

doi: 10.52370/TISC26460FD

URBAN DESTINATION MANAGEMENT AND SUSTAINABLE TOURISM TRANSFORMATION: THE CASE OF TIRANA

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Abstract

In recent years, Tirana has experienced significant tourism growth, transforming from a transit city into an emerging urban tourism destination. This transformation has influenced the city's international image, urban vitality, and economic development, while also creating challenges related to sustainability and destination governance. This paper analyzes Tirana's transformation and examines the role of urban regeneration, governance practices, and digitalization in supporting tourism development. The study adopts a qualitative and descriptive case study approach based on secondary data, including official tourism statistics, policy documents, tourism strategies, and urban development reports. Findings suggest that tourism growth has been supported by increased international visibility, revitalization of public spaces, digital innovation, and the expansion of tourism-related services. The study highlights the importance of integrated governance, stakeholder cooperation, and sustainable planning in managing tourism growth in rapidly transforming urban destinations such as Tirana.

Key Words: *tourism and development, regional development policy, sustainable development*

JEL classification: Z32, R58, Q01

DCX

Albania has experienced a rapid growth in international tourism in the last years, which has also influenced the expansion of tourism activities in its

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capital city, Tirana. Traditionally perceived as a transit point for visitors travelling to coastal or cultural destinations, Tirana has become recently a destination city for millions of tourists. This trend creates new responsibility for policymakers and requires additional efforts to ensure sustainable tourism development that will contribute to the economy of the city and preserve its cultural identity.

Several authors have emphasized the importance of sustainable tourism. According to Day et al. (2021) urban tourism requires an integrated approach combining economic growth, environmental protection, and social inclusion. In the case of Tirana, this transformation of the last years has been driven by increased international visibility through public events, international recognition, urban regeneration initiatives, and a diversification of tourism offerings. While tourism has long been recognized as a system (Farrell & Twining-Ward, 2004; Leiper, 1990;), the implications of this systemic nature are still insufficiently explored, particularly in the context of rapidly transforming urban destinations. Complex adaptive systems are characterized by the interaction of a large range of independent actors, each working independently, emphasizing the decentralized and dynamic structure of tourism systems. This perspective is especially relevant in urban contexts, where multiple stakeholders including local government, private businesses, tourists, and residents interact with each other in complex and often unpredictable ways. System thinking requires changes in the mental models associated with problems (Senge, 1990), including those related to sustainable tourism. This implies that traditional linear and sector-based approaches are inadequate for addressing the multidimensional challenges of sustainability in urban destinations. In this regard, literature underlines the need to move beyond traditional governance frameworks. This transition reflects a broader shift toward collaborative, participatory, and adaptive governance models, which are better suited to managing complexity and uncertainty. The relevance of these theoretical insights becomes evident when examining the case of Tirana. Over the past decade, Tirana has undergone a significant transformation from a relatively under-visited city into an emerging urban tourism destination. This transformation has not been driven by a single actor or centralized plan alone, but rather by the interaction of multiple stakeholders, including municipal authorities, international donors, private investors, and local communities. In this sense, Tirana exemplifies the characteristics of a complex adaptive system. Moreover, the governance of tourism in Tirana increasingly reflects the shift from “command and control” to network-based

approaches. Urban regeneration projects, cultural initiatives, and destination branding strategies have involved partnerships between public institutions and private actors, illustrating a move toward more flexible and collaborative forms of management. However, this transition also brings challenges. The rapid growth of tourism places pressure on urban infrastructure, public spaces, and environmental resources, highlighting the need for integrated and forward-looking planning. The evolving tourism ecosystem of Tirana demonstrates both the opportunities and risks associated with complex adaptive systems: while flexibility and innovation are enhanced, the lack of coordination can lead to imbalances and sustainability concerns. One of the emerging risks for Tirana is the potential for overtourism, particularly in specific urban hot spots. Vergara Romero et al. (2025) emphasize that proactive management strategies are necessary to prevent negative externalities associated with excessive tourist concentration. Although Tirana has not yet reached critical levels of overtourism, early policy interventions such as spatial dispersion of tourism activities can help ensure long-term sustainability. Effective communication plays a central role in shaping the sustainability image of urban destinations, influencing how cities are perceived by visitors and stakeholders (Marchi et al., 2023). At the same time, stakeholder engagement is essential to ensure coordinated governance and long-term sustainability in tourism development (Bramwell & Lane, 2011). In Tirana, increasing awareness among residents and businesses regarding sustainable tourism practices is essential to fostering a shared vision of development. Finally, broader discussions in the literature stress the importance of preserving cultural identity while promoting tourism growth. Tirana's unique cultural heritage, urban vibrancy, and evolving identity represent key assets that must be carefully managed to avoid homogenization and ensure authenticity. The literature on tourism as a complex adaptive system provides a valuable framework for understanding the transformation of Tirana into an urban tourism destination. By adopting systems thinking, preserving the unique cultural heritage and increasing awareness among residents moving toward network-based governance, Tirana has the potential to manage its growth more sustainably. By aligning its tourism strategy with sustainability principles, Tirana can position itself as a model for other cities in the region undergoing similar transformations. The aim of this paper is to analyze Tirana's transformation from a transit city into an emerging urban tourism destination and to assess the role of urban governance, regeneration policies and sustainable destination management in supporting this transformation. This study further examines how tourism

growth interacts with urban development processes and sustainable challenges in the context of a rapidly evolving city.

The transformation of tourism in Tirana 2020-2026

Tourism in Albania during the period 2020–2025 (INSTAT); represents a rapid and significant transformation, from a sector heavily affected by the pandemic into one of the most successful growth stories in the region. The year 2020 marked the lowest point, because of global travel restrictions. The turning point came in 2023, when Albania surpassed 10 million visitors for the first time, positioning itself as a “trending” destination in Europe. In this phase, the country also benefited from a favorable “geopolitical moment”, such as the increase of costs in traditional Mediterranean destinations and the shift of demand toward cheaper and less explored alternatives. In the years 2024 and 2025, growth continued at a more moderate and stable pace, reflecting the transition from a “boom” phase to a phase of market consolidation.

Table 1: *Number of visitors per year 2020-2026*

Year	Number of visitors
2020	2,657,818
2021	5,688,649
2022	7,543,817
2023	10,155,640
2024	11,696,111
2025	12,466,038

Source: *INSTAT (n.d.)*.

Factors that have affected this trend for Tirana are also related to the way Tirana has been transformed in relation to urbanization and revitalization of urban spaces (Welcome Albania, n.d.), international recognition of the city, accessibility to digitalization and cultural heritage. Integrating local and governmental policies and raising awareness have also impacted the way the city has been transformed.

Revitalization of urban spaces

Integrating sustainable tourism within broader urban development frameworks is essential for creating resilient, inclusive, and environmentally sustainable cities. Tirana has transformed and revitalized its urban spaces during the last decade, gradually shifting from a transit

city into a destination. Since 2016, the capital has undergone a visible process of urban regeneration. This transformation has reshaped the spatial experience of the city for tourists, where several key points of the capital now function as orientation attractions.

Skanderbeg Square represents the most symbolic urban transformation of Tirana in the last decade. It shifted from a chaotic traffic node into a large pedestrian space, which today functions as the heart of the city. The project was conceived by the Belgian studio 51N4E and was implemented during the period 2015–2017, also winning the European Prize for Urban Public Space in 2018. Reconceived as an inclusive and representative square, it combines architectural, historical, and natural elements from all over Albania. The use of stones from all regions and the elimination of traffic have turned it into a symbol of identity and a key orientation point for visitors.

Tirana Castle is one of the most consolidated examples of bringing historical heritage back to life in function of the modern city. The restoration and urban integration project was developed gradually during the 2013–2018 period. The intervention has been more of a conservative and adaptive character rather than a single authorial project. From an area left in neglect, it has been transformed into a lively space that combines history with gastronomy, craftsmanship, and local ethnography. Today, the castle functions as a hybrid urban destination, where heritage is used as an economic and social asset.

Pazari i Ri (New Bazar) represents a successful model of urban regeneration that respects tradition while adapting it to modern life (Pikark, n.d.). The intervention was accompanied by the creation of TID Tirana (Tourism Improvement District), an innovative management model aimed at economic development and the promotion of the area through public-private cooperation. The transformation of the existing bazaar into a public space with mixed functions has created a balance between the local economy and urban tourism. With light architectural interventions, the use of colors, and a new organization of space, the Bazaar has been transformed into a meeting point that reflects the energy of today's Tirana.

The Pyramid of Tirana, in terms of symbolism, is one of the strongest urban interventions in the capital, transitioning from a monument of the communist period into a new public, educational, and touristic space

(Piramida Tirana, n.d.). Built in 1988 as a mausoleum like museum dedicated to the dictator, it remained for decades in degradation and continuous debate regarding its future. The intervention preserved the existing structure and opened it to the public, transforming it into a center for technology, education, and cultural activities. Today, the Pyramid functions as a model of reuse of urban heritage, where a symbol of the past has been transformed into an active space for youth and for the city.

Italia Square, near the “Arena Kombëtare” stadium, is another major reconceptualization of a public space, from a conventional square into a multifunctional one, which offers versatile use for large urban, sports, and cultural events due to its underground parking, its connection with the stadium, and its architecture. The main interventions were implemented after 2016 alongside the stadium project. The transformation of this square has enabled a better transition from the monumental fascist architecture of the ensemble of buildings in Mother Teresa Square to the modern complex of the “Arena Kombëtare”.

The Grand Park of the Artificial Lake represents one of the most important natural and recreational assets of the capital, increasingly attracting foreign tourists as well. The park began to take shape in the 1950s, with the artificial lake created after the construction of a dam and the mass planting of trees. It went through a difficult period of degradation during the transition but has now significantly recovered thanks to appropriate interventions made possible through cooperation between the government and the Municipality of Tirana after 2016. The development of the park continued until 2022 with gradual and fragmented interventions across its entire territory. Today, the park offers a balance between urban rhythm and nature, creating spaces for recreation and well-being.

International Recognition

In the last four years, Tirana has been awarded several prestigious international titles.

1. European Youth Capital 2022 - A title awarded by the European Youth Forum. Within the framework of “Tirana European Youth Capital 2022”, more than 1,000 activities/events were organized throughout the year. These were distributed in different areas of Tirana throughout the entire year, with wide participation from both local and international

youth. These include cultural and artistic events, training and workshops for young people, sports activities, youth forums and international conferences, community initiatives and volunteer projects.

2. European City of Sport 2023. A title awarded by the organization ACES Europe where more than 1,000 sports activities were carried out throughout the year. The main objective was to increase participation in sports and promote a healthy lifestyle. These include national and international competitions and tournaments, marathons, outdoor activities, and large-scale public events - activities for youth and schools, promotion of various sports (football, basketball, athletics, cycling, etc.).

3. Presidency of B40. In 2024, Tirana assumed the presidency of the B40 Balkan Cities Network, a regional cooperation platform that brings together major cities from the Balkans with the aim of strengthening collaboration in areas such as urban development, economic growth, innovation, and institutional governance. During its presidency, Tirana hosted the annual B40 Summit, which gathered mayors and representatives from numerous Balkan cities, thereby reinforcing its role as a key regional actor. The strategic priorities of Tirana's presidency focused on sustainable urban development, digital transformation of cities, tourism and cultural promotion, as well as economic cooperation and investment facilitation. Tirana's leadership within the B40 network contributed to enhancing the city's international profile and visibility, while also creating opportunities for joint projects with other regional municipalities.

4. Mediterranean Capital of Culture and Dialogue. This title was awarded to the Municipality of Tirana by the Union for the Mediterranean, in cooperation with the Anna Lindh Foundation. The title was held during 2025, implementing dedicated activities. Over 300 activities were carried out throughout the year. The main focus was on connecting Mediterranean cultures and promoting dialogue and regional cooperation. These include cultural and artistic festivals, exhibitions and international events.

Digitalization

Digitalization in Tirana's tourism sector relates primarily to three dimensions: smart urban mobility, digital tourism services, and the digital interpretation of cultural heritage (TechSpace; n.d.). First, smart mobility

applications such as Tirana Ime and integrated Google Maps services improve tourist navigation and accessibility within the city. Second, tourism businesses increasingly rely on digital booking systems, QR-code check-ins, online payment solutions, and social media marketing to enhance visitor experiences and operational efficiency. Third, digital technologies are used to promote cultural heritage through virtual exhibitions, interactive museum installations, QR-code-based information systems, and experimental augmented reality applications at selected sites. These initiatives contribute to improving destination accessibility, visitor engagement, and the international visibility of Tirana as a modern urban destination. Supporting tourism growth in the digital era, Tirana offers dedicated innovation spaces such as TUMO Center Tirana, providing digital literacy and coding courses, and marketing training in the tourism and hospitality sectors (TUMO Tirana; n.d.). Tirana explores digital experiences through pilots that use augmented reality (AR) at key historic sites, where digital drapes enrich the visitor's understanding of the city's layered history. Interactive installations, like House of Leaves Museum's digital timeline, and virtual exhibitions at Bunk'Art 2, allow tourists to engage content in dynamic, educational ways.

Methodology

This study adopts a qualitative and descriptive case study approach to examine the transformation of Tirana into an emerging urban tourism destination. The research is guided by the following key questions:

- (i) What are the main drivers behind Tirana's transformation into an urban tourism destination?
- (ii) How have urban development and governance practices contributed to this transformation?

The analysis is based on secondary data sources, including official tourism statistics from INSTAT, municipal policy documents, tourism development strategies, and reports related to urban regeneration and destination management. The study focuses on the period 2020–2025, which represents a significant phase of tourism growth and urban transformation in Tirana. The research combines document analysis with a descriptive interpretation of tourism trends, urban development projects, and institutional initiatives that have contributed to the city's increasing attractiveness as a tourism destination. Particular attention is given to

major urban regeneration projects, international recognition, and digitalization initiatives, which are examined as factors influencing destination development and tourism growth.

Tirana is selected as a single-case study representing a rapidly transforming urban destination in a developing country context. The paper provides an analytical overview of the interaction between tourism growth, urban transformation, and sustainable destination management. Although the research relies primarily on secondary sources, this approach allows for an integrated assessment of recent developments in Tirana's tourism sector and contributes to broader discussions on sustainable urban tourism governance.

Conclusions and Recommendations

The rapid expansion of tourism raises several structural concerns, including increasing pressure on urban infrastructure and public services, persistent informality in the tourism sector, risks of seasonal overcrowding and spatial concentration, and emerging labor and skills constraints. These challenges highlight the need for a shift from growth-oriented policies to governance-oriented approaches, emphasizing regulation, quality, and long-term sustainability. The findings suggest several key policy directions:

1. Strengthening urban tourism governance. Tirana requires integrated planning frameworks that align tourism growth with urban development, transport, and housing policies.
2. Formalization and market regulation. Reducing informality is essential to ensure fair competition, fiscal sustainability, and service quality particularly relevant from a competition policy perspective.
3. Investment in human capital and skills development. Addressing labor shortages and improving service quality requires the development of a coordinated tourism skills ecosystem through tourism and hospitality curricula within higher education institutions.
4. Sustainable tourism strategy. Environmental and social sustainability must be embedded in tourism policies to prevent long-term negative externalities.
5. Strengthening Destination Governance through the Operationalization of DMOs and the Development of the MICE Segment (Meetings, Incentives, Conferences, and Exhibitions). In a context characterized by multiple stakeholders and increasing systemic complexity, DMOs can serve as central coordination

mechanisms, enhancing strategic planning, stakeholder collaboration, and destination competitiveness.

6. Integration of cultural heritage and preservation of tourism policies. Ensuring the sustainability of tourism growth requires the protection and promotion of Tirana's cultural identity. Embedding cultural heritage both tangible and intangible within tourism development strategies through support for local cultural industries, artisans, tradition gastronomy would safeguard authenticity while enhancing the overall visitor experience.

In conclusion, Albania's transition "from transit to destination" is both a success story of rapid tourism growth and a critical policy test case, where the challenge is no longer attracting visitors, but managing growth in a sustainable, competitive, and inclusive manner.

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