings account for a significant share of global emissions, while at the same time, housing is often located in areas most vulnerable to climate impacts. In many parts of the South Caucasus and Central Asia, including Azerbaijan, these challenges are further compounded by widespread overcrowding, aging apartment blocks, seismic risk, and poor energy performance—conditions closely linked to the extensive and deteriorating Soviet-era housing stock. Floods, coastal vulnerabilities, droughts, heatwaves, and other extreme events disproportionately affect those living in inadequate or informal housing, as well as in structurally vulnerable legacy housing, exacerbating existing inequalities.

*The intersection of housing and climate change adds another layer of not only complexity, but also of urgency.*

Addressing this dual challenge requires a holistic approach. Climate-resilient housing must be prioritized, particularly in vulnerable regions, alongside efforts to reduce the carbon footprint of construction and building operations. This includes green retrofitting, the adoption of sustainable and locally sourced materials, energy-efficient designs, and nature-based solutions that enhance resilience while improving quality of life. The growth of urban centers must be managed to ensure compact city development and mixed-use neighborhoods, reduce the cost and environmental footprint of long commutes, and prevent land degradation in peri-urban areas.

Crucially, these efforts must be inclusive, ensuring that the transition to low-carbon and climate-resilient housing does not place additional burdens on those already at risk.

Underlying all of these challenges is a fundamental issue of knowledge and data. Effective policymaking depends on reliable, comparable information, yet housing data remains fragmented and inconsistent across countries and regions. This limits governments' ability to diagnose problems, design interventions, and monitor progress. Strengthening housing data systems—through improved indicators, enhanced statistical capacity, and the use of digital technologies—is therefore a critical priority.

*Baku is an especially relevant host for WUF13 because the city offers concrete examples of urban transformation across multiple scales.*

## *From Dialogue to Action*

It is within this complex and evolving landscape that Baku assumes a particular significance. As a historic crossroads of civilizations and a city that embodies dialogue and exchange between faiths and cultures, Baku provides a fitting setting for the global conversations that will unfold at World Urban Forum 13.

WUF13 represents more than a gathering of experts and policymakers; it is a platform for shaping the future of urban development. Baku is an especially relevant host for WUF13 because the city offers concrete examples of urban transformation across multiple scales. These include the large-scale regeneration of Baku White City as a mixed-use and environmentally oriented district; efforts to provide more transparent, affordable housing delivery through the ASAN/MIDA digital

platform; the Baku Digital Twin project enhancing urban mobility management, data integration, and decisionmaking processes; and a forward-looking integrated management approach adopted for the conservation of the historical quarter of Icherisheher. The stewards of this UNESCO World Heritage Site have tied preservation goals to the engagement of the resident community and a long-term urban planning framework. These cases make Baku an interesting case for housing innovation as well as wider governance of urban transformation.

*The true measure of WUF13 will not lie in the discussions it hosts, but in the actions it catalyzes.*

This role is further reinforced by emerging regional initiatives, including the planned Regional Climate Smart Cities Forum under the United Nations Special Programme for the Economies of Central Asia (UN-SPECA). This initiative signals a growing recognition of cities as critical platforms for regional cooperation, economic integration, and sustainable development across the countries covered by this sub-regional mechanism, and beyond. By fostering dialogue among cities within the SPECA region, WUF13 aims to strengthen shared approaches to urban challenges—particularly in climate resilience—while linking regional priorities to global agendas.

Importantly, this momentum builds on the COP29 Declaration on Multisectoral Actions Pathways to Resilient and Healthy Cities, which underscored the commitment of countries in the region to advance climate-smart urban development, strengthen urban resilience, and accelerate low-carbon transitions through city-level action. This document highlights the strategic role of cities in delivering climate commitments and reinforces the need for integrated approaches that connect housing, infrastructure, and environmental sustainability. These initiatives position Baku not only as a deserving host of WUF13, but also as an emerging anchor for sustained regional leadership in climate-responsive and inclusive urban development.

UN-Habitat has underscored the importance of Baku as a space where diverse perspectives can converge, where regions can learn from one another, and where shared challenges can be addressed through collective action. In a world marked by fragmentation and uncertainty, such spaces are invaluable. They enable the kind of dialogue that is necessary to build consensus, foster innovation, and mobilize resources.

Yet the true measure of WUF13 will not lie in the discussions it hosts, but in the actions it catalyzes. The global housing crisis demands more than analysis and advocacy—it requires implementation at scale. This means translating ideas into policies, commitments into investments, and dialogue into tangible outcomes. It requires partnerships that cut across sectors and levels of governance, bringing together governments, the private sector, civil society, and communities.

*What kind of cities do we want to build, and for whom?*

Perhaps most importantly, it requires a renewed commitment to inclusion. The voices of those most affected by the housing crisis—residents of informal settlements, people experiencing homelessness, marginalized communities—must be central to decisionmaking processes. Their experiences and insights are essential for designing solutions that are not only effective but also equitable.

## *Rebuilding the Social Contract for Cities*

At its core, the housing crisis is a reflection of a deeper question: What kind of cities do we want to build, and for whom? It is a question about the social contract that underpins urban life. In many places, that contract has frayed. Inequality has widened, trust has eroded, and the promise of cities as spaces of opportunity has been called into question.

Rebuilding this social contract requires a fundamental shift in how we think about housing. It requires moving beyond the idea of housing as a commodity and towards a vision of housing as a shared responsibility. It requires recognizing that the benefits of urbanization must be distributed more equally, and that the right to adequate housing is integral to the realization of other rights.

As the global urban community gathers in Baku, there is an opportunity to chart a new course. To place housing at the center of urban policy. To align investments with social and

environmental goals. To strengthen institutions and empower communities. And to bridge divides and build solidarity.

Critically, the legacy of World Urban Forum 13 must be defined not by dialogue alone, but by what it leaves behind: a strengthened global consensus on housing as a public good, concrete partnerships and financing pathways to scale solutions, and a renewed commitment to implementation that translates into tangible improvements in people's lives.

This legacy will be anchored in the anticipated Baku Call to Action, as well as the Ministerial Meeting on the New Urban Agenda, which will feed directly into the mid-term review process under the auspices of the UN General Assembly and help chart a clear, action-oriented course for implementation for the next ten years, through to 2036.

The path forward will not be easy. The challenges are complex, and the stakes are high. But the potential rewards are immense. Cities that are inclusive, resilient, and sustainable are not only possible—they are within reach. Housing, in this context, is more than a policy issue. It is the foundation of how we live together. And in Baku, at this critical moment, the world has a chance to reaffirm that foundation and to build upon it for generations to come. BD

bakudialogues.ada.edu.az

https://doi.org/10.60119/KNNT2498

# The Concept of Inclusive Neighborhoods

## Lessons from Vienna's Mixed Housing Types

*Silja Tillner*

A historical overview of the development of the Viennese housing system provides the framework for understanding its current favorable situation, which draws many international experts eager to learn from the Vienna model. Since 1917, the Viennese housing model has evolved, with its core principles established in 1922. Even during times of financial difficulty, successive city governments resisted selling property and protected their municipal landholdings. Today, this gives the City of Vienna a significant advantage over other European cities that began selling municipal properties in the 1980s.

The Viennese housing system was developed with the help of renowned architects, urban planners, and sociologists. They focused not only on designing functional and aesthetically pleasing individual buildings, but also on establishing neighborhoods with social, cultural, and technical infrastructure.

This is an early version of today's 15-minute city concept, which advocates providing essential services within a 15-minute walk. In the early twentieth century, the city had already envisioned establishing mixed districts with socially integrated communities by using land provision and zoning to ensure the fair distribution of social housing across the entire city.

***Silja Tillner** is a Visiting Assistant Professor at ADA University. She studied architecture at the Vienna University of Technology and the Academy of Fine Arts, followed by postgraduate study in urban design in Los Angeles (UCLA, GSAUP). The views expressed in this essay are her own.*





Today, the residents of Vienna benefit from the continuous stewardship and administration of Europe's largest property manager, which is responsible for 1,800 housing complexes, 220,000 individual flats, and 5,500 business premises. In 2020, Vienna's municipal housing celebrated its one hundredth anniversary whilst remaining true to its mission of providing affordable, high-quality dwellings in mixed communities across the entire city for the majority of its population.

*A historical overview of the development of the Viennese housing system provides the framework for understanding its current favorable situation, which draws many international experts eager to learn from the Vienna model.*

### *Affordable Housing Evolution*

Vienna's social housing system emerged out of necessity during a severe housing crisis in the early twentieth century. From this crisis, a lasting and well-organized model of housing and urban welfare policy developed that remains relevant today. After World War I and the collapse of the Habsburg-led Austro-Hungarian Empire in 1918, social reforms gained momentum. The founding of Vienna as a federal city-state in 1922 enabled the introduction of a progressive housing tax in 1923, providing a stable financial foundation for large-scale municipal investment and making housing a central part of social recovery.

This initial municipal program aimed to build 25,000 homes within five years and was guided by the principle of providing "fresh air, light, and sunshine," a motto that still influences Vienna's housing policy today. During the interwar period known as Red Vienna (1923-1933), the socialist-led city government constructed about 60,000 apartments in 335 complexes. These large housing projects included public services, green courtyards, schools, cultural venues, laundries, and health facilities, which transformed social reform needs into spatial innovation.

After the late-1945 proclamation of the Second Austrian Republic (which operated until 1955 under Allied occupation), roughly

one-fifth of Vienna's housing stock was either demolished or declared uninhabitable as a result of damage from fighting caused by World War II, during part of the period when the country had been annexed by Adolf Hitler's Third Reich. Reconstruction became a national priority, and housing policy was institutionalized as a pillar of Austria's emerging welfare state. The 1954 Housing Subsidy Act established long-term public funding, enabling a new wave of municipal construction. The Per-Albin-Hansson-Siedlung West was built in the "garden city" tradition, with low-rise housing and generous green spaces, while in the 1960s and 1970s the Per-Albin-Hansson-Siedlung Ost was constructed using prefabricated concrete, characteristic of Vienna's postwar industrialized building boom.

Starting in the 1980s, Vienna's social housing system shifted to a mixed model combining public regulation with non-profit development. Limited-profit housing associations (LPHAs) became the main actors in subsidized construction, operating under cost-rent rules and municipal oversight. In 1984, the City of Vienna established Wohnfonds Wien to manage landholdings, acquire new land, and oversee refurbishment projects in city-owned housing estates. In 1995, Austria joined the European Union, and Vienna maintained its unique model of limited-profit housing development through competitions for teams of developers, architects, and multidisciplinary experts. This approach has been key to establishing vibrant, attractive neighborhoods with affordable, socially inclusive housing.

*A distinctive characteristic of the Viennese model is its focus on developing entire neighborhoods rather than isolated buildings.*

Wohnfonds Wien, a non-profit organization founded in 1984 by the City of Vienna, sells or leases city property to housing developers and uses developer competitions to assign land and ensure quality. In response to rising housing demand and affordability pressures after 2008, Vienna introduced the SMART Housing program in 2012, promoting cost-efficient, energy-conscious apartments, and launched the Municipal Housing NEW initiative in 2015, reintroducing direct municipal development.

A distinctive characteristic of the Viennese model is its focus on developing entire neighborhoods rather than isolated buildings. Since its introduction in 1995, the housing developer competitions have centered on neighborhood-scale development in which Wohnfonds Wien offers several sites to different competitors. This allows the city to launch large competitions across several city blocks with a thematic focus tailored to each neighborhood (e.g., live-work typologies, intergenerational living, single-parent households, etc.).

## European Context

Housing affordability has become a global issue, especially as urbanization has driven large numbers of people to leave their provincial homes in search of work in growing cities. In general, these new urbanites have difficulty buying or renting housing units unless they can afford market-rate dwellings. In some political circles, this challenge is seen as being within the purview of governments to resolve. In a growing number of cities worldwide, affordable housing estates do not exist in sufficient numbers, either for local citizens or newcomers. The housing market remains a business and investment opportunity, with this trend growing stronger since the new millennium, interrupted only by the global financial crisis of 2008-2009.

*Housing affordability has become a global issue, especially as urbanization has driven large numbers of people to leave their provincial homes in search of work in growing cities.*

Speculative apartment developments have surged, often consisting of small units bought as investments by buyers who sublet them at high rates. This trend drives up real estate prices: globally, households now spend an average of 31 percent of their income on housing costs (i.e., rent or mortgage payments). Although the European Union as a whole has a relatively low burden of 21.4 percent, many cities within the EU, such as Prague and Paris, have become so costly that young people cannot afford to live in central districts and consequently either stay at home or move elsewhere.

Most cities in the EU that previously had municipal social housing—such as Berlin and the former Warsaw Pact cities of Prague, Bratislava, Warsaw, and Bucharest—either sold their properties to raise funds or transferred them to tenants

at below-market rates to avoid maintenance costs. As a result, these cities now have high home-ownership rates and a shortage of affordable rental properties. In the EU (and elsewhere), higher private ownership in the housing market tends to lead to higher rents. However, one political argument being made is that cities like Berlin, which once had a large municipal housing stock, now urgently need to build new affordable housing on public land, often using public (i.e., taxpayer) money. A less costly financing instrument would be to entrust non-profit housing developers with building housing on publicly owned land, similar to the Vienna model.

Over the past eight years, housing real estate prices have gone up by 48 percent and rents by 18 percent, putting pressure on affordability even in high-income EU countries and elsewhere.

In some cases, this has led to a so-called housing crisis that has become a key factor in recent election cycles. In cities like Amsterdam, Graz, Copenhagen, and New York, mayors have campaigned and won on promises to provide more affordable housing using public funds. Additionally, these figures do not fully reflect disparities across income groups. An OECD report indicates that people in the bottom quintile of the income distribution spend at least 40 percent of their disposable income on rent or mortgage payments, highlighting disproportionate strain on low-income households. Young adults are also disproportionately impacted: in 2023, the average age for leaving the parental home in the EU space reached 26.3 years.

The ongoing gap between housing supply and demand worsens these issues. Residential construction output in the EU space decreased by 5.7 percent in 2024, following a 2.6 percent drop in 2023, while building permits declined by 14.6 percent in floor area and 19.6 percent in the number of dwellings between 2021 and 2023. Structural underinvestment, permitting processes, due to overregulation, often lasting longer than a decade, as well as zoning restrictions are identified as the primary causes of this stagnation.

The scale of unmet housing needs across the EU is striking. According to a recent report by Housing Europe—an association of public, cooperative, and social housing authorities founded in 1988—by 2033, France is projected to require 518,000 new homes annually (198,000 of which are social housing), Germany at least 400,000 (including 140,000 social homes), the Netherlands nearly 1 million by 2031, and Sweden over 500,000. These shortages contribute to what social scientists refer to as "urban segregation," as low- and middle-income families are increasingly priced out of central urban areas. This is seen by many as a crisis in need of a government solution.





*Housing affordability has become a global issue, especially as urbanization has driven large numbers of people to leave their provincial homes in search of work in growing cities.*

In light of this housing crisis, the design and provision of social and affordable housing have become essential. Conventional social housing in the EU and elsewhere often risks reinforcing what social scientists call "socioeconomic homogeneity" if new subsidized housing complexes are not carefully integrated into the urban fabric and fairly distributed across city districts to avoid segregation.

However, an existing and effective solution exists: Vienna's social housing model offers a strong example of how targeted policies can foster socio-economic inclusivity and environmental sustainability. By focusing on mixed-income communities and utilizing brownfield redevelopment projects like Seestadt Aspern, Village im Dritten, and Wolfganggasse, Vienna shows how social housing can alleviate affordability pressures, counteract urban segregation, and produce resilient neighborhoods. Understanding these strategies offers valuable lessons for tackling housing challenges confronting other cities in the EU and beyond.

## *Vienna's Current System*

Today, Vienna is one of the fastest-growing cities in the European Union. Despite typical demographic trends like aging and low birth rates, the population of both the city and its metropolitan area has steadily increased over the past 30 years, driven by intra-Austrian population shifts, job-seeking EU citizens, the arrival of immigrants and refugees from the Balkans in the 1990s, and more recently, the influx of asylum seekers from Ukraine, Syria, Afghanistan, and other unstable or impoverished parts of the world.

About 60 percent of Vienna's population lives in subsidized or otherwise publicly supported housing,

making it one of the largest and most stable affordable housing systems in the world. Vienna is also a city of renters: 78 percent of residents do not own their homes. This results from strong tenant protection policies and a well-developed taxpayer-subsidized non-market housing sector. Social housing covers all 23 districts of the city, from the downtown core to the suburbs, promoting widespread integration of lower-income groups and advancing the goal of preventing "urban segregation" based on socio-economic factors.

At the core of Vienna's affordable housing system are the city's 220,000 municipal apartments, which house roughly 500,000 people. This extensive stock, which keeps rents affordable, also impacts pricing schemes in the rest of the housing market.

Eligibility for both municipal and subsidized housing includes continuous residence in Vienna, citizenship or long-term residence status, and income limits. Asylum seekers and other foreigners in similar circumstances may also qualify due to more recent government policies. Notably, Vienna sets its income threshold so high that about 75 percent of the population qualifies for affordable housing, promoting a diverse social mix rather than reserving the system solely for low-income groups. This policy encourages mixed communities across all 23 districts and helps prevent districts from gaining a negative reputation.

Another important aspect of Vienna's strategy is its large stock of social housing, which includes municipal apartments with legally capped rents. In the subsidized affordable housing sector, rents are determined by construction and operating costs rather than market demand, protecting tenants from speculative price hikes and promoting social stability.

New housing projects within Vienna's affordable housing system are carried out through two programs. One is managed by Wiener Wohnen, the city-owned public housing agency, and is called Gemeindebau; it mainly consists of municipal housing available at reduced rents for tenants with lower incomes.

The second program, which accounts for most new affordable housing projects, is managed by Wohnfonds Wien, and involves subsidized housing built by (mostly) nonprofit housing developers. In this category, income limits and rents are higher; additionally, a down payment of roughly $15,000-$20,000, depending on the apartment's size and location within the building, is required.

Within these programs, two distinct types of apartments exist. SMART-Wohnungen are small, affordable units starting at approximately 40 square meters, with gross rents limited to about €7.50 per square meter, excluding deposits. They are targeted at young people, singles, and small households. The "Municipal Housing New" program provides larger apartments with high-quality design, ecological features, and flexible layouts, suitable for families and residents at various life stages. Eligibility rules differ because only lower-income groups qualify for SMART housing.

Both programs operate under the same allocation system, with apartments sharing rent caps and long-term leases. They are evenly distributed across the same buildings and contribute to socially mixed neighborhoods, keeping Vienna's housing system affordable, flexible, and socio-economically inclusive.

The City of Vienna holds the distinction of being the largest landowner in the city. This comes from one hundred years of thoughtful planning that considers future generations. Mostly, the city has never sold its land. Instead, it makes sure there is enough housing by rezoning areas and reclaiming brownfield sites that were previously used by the railway company ÖBB, energy providers, and, in one case, an airfield. At the same time, the city carefully assigns land for new public and limited-profit housing, often turning urban plots into more housing options without raising land prices.

Vienna also invests in renovating and modernizing its existing housing stock, including energy-efficient retrofits, accessibility upgrades, and improvements to communal spaces. Non-profit housing associations are a key part of Vienna's housing system, partnering with the city to develop, manage, and operate subsidized apartments. They play an essential role in keeping affordability standards high and offering quality housing options.

The City of Vienna launched a housing developer competition system as a key tool to ensure the envisioned high quality of subsidized housing production on municipally owned land. The responsibility for organizing, conducting, and quality-control of these competitions was delegated to Wohnfonds Wien.

Vienna's housing developer competition system applies to all municipally owned land that is dedicated to housing and ready for development. Both municipal housing projects and developments by limited-profit housing associations are predominantly allocated through competitive procedures according to the Four-Pillar Model, which assesses proposals using four equally weighted criteria: economy, social sustainability, architecture, and ecology. Only projects that perform well across all four pillars are recommended for implementation, ensuring consistent quality throughout the city's housing portfolio.

The assessment of submitted housing projects is carried out by Wohnfonds Wien in collaboration with city departments and an expert jury on the basis of fixed criteria. Experts in architecture, urban planning, ecology, economics, sociology, and building technology, along with representatives from the relevant municipal district and Wohnfonds Wien, ensure that both professional expertise and institutional perspectives are considered. This multidisciplinary jury helps support the development of inclusive neighborhoods by analyzing all the factors necessary for a vibrant future community.

## *Learning from Vienna*

As described above, the City of Vienna's advantages include, on the one hand, its large property holdings with sufficient reserves for the future, and on the other hand, the municipal apartments managed by Wiener Wohnen. Additionally, the city established Wohnfonds Wien, an organization responsible for the future development of municipal sites using the competition model described above. A second pillar is continuous land acquisition to enhance the system's resilience; this is demonstrated by the reference project Wolfganggasse, where Wohnfonds Wien purchased the site from ÖBB, the Austrian railways.

This resilient and well-organized system gives municipal housing experts the power and the tools to develop high-quality neighborhoods on city-owned sites. Involving stakeholders and the community before zoning is decided helps increase acceptance of densification and new construction because it respects participants' needs as much as possible. As a result, new projects provide not only housing but also services for the entire neighborhood. The competitions offer detailed responses to challenges and needs, always considering





social and ecological sustainability, aesthetics, and economics.

Today, Baku and the Absheron Peninsula have sizable areas that qualify as brownfield investments. In recent decades, there has been much discussion about how to redevelop these areas and which strategies to use. Vienna's experience, as shown in the case below, could be a potential way to tackle this widespread issue in Azerbaijan.

## *Two Viennese Examples*

The largest brownfield development site in Vienna is located on a former airfield in the 22nd district, on the outskirts of the city, with good connections to Bratislava and Vienna Airport. The master plan was developed following an EU-wide planning competition won by architect Johannes Tovatt of Stockholm. It features a clear organizational structure centered around a ring road as the main backbone. At the heart of the plan, he envisioned a large lake within a public park, connected to public plazas and streets.

A separate master plan competition was held for the public spaces, which was won by Jan Gehl, the author of the highly regarded *Cities for People* (2010) and a renowned planner of pedestrian-friendly public spaces. The open-space concept for streets, squares, and parks was initially developed by Gehl to provide a strategic framework for future landscape design competitions. According to Gehl's concept, streets are differentiated thematically: some are more neighborhood- and leisure-oriented, while others emphasize commerce, with priority given to pedestrians.

Vienna's transportation network highlights public transit, featuring a new subway line, the U2, which connects Seestadt with the city center in 20 minutes, along with buses and an extensive bicycle network. The subway was fully operational when the first residents moved in, helping them adjust to a dense public transport system and ensuring high ridership in the future. Car parking was relocated to the outskirts, with decentralized shared parking structures that encourage walking and neighborly interaction. In terms of quality of life, various housing options support a mixed community and the envisioned "City of Diversity." Attractive public spaces promote walking and cycling. Managed shopping streets offer a convenient and well-planned mix of services, contributing to the "City of Short Distances," producing a vibrant

urban atmosphere similar to that of established inner-city districts.

As a result, residents have formed a close-knit community. In its final stage, Seestadt Wien will cover 240 hectares, with half dedicated to high-quality green and open spaces. The plan includes 2.6 million square meters of gross floor area, with a total investment of €5 billion. By 2030, it aims to deliver 10,500 high-quality housing units for more than 20,000 residents and create up to 20,000 jobs in Seestadt Aspern.

The development of individual blocks happens in phases, with competitions launched for multiple sites at the same time. A comprehensive set of urban design guidelines governs these competitions to encourage active street life and attractive public spaces. Some sites are set aside for commercial use, others for affordable housing, and still others for market-rate housing. All housing projects must include 20 percent non-residential uses in the plinth (i.e., the first and ground floor) to support the overall goals of the master plans by Tovatt and Gehl, which focus on pedestrian-friendly streets with lively street edges.

## *Viennese Lessons for Baku*

Baku has become an attractive, lively, and expanding city with a rich history of urban planning and a valuable architectural heritage dating back roughly 1,500 years—comparable, in this respect, to Paris. Today, Baku faces the same challenges as many growing cities around the world: a need for housing, particularly affordable options, and resilient infrastructure to support rapid urban development.

*The three pillars of the "Smart City Vienna" model offer valuable lessons for Baku.*

The three pillars of the "Smart City Vienna" model offer valuable lessons for Baku as it emphasizes not only technology-driven innovation in transportation and energy but also the well-being of citizens and the adequate provision of housing and related services. It is more comprehensive, less expensive, and easier to implement than high-tech models like Singapore's.

The availability of brownfield sites in Baku and the Absheron Peninsula offers an opportunity to introduce an innovative model and implement a similar smart-city system, combined with the 15-minute city concept. This involves planning infrastructure first and making sure it is finished before constructing buildings, especially by developing an excellent, well-connected public transport network. It also includes planning sufficient public green spaces and pedestrian-friendly streets. Land should be reserved and zoned for mixed-use and diverse housing developments, with plots offered for sale or lease based on four equal-quality criteria following the Viennese system: urban design and architectural quality, ecological and social sustainability, and economic factors. Lastly, the assessment of economic quality also considers affordability for a wide range of residents. BD

bakudialogues.ada.edu.az

# ADA University Programs

## Undergraduate Programs

- Computer Science
- Computer Engineering
- Information Technology
- Mathematics
- Electrical and Electronics Engineering
- Business Administration
- Economics
- Finance
- International Studies
- Public Affairs
- Communication and Digital Media
- Law
- Agricultural Technologies
- Food Technologies
- Animal Science
- Architecture
- Urban Planning
- Interior Design
- Communication Design

## Graduate Programs

- Computer Science and Data Analytics (Dual Degree with GW University)
- Electrical Engineering and Power Engineering (Dual Degree with GW University)
- Computer Engineering and High Performance Computing (Dual Degree with GW University)
- Master of Business Administration
- MBA in Finance (Dual Degree with MGIMO University)
- Diplomacy and International Affairs
- Public Administration (English/Azerbaijani)
- Education Management (English/Azerbaijani)
- Teaching and Learning (English/Azerbaijani)
- Human Resource Management
- Global Management and Politics (Italy-Azerbaijan University)
- Agricultural and Food Systems Management (Italy-Azerbaijan University)
- Master of Laws (LL.M.)

Undergraduate students wishing to pursue a second career track may do so by taking a set of courses predefined by programs across the university.

ADAUniversity | ADA.University | ADA University | ADAUniversity

Ahmadbey Aghaoghlu str. 61, Baku, Azerbaijan | (+994 12) 437 32 35
admissions@ada.edu.az | ada.edu.az

https://doi.org/10.60119/QGVL5945

# Urban Redevelopment and Heritage from Below

## Towards a Socially Inclusive Urban Policy

*Bairam Akhundov and Leyla Sayfutdinova*

Baku's ultramodern skyline, marked by iconic architectural landmarks, has gained global recognition in recent decades. This transformation required significant investment not only in building new structures but also in beautifying and redeveloping urban spaces. While some of these projects took place in former industrial areas and public spaces, such as Baku White City and the expanded Seaside Park, others involved the redevelopment of existing residential neighborhoods. The transformation of former industrial brownfields did not cause many concerns, but the redevelopment of residential areas often met with resentment, contestation, and, at times, resistance. Displacement and conflicting views over heritage have frequently been key issues in these discussions. While the redevelopment and upgrading of dilapidated housing stock are necessary, such contestation can lead to social polarization and cleavage, and, if unaddressed, could produce fertile ground for social discontent.

Against the backdrop of the ongoing transformation of the Bayir Shahar neighborhood in Baku, this article examines divergent views on heritage and urban redevelopment and argues for a more inclusive process of urban change.

***Bairam Akhundov*** *is an Instructor in Public Administration at the School of Public and International Affairs at ADA University.* ***Leyla Sayfutdinova*** *is a Senior Lecturer in Critical Area Studies (Political and International Studies) at the University of Glasgow. The views expressed in this essay are their own.*





### *How to Gentrify Old Buildings?*

The Bayir Shahar (Outer City) neighborhood is one of the oldest historic areas of Baku. Today, it is part of the city center and mainly consists mainly residential, with buildings constructed in the nineteenth and early twentieth centuries. Located just outside the medieval walled Ichari Shahar (Inner City), this was the first area to be settled beyond the old city walls. Some structures in the area date back to the eighteenth century, but it was mostly developed and populated after the mid-nineteenth century—i.e., during the late Russian imperial period, when Baku was one of its most prosperous and fastest-growing cities due to its pioneering role in the emerging global oil industry.

The new city plans introduced a European-style grid. However, the built environment in this area took on hybrid forms, combining that grid with traditional culturally Islamic principles of spatial organization, such as inner courtyards and layouts designed for multigenerational families. Builders used local limestone and incorporated traditional stone-carving techniques into European architectural styles.

A notable feature of this part of the city is that, although it was largely built after the Treaty of Gulistan (1813), which ceded Baku to Russia, it did not become a "new town" housing settlers from other parts of the empire. Instead, it developed into a diverse, cosmopolitan area home to a multi-ethnic and multi-confessional urban community, including the emerging local bourgeoisie. Throughout the nineteenth century, the area stretching from today's Istiglaliyat to Samed Vurgun streets became home to several adjacent ethnoreligious neighborhoods made up of Azerbaijani, Jewish, Armenian, and mixed Russian-Western communities. The area was diverse not only in ethnicity but also in class, as reflected in the architecture, with richly decorated multistory mansions sitting alongside simpler, single-story houses.

During the Soviet era, the Bolshevik regime nationalized private property. Some of the city's largest mansions were turned into public buildings—for example, the mansion of the merchant Agabala Quliyev, which is now the House of Architects—while others were split into smaller apartments. These apartments housed industrial workers brought into the city to support socialist planned economic development.

Despite the dispossession and repression of the original owners, many stayed in the neighborhood. Over time, Bayir Shahar became even more ethnically and socially diverse, while remaining a close-knit community where neighbors shared semi-private spaces, especially courtyards. These courtyards became a cornerstone of local life, and "Baku courtyards," many of which can be found in Bayir Shahar, gained iconic cultural status, reflected in literature and the arts. They helped shape and organize moral economies of sharing, practices of mutual help, social control, and the transmission of cultural values. Community members commonly called Bakuvians formed a distinct culture and value system that has remained strong since the implosion of the Soviet Union, with networks still spanning countries and generations.

*Over time, Bayir Shahar became even more ethnically and socially diverse, while remaining a close-knit community where neighbors shared semi-private spaces, especially courtyards.*

The area largely remained untouched during the first decades of the restoration of Azerbaijan's independence, despite earlier waves of redevelopment in adjacent neighborhoods such as Basin and Sovetski in 2012-2018. In December 2023, Bayir Shahar was designated part of the "Special Protection Zone" in the Baku 2040 General Plan adopted by the government. Yet in October 2025, the dismantling of some buildings in the neighborhood began, which residents considered destructive to downtown Baku's cultural and historical heritage.

## Heritage Dissonance

While Bayir Shahar and its courtyard culture are widely valued by residents and the broader urban community for their cultural importance, the official heritage discourse tells a different story. During the Soviet period, some buildings in the area were recognized as architectural monuments and included in the official register. The selection process was top-down and expert-led, typical of Soviet heritage practices.

After the Soviet period, most of these buildings kept their formally protected status. Since independence, the understanding of heritage has remained shaped by the global Authorized Heritage Discourse (AHD), a term introduced by scholar Laurajane Smith in her edited volume Uses of Heritage (2006). Even in relation to locally significant heritage, the selection is based on Western-centric norms rather than on the perspectives of residents and the public.

Typically, the buildings in the area are sorted into three categories: architectural heritage buildings, buildings with historical significance, and background buildings. Only the structures in the first category are officially protected; the status of those in the second and third categories remains uncertain.

However, this categorization relies on the Soviet division of existing complexes and does not capture the interconnected nature of the material and social fabric of Bayir Shahar. Because the buildings in the neighborhood are constructed close together, the destruction of some structures can negatively affect others in the chain. This issue is worsened by the neighborhood's historically developed layout, where background buildings typically complete the enclosed courtyard systems.

*The tension between redevelopment needs and heritage is hardly unique to Bayir Shahar and has been addressed in various ways in different contexts.*

Beyond the structural damage to courtyard complexes, the dismantling of background structures wipes out part of the neighborhood's history. Many of these background structures were originally servants' quarters that were repurposed during the process of Sovietization.

In many cases, the descendants of the original owners still reside in these buildings. For the Bayir Shahar community, their neighborhood and its culture deserve to be documented, represented, and recognized as both tangible and intangible heritage. The area is associated with several prominent Azerbaijani cultural and public figures, including the composers Uzeyir Hajıbeyov and Qara Qarayev, the writer Jalil Mammadguluzade, the Ashurbayov and Alibayov families, the oil baron Murtuza Muxtarov, and many others. The social and cultural heritage of Bayir Shahar aligns with the UNESCO definition of intangible heritage as set out in the 2003 Convention for the Safeguarding of the Intangible Cultural Heritage, which Azerbaijan ratified in 2006.

The tension between redevelopment needs and heritage is hardly unique to Bayir Shahar and has been addressed in various ways in different contexts. In the past, redevelopment needs often trumped heritage concerns. However, in recent decades, there has been a worldwide shift toward reconciling redevelopment needs and heritage concerns. Since the 1960s, international organizations such as UNESCO have recognized the potential of heritage for socioeconomic development and have begun promoting policies that integrate heritage into social development programs.

*The touristification of heritage has been a major form of heritagization aimed at economic gain.*

The touristification of heritage has been a major form of heritagization aimed at economic gain. Touristification of historic neighborhoods—involving opening them up to tourism through the development of tourist infrastructure and leisure and consumption spaces like hotels, restaurants, and art galleries—has become a popular way to turn cultural heritage into economic value. This approach highlights historic landmarks and local crafts while offering residents income-generating opportunities. Its main drawback is accelerated gentrification, which prices out those not involved in the tourism industry and, in turn, causes them to leave.

Yet, the potential of heritage for urban redevelopment extends beyond touristification. An example of a more comprehensive approach to balancing heritage and redevelopment can be found in China. Over the past two decades, China has become a global leader in heritage-driven urban redevelopment, leveraging heritage to generate value for various stakeholders, including local governments, private companies, and the public. Because heritage preservation enjoys widespread popularity across different societal groups, heritage-driven urban redevelopment gained legitimacy. Making the conservation of the historical environment a political priority allowed the government to build consensus in support of its development objectives.

However, even heritage-led approaches can remain top-down and exclusionary if they rely on narrow definitions of heritage used by officials and cultural elites without engaging local communities. Often, heritage is defined according to AHD, as seen in the official documents of international organizations like UNESCO and ICOMOS. AHD tends to prioritize heritage objects with broader significance, such as World Heritage sites. Meanwhile, locally important heritage is often overlooked and faces a higher risk of destruction and erasure.

To address this risk, some redevelopment projects adopt the "heritage from below" and "everyday heritage" perspectives. These viewpoints acknowledge the significance of specific places and sites for local identity and memory-making and regard the role of heritage professionals as supporting communities in developing their own understanding of heritage and the need for conservation and memorialization.

*Bayir Shahar's heritage value goes beyond its architectural landmarks. The neighborhood has historical and social significance and is home to a longstanding urban community.*

Using the example of Moore Street market in Dublin, Christine Bonnin and Niamh Moore-Cherry argued in a recent article published in the *International Journal of Heritage Studies* that traditional livelihoods, such as market trading, are themselves a form of heritage that should be incorporated into the redevelopment of Moore Street.

Another example of community-led redevelopment is the project involving the communities of Fener and Balat in Istanbul. In the early 2000s, these neighborhoods received financial support from the European Union to pilot a pioneering model of urban improvement. The main idea of the initiative was "rehabilitation," a strategy that aims to preserve the existing architectural and social fabric rather than replace it. Today, the neighborhood is known for its colorful houses, vibrant economy, and entrepreneurial, artistic, and welcoming community—key factors that make the area a good place to live for residents and an appealing destination for tourists.

## *Lessons for Bayir Shahar*

For residents and Baku's cultural elites alike, Bayir Shahar's heritage value goes beyond its architectural landmarks. The neighborhood has historical and social significance and is home

to a longstanding urban community. Turning the area into a grassy park, even while maintaining architectural monuments, would erase the historic grid structure and the iconic courtyard culture. It would also break up a close-knit community that includes many senior residents with limited mobility. Their concerns about the quality and affordability of alternative housing, the distance from essential urban services, the potential erosion of social capital, and the trauma of relocation need to be considered in redevelopment plans.

In this part of the article, we ask: What lessons in redeveloping historic districts beyond the borders of Azerbaijan can be effectively applied in Bayir Shahar and, more broadly, to urban planning in Baku?

The first lesson is to learn from and engage with the residents themselves. The community in Bayir Shahar is a treasure trove of urban legends and historical information about Baku, much of which was suppressed and erased during the Soviet years. Residents' understanding of the value of their neighborhood goes beyond the economic worth of real estate. They recognize the historical significance of their neighborhood and its role in the broader history of not just the city, but the country as well.

Many residents believe that redeveloping the neighborhood for tourism is the best option: one that can improve their living conditions, bring prosperity, open the community to the wider world, and put them at the center of the promoted cultural experience. People feel proud when tourists visit the area and take photos of the buildings and historic wooden doors. In Baku, this approach has already been successfully used in several areas, including the World Heritage site of Ichari Shahar and the redevelopment of nearby streets in the downtown area—e.g., Islam Safarli, Hazi Aslanov, Lev Tolstoy, Mirza Ibrahimov, and Bashir Safaroglu—which has helped preserve historical monuments, enhance the pedestrian experience for locals, and turn the area into a tourist destination.

A similar strategy could help transform Bayir Shahar and enhance Baku's city branding as a place with a unique blend of architectural styles representing several historical periods. Turning the narrow streets of Bayir Shahar into fully pedestrian zones, like what has been done on Islam Safarli Street, around Xaqani Park, and near the 28 May metro station, could boost the neighborhood's appeal for tourism, business, and leisure. This change could also expand local economic opportunities and increase both the local population and the city's revenue.

However, if a touristification strategy is adopted, it becomes essential to prevent the negative impacts of gentrification. As mentioned earlier, touristification can displace lower-income residents as property values and rents increase. Sometimes, rising property prices make moving away an appealing option that can improve living conditions, even if it means leaving the neighborhood.

Such displacement often fragments established communities and undermines the lived urban experience, which itself is a precondition for attracting tourists. Redevelopment projects in central Tbilisi—such as Agmashenebeli Avenue and Gudiashvili Square—have led to unintended consequences of gentrification, where moving out became inevitable due to skyrocketing housing and service costs. Therefore, the economic benefits of redevelopment and touristification must be weighed against their impact on residents, who should be recognized as active participants in and beneficiaries of such redevelopment.

Second, unlocking the neighborhood's local economic potential is essential for successful redevelopment, or "micro-regeneration," of the area. In Azerbaijan, the redevelopment of Balaxanı village in Baku serves as an example of more sustainable redevelopment, where residents are involved as small-scale entrepreneurs.

Similar examples can be found worldwide, such as Fener/Balat in Istanbul, Alfama in Lisbon, Camden Town and Brick Lane Market in London, Aohu Art Village in Shenzhen, and Kensington Market in Toronto.

By attracting funds from foreign institutions, the city government in Baku could carry out redevelopment in Bayir Shahar through a public-private-local partnership, offering a multi-actor, participatory urban-rehabilitation model that ensures physical improvements do not result in the social displacement typical of "urban renewal" projects.

A community-focused approach to urban renewal that considers not only the economic exchange value of the area but also its use value—that is, people's emotional attachment to the place—offers a third path to redevelopment. Learning from the BIP/ZIP projects implemented in Lisbon, the city

authorities could pursue redevelopment and revitalization efforts in Bayir Shahar that emphasize local pride, culture, and community inclusion over immediate gains.

This strategy involves engaging local communities in redevelopment projects by providing grants and microfinance loans for local initiatives, encouraging families to take part in the economic revival of their neighborhoods. This approach acts as a remedy against market-driven gentrification pressures and offers an opportunity to adapt to changing economic realities through local talent, capacity building, and entrepreneurship.

Similarly, the redevelopment of Bayir Shahar could be promoted as a pilot project during the implementation phase of the General Plan, involving volunteer and professional associations of urban planners and architects, as well as students from local universities. Collaborative efforts would help the community identify key areas for improvement, select skilled members for future economic activities, provide guidance and training, and evaluate micro-grant proposals.

Targeted financial support, aimed either at enhancing residents' living conditions or supporting micro-enterprises and local artisans, would enable locals to increase their productivity and stay competitive in the new economic environment. Engaging residents in the redevelopment project would also help address the lack of transparency in communication with the local community, which currently causes significant frustration and disillusionment.

## *Overcoming Criticism*

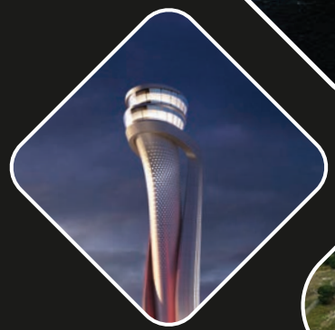
The opposition to dismantling in Bayir Shahar by a coalition composed of neighborhood residents, artists, and independent architects suggests that official definitions of urban heritage, which emphasize architectural value and historical significance, are insufficient. They do not reflect the neighborhood's heritage significance to its residents or their emotional connection to the place. Unlike the state registry of architectural monuments, the critiques from residents and urban planning professionals highlight traditional courtyard culture, the local distinctiveness of Bayir Shahar, the importance of restoring rather than tearing down old housing stock, and the desirability of pedestrianizing the area.

*For redevelopment to be effective and gain public support, it is crucial to consider the local understanding of what constitutes heritage, along with their needs and economic prospects.*

For redevelopment to be effective and gain public support, it is crucial to consider the local understanding of what constitutes heritage, along with their needs and economic prospects. To achieve this, the planning process for redeveloping historical areas, including Bayir Shahar, must become more inclusive and transparent. Residents should be involved in documenting local knowledge—such as traditions, stories, local legends, and historical facts—in order to uncover and acknowledge the neighborhood's historical and cultural importance as the birthplace of the city that later became the capital.

The bottom line is that Bayir Shahar is an important site of contemporary Azerbaijani urban culture and the very place where the modern representation of Azerbaijani identity was made. This must not be forgotten. BD

KOLİN



"Our Group, a leading global brand exhibiting regional growth, draws strength from Türkiye to develop great projects and investments with over 50 companies in a wide variety of businesses, including construction, energy, industrial, tourism, education, and culture."

# Baku 20th anniversary Summer Energy School

#20years

06-17 July 2026

*20 Years of Inspiring Change:*
***Energy, Innovation, and Beyond***

## Energy Security and Innovation Edition

For more information:
**bses@ada.edu.az**

ADA 20 · Institute for Development and Diplomacy · ADA University Foundation · SOCAR · bp · KOLİN

#bses2026

https://doi.org/10.60119/ODWV4326

# Cities for Living

## Identity at Eye Level in Azerbaijan's Urban Transformation

*Emir Huseynov*

Azerbaijan's cities are changing at a pace that has few precedents in the country's modern history. Today, approximately 57 percent of the national population lives in urban areas, with Baku accounting for nearly one quarter of the country's inhabitants. Annual residential construction has more than doubled over the past decade, rising from approximately 1.6 million square meters in 2010 to nearly 3 million square meters by 2023. The State Agency for Housing Construction has delivered thousands of units under social housing programs, and reconstruction in the liberated areas of Karabakh and East Zangezur is producing entirely new settlements—among them those parts of Shusha that had been disfigured during the Soviet and Armenian occupation periods, where 389 hectares are being reorganized around heritage and community structure, and Aghdam, where a city for 100,000 residents is being planned from the ground up after having been systematically devastated during the occupation period. By any quantitative measure, urban transformation in Azerbaijan is sustained, organized, and accelerating.

Yet the scale of what has been built does not by itself answer the deeper question of how it is lived. Decades of Soviet urbanism systematically subordinated local identity—the neighborhood, the street, the courtyard—to a standardized built environment designed to replace rather than reinforce community roots. The post-Soviet transition that followed, necessarily focused on economic stabilization and market construction, left this dimension largely unaddressed.

***Emir Huseynov*** *is an Assistant Professor of Architectural Design and Urban Planning at the School of Design and Architecture at ADA University. He is the Editor-in-Chief of the scholarly journal* Urbanizm *and a member of the International Ecoenergy Academy. He is a former Urban Planning Adviser at the Azerbaijan State Committee on Architecture and Urban Planning and has been involved as an expert on the Baku Master Plan 2040. The views expressed in this essay are his own*





Azerbaijan's Socio-Economic Development Strategy for 2022-2026 places strong emphasis on improving quality of life, expanding access to services, and achieving more balanced regional development. The strategy prioritizes the diversification of economic activity beyond Baku, investment in regional infrastructure, and the strengthening of social services across the country. Taken together, these priorities implicitly point to uneven conditions in how urban environments are experienced, where differences in accessibility, public space quality, and local infrastructure continue to shape everyday life across regions.

*The scale of what has been built does not by itself answer the deeper question of how it is lived. This article examines Azerbaijan's cities from the perspective of identity experienced at eye level.*

Here, is can be noted that in its 2025 Country Strategy for Azerbaijan, the EBRD indicted that livability and domestic connectivity outside Baku remain underdeveloped. Growth has been organized. Its translation into environments where communities recognize themselves is less certain.

This article examines Azerbaijan's cities from the perspective of identity experienced at eye level—through housing streets in microdistricts, shared spaces in new residential clusters, and the daily rhythms of neighborhood life.

It argues that the country's next urban challenge is increasingly qualitative rather than purely quantitative: not only how much to build, but how urban environments perform over time. Drawing on housing patterns, planning frameworks, reconstruction strategies, and emerging examples of community-centered renewal across the country, the article examines what urban policy should now address to ensure that Azerbaijan's cities remain places to live as well as to develop.

## *Cities for Living*

Azerbaijan's urban transformation has been significant by any measure, but its long-term success cannot be judged solely on construction numbers. The State Housing Development Agency (MIDA) has delivered thousands of affordable units, new districts have emerged across the country, and reconstruction in Shusha and Aghdam is producing planned settlements of a scale and ambition that few countries in the region can match. The speed of this transformation is hard to ignore and is rightfully understood as a source of national pride.

Yet cities grow through daily life, not just construction. Research on livable environments in Baku shows that the courtyard—the shared space at the heart of the residential block, often understood locally as part of the mahalla (*məhlə*), a social-spatial unit of neighborhood life—serves as the main social hub of neighborhood life: the place where commerce, public activity, and community interaction intersect, and where residents first experience themselves as belonging to something larger than their own apartment. When this spatial logic exists, cities can thrive across generations. When it is missing, growth results in housing without neighborhood life—districts that are physically complete but socially lacking.

This distinction is particularly relevant for Azerbaijan today, as the country appears to have reached an important stage in its urban development trajectory. The foundational phase—focused on expanding housing supply and extending basic urban services—has achieved substantial progress over the past decade. In this context, Sustainable Development Goal (SDG) 11 ("Sustainable Cities and Communities") emphasizes that adequate housing must be safe, inclusive, and embedded within well-functioning urban environments. The question that follows concerns how these environments shape patterns of everyday behavior—whether they encourage interaction in courtyard spaces, support youth engagement through the design of streets and shared areas, enable small-scale local economic activity, and allow different social groups to coexist within a common spatial framework. In this sense, urban form becomes a tool for advancing broader national priorities, including knowledge, health, and environmental sustainability.





The evidence that Azerbaijan already recognizes this can be seen in specific and instructive examples. One such case is Balakhani, a settlement on the Absheron Peninsula known as one of the world's oldest oil centers, where the first documented well was drilled in 1593.

In recent years, large-scale renovations initiated under the direction of President Ilham Aliyev and completed in 2020 have focused on restoring Balakhani's historical and spatial fabric. These efforts included the rehabilitation of key monuments such as the Shah Safi Caravanserai (1636), the Gum (Sand) Bath, the Haji Shahla Mosque, the Shakiragha Mausoleum, and the Ovdan, a traditional underground water-storage structure unique to the Absheron Peninsula.

Alongside heritage restoration, more than 100 small enterprises were established, over 100,000 trees and plants were introduced to improve the environmental quality of the area, and local artisans and residents worked in collaboration with specialists. The result was not simply the preservation of historic structures, but the regeneration of a living environment in which economic activity and community life are rooted in local identity. This outcome points to a model of social and economic regeneration that Azerbaijan's broader urban policy could further systematize.

In the seaside town of Buzovni, located less than an hour from central Baku, the State Committee on Urban Planning and Architecture (SCUPA) held an architectural planning competition guided by the clear requirement that new development must respect the community's local heritage and climatic character while enhancing quality of life—treating the two not as competing priorities but as a single integrated objective.

The challenge lies in scale and consistency, as illustrated by Balakhani and Buzovni. These projects reflect a growing recognition of underlying urban issues and have effectively served as pilot initiatives, testing regeneration approaches rooted in local identity. Their outcomes point to the need for a next stage—one that translates this experience into systematic policy instruments.

What Azerbaijan's urban policy now requires is a framework that embeds these principles into planning standards, housing development guidelines, and legislative tools, ensuring that they inform both new districts and the renewal of existing neighborhoods. This is

particularly important given the legacy of normative systems inherited from the Soviet period, which remain largely uniform and insufficiently responsive to the diversity of local urban conditions across the country.

The gap between what these leading examples demonstrate and what national policy consistently requires is precisely the focus of this article. Cities built for living are not the result of construction alone. They are shaped by decisions—within planning institutions, regulatory frameworks, and investment priorities—that determine whether urban growth produces environments where people recognize themselves, their communities, and their way of life.

## *Housing and Spatial Integration*

Housing policy in Azerbaijan has changed considerably over the last 20 years, although this transformation has been partial rather than comprehensive, particularly in relation to the normative framework inherited from the USSR period. While institutional reforms and development programs have advanced, many planning standards remain generalized and insufficiently adapted to the diversity of contemporary urban condition. This reflects a longer trajectory in which, during the post-Soviet transition, attention shifted toward privatization and market organization, while research-based urban institutions and professional platforms remained underdeveloped. As a result, some of the structural limitations of that period continue to influence urban development today.

The national housing stock grew from about 150 million square meters in 2010 to over 220 million square meters by early 2024, showing ongoing government commitment to increasing residential availability. The State Housing Construction Agency (MIDA) has provided thousands of subsidized units through state-supported programs, while SCUPA has developed and implemented master plans for Baku and many other cities across the country, enforcing stricter rules on zoning, floor area ratios, and building standards. Urban development, in this sense, has not been accidental. It has been organized and institutionally supported.

In this context, the re-establishment of research-oriented platforms—such as urban laboratories and applied planning initiatives—becomes increasingly important. These structures can support more flexible urban governance, enable timely responses to recurring local challenges, and contribute to the gradual refinement of planning legislation in line with evolving urban realities.

However, the spatial performance of housing expansion reveals a more complex story. New housing developments often outpace the integration of services, public spaces, and social infrastructure that make residential areas function as neighborhoods rather than just places to live. The housing stock increases. Meanwhile, the connecting urban fabric—the streets, open spaces between buildings, and local facilities within walking distance—often fall behind. Districts become physically complete but remain underperforming as urban environments, lacking the spatial and functional conditions that generate continuous use, local interaction, and a sense of shared neighborhood life.

This condition is rooted in the legacy of centrally planned urban development. The typical residential unit of that period was the five or nine-story prefabricated block, arranged in large superblocks with broad but undefined open spaces between buildings. This environment was designed for uniformity to reduce the national diversity between the republics of the Soviet Union. Following independence and the transition to market economy, these undefined spaces were progressively displaced by irregular construction, commercial enclosures, visual and physical barriers and slab of parked vehicles. Many small integrated green areas originally intended for residents gradually disappeared. Courtyards shifted from active to residual spaces, weakening their role in sustaining daily interaction and community continuity.

Recent patterns of residential development reveal emerging spatial irregularities. Analysis of Baku's residential growth indicates that new buildings often exceed 12 stories, creating a form of disconnection from street-level life when combined with the existing housing stock. More significantly, an increasing number of developments take the form of enclosed compounds—gated residential complexes with controlled access and no pedestrian through-routes.

While often presented as providing privacy and security, this approach reduces the permeability and walkability of the urban fabric and alters patterns of movement. Routes that could connect neighborhoods

become indirect or inaccessible, limiting walkable continuity. As a result, the city loses an important space in terms of resource—the ability of its fabric to connect point A to point B in a direct and efficient manner. In place of this continuity, large and inward-oriented residential enclaves introduce a form of spatial monumentality, particularly visible in Baku, where extensive areas function as isolated units rather than as parts of a connected and walkable urban knots.

The progressive enclosure of residential environments—through gated compounds, privately controlled access points, and inward-facing developments—does more than restrict physical movement. It diminishes the density and diversity of street-level activity that sustains local commerce, enables informal social exchange, and gives urban neighborhoods their civic vitality. Over time, the cumulative effect of such patterns is a fragmented city, one in which the connective tissue of everyday life—the sidewalk, the shortcut, the shared corner—is quietly surrendered to private governance.

This is, at its core, a question of urban structure and public responsibility. As the scholarly literature on walkable urbanism has consistently demonstrated, permeability is not an amenity to be negotiated project by project; it is a foundational condition of urban integration, and one that planning frameworks must actively protect.

Azerbaijan's National Urban Policy offers a timely opportunity to reposition pedestrian connectivity as a non-negotiable public requirement. A forward-looking policy directive in this area could focus on at least three priorities: first, establishing mandatory pedestrian permeability standards for new residential developments above a defined scale, ensuring that connections through and around sites remain accessible to all; second, placing clear limits on fully enclosed or access-controlled developments in locations served by public transit or adjacent to key civic amenities; and third, empowering municipal and planning authorities with the regulatory tools—and the institutional mandate—to enforce the continuity of the urban fabric as a shared urban asset.

*Azerbaijan's National Urban Policy offers a timely opportunity to reposition pedestrian connectivity as a non-negotiable public requirement.*





Such measures would directly reinforce the people-centered mobility objectives outlined elsewhere in this article and would contribute meaningfully to SDG11's call for safe, inclusive, and accessible public spaces for all. Walkability, in this reading, is not a design preference. It is a precondition for the kind of connected, equitable, and resilient city that Azerbaijan's urban future demands.

Azerbaijan's planning institutions have acknowledged these challenges. SCUPA has championed a more integrated approach to urban development, enforcing floor area ratio controls that constrain unregulated over-construction, and establishing planning standards that address the connection between built density and accessible open space. The Baku Master Plan 2040, approved in late 2023, outlines a framework for polycentric development, green corridors, and enhanced public transportation that directly addresses the spatial fragmentation of the metropolitan area.

In liberated Karabakh and East Zangezur, reconstruction has provided the opportunity to implement integrated principles from the beginning. The master plan for Shusha covers 389 hectares within a framework that combines residential neighborhoods, environmental protection zones, and heritage-preservation areas, with over 40 hectares set aside for public green space. In Aghdam, the development of urban infrastructure for 100,000 residents includes residential districts integrated with infrastructure networks, public services, and recreational areas from the planning stage. These are more than retrofitted improvements to existing structures; they are intentionally designed environments in which spatial integration is treated as a core principle rather than an afterthought.

The question for Azerbaijan's broader urban policy is whether the principles emerging from recent reconstruction and renewal practices can be systematically applied to the country's wider stock of residential environments, many of which were formed before such approaches became part of planning priorities.

This requires proactive policy instruments for upgrading existing neighborhoods: mechanisms for restoring pedestrian connections across residential areas, integrating cultural, health, educational, and everyday services within a balanced walking radius, establishing clear standards for the permeability of new residential developments, and

involving residents in decisions about the shared spaces around their homes.

Housing policy, understood in this way, extends well beyond the provision of dwellings. It becomes a mechanism for structuring urban life itself: determining whether residential areas operate as isolated housing zones or as integrated parts of the city's functional map. The key issue is how the urban fabric enables transition—how residents move between home, services, public space, work, education, and community facilities without unnecessary spatial barriers. A more integrated housing policy would therefore treat walkability, service proximity, and the continuity of shared spaces as essential conditions for livable neighborhoods, rather than secondary matters left to individual projects.

*Effective urban development starts with understanding, not just design.*

## *Human-Scale Urbanism*

Effective urban development starts with understanding, not just design. The quality of a neighborhood, street, or public space is determined long before construction begins—by the questions planners ask about a place, the communities they engage, and the spatial logic they choose to interpret carefully. When this preparatory work is thorough, cities tend to operate smoothly on a daily basis. When it is lacking, even well-funded construction can produce environments that are physically complete but socially incomplete.

Azerbaijan's planning practice has made significant institutional progress over the past decade. SCUPA has developed master plans for Baku and numerous other cities, introduced stricter zoning controls, and enforced floor area standards that limit unregulated densification. The Third National Urban Forum, held in Khankendi and Baku in October 2025 in partnership with UN-Habitat, brought together national and international partners to share knowledge on sustainable urban development. These are meaningful advances, and they lay the foundation for a more research-led planning culture to develop.

The Danish urbanist Jan Gehl, whose decades of fieldwork on public life have influenced planning practices across Europe, Asia, and Latin America, formulated a principle that speaks directly to this moment: "First life, then spaces, then buildings—the other way around never works." The normative planning standards Azerbaijan inherited from the Soviet period operate in precisely the opposite order. Technical dimensions are prescribed before places are understood. This approach applies uniform rules regardless of local geography, community character, or spatial context—which is both its administrative convenience and its fundamental limitation. The practice of replicating the same planning instrument across Baku's expanding districts and regional urban centers has resulted in residential environments whose spatial logic is shaped more by inherited typology than by the specific place they occupy.

This is the gap that a research-led approach to urban planning addresses. Adopted at the Habitat III conference in Quito in October 2016 and subsequently endorsed by the UN General Assembly, the New Urban Agenda (NUA) calls for planning processes that are evidence-based, participatory, and responsive to each specific settlement's conditions. Paragraph 100 of NUA commits to networks of accessible public spaces that consider the human scale and support street-level community life. Turning these commitments into practice requires a mandatory pre-design research phase for all urban development projects above a defined scale threshold—one that gathers evidence of community consultation, spatial analysis, and contextual assessment before planning permissions are granted.

Urban knowledge is most effective when it is developed from within. Foreign expertise provides technical capacity, comparative experience, and methodological rigor, enriching the planning process. The most successful outcomes occur when this external contribution works in genuine partnership with local researchers and practitioners who understand how a specific city has developed, what its communities value, and which spatial qualities should be reasonably preserved. Developing domestic research capacity through university-affiliated urban study centers connected to municipal planning departments is therefore a policy priority, not just an auxiliary goal. The practice of European countries shows that knowledge about each city accumulates over time rather than being recreated from scratch with every project.

The reconstruction programs in Karabakh and East Zangezur illustrate what a more differentiated planning approach can

produce. Cities like Shusha, Aghdam, and Fuzuli—whose master plan was approved by the Cabinet of Ministers in 2023 and runs to 2040—are receiving an initial attempt to provide individually tailored spatial strategies that reflect their specific historical background, ecological requirements, and resettlement needs.

*While Armenia is not located along the Middle Corridor route, the implementation of TRIPP would demonstrate America's influence in the region, which is home to other major regional and global actors, including Russia, China, Iran and Türkiye.*

The broader lesson is that a city is never adequately understood as a single planning object. It demands to be read through its districts, neighborhood units, street networks, and shared spaces, where the practical effects of policy become visible. This is a departure from the uniform normative model, and it points toward a planning culture that treats each city as a specific case. The policy question is how this approach can become institutionalized across the full breadth of urban development in Azerbaijan.

For human-scale urbanism, this means master plans are most effective when supported by district-level frameworks, including local service maps, walkability assessments, public-space inventories, courtyard studies, and phased improvement programs. Such tools make it easier to identify where schools, health facilities, cultural functions, green areas, and daily services are unevenly distributed or poorly connected. They also allow recurring local problems—blocked pedestrian routes, underused open spaces, weak street edges, or isolated housing clusters—to be addressed before they become permanent features of the urban fabric.

From a policy standpoint, the experience of the past two to three decades offers a clear and instructive picture. Across the capital Baku and other Azerbaijani cities, the rapid expansion of new residential districts and settlements has too often taken place outside any coherent regulatory framework. Buildings have gone up according to individual preference, with little regard for local architectural codes, the typologies of the surrounding area, or any consistent use of materials and colors.





The result is visible in many of the newer neighborhoods on the edges of the capital and in secondary cities: a fragmented built environment where each structure stands on its own terms, disconnected from its neighbors and from the spatial logic of the district as a whole. This stands in contrast to the richness of local building traditions—the accumulated knowledge of proportions, materials, and street relationships that once gave each neighborhood its own character and coherence. Reconnecting new construction to that tradition is not a question of aesthetics alone. It is a governance challenge, and one that a well-structured district-level planning framework is well placed to address.

This is also where architectural and planning education becomes practically useful. Student studios, field surveys, and design-research assignments contribute preparatory material for local planning agendas, offering alternative scenarios before final decisions are made. The purpose is not to transfer authority away from public institutions, but to widen the range of informed options available to them. A human-scale planning culture depends on this capacity to move between the national vision, the citywide plan, and the lived scale of the district.

*Memory is conveyed through urban form. The more diverse and layered these forms, the more a city reflects the cultural experience of its inhabitants.*

## *Urban Memory as Asset*

In his 1960 study of how residents perceive and navigate cities, Kevin Lynch demonstrated that urban orientation relies on a mental image built from paths, edges, districts, nodes, and landmarks. Lynch referred to this quality as "imageability"—the capacity of a city to evoke a clear and coherent impression in its inhabitants. Cities with high imageability are easy to understand: residents can orient themselves, interpret the urban layout, and locate themselves not only geographically but culturally. Imageability is not merely a byproduct of attractive design; it is a fundamental structural property of the built environment that planning choices either reinforce or diminish over time.

Urban memory operates on a similar core principle. A city includes both material elements—its street network, building

fabric, and public spaces—and intangible ones: how the experience of a place is passed down through generations via the spatial sequence, and proportions where residents internalize throughout their lives. Memory is conveyed through urban form. The more diverse and layered these forms, the more a city reflects the cultural experience of its inhabitants.

When rapid change happens without considering these layers, it leads to a progressive loss of clarity—environments that have to function adequately and proportionally, as well as having a recognizable identity for the communities living there. This is primarily a planning issue before it is a cultural problem. Addressing it requires incorporating heritage understanding into the instruments of urban design regulation.

Soviet anti-religious campaigns of the 1930s reached directly into the built fabric of Azerbaijani cities. The Alexander Nevsky Cathedral in Baku, then the largest Orthodox church in the South Caucasus, was demolished in 1937. In cities like Ganja, mosques that historically organized the social and functional life of residential mahallas were repurposed for secular uses. In Ganja, each neighborhood, or mahalla, was traditionally centered around a religious or civic institution. That institution gave the neighborhood both its name and its social identity. Family trades, local services, and community bonds were rooted in these spatial anchors.

When Soviet policies redefined their functions—turning mosques into libraries, pharmacies, or storage facilities—the physical buildings often remained standing. But the community structures that had given them meaning—and that had made each mahalla a recognizable and functioning social unit—were dissolved. The physical structures persisted; the urban life it had organized did not. Restoring the social and functional cohesion of these neighborhoods is a task to which urban policy has not yet systematically adhered.

In many cities that experienced rapid growth after independence, the same urban pattern has become apparent: development has advanced in fragments, neighborhoods have weakened in character, and streets have become increasingly disconnected. Urban experts now ever more recognize that these challenges require a coordinated approach to district-level planning, capable of relating local spatial decisions to the wider structure of the city.





In Ganja, where the historic urban core displays the layered built evidence of the Aran architectural school and centuries of civic organization, the construction of the past decade consistently ignores the compositional language of its surroundings. The aesthetic dissonance this causes has reached a critical point—one that, as Aldo Rossi observed about cities generally, undermines the city's ability to serve as "the repository of shared memory." The policy instrument that focuses on this issue is the design code for historically grounded zones: a framework that establishes compositional and spatial anchors for further build in relation to existing fabric, guiding change instead of restricting it.

SCUPA has shown through a series of architectural competitions for Absheron Peninsula settlements that heritage-based design briefs lead to viable, contextually coherent proposals. The Baku International Architecture Award, organized by the Ministry of Culture and the Union of Architects of Azerbaijan in partnership with the International Union of Architects since 2013, has extended this principle to national-level recognition. Both initiatives confirm that the professional community works effectively with place-specific design requirements when those requirements are clearly defined. Making contextual and heritage engagement a mandatory part of competition briefs across all major urban development programs is a practical and achievable policy step.

The training program conducted by ADA University in partnership with Politecnico di Milano in Sheki in June 2024 points toward a parallel institutional need. Twenty architects and specialists from the public and private sectors assessed the Zulfugarov mansion and five surrounding historic buildings, developing preservation concepts aligned with UNESCO, ICOMOS, and ICCROM aims. The program was designed to produce outcomes its organizers described as "paradigmatic and methodologically replicable"—a formulation that carries an explicit policy ambition: that what was demonstrated in Sheki, a city inscribed on the UNESCO World Heritage List in 2019, can be transferred to comparable contexts across the country. Rector Hafiz Pashayev of ADA University described the initiative as "the symphony of the trio, comprised of heritage, architecture, and education."

Developing a national program for heritage-integrated professional education, connected to Azerbaijan's architecture and design schools, can build across the

country's historic cities the capacity that the Sheki initiative has demonstrated is both achievable and transferable.

## *Communities First*

A UNECE housing profile of Azerbaijan estimates roughly 800,000 informal or unregistered structures nationwide, of which about 500,000 are in Baku and the Absheron region. In effect, nearly 30 percent of Azerbaijan's population lives in settlements that remain outside formal planning governance. This is the aspect of urban growth that headline indicators fail to capture. Housing stock figures record units but not the conditions under which communities take shape, maintain shared spaces, or develop civic attachment to place. Bringing this population into a productive relationship with planning institutions is therefore as important as expanding housing supply, requiring a shift towards a more integrated urban philosophy.

*Nearly 30 percent of Azerbaijan's population lives in settlements that remain outside formal planning governance.*

This evolution in urban management is exemplified by the British approach to spatial planning, particularly the mechanisms defined in Section 106 of the Town and Country Planning Act (1990). In high-value central districts, this framework enables "incentive zoning," whereby increased development density is permitted only when coupled with a commitment to comprehensive site regeneration and the provision of high-quality housing for existing residents. Such a process effectively transforms the renewal of deprived zones into a self-sustaining cycle of investment.

Moreover, the complexities of fragmented land ownership in central areas are resolved in the Turkish experience of land consolidation. Under that country's Law No. 6306 on the Regeneration of Areas Under Disaster Risk, undocumented plots are consolidated into unified development projects, allowing occupants to transition into legitimate co-investors who receive modern properties proportional to their original holdings.

The social fabric of these newly revitalized territories is further protected by the inclusionary standards seen in Barcelona's General Metropolitan Plan (MPGM), which ensures that at least 30 percent of floor space in every new project is dedicated to social housing, thereby preventing the displacement of the community. Economic vitality is simultaneously fostered by "active frontage" requirements.

Mirroring Paris' Semaest municipal strategy (now often referred to as SEM Paris Commerces), these norms mandate commercial use for ground floors along pedestrian routes, establishing a transparent tax base and revitalizing the street economy.

Ultimately, these practices reflect the "compact city" principles of Germany's Federal Building Code (Baugesetzbuch, or BauGB), which prioritizes the regeneration of internal urban land over outward sprawl.

The necessity of embedding these European benchmarks into local practice is now being formalized at the highest level. President Aliyev's decree designating 2026 as the Year of Urban Planning and Architecture establishes a national framework focused on planning policy, architectural culture, and sustainable development. Since 2022, Azerbaijan has been one of five countries worldwide selected for Phase 2 of UN-Habitat's People-Centred Smart Cities Program, carried out in partnership with SCUPA and South Korea's Ministry of Land, Infrastructure, and Transport—a program that contributed to the International Guidelines on People-Centred Smart Cities adopted by UN-Habitat in 2025.

Three consecutive Azerbaijan National Urban Forums, held in 2022, 2023, and 2025 by SCUPA and UN-Habitat, with academic and organizational support from ADA University, have established a structured national platform for urban policy dialogue. This collaboration led to the selection of Baku to host the 13th World Urban Forum (WUF13) in May 2026, where ADA University continues to serve as a key strategic partner in shaping the international urban agenda.

The ADB Country Partnership Strategy for Azerbaijan 2025-2029 identifies the enhancement of community-level planning capacity as a fundamental development priority. In this context, the designation of 2026 as the Year of Urban Planning and Architecture marks a decisive transition from aspirational goals to the establishment of binding legislative frameworks. The significance of this moment lies in the institutionalization of participatory planning, moving it beyond a mere

program objective to a mandatory legal condition of the urban development process itself. This ensures that community engagement is no longer a discretionary exercise but a codified requirement, firmly embedding local interests within the official regulatory mechanisms of territorial planning.

The alignment of these international precedents with Azerbaijan's domestic trajectory highlights a broader shift towards a more sophisticated, participatory urban governance model. Rather than viewing foreign experiences as a final template, Azerbaijan is actively synthesizing these insights to refine its own institutional setting. This provides a strategic opportunity to further bridge the link between national planning policy and the specific needs of local communities. The Third National Urban Forum, held in Khankendi and Baku in October 2025 in partnership with UN-Habitat, demonstrated that Azerbaijan has already established its own robust platforms for high-level dialogue. The current objective is to institutionalize this dialogue within regular planning procedures, ensuring that municipal bodies, community representatives, and professional institutions have clearly defined roles in the formal decision-making process.

This governance evolution is most visible in the Great Return program. More than $10 billion has been allocated from the state budget since 2021, aiming for 140,000 returnees across Karabakh and East Zangezur by the end of 2026. Reconstruction at this scale and speed provides a historic chance to pioneer governance mechanisms that embed community identity and spatial memory into the planning process from the very beginning. Community consultation is thus being framed as a mandatory pillar of reconstruction planning, with heritage documentation serving as a vital input for settlement design briefs. The significance of the establishment of Karabakh University in Khankendi further bolsters this capacity; by operating in close proximity to the territories it serves, it is uniquely positioned to produce professionals with the local knowledge that community-centered planning depends on.

The legislative agenda emerging from this transition is increasingly clear. Planning laws are set to mandate community consultation as a formal step in developing master plans and major urban renewal projects, establishing high standards for documentation and scope. Complementary municipal finance laws will equip local governments with the necessary revenue tools to maintain shared spaces and support neighborhood associations within these broader frameworks.

Furthermore, the Urban Planning and Construction Code, following its December 2024 amendments, now provides the direct legal means to establish permeability standards and performance-based public space requirements as binding national rules. With Baku hosting WUF13 in May 2026, Azerbaijan is poised to showcase a governance framework as ambitious and transformative as its physical construction.

Community-oriented planning, in this context, functions as the governance layer that makes urban investment socially beneficial. Construction makes up 6.7 percent of GDP. Reconstruction in Karabakh is happening on a historic scale. Master plans now shape Baku and dozens of other cities. These are the material conditions for transformation. The remaining question is whether communities are provided with the institutional means to shape, recognize, and sustain what is being built around them. Extending such mechanisms across Azerbaijan's entire range of cities and settlements, from the capital to regional centers to the rebuilding towns of the liberated territories, is now one of the central requirements of the country's urban transition. BD

bakudialogues.ada.edu.az

INSTITUTE for DEVELOPMENT and DIPLOMACY

The Institute for Development and Diplomacy was established by ADA University in March 2022. Our work is overseen by ADA University Vice-Rector for Government and External Affairs Dr. Fariz Ismailzade.

Modeled on the best practices of leading world-class research universities abroad, IDD serves as the University's hub of policy-oriented, interdisciplinary research and analysis outputs. It also serves as the focal point of high-level, policy-oriented conferences, briefings, and workshops.

IDD has also incorporated existing ADA University programs, projects, and initiatives, including the Global Perspectives Lecture Series (GPLS), the Center of Excellence in EU Studies, the publication of our quarterly flagship policy journal Baku Dialogues, and the ADA University Press imprint, amongst others. We also publish Analytical Policy Briefs and Occasional Papers.


idd.az

@IDD_ADA

IDDADAU

@idd.ada2022

idd@ada.edu.az


Email us to subscribe to the IDD mailing list

ADA UNIVERSITY FOUNDATION

# ADA UNIVERSITY FOUNDATION

ADA University Foundation in Azerbaijan is a non-profit organization that supports the university's educational activities. We established a permanent endowment fund, an innovative concept in the country's education sector that ADA University has pioneered. ADA University Foundation also operates in Washington, DC, known as ADA International, which has become in short order a significant extension of ADA University and its educational activities in the United States.

Giving to ADA University impacts positively not only on the quality of education we can offer but also provides support that can tangibly impact the lives of ADA students, faculty, and staff by developing their education and research activities whilst enhancing academic excellence.

ADA University Foundation has partnered with more than one hundred local and foreign companies in Azerbaijan and abroad.

www.adafund.az

https://doi.org/10.60119/LJGR2807

# Affordable Housing in Baku

## Proposals for Sustainable Urban Living

*Carl Haddrell and Aysel Karimli*

The current housing problem in Baku did not begin with the post-Soviet real-estate boom. Its roots reach back to the late Russian imperial period, when the first oil boom transformed Baku from a small-town port into one of the empire's fastest-growing industrial cities. Wealth generated by oil produced a sharply uneven urban landscape: elite mansions, administrative buildings, and prestigious apartment houses rose in the central city, while the influx of workers from other parts of Azerbaijan, the empire, and surrounding states produced intense pressure for cheaper accommodation near the oil fields and industrial districts.

Baku's modern housing question, therefore, emerged at the same time as its modern prosperity. Under Soviet rule, this earlier imbalance was not eliminated so much as reorganized. From the 1920s onward, Baku became the site of repeated planning experiments, including worker settlements around the industrial periphery, new general plans for the city and the Absheron Peninsula, and later the mass construction of standardized apartment blocks. These interventions expanded access to housing and built the foundations of the residential city that still exists today. Yet they also embedded a different set of long-term problems: heavy reliance on standard typologies, weak maintenance cultures, and a tendency to subordinate housing quality to industrial and demographic urgency.

***Carl Haddrell** is an Assistant Professor in the School of Design and Architecture at ADA University. **Aysel Karimli** is Head of the Architecture Sector at the Baku City General Directorate on Architecture and Urban Planning under the State Committee on Urban Planning and Architecture of the Republic of Azerbaijan. The views expressed in this essay are their own.*





By the late Soviet period, the city had acquired large microdistricts and extensive prefabricated housing, but much of this stock was already beginning to age mechanically and spatially. The legacy is therefore double. Baku inherited from the imperial era a housing market shaped by uneven access and speculative pressure; from the Soviet era, it inherited a vast but increasingly fragile stock whose technical life and social logic were never meant to carry the full weight of a twenty-first-century metropolis.

*This paper proposes an integrated reform agenda for Baku focused on affordability measures, large-scale structural rehabilitation, institutional reform, and the modernization of housing data systems.*

Despite considerable and commendable efforts by the Azerbaijani government and the city authorities, Baku is currently facing the prospect of a housing crisis marked by severe affordability constraints and significant deterioration of its pre-1990 housing stock, which may, if not successfully addressed, lead to growing socioeconomic inequality.

Housing prices substantially exceed median household income levels, and the opportunity to secure a mortgage and take the first steps toward property ownership remains a significant challenge for many. At the same time, nearly half of the city's residential buildings face long-term structural risk due to decades of deferred maintenance.

As a result, housing in Baku functions not only as a sectoral challenge but as a systemic driver of social disparity and fiscal strain. Drawing on the Sustainable Development Goal (SDG) 11 framework ("Sustainable Cities and Communities"), this paper proposes an integrated reform agenda for Baku focused on affordability measures, large-scale structural rehabilitation, institutional reform, and the modernization of housing data systems.

Without coordinated intervention, Baku risks intergenerational inequality and accelerating infrastructure decline; however, targeted reforms could position the housing sector as a foundation for sustainable, resilient urban development.

## *Reshaped Urban Landscape*

Over the past three decades, rapid urbanization, demographic pressures, and market-driven development have fundamentally reshaped the city's landscape. While investment has produced new residential complexes and modern construction, these developments tend primarily to benefit upper-income groups and intensify the risk of spatial and economic inequality. Baku now risks becoming a dual housing system. High-priced new developments remain accessible mainly to affluent households, whereas aging Soviet stock is inhabited by middle- and lower-income residents who lack both the financial means and the institutional support to maintain their buildings.

I frame this paper around three overarching concerns about the structural forces behind the city's housing affordability crisis: how housing deterioration links to inequality and resilience, and how policy frameworks can align national housing reforms with international sustainability standards. In doing so, my analysis situates Baku's housing challenges within broader international debates on asset inequality and sustainable, affordable, and resilient urban residential development.

Housing affordability in Baku is hindered by a large gap between prices and incomes. The latest data show that the average apartment costs much more than most working families can realistically afford. Monthly household deficits often occur even before rent is paid, and saving money becomes impossible once housing costs are included. Only a very small percentage of households can afford a standard 50-square-meter unit, and mortgage use remains very low, showing limited access to formal finance.

As a result, the housing market remains in a state of structural imbalance, where price-to-income ratios make ownership impossible and weaken households' long-term ability to save and build wealth.

At the same time, deterioration of the pre-1990 housing stock adds to the crisis. A significant proportion of multifamily buildings constructed during the Soviet era show varying degrees of physical degradation. Years of insufficient maintenance have produced structural vulnerabilities and outdated water and sewer systems. Widespread energy inefficiency has compounded these problems. Nearly half of all residential buildings in the city may undergo progressive degradation if comprehensive rehabilitation efforts are not launched.

The combination of insufficient household capacity to finance repairs and the lack of systematic implementation of remedial practices has exacerbated this trend. This deterioration constitutes both a direct social risk, given its implications for safety and basic living standards, and a macroeconomic risk, considering the rising cost of future reconstruction and the decline of housing asset values.

Some historical background is important here, because the phrase "pre-1990 housing stock" covers several distinct building eras with different planning assumptions and technical weaknesses. Pre-Soviet housing in central Baku often requires renovation because it was never designed to meet contemporary service standards at scale. Interwar and early Soviet housing introduced new urban forms and worker settlements, but these remained uneven in quality and were shaped by industrial priorities. The mass prefabricated housing built from the 1960s onward addressed shortages rapidly, but often with low-quality materials, limited energy efficiency, and a relatively short design life.

This means that Baku's present maintenance challenge is not simply a matter of age; it is a layered inheritance from successive housing regimes, each of which solved one problem while passing another into the future.

Housing also plays a central role in driving socioeconomic inequality. In asset-based economies such as Azerbaijan's, property ownership is a primary mechanism for wealth accumulation. Higher-income households often acquire multiple properties and benefit from capital appreciation, while renters, who constitute a sizeable share of Baku's population, remain excluded from such gains. This dynamic reinforces intergenerational inequality and reflects global concerns regarding the positioning of housing stock within asset markets and its role as a key driver of socioeconomic stratification and inequality.

Institutional limitations and the lack of accessible housing data further hinder the effectiveness of policy responses. Policymakers lack access to accurate and detailed data on housing quality, vacancy rates, and the scope of informal or substandard housing. Enforcement

of building maintenance remains weak, administrative responsibilities across agencies are fragmented, and allocation mechanisms are often unclear. Without a comprehensive monitoring system, evidence-based policymaking remains challenging and inefficient.

## *Four Priorities*

However, recent efforts by the government of Azerbaijan and the city-planning authorities have attempted to alleviate some of the issues identified above. The Baku Master Plan 2040, published in 2023, and, before that, the Strategic Road Map, published in 2016, indicate a renewed effort to implement a sustained and coordinated strategy for sustainable and resilient urban development and, consequently, for the provision of affordable housing.

The most important document in the present context is the comprehensive Baku Master Plan 2040. It identifies four priorities in the maintenance, regeneration, and redevelopment of the urban fabric, within which the specific integration of the principles of SDG11 would help ensure the continuous alignment of government strategy with the provision of sustainable, resilient, accessible, and affordable cities for a significantly larger proportion of the population.

The first priority places sustainability at the heart of future urban development. The decentralization of the existing urban fabric, together with the establishment of multifunctional subcenters, is identified as a strategic long-term goal that will ensure future development is both viable and sustainable. To facilitate this, an improved, fully integrated public transport network is recognized as necessary. In addition, the coordination of synchronized urban development and infrastructure implementation is seen as essential to providing a city where equal opportunity and inclusiveness are paramount.

The second priority outlines the city's commitment to developing green public spaces. This "clean city" approach, together with the benefits of an improved public transport system and decreased reliance on the automobile, is conceived as a way of ensuring a more environmentally friendly city, where reduced pollution and the provision of increased amounts of green space improve the quality of life of the city's residents and visitors.

While the third priority seeks to ensure the maintenance of urban heritage and cultural life, the fourth offers the opportunity to return more specifically to the theme of sustainable, environmentally friendly urban development.

This is to say that the fourth priority of the Baku Master Plan seeks to develop new industrial areas and additional facilities to promote higher levels of tourism, cultural events, and creative industries. Here, as with the Azerbaijani government's previous priorities and ambitions, there is a strategic opportunity to fully integrate the objectives of SDG11.

## *SDG11 Alignment*

The strategic alignment of urban development policy—whether initially proposed in the Baku Master Plan or the Strategic Road Map—with the ambitions, targets, and initiatives outlined in SDG11 offers Baku its best opportunity to develop and fulfill comprehensive urban strategies that will facilitate urban sustainability and resilience, as well as the provision of inclusive and affordable housing.

In 2020, the government of Azerbaijan aligned its development concepts and strategic road maps with the UN's Sustainable Development Goals. For example, the design and implementation of smart city and smart village standards were adopted to establish new urban areas. The integration of SDG11 offers city and national lawmakers a proven framework for future urban development, and this initial alignment suggests that further legislative and policy convergence could also be beneficial.

Within this context, SDG11 provides a multidimensional framework that connects housing to broader issues of affordability, resilience, environmental sustainability, and governance. Several sub-targets are particularly relevant to Baku. SDG11.1 stresses the need for safe and affordable housing, aiming to upgrade slums and ensure access for all to adequate, safe, and affordable housing by 2030; SDG11.2 concerns the provision of affordable and sustainable transportation systems. Public transit should be improved and expanded, especially to serve vulnerable groups—women, children, the elderly, and the disabled. This requirement has been identified and detailed within the first priority of Baku's Master Plan 2040. SDG11.3 focuses on inclusive and sustainable urbanization; SDG11.4 seeks to safeguard national and cultural heritage; SDG11.5 addresses disaster risk reduction in urban

settings; and SDG11.6 emphasizes the environmental impact of cities.

SDG11.7 refers to providing universal access to safe, inclusive, and sufficient green and public spaces to meet the needs of the city and its residents. As we have seen, this is a key part of the second priority in the Baku Master Plan. SDG11.8, at least in part, aligns with the first priority in the Baku Master Plan, as it calls for strong national and regional planning that enhances positive economic, social, and environmental connections between urban, peri-urban, and regional areas to ensure the implementation of a strategic urban plan benefiting both the city and its surroundings. As the Master Plan states, planned decentralization is central to the city's strategy.

*A comprehensive reform agenda must address several key areas in order to ensure affordable housing, including restructuring measures, become truly accessible to lower-income households.*

Under this framework and the specific provisions of SDG11, housing is no longer treated simply as a construction-sector matter, but rather as part of a complex urban system that must integrate social, environmental, and institutional dimensions to be sustainable.

## *Reform Agenda*

A comprehensive reform agenda must address several key areas in order to ensure affordable housing, including restructuring measures to make initiatives like those led by the State Housing Development Agency (MIDA) truly accessible to lower-income households. This might involve implementing income-tiered eligibility rules, setting quotas for vulnerable groups, performing affordability impact assessments, and increasing supply through well-regulated partnerships between the public and private sectors.

To support these efforts, the Strategic Road Map for the Development of Affordable Housing in the Republic of Azerbaijan has already been put into action, and plans are underway to review the legal framework for housing and clarify the transfer of authority to MIDA. Its establishment was undertaken to help structure and regulate its role, reduce reliance on state funding, and encourage private investment.





A national renovation program targeting the pre-1990 housing stock is essential. Such a program must combine seismic retrofitting, infrastructure modernization, energy efficiency upgrades, and the provision of subsidized loans to homeowners' associations, supported by stronger enforcement of maintenance regulations.

It has increasingly been suggested that expanding mortgage accessibility requires strengthening the mandate of the Mortgage and Credit Guarantee Fund of Azerbaijan (MCGF) to introduce low-equity mortgages, guarantee loans for lower-income borrowers, and promote employer-supported matched savings schemes. Establishing a centralized system for data collection and analysis is necessary to modernize the country's data infrastructure. It should monitor housing quality, affordability, and vacancy; mandate regular reporting from building managers; publish annual open-access reports; and employ GIS-based systems to track spatial trends. Finally, additional governance should focus on digitalizing land and housing records, streamlining permit processes, and improving transparency in allocation.

*A successful reform agenda would do more than widen access to mortgages or accelerate residential supply. It would establish housing as a long-horizon public system.*

Implementing these reforms and building on the work already done will require a clear, coherent roadmap. Therefore, the government should begin by adopting a National Affordable Housing Strategy aligned with SDG11. MIDA's allocation mechanisms should be restructured to reflect income-based targeting. A comprehensive renovation program for the pre-1990 stock must be launched, accompanied by the establishment of a National Housing Observatory and the introduction of low-equity mortgage instruments through MCGF. Legislative reforms governing homeowners' associations and the integration of climate resilience into all housing policies are also essential steps.

The macroeconomic and social implications of inaction are considerable. Continued neglect could accelerate infrastructure deterioration, increase the fiscal burden of emergency reconstruction, entrench intergenerational inequality, and heighten urban vulnerability to both seismic and

climate-related risks. In contrast, a coordinated and forward-looking reform strategy could stimulate employment in the renovation and construction sectors, generate long-term energy savings, enhance social stability, and improve overall economic productivity.

## *Final Thoughts*

Baku's housing crisis represents a crucial turning point. If the measures outlined above are not implemented, rising prices, declining infrastructure, and widening socioeconomic divides may follow, threatening the city's cohesion and future resilience.

However, the crisis also provides an opportunity. By aligning national housing reforms with SDG11, Azerbaijan can transform housing into a cornerstone of inclusive and sustainable development rather than a source of structural inequality. The urgent question is not whether reform is necessary, but whether it will be undertaken proactively or postponed until deterioration becomes irreversible.

The historical perspective also sharpens the policy stakes. Baku's housing issue has passed through three overlapping systems: the unequal urban growth of the oil-boom city, the mass but standardized provision of the Soviet period, and the market-driven expansion of the post-1991 era. Each period added capacity, but each also transmitted unresolved structural problems into the next.

This is why a durable solution cannot be limited to new construction alone. It must repair a long institutional legacy in which maintenance was repeatedly deferred, affordability was unevenly distributed, and the relationship between housing policy and urban planning remained fragmented.

A successful reform agenda would therefore do more than widen access to mortgages or accelerate residential supply. It would establish housing as a long-horizon public system: one in which the inherited stock is categorized and rehabilitated according to type, the costs of maintenance are distributed through credible institutions, and planning decisions are made with attention to both social equity and the technical life cycle of buildings. If Azerbaijan can frame reform at that level, it can successfully turn a looming crisis into a strategic opportunity for institutional modernization in urban governance. BD

https://doi.org/10.60119/REMH8660

# Beyond Housing Provision for Baku

## A Strategic Roadmap for Climate-Resilient Neighborhoods and Human Development

*Deniz Ozge Aytac*

Baku's rapid urbanization is heightening pressure on housing, infrastructure, public services, and environmental systems. Recent reports point to a more complex urban condition shaped by affordability constraints, spatial mismatches, aging building stock, uneven neighborhood services, increased heat exposure, and declining ecological quality. Some of the effects of climate change worsen these issues, making it more urgent to adopt a policy approach that integrates the spatial, social, and environmental aspects of urban development.

I argue in this article that urban policy in Baku should move beyond a narrow housing-provision approach and adopt a climate-resilient neighborhood concept as the primary unit of intervention. This is consistent with Azerbaijan's broader development agenda, including Azerbaijan 2030, the Strategic Roadmap for Affordable Housing, the Baku Initiative on Human Development for Climate Resilience, and the ongoing efforts of UN-Habitat and national institutions to make cities and communities more climate-resilient. Taken together, these frameworks suggest that resilience should be understood not only in terms of infrastructure performance or emissions reduction, but as the capacity of people and places to sustain healthy, inclusive, safe, and adaptive urban life under changing socioeconomic and environmental conditions.

***Deniz Ozge Aytac*** *is an Assistant Professor at ADA University's School of Design and Architecture. Her research focuses on social-ecological systems, neighborhood resilience, adaptability, and sustainability assessment tools at the intersection of urban design, architecture, and interior design. The views expressed in this essay are her own.*





A neighborhood-centered approach provides a more effective scale for linking housing development with social infrastructure, biodiversity recovery, public health, climate adaptation and mitigation, human capability formation, and community preparedness. It also offers a practical framework for integrating physical upgrading with everyday development outcomes in health, education, employment, mobility, and social protection. In this sense, neighborhoods are not only settlement units; they are the places where risks associated with the effects of climate change are experienced most directly, where socioeconomic inequality is most visible, and where better public policymaking can result in tangible improvements in daily life.

> *Urban policy in Baku should move beyond a narrow housing-provision approach and adopt a climate-resilient neighborhood concept as the primary unit of intervention.*

Building on this perspective, I propose in this article an integrated roadmap for climate-resilient neighborhood development in Baku. It advances five mutually reinforcing directions: strengthening the neighborhood as the operational scale of intervention; integrating human development into neighborhood policy; embedding nature-based infrastructure into urban renewal; developing neighborhoods as learning environments; and building partnerships across institutions and stakeholders.

My central claim in this article is straightforward: climate commitments will have the greatest public value when they are translated into neighborhood-scale interventions that strengthen quality of life while enhancing the long-term resilience of human development.

### *A Climate-Resilient Urban Future*

Baku is experiencing rapid urbanization, placing increasing pressure on housing, infrastructure, public services, and environmental

systems. However, the challenge extends beyond increasing the supply of housing units. As reflected in the Azerbaijan Urban Campaign 2026 and the wider dialogue leading to the World Urban Forum 13, the relationship between housing, climate resilience, and urban development has become closer. In Baku, affordability constraints, spatial mismatches, deteriorating building stock, inadequate neighborhood amenities, heat vulnerability, and declining ecological services together point to a more complex urban condition in which housing policy, infrastructure maintenance, and environmental protection cannot be treated separately.

The effects of climate change further intensify these pressures by increasing heat-related risks, infrastructure stress, and social inequality, while disproportionately affecting vulnerable groups and underserved communities. In this context, the climate-housing nexus highlights the need for urban-planning approaches that support affordable housing without undermining environmental protection, climate adaptation, or social policy. This requires greater attention to nature-based solutions, low-carbon materials, drainage systems, passive cooling strategies, and community-based adaptation practices that draw on local knowledge and everyday realities. For Baku, the urgency of a climate-resilient urban future lies in ensuring that housing policy contributes not only to shelter provision but also to more inclusive, adaptive, and sustainable neighborhood development.

To carry forward the country's broader development agenda—including Azerbaijan 2030, the Strategic Roadmap for Affordable Housing, the Baku Initiative on Human Development for Climate Resilience, and ongoing efforts by UN-Habitat and national institutions to strengthen climate-resilient cities and communities—an urban policy focused on housing provision should move beyond plot-based housing redevelopment and adopt the concept of a climate-resilient neighborhood as the primary unit of action. These frameworks suggest that resilience should be understood not only as the performance of infrastructure or the reduction of carbon emissions, but also as the capacity of people and places to sustain cities and human settlements as inclusive, safe, resilient, and sustainable under changing climatic and socio-economic conditions.

Neighborhoods are not only settlement units but also the primary units of any urban fabric where climate risk is experienced, socio-economic inequality becomes visible, and public policy can improve daily life. A neighborhood-centered approach can better connect housing development with social infrastructure, biodiversity recovery, public health, climate adaptation and mitigation, human-capacity development, and community preparedness. It also provides a more practical scale for integrating physical upgrading with everyday human-development outcomes in education, health, employment, mobility, and social protection.

Urban growth in Baku is driving high housing demand. However, housing policy focuses more on the provision of housing than on quality and affordability. The World Bank's assessment of the Baku metropolitan area shows that while housing units are being produced, key neighborhood-scale limitations remain, including access to safe potable water, waste management, mobility, and adequate thermal comfort. In addition to limited access to green public spaces and continuing education opportunities, local economic diversity is suboptimal. These findings suggest that adequate housing should not be limited merely to the provision of shelter.

*Neighborhoods are not only settlement units but also the primary units of any urban fabric where climate risk is experienced, socio-economic inequality becomes visible, and public policy can improve daily life.*

The effects of climate change are also reshaping urban-policy frameworks. Baku is projected to face rising temperatures, increasing water stress, heat-related health risks, and intensifying pressures on ecosystems and infrastructure. Local vulnerability assessments identify urban heat, insufficient drainage and water-retention systems, fragmented green infrastructure, low adaptive capacity, and limited infrastructure maintenance as key drivers of risk at the neighborhood level, disproportionately affecting low-income households, older people, children, and those with limited access to cooling, green space, or public services. In this context, the policy discourse that emerged from COP29 and the Baku Guiding Principles on Human Development for Climate Resilience is particularly significant, because it presented a framework for climate action that centers on citizens' health, safety,

prosperity, inclusivity, and long-term capacity.

A strategic roadmap for housing-development policy is essential to strengthen the existing frameworks. This roadmap should ensure that climate-resilient neighborhoods function as a bridge between housing policy, climate adaptation and mitigation, and human development in the Baku metropolitan area.

## *Urban and Climate Policy*

Current urban policy in Azerbaijan requires housing construction to support a more integrated urban approach. The country's Strategic Roadmap for the Development of Affordable Housing acknowledges the need for neighborhood-scale urban services, environmentally friendly and energy-efficient buildings, and stronger public administration in city planning and construction. Furthermore, Azerbaijan 2030: National Priorities for Socio-Economic Development emphasizes a clean environment, diverse economic growth, an inclusive society, public health, human capital, balanced regional development, and green growth. These priorities demonstrate that the country's development vision is not limited to housing production but extends to holistic socio-economic equality, ecological quality, and equal opportunity public policies.

However, there is a gap between policy frameworks and how urban problems have been addressed. Housing programs often focus on land allocation, construction delivery, and market access, while climate-adaptation and -mitigation efforts are frequently discussed through the lens of infrastructure, vulnerabilities, or risks. Yet the fundamental urban risks in Azerbaijan are intertwined. The pre-1990 housing stock is associated with limited ability to adapt to extreme heat, as well as with water and waste management issues, structural safety risks, and the deterioration and loss of green infrastructure. In addition, a limited and homogeneous economic structure, together with uneven urban connectivity, reduces residents' ability to cope effectively with setbacks.

A series of interconnected issues arises from this situation, making inclusivity, preparedness, and risk management essential at the neighborhood level. As in many other parts of the world, the pressure on ecosystems and public spaces undermines both environmental and social resilience in Azerbaijan. This is particularly evident in Baku, where rapid urban expansion and restructuring are associated with several urban challenges. These include large-scale high-rise housing developments in the city center that fail to fully comply with zoning regulations, urban renewal of informal settlements that lack adequate green spaces and social infrastructure, and development patterns that exacerbate heat stress, reduce biodiversity, and place additional demands on urban services. In this context, urban policy should extend beyond merely supplying housing and adopt a broader approach that considers the neighborhood as a whole unit of intervention.

## *Neighborhood Development*

The World Bank's 2021 Azerbaijan Rapid Housing Needs and Demand Assessment: Baku underscores the interconnected pressures affecting Baku's housing stock and neighborhood environments. In addition to improving housing quality, the assessment highlights the importance of strengthening water quality, drainage infrastructure, and access to basic services. In parallel, the Baku 2040 General Master Plan identifies a broader set of urban and environmental renewal priorities, including improved mobility and connectivity, reduced exposure to rising heat, expanded green spaces, and stronger institutional and community capacity to adapt to change.

These findings demonstrate that while housing supply and affordable housing are necessary, they are insufficient as the principal framework for building sustainable and resilient cities and communities. Focusing on housing supply makes it difficult to capture fully how climate vulnerability is experienced in daily urban life. For example, heat stress is shaped not only by indoor conditions but also by the availability of shaded streets, green corridors, safe pedestrian walkways, accessible cooling areas, and adaptation measures such as insulation and air conditioning. Similarly, flood and surface-runoff risks depend on the quality of drainage systems, the presence of permeable surfaces, water-retention infrastructure, and land-use patterns across the neighborhood. Rather than a building-level solution, a more systematic, spatially based approach is needed.

The foregoing also implies that focusing on housing alone does not guarantee human development. The Baku Initiative for Human Development for Climate Resilience clearly states that climate resilience depends on the built environment as well as on further

investment in education, healthcare, employment, skills, social protection, and opportunities for children and young people.

This shifts the policy emphasis from housing assets alone to the strengthening of human capability and social capacity. New housing units in a neighborhood that lacks accessible schools, safe public spaces, reliable healthcare, learning opportunities, and social support cannot be considered fully resilient, because vulnerability is likely to persist.

## *Climate-Resilient Neighborhoods*

An urban-policy framework that acknowledges the strong connection between human settlements and natural systems is essential for producing climate-resilient neighborhoods. Climate risks arise from land-use change, environmental degradation, and pressure on infrastructure, all of which are shaped by the interactions among built form, ecological processes, and social conditions at both neighborhood and city scales. This requires an integrated approach that considers how urban systems can mitigate risks, prepare for setbacks, respond effectively to shocks and crises, and recover in ways that strengthen long-term resilience.

Within such a framework, preparedness is particularly important because social systems not only react to change but also anticipate, plan for, and mitigate future vulnerability. Persistence also remains a significant concern, particularly regarding the resilience and continuity of urban infrastructure, utilities, and essential services under climate stress. At the same time, adaptability is central to resilience, as neighborhoods and urban systems should adjust to changing climatic, environmental, and social conditions while maintaining their core functions. Transformability is equally important, since in some cases resilience depends not only on maintaining existing systems but also on restructuring them to better accommodate future risks and uncertainties.

A climate-change resilience perspective presents a dynamic systems mindset, comprising interconnected physical, environmental, and social components linked by continuous feedback processes. The spatial characteristics of settlements, such as location, connectivity, density, land cover, and access to resources, shape the distribution of risk and communities' capacity to respond effectively. These elements enable urban policy to move beyond fragmented sectoral responses and toward more integrated approaches that strengthen environmental performance, social well-being, and long-term adaptive capacity.

In the context of adaptation efforts dealing with the effects of climate change, neighborhood resilience can be understood as the capacity of urban systems to withstand, absorb, adapt to, and recover from environmental, social, economic, and infrastructural stresses while preserving their core functions, identity, and structure. In this context, the built environment plays a central role when it is planned, located, designed, constructed, operated, and maintained in ways that strengthen the ability of people, institutions, and physical systems to manage risk, mitigate setbacks, and support long-term adaptation. For Baku, this means acknowledging that factors such as spatial location, density, connectivity, green-space coverage, infrastructure quality, and access to services shape both climate vulnerability and communities' ability to respond.

*A climate-resilient neighborhood strengthens healthy, inclusive, and adaptable urban living while reducing exposure to climate-related risks.*

A climate-resilient neighborhood strengthens healthy, inclusive, and adaptable urban living while reducing exposure to climate-related risks. It supports access to health, education, mobility, and employment, and fosters social cohesion, while integrating natural and built systems to enhance biodiversity and ecological performance. It also produces a conducive environment for community learning, local adaptation and mitigation, and preparedness, thereby improving daily well-being and strengthening resilience over time. This is particularly important for vulnerable groups, including children, youth, older persons, and low-income households, whose capacity to cope with climate-related stresses is closely shaped by neighborhood-level conditions.

To transform this concept into a strategic roadmap, a climate-resilient neighborhood approach should include five key and mutually reinforcing elements.

*First,* urban physical resilience, which concerns the capacity of the built environment and infrastructure systems to withstand shocks

and crises, maintain essential functions, and recover effectively from them. From a public policy perspective, this requires safe and adaptable buildings, reliable water and wastewater systems, interconnected and redundant mobility networks, and infrastructure capable of functioning under climate pressure. Physical resilience is not just about structural integrity. It also includes backup capacity, alternative service routes, and the ability of built systems to adapt over time without major systemic failure.

*Second*, ecological resilience. This term refers to the capacity of neighborhood environments to maintain ecological functions, absorb environmental stress, and support long-term biodiversity and ecosystem services. Environmental degradation, vegetation loss, habitat fragmentation, and weakened ecological connectivity reduce the resilience of settlements and increase vulnerability to climate impacts. Therefore, a climate-resilient urban policy should further protect and restore green infrastructure, strengthen ecological corridors, support biodiversity at multiple scales, and integrate landscape systems into urban planning and design.

*Third*, social resilience, which is the capacity of communities to cope with shocks and crises, maintain social cohesion, and organize collectively in the face of uncertainty. Community interaction, diversity, trust, local stewardship, and inclusive public space all strengthen resilience within neighborhoods. From a policy perspective, social resilience depends on physical assets, strong support networks, opportunities for face-to-face interaction, and governance arrangements that allow residents to participate in shaping and managing their environments.

*Fourth*, capacity building. This term refers to the ability of neighborhoods and local institutions to adapt, reorganize, and maintain continuity under changing conditions. Resilient systems depend on diversity, flexibility, and multiple pathways to meet needs when primary systems fail. Within an urban-policy framework, this means strengthening local capacity not only through physical investment, but also through diversified land use, flexible urban form, mixed economic opportunities, access to services, and governance arrangements that support gradual adjustment over time.

*Fifth*, learning for preparedness and adaptation. This formulation refers to neighborhoods' ability to build, retain, and apply knowledge to improve future responses to uncertainty and change. Preparedness should not be treated as a one-time technical exercise, but as an ongoing social process rooted in participation, observation, and shared experience. Neighborhoods become more resilient when they learn from past setbacks, preserve local memory, involve residents in decisionmaking, and translate knowledge into everyday practices and institutional action.

## *Integrated Direction*

The value of a climate-resilient neighborhood approach for Baku lies in its ability to connect policy agendas already in place at the national and international levels. Affordable housing, neighborhood rehabilitation, climate adaptation and mitigation, green growth, inclusive development, and human-capital development are intertwined and should be addressed together rather than as separate measures. This is particularly important in Baku, where rising temperatures, pressure on infrastructure, decreasing green space, unequal access to public services, and the deterioration of the aging housing stock increasingly overlap at the local level.

*The neighborhood is not merely a cluster of housing, but a living system in which built form, natural processes, and social practices are in constant interaction.*

The neighborhood is not merely a cluster of housing, but a living system in which built form, natural processes, and social practices are in constant interaction. Therefore, a neighborhood-based resilience strategy should support the absorption of shocks and crises, as well as adaptation and mitigation, learning, and the strengthening of local knowledge. This involves producing conditions for residents, local institutions, and community networks to participate in building resilience, responding to change, and sustaining improvements over time. Consequently, an integrated orientation for climate-change-resilient neighborhoods in Baku requires urban policy to move beyond fragmented sectoral responses toward coordinated, neighborhood-scale action.

This approach aligns housing development with human development, ecological recovery, infrastructure improvement, and community preparedness. It also provides a more robust way to

translate national climate and development commitments into improvements that people directly experience in their daily lives. In Baku, where climate risks and urban inequalities are increasingly concentrated at the intersection of architecture and urban space, the neighborhood offers a practical scale for shaping a more resilient urban future.

## *Operational Scale*

Housing policy should shift the planning focus from isolated housing projects to neighborhood systems, because housing is fundamentally a form of collective development defined by access, orientation, proximity, open space, and daily interaction. Its broader impacts are expressed through urban vitality, safety, community life, and the quality of neighborhood space. Thus, urban-resilience policy should prioritize the neighborhood as the operational scale at which climate risks, housing conditions, infrastructure quality, and daily social needs can be addressed in an integrated manner.

This requires moving away from isolated housing projects and toward neighborhood systems in which the interactions among buildings, utilities, transportation, green spaces, infrastructure, and community life become visible. Since climate vulnerability is experienced unevenly across the city and often accumulates at the local level, the neighborhood provides a more effective unit for identifying needs, targeting interventions, and linking physical improvements to human-development outcomes.

Given that each neighborhood has unique physical, social, environmental, and economic characteristics, it is essential to identify accurately the specific conditions that affect local vulnerability and adaptability through a neighborhood-based approach. This framework should address issues such as housing quality, mixed-use housing density and design, access to urban amenities, drainage and water systems, transportation, green infrastructure, and ecological, social, and economic vulnerability.

By integrating these elements into planning processes, public institutions can more effectively prioritize areas most in need, facilitate evidence-based decisionmaking, and improve their ability to coordinate interventions across sectors. This approach transforms resilience assessment from a purely technical exercise into a practical basis for more responsive and locally focused urban policy.





Prioritizing the neighborhood thus requires closer alignment between housing policy, essential urban services, and climate-adaptation and -mitigation planning. These should be integrated into a common policy framework that enables municipalities and national agencies to coordinate at the neighborhood level. Pilot projects in selected neighborhoods can help test integrated planning models and lay the groundwork for disseminating more coordinated, climate-sensitive approaches across Baku over time.

In this context, climate-resilient neighborhoods should be understood as places where housing improvements are linked to broader social, ecological, and human-development goals. This means combining the renewal and rehabilitation of degraded housing stock with investments in reliable infrastructure, safe transportation, public services, neighborhood safety, and connected green spaces. It also means ensuring that environmental interventions are integrated into a broader resilience strategy that strengthens biodiversity, improves microclimate conditions, supports walking and recreation, and provides daily benefits to residents.

*The next step for Baku is not to produce a separate resilience agenda for housing policy, but to integrate resilience into how neighborhoods are planned, renewed, and managed.*

The need for connected green corridors and public green spaces in Baku is particularly evident given their potential to reduce heat exposure and increase biodiversity, resulting in additional social and small-scale economic benefits.

Current public policy and institutional developments present a timely opportunity for such an integrated approach. The Strategic Roadmap for Affordable Housing addresses environmentally friendly, energy-efficient housing through improved urban planning. Azerbaijan 2030 emphasizes inclusive societies, healthy lifestyles, balanced regional development, innovation, and green growth. The Baku Human Development Guiding Principles for Climate Resilience further reinforce the importance of education, health, skills, employment, social protection, and the meaningful participation of children and youth in climate-resilient development.

Taken together, these frameworks indicate that the next step for Baku is not to produce a separate resilience agenda for housing policy, but to integrate resilience into how neighborhoods are planned, renewed, and managed.

## *Enabling Human Development*

Improving physical infrastructure alone cannot produce resilient or inclusive urban environments. It is essential to integrate these improvements with a focus on human development within neighborhoods. Improvements to buildings, streets, infrastructure, and public spaces must be complemented by support for healthcare and education, as well as employment opportunities.

Neighborhood development contributes not only to better infrastructure but also to the development of human capabilities. In practice, this means integrating renewal efforts with accessible healthcare, schools, lifelong learning opportunities, local job creation, skills development, and supportive community services. A comprehensive strategy is needed to ensure that neighborhood improvements support residents' long-term well-being, rather than addressing the physical environment in isolation.

Neighborhood interventions should also be evaluated for their broader social outcomes. These outcomes should measure whether interventions improve access to education and healthcare, support employment opportunities, strengthen social cohesion, reduce vulnerability, and improve overall quality of life. In this way, urban policy can move beyond a narrow focus on service delivery and better understand whether investments truly enhance residents' resilience and life opportunities, particularly for vulnerable groups and the younger generation.

Another dimension is ensuring long-term economic sustainability. The interaction of various sustainability factors should ensure that housing, employment, and urban services remain economically sustainable and mutually supportive over time. Neighborhood development should aim to produce conditions in which public investment, local economic activity, and access to services can be preserved rather than diminished after the initial phase of intervention. This involves incorporating economic resilience into neighborhood planning by promoting mixed-use developments, creating local job opportunities, providing accessible services, and adopting development models that remain sustainable in the long term.





## *Nature-Based Infrastructure*

Strengthening nature-based infrastructure in Baku—particularly in areas where urban redevelopment and densification have reduced ecological capacity and increased exposure to heat and runoff—should be addressed as a key component of climate-resilient neighborhood development.

In practical terms, this means integrating green corridors, shaded public spaces, permeable surfaces, and biodiversity-supporting design into neighborhood planning and renewal processes. Such measures can help restore ecological functions within the urban fabric while also improving thermal comfort, walkability, and the overall quality of public space.

Therefore, nature-based infrastructure should be considered not as an aesthetic element, but as a fundamental layer of neighborhood development that supports environmental performance, urban design quality, and everyday urban well-being.

One of the key priorities of this approach is integrating urban biodiversity into neighborhood planning. Green corridors, tree cover, open spaces, and interconnected ecological areas contribute not only to habitat continuity and environmental improvement but also to more resilient urban microclimates and healthier living environments. Protecting and enhancing environmental capital at the neighborhood scale can improve visual quality, reduce environmental degradation, and produce more attractive and inclusive urban environments.

In this sense, biodiversity-inclusive design is closely linked to quality of life, as blue, open, and green spaces mitigate climate-related risks while simultaneously offering opportunities for recreation, daily social interaction, and broader public use.

The nature-based approach also allows planners to work more closely with natural processes rather than against them. Neighborhood development should incorporate permeable materials and water-sensitive design to ensure more effective absorption, retention, and management of rainwater. Such measures are especially important in Baku,

where infrastructure stress and limited drainage and water-retention systems increase vulnerability at the neighborhood scale. By improving the environmental performance of urban surfaces and spatial arrangements, nature-based infrastructure can contribute to both mitigation and adaptation goals in a practical way.

Urban heat and rainwater adaptation should be prioritized in regeneration areas where redevelopment often results in opportunities to reshape neighborhood form and public spaces. Tree planting, shaded walkways, green courtyards, permeable ground applications, and open blue-green spaces can reduce heat exposure, improve air quality, and enhance rainwater absorption and retention.

Therefore, the size, location, and distribution of green and recreational spaces are critical policy considerations, as their effectiveness depends on accessibility, connectivity, and relationship with surrounding housing and streets. In this way, regeneration policy can strengthen neighborhood livability, social inclusion, and long-term resilience while mitigating risk through nature-based infrastructure.

Finally, strengthening nature-based infrastructure should be understood as part of a broader neighborhood-development strategy. Communities often place high value on green and blue infrastructure because it offers multiple benefits simultaneously, such as mitigating climate risk, improving public spaces, fostering social interaction, and enhancing daily urban life.

Therefore, neighborhood planning should prioritize development models that combine adequate housing density with open spaces, ecological continuity, and equal access to recreational areas. A climate-resilient neighborhood is not only one that can better manage climate risks, but also one that results in healthier, more inclusive, and more environmentally conscious living spaces.

## *Developing Learning Environments*

Developing neighborhoods as learning environments is essential for a climate-resilient urban policy that goes beyond providing housing and supports long-term adaptation and mitigation in everyday urban life. Neighborhoods need social processes that enable residents to understand risk, strengthen preparedness, and increase their collective capacity to respond to climate risks.

In this context, continuous intergenerational education programs should be supported in neighborhood development for community preparedness and local knowledge transfer. Such programs can help transform an abstract policy goal into practical local knowledge by raising awareness about heat risk, water stress, emergency response, and neighborhood-level coping strategies. They also help strengthen social cohesion, reinforce a sense of community, and support local leadership structures that are often critical during times of crisis.

Schools, youth groups, and local institutions should be actively involved in resilience training, as social adaptation and mitigation depends on the development of intergenerational knowledge, values, and social capacity. Neighborhoods are shaped by their own unique socio-cultural characteristics, including family structures, community ties, local norms, diversity, and varying levels of inclusion. Therefore, a learning-based approach to neighborhood resilience should engage these characteristics rather than treat them as secondary.

The involvement of schools and youth organizations can embed climate awareness, environmental management, and preparedness into daily learning, while also strengthening intergenerational continuity and local identity. At the same time, local institutions can make resilience training more socially grounded and more relevant to the everyday realities of different population groups by integrating formal education with traditional or community-based knowledge.

Public space can also serve as a space for awareness, participation, adaptation, and mitigation. Parks, courtyards, streets, community spaces, and open areas can support daily learning by producing visible environments in which environmental knowledge, public engagement, and climate-sensitive behaviors are collectively practiced. This is particularly important in neighborhoods where public engagement is low and may limit the spread of shared knowledge and trust.

Public space can also strengthen urban memory and neighborhood identity by linking resilience efforts to the city's unique socio-cultural life. In this way, climate-resilient neighborhoods become not only safer and more adaptable, but also more socially rooted places where

awareness, inclusivity, and local capacity can develop over time.

## *Partnerships*

Partnership with institutions and stakeholders is essential for neighborhoods in Baku, since the challenges identified in housing development and climate adaptation/mitigation are interconnected and cannot be addressed by a single actor or sector. A stronger partnership model requires more effective coordination between municipalities, ministries, civil society, and development partners. Climate-resilient neighborhood development depends on linking housing, infrastructure, health, education, environment, and social policy within a shared implementation framework.

In this context, inter-institutional cooperation becomes critical, particularly where fragmented governance, limited institutional capacity, and weak integration of climate concerns continue to constrain urban-policy delivery. Strengthening coordination across these actors can improve risk-governance structures, support more coherent planning and funding decisions, and reduce the gap between national policy objectives and neighborhood-level implementation.

At the national level, an overarching policy framework with regulatory direction and funding priorities that support climate-resilient neighborhood development should be introduced. This includes aligning housing, climate adaptation and mitigation, infrastructure, and human-development agendas within national strategies and investment mechanisms. A clear national framework is important for setting direction, mainstreaming resilience into planning tools, and ensuring that climate-related concerns are not treated as separate from or secondary to urban development. In this sense, national leadership provides the policy and financial conditions needed for more integrated local action.

At the city level, municipal authorities should play the central role in identifying target neighborhoods and translating national priorities into place-based interventions. Because climate risks and urban-service disadvantages may be unevenly distributed, municipalities are best positioned to use databases to assess where housing deterioration, infrastructure stress, environmental decline, and social vulnerability overlap. This makes it possible to prioritize neighborhoods where coordinated action can have the greatest impact and to embed climate resilience into renewal and redevelopment processes. Municipal authorities are also critical for linking sectoral actors, managing local implementation, and ensuring that interventions respond to actual urban conditions rather than generalized policy assumptions.

Housing and urban-development agencies have a particular role in operationalizing the development agenda through planning, design, and implementation. Their work should extend from housing-unit delivery to neighborhood systems, encompassing infrastructure quality, environmental performance, and public space.

At the same time, education, health, and employment institutions should be integrated into neighborhood-development processes in order to improve access to learning, public health, and social-support systems. Involving these institutions more directly helps connect urban policy with human-development outcomes and strengthens the everyday capacities that allow communities to adapt over time.

Local residents should be viewed both as the target group for neighborhood interventions and as active partners in design, implementation, and long-term management. Broad participation in governance is essential if climate-resilient neighborhoods are to reflect local needs, values, and everyday life. Residents therefore need to be involved in decisions regarding planning, design, construction, and management, especially in areas facing high levels of risk or social vulnerability. Such participation helps strengthen local ownership, improve the appropriateness of interventions, and support more grassroots and community-based approaches.

International partners, such as UN-Habitat, can support this process by providing technical guidance, pilot experience, comparative knowledge, and institutional support for mainstreaming resilience into urban policy. Their role is especially valuable where cities face resource constraints or limited institutional capacity to integrate climate-change concerns into existing planning and development systems. In Baku, such partnerships can help bridge the gap between international resilience agendas and local practice by supporting cross-scale experiments, capacity building, and policy learning.

The upcoming World Urban Forum that will be held in the city in May 2026 is already helping to

serve as a valuable platform for championing the development of a climate-resilient neighborhood framework by addressing local climate vulnerabilities and promoting multi-stakeholder responses. Using similar initiatives as platforms for collaboration can help translate broad frameworks into practical models, while also generating evidence on what works, where adjustments are needed, and how neighborhood development can be scaled more effectively.

The implementation logic of this partnership model must therefore be structured at different levels. National institutions define the framework and funding priorities; city authorities identify target neighborhoods and coordinate local action; local actors co-design and monitor interventions according to neighborhood conditions; and pilot projects generate practical lessons that can be disseminated.

This layered approach would ensure that urban policy moves beyond fragmented action toward a more coordinated and scalable neighborhood-resilience model. It would also ensure that climate-resilient development is not only planned from the top down but also shaped through continuous interaction among institutions, communities, and implementation practices.

## *Future Direction*

One of the dialogues of the UN-Habitat World Urban Forum Azerbaijan Urban Campaign (2026) highlighted the climate-housing relationship, emphasizing the need for housing solutions that prioritize nature-based approaches and inclusivity as key elements of climate-sensitive urban development. These ideas are particularly important for Baku, as they point to the need for a shift from housing-focused interventions to a place-based neighborhood approach that integrates physical infrastructure, ecological restoration, and social inclusion. In this sense, neighborhoods can function as urban areas where integrated climate action becomes tangible, measurable, and scalable.

The direction I outline in this article points to the need for a more integrated, neighborhood-centered urban policy in Baku. A climate-resilient neighborhood should serve as a guiding framework that enables the integration of housing provision, infrastructure enhancement, ecological restoration, human development, capacity building, and adaptation and mitigation efforts. This requires a shift in policy focus from isolated housing-redevelopment projects to neighborhood systems in which physical conditions, access to services, environmental quality, and community capacity intersect.

Moving forward, urban policy in Baku should formally adopt climate-resilient neighborhoods as a planning and implementation unit within housing and urban-development strategies. Urban policy metrics should be revised to assess success not only by construction output but also by well-being, access to services, ecological performance, and preparedness. Housing-renewal investments should prioritize neighborhoods in which social vulnerability and climate exposure overlap, while biodiversity and nature-based infrastructure should be integrated more consistently into neighborhood upgrading. Greater attention should also be given to neighborhood learning, preparedness, and youth participation, alongside stronger coordination between housing, environment, health, education, and local governance.

The broader significance of my proposed shift lies in its potential to address climate risks and urban inequalities that vary by local context. In Baku, where these challenges differ by neighborhood, a resilience approach focused on specific communities surely could be more effective in producing a more resilient urban future. BD

bakudialogues.ada.edu.az

# ADA UNIVERSITY AT A GLANCE

**4946** STUDENTS

**50** COUNTRIES

**306** FACULTY

**189** PARTNER UNIVERSITIES

**35** PROGRAMS

**90%** EMPLOYMENT


Ahmadbey Aghaoghlu str. 61, Baku, Azerbaijan, AZ1008

+99450 256 99 06 admissions@ada.edu.az www.ada.edu.az


# Executive Education at ADA University

## Pioneering Diplomatic and Executive Education Since 2007

Founded in 2007 to pioneer diplomatic training, ADA University Executive Education has evolved into Azerbaijan's leading platform for professional development and leadership advancement. Over the past two decades, more than 7,000 professionals at all career stages, from emerging specialists to senior executives in both the public and private sectors, have participated in our programs.

Today, we collaborate closely with government institutions and businesses, delivering tailored programs that promote continuous learning and intellectual growth. In partnership with government officials, business executives, and our distinguished faculty, we design customized solutions that address the complex challenges organizations face in today's rapidly evolving environment.

We are committed to continuously expanding our network of high-caliber educators, ensuring that our programs remain relevant, impactful, and aligned with the evolving needs of our long-standing partners and new clients.

## Our Certificate Programs

- Advanced Foreign Service Program
- Caspian Basin Studies Program
- Custom Programs for Government
- Corporate Programs for Business
- Open Enrollment Programs for Individuals

## Why ADA University Executive Education?

- Preparing Diplomats for Global Challenges
- Growth Mindset and Continuous Learning Culture
- Strategic Thinking and Decision-Making
- Leadership Capability Development
- Practical, Real-World Learning
- Organizational Capacity Building
- Peer Learning and Networking


Address: 61 Ahmadbay Agha-Oglu Street
Baku, Azerbaijan, AZ1008

Tel: (+994 12) 437 32 35
Fax: (+994 12) 437 32 36
Email: imammadova@ada.edu.az
Web: ada.edu.az

https://doi.org/10.60119/MUTA9938

# Housing Resilience Through Identity-Driven Design

## The Case of Karabakh Reconstruction

*Leyla Hasanova*

Resilient housing is often defined in practical terms: structural safety, reliable infrastructure, and the restoration of basic services. In post-conflict and post-return contexts, these factors are essential. However, experience shows that resilience is not achieved through construction alone; it is also influenced by whether people returning after long displacement can recognize their surroundings, trust them, and gradually feel at home again.

Karabakh brings this challenge into sharp focus. The return of IDPs to Azerbaijan's liberated areas is not merely a logistical process; it is also an emotional and social transition. Housing can be modern, efficient, and technically successful, yet still feel anonymous. When this happens, buildings stand—but everyday belonging takes much longer to return.

The current reconstruction in Karabakh is guided by officially approved urban and master plans for cities such as Aghdam and Aghdara, which envision large-scale redevelopment through 2040. The Master Plan for Aghdam, adopted by the Cabinet of Ministers in 2022, outlines transforming the city into a sustainable regional hub with integrated infrastructure, planned residential neighborhoods, social facilities, economic zones, and inter-urban transport links to support return and long-term growth. Similarly, the Master Plan for Aghdara sets out expanded residential sectors, parks and public spaces, industrial and logistics areas, and the necessary social infrastructure, aligning with broader reconstruction strategies for multiple liberated cities.

***Leyla Hasanova** is an Assistant Professor at ADA University's School of Design and Architecture. The views expressed in this essay are her own.*





These master plans are published and consolidated by the State Committee on Urban Planning and Architecture of Azerbaijan (SCUPA). On the committee's official urban-planning portal, master plans and sectoral frameworks are made publicly accessible, including map-based spatial regulations and planning diagrams that outline axes of movement, the hierarchy of public spaces, and zoning allocations for land use. The portal also provides planning norms, public-space standards, and guidelines on urban morphological structuring that local administrations use to coordinate investment and construction activities across both the public and private sectors.

*The return of IDPs to Azerbaijan's liberated areas is not merely a logistical process; it is also an emotional and social transition.*

While such frameworks are essential for reconstructing cities on a large scale—addressing land use, density, infrastructure, public sector facilities, and environmental regulation—they mainly function at the macro level of spatial planning and investment strategies. Concerning everyday spatial experience and human-scale understanding, they offer limited guidance on how to incorporate cultural familiarity into newly designed environments. Formal master plans provide overarching roadmaps and zoning guidelines, but they often lack a clear design language or operational tools for shaping streets, squares, facades, materials, or visual cues that reflect local cultural identity.

It is within this gap between macro-scale planning and lived spatial experience that this essay positions its argument. I contend in these pages that identity-driven design—understood as design that responds to culture rather than applying universal models—should be seen not as a stylistic or symbolic addition but as a practical component of housing resilience. Framed through an environmental-design perspective, my argument emphasizes how urban design, architecture, and everyday objects collectively shape how people recognize, inhabit, navigate, and ultimately care for their reconstructed environments.

## *'Home' is Part of Resilience*

After a long displacement, "home" is not remembered as a picture or image, but experienced through repetition: how one enters a space, the rhythm of streets and courtyards, the balance between privacy and openness, and the feel of materials, light, and shade. These spatial cues help people orient themselves and gradually regain a sense of normalcy.

Housing resilience, in this context, is not just about protecting from risk. It is about supporting daily routines, rebuilding trust among neighbors, and encouraging care for shared spaces. If new environments are seen as generic or unfamiliar, people may live there but remain psychologically detached. Over time, this erodes social cohesion and stewardship.

Azerbaijan's reconstruction efforts in the liberated areas, including initiatives like the Aghali "smart village," demonstrate a strong commitment to modern standards, speed, and future-ready infrastructure. These efforts address urgent material needs. At the same time, they reveal a quieter risk: environments that are technically successful may still feel perceptually anonymous.

Housing resilience depends not only on what is built, but also on how environments are read or interpreted, used, and inhabited. When settlements lack recognizable cues, they may function adequately but fail to anchor community life. In the context of post-return, this distinction is particularly important.

## *Identity Beyond Buildings*

Cities are experienced not as abstract plans or technical systems but as visual environments encountered every day. The celebrated urbanist Kevin Lynch showed that people understand cities through recognizable visual elements that help them form mental images and navigate urban space. Yet orientation alone does not create attachment. Yi-Fu Tuan later emphasized that a sense of place grows through repeated, ordinary encounters—through streets, buildings, and spaces that become familiar over time and acquire emotional meaning. In this view, place identity is built less by symbolic landmarks and more by what people see and use daily.

*Housing resilience depends not only on what is built, but also on how environments are read or interpreted, used, and inhabited.*

As pioneering psychologist-architect Amos Rapoport argues in a series of works beginning with *House Form and Culture* (1969), the "built environment" (his term) functions as a form of nonverbal communication through which societies express values, social relations, and patterns of everyday life. He further suggests that built environments are cultural systems long before they are technical ones. People do not perceive space in a universal or neutral way; rather, environments are interpreted through learned cultural frameworks shaped by habit, social organization, and shared meaning. In this sense, architecture expresses values, beliefs, and social structures not through symbolic gestures but through patterns of everyday life.

Identity, therefore, emerges from repeated spatial practices—how privacy is negotiated, how thresholds are used, and how families and communities organize daily routines—rather than from monuments or iconic forms. These everyday practices are not independent of the physical environment; they are shaped by visual and spatial cues—such as shaded entrances that encourage pauses, semi-open courtyards that support gathering, narrow passages that slow movement, steps that signal transition, and facade rhythms that aid orientation—through which people interpret and use space.

Building facades play an important role in shaping how environments are perceived and used, influencing gathering, lingering, and social interaction patterns. When architectural environments reflect cultural continuity and recognizable identity, they tend to foster social life; when they lack these features, spaces may be functionally adequate yet socially underused. More recently, broader urban analysis of street-level imagery has shown that a city's visual identity is often shaped not by landmarks but by recurring everyday elements like sidewalks, signage, street furniture, and infrastructure—the non-iconic visual cues that significantly contribute to how places are recognized and remembered.

These findings collectively suggest that urban identity arises not from a single visual element, but from the interaction between distinctive architectural features and recurring elements of everyday urban life. In this sense, urban identity acts as a shared visual and spatial language through which people

identify a place as "theirs." It is sustained not by monuments but by recurrence: familiar environments that reinforce a sense of familiarity, orientation, and culturally meaningful ways of living.

Housing is thus not experienced as a single unit, but as a spatial language made up of multiple interrelated layers—shaping how people move, orient themselves, and gather; how spaces transition between public and private; how interiors promote comfort, privacy, and daily routines; and how small, everyday elements influence use and interaction. When these layers form a coherent system, environments become understandable and trustworthy. Identity-driven environmental design operates within this system, translating familiarity into contemporary form without imitation.

*Urban identity is sustained not by monuments but by recurrence: familiar environments that reinforce a sense of familiarity, orientation, and culturally meaningful ways of living.*

## A Powerful Practical Tool

To move identity from rhetoric into practice, I propose Visual Identity Mapping as a method for housing delivery. Rather than replicating historic architectural styles or relying on symbolic elements, it concentrates on pinpointing spatial, material, and perceptual cues that people intuitively recognize as familiar and meaningful. By treating identity as a functional component of resilience, Visual Identity Mapping shifts focus from appearance to function—how environments are read, perceived, navigated, and inhabited in everyday life.

These cues shape how residents navigate space, interpret social boundaries, and build trust in their surroundings—factors especially critical in landscapes reshaped by displacement, destruction, and rapid rebuilding. Common cues include transitions between inside and outside, patterns of enclosure and shade, human-scale proportions, material logic, and shared community interfaces. When translated into contemporary housing and neighborhood design, such cues help new environments feel readable and emotionally supportive while meeting modern requirements for safety, climate performance, and sustainability.





Human-scale proportions promote bodily comfort, orientation, and informal social interactions, while material logic—textures, colors, and construction practices responsive to climate—enhances familiarity through sensory continuity rather than visual imitation. Shared community interfaces, such as semi-public edges and informal gathering areas, are vital in reestablishing daily social connections.

*In the context of the reconstruction of Karabakh, officially approved master plans should be complemented by a Visual Identity Framework that works alongside statutory planning instruments.*

The method functions across the environmental continuum, encompassing urban, architectural, interior, and product design. This multi-scale approach shows that the feeling of "home" is not produced by individual buildings alone but by the coherence between neighborhood layout, building thresholds, interior organization, and daily routines. Visual Identity Mapping considers identity as an experiential system embedded in everyday environments, rather than as a fixed visual language or stylistic code.

Mapped together, these cues produce a perceptual framework that explains why certain environments feel readable, safe, and emotionally supportive, even when newly built. The method does not conflict with contemporary requirements for safety, sustainability, and climate resilience. On the contrary, by focusing on how people use and interpret space, Visual Identity Mapping helps ensure that technically advanced housing solutions are also socially durable.

In the context of the reconstruction of Karabakh, officially approved master plans should be complemented by a Visual Identity Framework (VIF) that works alongside statutory planning instruments. While master plans regulate land use, infrastructure, and growth, a VIF would incorporate cultural continuity at the human level by mapping locally specific spatial and visual cues—such as street proportions, settlement patterns, materiality, and daily public-space activities—and translating them into additional design guidance. Coordinated under the State Committee on Urban Planning and Architecture of Azerbaijan, the framework would remain

non-prescriptive, focusing on performance criteria that improve clarity, recognition, and everyday usage rather than stylistic replication. Why now? As reconstruction moves forward, integrating visual identity at this stage is key to ensuring that resilient housing also promotes social cohesion, cultural recognition, and long-term community attachment—core priorities of the WUF13 agenda.

The gap between macro-scale master planning and the everyday, human-scale experience of place highlights the need to complement master planning with identity-sensitive criteria that operate at the level of daily use and perception. In rapidly reconstructed cities like Aghdam, where entire neighborhoods are newly designed, decisions about street hierarchy, courtyard layout, entry sequences, and spatial transitions will directly influence how returnees recognize, navigate, and inhabit their environment. I propose Visual Identity Mapping not as an alternative to master planning but as an additional layer that translates large-scale urban frameworks into environments that are culturally understandable and aligned with daily practices and social structures.

Visual Identity Mapping provides a way to mitigate the risk of producing perceptually neutral environments by integrating identity-sensitive criteria directly into planning briefs, design guidelines, and interdisciplinary workflows. As a policy tool, it fosters collaboration among urban planners, architects, interior designers, and product designers by offering a common language for decision-making across different scales. It also encourages participatory engagement with returnees, emphasizing not abstract notions of heritage but practical concerns about what makes a place feel understandable, comfortable, and worth caring for.

The method works on different environmental levels, recognizing that the experience of "home" is shaped by the relationship between neighborhood layout, architectural form, interior organization, and everyday objects.

Therefore, Visual Identity Mapping analyzes identity cues across the following interconnected levels:

- Neighborhood scale: spatial rhythms, transitions, and shared outdoor space.
- Building scale: thresholds, courtyards, proportions, and entry sequences.
- Interior scale: zoning, light conditions, and patterns of use.
- Everyday interfaces: materials, textures, and objects supporting daily habits.

Methodologically, these cues are identified through a combination of:

- Contextual reading of place, considering climate, landscape, and settlement patterns relevant to the Karabakh context.
- Comparative analysis of vernacular spatial logics, focusing on recurring environmental features rather than the formal replication of historical architecture.
- Design-based interpretation, informed by professional practice and teaching experience in architecture and interior design, particularly in relation to visual perception and human-scale environments.

Instead of trying to record or reproduce past forms, the method aims to understand why certain spatial layouts and material choices feel readable, comfortable, and familiar. This interpretive focus allows identity to be translated into design criteria—such as threshold articulation, levels of enclosure, material continuity, and shared interfaces—that can be applied within contemporary housing projects while meeting modern safety, sustainability, and climate resilience standards.

This paper offers a conceptual and methodological framework for Visual Identity Mapping; however, it does not include any sort of empirical mapping of regional environmental design features across Karabakh. Acknowledging the diversity of spatial logic, material practices, and cultural expressions throughout the region—from highland to lowland settlements and from rural to urban settings—future research phases should focus on detailed mapping of vernacular cues and architectural languages, drawing on archival materials, ethnographic studies, and visual documentation. Such analysis would facilitate translating region-specific identity cues into design guidelines that are responsive to both local contexts and contemporary needs, thereby deepening the operational depth of Visual Identity Mapping.

To make identity a practical component of housing resilience, Visual Identity Mapping must be based on regional environmental knowledge. In Karabakh and across the rest of Azerbaijan, architectural identity is not uniform; it reflects a rich interplay between geography, material availability, climate influences, and cultural expression. Mapping identity cues, therefore, starts with acknowledging this spatial diversity.

Environmental design traditions vary significantly between highland cities, lowland plains, rural settlements, and Soviet-influenced urban areas. For example, in Shusha, a historic highland city, housing is arranged around central courtyards, featuring elevated, arched entrances and decorative limestone facades that communicate cultural values of privacy, hospitality, and permanence. Streets are narrow and organically laid out, emphasizing pedestrian intimacy and topographical harmony.

*In Karabakh and across the rest of Azerbaijan, architectural identity is not uniform; it reflects a rich interplay between geography, material availability, climate influences, and cultural expression.*

Traditional villages across Karabakh display strong spatial identity cues: semi-open thresholds, porches, shared courtyards, and climate-responsive materials like mudbrick and lime plaster. These settings support multigenerational living, flexible interiors, and layered public-private transitions, all of which are central to lived experience.

Soviet-era housing in Aghdam and Shusha further exemplifies how certain building logics—such as uniform facade rhythms, communal stairwells, and standardized layouts—can undermine place identity by suppressing human-scale variation and everyday social cues.

Lastly, transitional regions such as Zangezur show hybrid techniques: stepped housing layouts, stone-and-wood materials, and deep, shaded thresholds embedded with decorative metalwork or relief carvings. These features are rooted in local climate adaptation and visual memory, providing design elements that are both functional and culturally resonant.

By gathering and combining specific regional spatial cues—such as thresholds, courtyards, materials, layouts, and symbolic expressions—Visual Identity Mapping offers a framework for turning local environmental logic into contemporary design guidance. This approach ensures that reconstructed environments, while adhering to safety, climate, and policy requirements, also stay understandable, familiar, and rooted in cultural continuity.

Visual identity in post-return contexts is neither singular nor fixed in the past. In Karabakh, collective memory reflects multiple layers of lived experience, including long-standing climate-responsive spatial logics, decades of Soviet-era housing environments, and post-Soviet adaptations shaped by everyday use and personalization. Visual Identity Mapping therefore treats identity as layered and evolving. Rather than privileging one historical moment, it identifies spatial and perceptual cues that remain meaningful across generations and translates them into contemporary, policy-ready housing criteria.

## Acknowledging Existing Practices

Visual Identity Mapping builds on established practices in architecture, planning, and heritage policy rather than introducing an entirely new methodology. Comparable approaches have been developed internationally under frameworks such as cultural mapping, place-identity analysis, and perception-based environmental studies, though they have rarely been applied to housing reconstruction and post-return contexts.

*For Visual Identity Mapping to have a practical impact, it must be integrated directly into housing reconstruction processes rather than serving only as conceptual guidance.*

Since UNESCO's Historic Urban Landscape (HUL) Recommendation was adopted in 2011, cultural mapping has been widely used to identify spatial patterns, material characteristics, everyday practices, and cultural meanings embedded in the built environment. UNESCO does not specify a single mapping method; instead, it encourages the use of context-specific tools designed to make local identity visible and actionable within planning and design decisions. These mapping activities aim not only to document but also to inform policy, development regulation, and design guidance.

Parallel research in urban design and environmental psychology has shown that visual and material cues—such as edges, rhythms, textures, and thresholds—shape how people perceive, use, and occupy space. Empirical studies confirm that these cues influence where people gather, interact, and build a sense of belonging, emphasizing that identity is not just symbolic but practical.

Visual Identity Mapping builds on these precedents while reframing them for contemporary housing reconstruction. It goes beyond heritage protection toward constructing post-return environments, turning identity attributes into design criteria rather than mere inventories, and works across multiple scales—from neighborhood layout to individual housing, interiors, and everyday objects. Identity is thus positioned as a practical resource for resilience, aiding not only physical rebuilding but also social reintegration and ensuring long-term habitability.

## *From Framework to Policy*

For Visual Identity Mapping to have a practical impact, it must be integrated directly into housing reconstruction processes rather than serving only as conceptual guidance. This involves turning identity-sensitive insights into concrete policy instruments that can guide planning, design, and implementation at different scales.

*Identity in post-return housing is not about romanticizing the past; it is about enabling continuity.*

First, reconstruction briefs should include identity-sensitive criteria along with technical requirements. Beyond structural performance and infrastructure standards, briefs can specify spatial cues such as entry-sequence clarity, shaded transitions, courtyard integration, and human-scale proportions as performance indicators of housing quality.

Second, housing agencies can develop typology toolkits based on Visual Identity Mapping. Instead of prescribing fixed designs, these toolkits would outline adaptable typologies that include layered identity cues—courtyards, semi-public edges, flexible interiors, and climate-responsive materials—allowing variation while ensuring coherence across neighborhoods.

Third, interdisciplinary coordination should be formalized. Visual Identity Mapping provides a shared language that enables collaboration among urban planners, architects, interior designers, and product designers. Embedding this framework into approval and review processes helps ensure that identity-related decisions are addressed consistently, from neighborhood layout to interior and everyday interfaces.

Finally, participatory engagement with returnees should focus on everyday experiences rather than symbolic heritage. Instead of posing abstract questions about tradition, engagement efforts can center on practical issues: what makes a place feel understandable, comfortable, and worth caring for? Community mapping can help facilitate this process. These insights can then be turned into spatial and material criteria within reconstruction guidelines.

Together, these measures position identity as a practical resource for resilience. By integrating Visual Identity Mapping into policy instruments, housing reconstruction can support not only physical return, but also social reintegration, long-term stewardship, and the restoration of daily life.

## *Meaning for WUF13*

Within the broader WUF13 agenda, Visual Identity Mapping aligns with calls for people-centered, inclusive, and resilient housing strategies. It shifts the conversation from whether identity should be represented to how it can be put into practice without sacrificing safety, efficiency, or sustainability. By viewing identity as a dynamic resource rather than a nostalgic reference, this approach supports housing solutions that promote not just physical recovery but also social stability and long-term resilience in post-conflict and post-return environments.

Karabakh offers a timely case study. Housing resilience improves when reconstruction addresses both material performance and lived experience, ensuring that rebuilt environments are not just functional but also familiar, easy to navigate, and supportive of daily life.

Practical priorities include incorporating identity-sensitive criteria into reconstruction briefs, developing adaptable typology toolkits across different environmental levels, engaging returnees to understand what makes a place feel like home, and encouraging collaboration among urban planners, architects, interior designers, and product designers.

In sum, identity in post-return housing is not about romanticizing the past; it is about enabling continuity. When environmental design promotes recognition, care, and daily routines, resilience becomes more than just a policy objective—it becomes a lived experience. BD

INTERNATIONAL IDD PROJECTS

# EUROPEAN ENERGY EFFICIENCY TOWARDS MUTUALLY REINFORCING PARTNERSHIP WITH GEORGIA, AZERBAIJAN AND UKRAINE

BTU

Co-funded by the European Union

Project ID: 101128576

The project aims at modernizing and empowering higher education institutions in Azerbaijan, Georgia and Ukraine and cooperation

KU LEUVEN · UNIVERSIDADE DA CORUÑA · ADA · Khazar University

ADA UNIVERSITY

ALMA MATER STUDIORUM
UNIVERSITÀ DI BOLOGNA

# MASTER OF SCIENCE IN AGRICULTURAL AND FOOD SYSTEMS MANAGEMENT

within Italy-Azerbaijan university project

www.ada.edu.az/apply

For more information: iau@ada.edu.az

https://doi.org/10.60119/XWVM3814

# Building Sustainable and Resilient Communities Among Repatriated People

*Lala Jumayeva, Fidan Namazova, Anar Valiyev*

The conflict over Karabakh between Armenia and Azerbaijan, a territorial dispute that began during the late Russian Empire period, ebbed and flowed throughout the Soviet era before escalating in the late 1980s. This escalation led to the large-scale forced displacement of the ethnic-Azerbaijani populations in both Armenia and what was then known as the Nagorno-Karabakh Autonomous Oblast of Azerbaijan, as well as surrounding areas now collectively called East Zangezur. Official data collected shortly after the end of the First Karabakh War in 1994 showed 209,000 refugees and 576,000 internally displaced people (IDPs), roughly 10 percent of Azerbaijan's population at that time.

In this article, we focus on IDPs, many of whom have endured nearly 30 years of displacement, often living in overcrowded public buildings and makeshift settlements with limited access to basic services and poor living conditions. This prolonged instability affected not only their socioeconomic circumstances, but also the development of community life during displacement. Over time, the absence of stable homes, reliable institutions, and long-term development plans has restricted opportunities to build sustainable community practices among IDPs.

After hostilities ended the Second Karabakh War in November 2020 and following the September 2023 counter-terrorism operation, Azerbaijan regained full control of its previously occupied territories and launched the Great Return program, a government-led effort to help ethnic-Azerbaijani IDPs return to the liberated areas.

***Lala Jumayeva*** *is an Assistant Professor of Political Science at ADA University's School of Public and International Affairs.* ***Fidan Namazova*** *is a Graduate Academic Advisor at ADA University's School of Public and International Affairs.* ***Anar Valiyev*** *is an Associate Professor of Urban Studies and holder of the Jean Monnet Chair at ADA University's School of Public and International Affairs. The views expressed in this essay are their own.*





While rebuilding infrastructure is a key part of this program, the long-term success of return and reintegration equally depends on building sustainable communities that promote social cohesion, livelihoods, and institutional stability. In this context, the idea that returning populations can easily develop sustainable community practices raises an important question: How have decades of displacement affected IDPs' ability to build sustainable communities in postconflict Karabakh?

We examine answers to that question in this article by looking at the experiences of IDP communities in Baku and other regions of Azerbaijan over nearly 30 years. We explore why sustainable community practices did not develop during long-term displacement and identify the barriers that prevented IDPs from establishing socially cohesive, economically viable, and institutionally supported communities in their places of displacement. Our findings show that such practices were largely absent among IDPs, a pattern that cannot be explained solely by community-level factors.

*How have decades of displacement affected IDPs' ability to build sustainable communities in postconflict Karabakh?*

## Background

In Azerbaijan, the scale and length of displacement caused by the conflict over Karabakh are extraordinary. Over half a million people have been displaced for nearly thirty years. During this time, many IDPs lived in overcrowded public buildings and purpose-built settlements characterized by limited economic opportunities and restricted institutional engagement. These conditions shaped not only individual livelihoods but also the forms of collective life that emerged during displacement.

Following the country's victory in the Second Karabakh War and the subsequent launch of the Great Return program, Azerbaijani IDPs have begun returning to territories that underwent extensive physical destruction and depopulation. Unlike many postconflict return contexts, returnees to

the liberated areas of Azerbaijan are not reintegrating into previously functioning communities, but are instead expected to contribute to the development of newly (re)constructed towns and villages. Severe infrastructure damage, the existence of vast quantities of undocumented landmines and ordnance, and chemical contamination, along with the lack of existing social and economic systems, have further complicated this process.

*Unlike many postconflict return contexts, returnees to the liberated areas of Azerbaijan are not reintegrating into previously functioning communities, but are instead expected to contribute to the development of newly (re) constructed towns and villages.*

Community building is not unfamiliar in Azerbaijan. Alongside traditional forms of communal organization, various community-building initiatives were carried out across Azerbaijan's regions during the 1990s and 2000s, often involving NGOs, local executive authorities, municipalities, and international organizations. These cases indicate the existence of a community-building culture. At the same time, the limited sustainability of these initiatives suggests that the broader institutional environment was not conducive to maintaining IDP community strength and continuity.

Expectations about IDP community formation have been shaped by long-standing state-led governance traditions, with community initiatives more often linked to top-down provision. Empirical studies, including several published by at least one of us, support this view. Recent research indicates that IDP policy in Azerbaijan has been dominated by centralized, state-led mechanisms, with limited focus on IDP community self-organization or local institutional-capacity building. Although community-building initiatives have existed, their suboptimal ability to sustain themselves over time suggests that structural and institutional factors, rather than cultural absence, constrained sustainable IDP community development during the lengthy displacement period.

## *Community Culture and Social Cohesion*

In Azerbaijan, the notion of "community" has changed over time. Historically, as in other majority-Muslim lands, it often referred to groups living a common way of life based on the precepts of Islam; gradually, the term became detached from its religious context, coming to denote people living in the same area and sharing common interests. The Social Development Fund for Internally Displaced Persons under the Cabinet of Ministers defines a community as "any group of people living (settled) in a clearly defined geographical area and united by common economic, social, and cultural interests."

In the immediate aftermath of the First Karabakh War, many IDPs lived in compact settlements and reported a strong sense of community. Our analysis of secondary sources and the expert interviews one or more of us have conducted in various recent contexts indicate that some of the most substantive IDP community-building initiatives took place in the late 1990s and early 2000s, rather than more recently.

A common example often cited is the "Umid" community, formed in 1997 by internally displaced persons (IDPs) and refugees in a district near Baku. The community successfully carried out several projects and later evolved into a local NGO called the Umid Social Development Support Public Union. However, despite this early effort, the initiative was not maintained over time, and as interviewees pointed out, such examples were relatively uncommon; most IDP settlements did not develop similar collective structures. Expert interviews consistently emphasized that community culture in Azerbaijan is deeply rooted in local attachments and social ties, even if it is not expressed in the language of contemporary community development scholarship and parlance.

## *Legal Gaps and Weak Local Self-Government*

The most frequently cited barrier to sustainable community development, as indicated by the experts one or more of us interviewed, was the lack of a clear legal status for communities and the weakness of local self-government institutions. Interviewees emphasized that community-based organizations need a legal foundation in order to hire staff, manage financial resources, and establish formal relationships with state institutions. As one community development expert stated: "In international practice, community-based organizations tend to have a legal foundation for their activity. Consequently, those organizations

can hire employees, own and control financial resources. One of the most essential aspects is the establishment of connections between those communities and the state."

With support from local or international organizations, IDP communities often successfully carry out projects at the village or settlement level. However, when financial and technical aid ceased, these initiatives usually dissolved. Respondents attributed this pattern to the lack of a community-held budget, the absence of accountability mechanisms, and the lack of recognized legal status that would enable IDP communities to raise funds and report on their activities. In some cases, IDP communities were granted a status equivalent to that of NGOs, requiring registration with the Ministry of Justice and compliance with basic reporting requirements.

*With support from local or international organizations, IDP communities often successfully carry out projects at the village or settlement level. However, when financial and technical aid ceased, these initiatives usually dissolved.*

These observations resonate with what contemporary social scientists refer to as sustainable-community theory, which considers institutional support a core component of sustainability. Without legal recognition and stable organizational forms, communities remain informal and rely on external actors, which hinders the institutionalization of practices that could maintain community life over time.

The weakness of municipal self-government further limits the potential for community institutionalization. Local self-government is formally defined as a form of public power through which residents mobilize to address local issues, with municipalities representing communities that share common goals and interests within a given territory. In practice, however, municipalities in Azerbaijan have limited authority and resources. Years after the restoration of independence following the implosion of the Soviet Union, Azerbaijan's first municipal elections were held (in 1999), but their influence has remained marginal. One interviewee summarized the situation as follows: "The process of making decisions from the center continued; as a result, the influence of municipalities weakened, and the existing communities became unsustainable."





Municipalities are not considered as state entities that provide public services within the broader scope of public administration. Instead, they are seen as expressions of civil society, with limited resources of their own and unclear divisions of responsibility vis-à-vis local executive bodies. Although some recent changes—such as delegation of functions and increased representation of women and young people—show gradual but tangible progress, municipalities still lack the authority and capacity to act as institutional partners for community development. Communities continue to be "ghost entities," whose ability to act collectively depends on sporadic external support rather than on stable institutional frameworks.

## *Limited Communication*

A second set of institutional barriers involves the limited channels for direct communication between IDP communities, local authorities, and state institutions. Building sustainable communities assumes inclusive participation and mechanisms for local decisionmaking. However, in reality, participation in local governance is highly limited. Mayors and heads of both cities and local communities, including IDP Communities, are appointed rather than elected, municipal elections have low turnout, and respondents show limited trust in the significance of these processes.

Expert interviews emphasized that municipalities lack both the administrative and financial power to act effectively as intermediaries between citizens and the state. Strategic planning and budgeting are mainly overseen by central authorities, especially the Ministry of Economy and relevant line ministries. As one expert noted, people living in the regions of Azerbaijan—and especially IDPs—"often cannot address their problems simply because they have no access to state institutions," since most power resides with local executive authorities rather than elected self-government bodies.

The fiscal position of municipalities further reinforces this dependency. Municipal revenues mostly depend on small local taxes and on grants and transfers from the state budget, which cover only a small part of local needs. Formal borrowing is legally possible but practically unattainable due to the lack of financial autonomy and creditworthiness. This dependence on central transfers constrains municipalities' ability to initiate or co-finance community projects

and diminishes their role as institutional anchors for community development.

This situation can be contrasted with that of the European Union. In 2024, 42.8 percent of public investment in EU member states was carried out by local governments, such as municipalities. The total public investment reached €658.8 billion, with €281.9 billion implemented directly at the local level. This indicates that a large portion of infrastructure—including roads, schools, hospitals, utilities, and digital systems—is built not by central governments but by local authorities. In Azerbaijan, however, that figure is very low. We believe the comparison with the EU is relevant for Azerbaijan: municipalities' powers and financial capacities should be strengthened, and their role in public investment should become more apparent.

From the perspective of state-society synergy, these patterns illustrate a setup where the state mainly delivers services through centralized structures, while local institutions remain weakly embedded and under-resourced. Opportunities for communities to participate in decision-making or to co-produce public goods are limited, which hampers the development of institutional support for sustainable community practices.

## *Dependence and Constraints*

The economic aspect of sustainable community development is influenced by Azerbaijan's broader growth model and the specific vulnerabilities of IDPs. Azerbaijan's economy remains heavily reliant on the oil and gas sector, which has accounted for a very high share of exports and a substantial share of GDP and budget revenues in recent years (though these figures and associated percentages have been declining and are projected to decline further). Economic activity and tax revenue are mainly focused in Baku and the Absheron Peninsula, leaving many other regions with limited local economic bases. This concentration undermines the economic sustainability of IDP communities residing in the regions (i.e., outside the metropolitan area od the capital, Baku).

*The economic aspect of sustainable community development is influenced by Azerbaijan's broader growth model and the specific vulnerabilities of IDPs.*

Local governments, whether municipalities or local executive authorities, have limited capacity and mandate to generate employment or support local enterprise development. Job creation largely depends on central government programs and is often focused in the public sector, especially in short-term construction, renovation, and service projects. When state funding ends, these jobs vanish, highlighting the lack of locally grounded economic systems that can support livelihoods independently of central transfers.

These structural patterns particularly affect IDPs. World Bank analysis indicates that IDP households rely more on government support than non-IDPs, with about 71 percent mainly depending on state aid to meet daily needs. Many IDPs who previously worked in the agriculture sector before their forcible displacement were relocated to urban areas where they lacked land and other productive assets, as well as the social networks needed to access formal employment. Rural IDP communities face compounded disadvantages in terms of income-generating opportunities, access to services, and physical security.

The state has launched large-scale reconstruction and investment initiatives in Karabakh and East Zangezur, including substantial public investment, the establishment of dedicated economic zones, and incentives for private investors. The critical question is whether these investments will translate into locally embedded economic opportunities that support community-level viability, rather than reproducing patterns of dependence on central programs.

## *Awareness, Leadership, Capacity*

An additional cross-cutting barrier identified by experts and IDP participants relates to awareness of the community concept and the capacity to organize collective action. Sustainable communities need not only supportive institutional and economic conditions but also local actors capable of mobilizing members, accessing information, setting priorities, and coordinating resources. Interviews indicate that these capacities are inconsistent and often limited.

Expert interviewees emphasized that awareness-raising about the community concept and practical training for IDP community members are essential preconditions for

sustainable community development. During focus-group discussions with a total of 118 IDPs from urban and rural areas, only a few participants were familiar with the contemporary notion of "community" or "community mobilization," and these were mainly individuals with higher education. This limited conceptual familiarity reflects the fact that many IDP community initiatives have been externally driven and project-based rather than locally initiated.

Officials working with IDPs confirmed that many everyday problems could be addressed through improved information and community-level problem-solving. Awareness campaigns on topics such as utility services, legal advice, and emergency procedures would already alleviate a significant share of grievances. Both experts and IDPs highlighted the importance of trusted and knowledgeable local leaders who can coordinate collective efforts.

Several interviewees described ad hoc IDP community mobilization around specific issues, such as resolving water and electricity problems or improving local infrastructure. However, they also noted that most IDP communities lack formal structures and operate on a project-by-project basis, which limits their ability to develop sustained institutional practices. This pattern corresponds to what state-society synergy theory would describe as weak institutional scaffolding: social actors may be willing to engage collectively, but without clear organizational forms or linkages to state institutions, collective action remains episodic and difficult to sustain.

While some international and national actors frame these issues in terms of "resilience" and disaster preparedness, the evidence from interviews suggests that the more immediate constraint is the absence of stable, community-based structures with the capacity to mobilize members and engage with public institutions. From the perspective of sustainable-community theory, awareness, leadership, and organizational capacity are part of the currently underdeveloped institutional-support dimension.

## *Policy Recommendation*

Across these findings, a consistent pattern appears. Social cohesion and local attachments among IDPs are clear and historically rooted, but they have not translated into sustainable community practices because the economic and institutional aspects of sustainability have not been supported. Mostly, communities lack legal recognition and formal organization; municipalities are weak and fiscally dependent; communication channels with state institutions are limited; and local economic opportunities, especially for IDPs, remain limited.

This implies that the lack of sustainable community practices among Azerbaijani IDPs is primarily connected to institutional setups rather than community-level deficits. These results lay the groundwork for a discussion of how institutional frameworks for the Great Return can be designed to support, rather than hinder, sustainable community development in Karabakh and East Zangezur.

*Social cohesion and local attachments among IDPs are clear and historically rooted, but they have not translated into sustainable community practices because the economic and institutional aspects of sustainability have not been supported.*

In this paper, we examined the structural and social barriers that prevent the development of sustainable community practices among internally displaced persons in Azerbaijan, with a focus on the postconflict situation in the liberated territories. Drawing on expert interviews and focus-group discussions, our findings identified four interconnected constraints: gaps in legal frameworks, weak communication between communities and institutions, limited economic opportunities, and a lack of awareness and capacity for community mobilization. These themes resonate with and extend the existing social science literature on protracted displacement, return, and community development, while offering new insights from a transitional, post-Soviet context.

The absence of a clear legal status for communities, along with the limited powers of local self-government institutions, highlights a broader issue: weak institutional foundations impede long-term solutions for displaced populations. In the Azerbaijani context, however, these governance challenges go beyond administrative issues; they reflect deeper legacies of centralization, institutional mistrust, and incomplete decentralization reforms that impact the institutional support necessary for sustainable community development.

The Karabakh-East Zangezur situation also reveals a gap between international models promoting IDP community-led recovery and the governance realities in many post-Soviet states, including Azerbaijan. Foreign institutions like the European Union and the World Bank often support participatory, community-based recovery approaches, but these approaches assume a functioning legal framework. The findings from Azerbaijan indicate that these prerequisites are only partly in place. IDP communities may have strong internal social networks but lack the formal organizational structures and institutional channels needed to turn those ties into sustainable practices. Unlike many cases where international donors dominate, Azerbaijan's return process is mainly driven by the state. This environment results in international "best practices" being filtered through a political culture marked by strong centralization.

The weakness of local self-governance institutions also affects the quality of postconflict reconstruction. In Azerbaijan, this issue is exacerbated by the limited autonomy of municipalities, which restricts their fiscal and administrative capacity to act as connectors between IDP communities and central government structures. From the perspective of state-society synergy, the institutional setup here involves the state mainly delivering services through centralized mechanisms, while local institutions remain weakly connected to social networks and lack resources.

Azerbaijan's heavy reliance on oil and gas revenues has led to uneven development across regions, especially hurting rural areas where many IDPs live. Although government investments in infrastructure and reconstruction in Karabakh and East Zangezur are significant, evidence indicates that they have yet to produce locally rooted economic opportunities for potential returnees.

Furthermore, the limited understanding of community concepts and practices among IDPs, especially in rural areas, highlights the need for education, leadership, and civic engagement to support sustainable communities. In Azerbaijan, this capacity has been weakened by historical marginalization, a tradition of top-down governance, and the project-based nature of many community initiatives involving IDPs.





Our bottom-line conclusion is that communities will not automatically mobilize without supportive institutional conditions, as contemporary social science tends to believe. This ought surely to trigger a review of the policy logic and advocacy driven by such beliefs. The way forward in Azerbaijan should involve establishing sustainable community practices under centralized governance. BD

ADA University proudly celebrates its twentieth anniversary, having become a leading institution of higher learning in this part of the world - recognized for academic excellence, international cooperation, and an enduring commitment to shaping responsible leaders who contribute to national development and global dialogue.

bakudialogues.ada.edu.az



# BAKU DIALOGUES

POLICY PERSPECTIVES ON THE SILK ROAD REGION