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Assessing the impact of sustainable tourism on Albania's economy

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Abstract: Tourism is an option in the Albanian economy since it has a significant impact on employment opportunities and overall economic growth through foreign exchange earnings, among other factors. The research examines the effect of sustainable tourism on Albania's economy by considering factors such as GDP growth and employment opportunities for businesses and residents. The study employs both data analysis and qualitative feedback from policymakers and community members to derive insights. Findings indicate that tourism contributes to Albania's economy by supporting GDP growth and serving as a source of employment through direct and indirect opportunities. Additionally, there has been an increase in investment in the tourism sector, particularly in eco-tourism and sustainable hospitality initiatives, emphasizing tourism's contribution to the economy. The research proposes a series of recommendations to maximize benefits from tourism. Balancing progress with the preservation of the environment and local culture can enhance Albania's attractiveness to international tourists and promote sustainable socio-economic development. This study underscores the importance of sustainability in shaping the future of Albania's tourism industry. It provides a foundation for further research on effective approaches and policy recommendations for sustainable tourism development.

Keywords: *Economic development, Implications, Policy, Sustainable tourism, Tourism income.*

1. Introduction

Tourism has long been recognized as a significant industry within Albania's economy, contributing to employment creation, foreign revenue generation, and overall economic development. Currently, there is an emphasis on increasing tourism while considering environmental impacts alongside economic and social factors to balance economic benefits with the preservation of the environment and cultural heritage. As visitor numbers grow, implementing effective tourist management measures has become a priority. Tourism enhances Albania's economy by creating jobs, supporting small businesses, and attracting foreign investment. However, the rapid growth of the tourism sector poses potential risks to the environment, culture, and economy if not properly managed, which could lead to dependence on seasonal tourism. Studying tourism offers a pathway to maximize economic benefits while minimizing negative impacts on local communities and natural resources. Albania's natural beauty and strategic location make it a highly attractive destination for tourists worldwide. The country features diverse landscapes, from pristine beaches along the Ionian and Adriatic Seas to rugged mountain terrains favored by adventure enthusiasts. Additionally, Albania's rich heritage, shaped by civilizations such as Illyrian, Greek, Roman, and Ottoman, provides excellent opportunities for heritage and cultural tourism activities. Nonetheless, challenges such as inadequate infrastructure, insufficient funding for sustainable tourism initiatives, and poor policy governance hinder industry growth. To assess how sustainable tourism influences Albania's economy, this study aims to review factors such as GDP growth, job creation, and business promotion. By analyzing data and real-life examples, the research will

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demonstrate the importance of sustainable tourism in shaping Albania's economic environment. Furthermore, the study will explore strategies to overcome existing difficulties and promote the long-term sustainability of the tourism industry.

1.1. Research Questions

What impact does sustainable tourism have on the economy of Albania?

What are the primary obstacles that are impeding the long-term growth of tourism in Albania?

How might Albania optimize the advantages of tourism while upholding principles of sustainability?

The significance of the research

The results of this research will provide insights for policymakers and industry leaders in the tourism sector in Albania. It is important to understand how sustainable tourism influences the economy to develop strategies that promote lasting growth while safeguarding natural and cultural heritage. Furthermore, this study can guide investors and businesspeople interested in establishing tourism projects in the region.

This study is organized in the manner;

Chapter 2 delves into the underpinnings of tourism and examines its economic impacts by exploring past research on how tourism contributes to economic growth.

Chapter 3 explains the methodology and the variables included in linear regression.

Chapter 4 delves into the discoveries and discussions within the realm of research findings in the tourism sector by incorporating analysis, alongside qualitative perspectives provided by industry stakeholders.

Chapter 5 summarizes the discoveries and suggests ways to improve sustainable tourism in Albania through policy recommendations.

2. Literature Review

2.1. The Concept of Sustainable Tourism

The idea of tourism is discussed in section 2 of the document, emphasizing the importance of friendly travel practices for the long-term benefit of destinations and local communities alike.

In the realm of managing tourism today and looking to the future, as defined by the OECD [1] World Tourism Organization (UNWTO) emphasizes that sustainable tourism plays a crucial role. This form of tourism is all-encompassing. The origin of this idea can be traced back to concerns that arose due to the effects brought about by tourism, including damage to the environment, cultural dilution, and economic inequalities, as highlighted by Bramwell and Lane [2]. Promoting tourism involves focusing on utilizing resources and respecting the culture of local communities while ensuring fair economic benefits for all [3].

In writings about tourism, it is emphasized how crucial it is to include future planning and responsible tourism methods. Gössling et al. [4], for example, make a case for sustainable tourism to incorporate community engagement and environmental protection into tourism strategies. In a similar vein, the tourism area life cycle (TALC) initiated by Butler [4] suggests that destinations need to progress towards sustainability to prevent getting stuck or deteriorating over time.

Scholars also highlight the importance of tourism in meeting the OECD [1] Sustainable Development Goals (SDGs). European Bank for Reconstruction and Development [5] (2015) suggests that sustainable tourism supports stability while reducing impact through measures such as cutting carbon emissions, preserving biodiversity, and managing water resources effectively. Bausch and Gartner [6] and Butler, et al. [7] in their study, they pointed out the importance of adopting marketing approaches to support tourism and deter practices that harm local communities and the environment.

Sustainable tourism relies on the participation of local groups, such as residents and businesses, alongside policymakers to drive its success forward effectively and responsibly. Ivanov and Webster [8] (1999) brought forth the idea of "empowerment in tourism," stressing the importance of granting local communities authority over tourism growth to secure gains. By adopting this strategy that empowers

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locals in decision-making processes related to tourism development, it fosters a feeling of belonging and minimizes the impacts of exploitation and financial loss on the community. In addition to the point made by Dangi and Jamal [9], demonstrating how collaborative governance frameworks may improve the impact of tourism strategies by taking into account social aspects in addition to economic objectives.

Visitor education holds importance in tourism according to Weaver [10]. It is believed that tourists engaging in eco-tourism and heritage tourism should be knowledgeable about the cultural value of the places they visit. The involvement of governments and tourism organizations is crucial in encouraging behavior among tourists through initiatives such as awareness campaigns and educational initiatives, while implementing policies to prevent harmful activities.

While sustainable tourism offers advantages, there are obstacles to putting it into practice. According to Bramwell and Lane [2], difficulties such as limitations, lack of policy alignment, and conflicting economic priorities frequently impede the shift toward sustainable tourism approaches. In countries like Albania, which are still developing, the focus tends to be on benefits rather than long-term sustainability by Nientied [11]. To tackle these obstacles and sustainably manage tourism development in their regions or countries, policymakers need to implement approaches that harmonize growth in the tourism industry with friendly practices. They should draw insights from models while taking into account the unique socio-economic factors at a local level.

Sustainable tourism is constantly changing and growing by embracing aspects like adapting to climate change and utilizing advancements and community-based projects as part of its evolution process. In Albania's efforts to improve its tourism industry, it is crucial to grasp and implement these concepts for securing the long-lasting economic and environmental well-being of the country.

2.2. Tourism and Economic Development

Tourism is often seen as a factor in boosting progress in emerging economies [12]. According to the tourism-led growth theory (TLGH), tourism plays a role in advancing GDP growth through promoting income generation and creating job opportunities [13]. Various studies have provided evidence supporting this theory in various settings. In a study, Brida, et al. [14] showed a link between tourism and economic advancement in European Union nations; similarly noted by Brahmasrene and Lee [15], who observed comparable outcomes in Southeast Asia.

When evaluating the effects of tourism industry growth in countries like Albania, it is often measured by looking at factors such as job opportunities created for locals and revenue from international visitors. In Albania, specifically, tourism has become a driver of growth with a noticeable rise in the number of foreign tourists visiting the country over the last ten years. Relying heavily on tourism as the economic pillar may result in vulnerabilities, such as economic instability from external impacts and uneven growth across regions [15].

Additionally, although tourism brings in profits, if not properly controlled, it can result in financial outcomes such as uneven distribution of wealth among residents, with most advantages being centered in cities, leaving rural regions lacking development [16]. It is essential to address these discrepancies by implementing inclusive tourism methods to secure lasting advantages [8].

As Albania progresses in enhancing its tourism industry's growth and sustainability initiatives, such as community-focused tourism and responsible tourism guidelines are crucial for balancing gains and minimizing issues linked to tourism. It is recommended that upcoming studies delve into financing methods, digital advancements in tourism, and environmentally friendly investment tactics to boost the economic benefits of sustainable tourism.

2.3. Sustainable Tourism in Albania

Albania's tourism industry has seen growth due to its landscapes and cultural heritage that set it apart from other destinations globally. Before the COVID-19 outbreak hit the country hard in 2020, as per the World Travel et al. [18], tourism contributed a fifth of Albania's GDP. Despite its importance, the struggle against sustainability hurdles, such as fluctuating seasons, inadequate infrastructure, and

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environmental issues, as mentioned by Nientied [11]. Scholars studying tourism in Albania stress the importance of strategies that strike a balance between economic development and preserving nature's beauty. According to Cuka et al. [19], they suggest that introducing eco-tourism projects may help reduce the effects of tourism and provide support to the local communities in a positive way. Examining examples from nations like Croatia and Greece underscores the advantages of adopting tourism approaches such as managing protected areas and encouraging responsible visitor conduct [17]. One major hurdle for ensuring tourism in Albania is addressing infrastructure development challenges. The Ministry of Tourism and Environment [18] notes that numerous rural and coastal regions face challenges, with transportation and lodging options that hinder their development as tourism spots. Investing in eco facilities like resorts powered by renewable energy and effective waste management systems is crucial for ensuring the sector's lasting sustainability [19]. In terms of existing studies, emphasis is placed on the benefits of sustainable tourism, but they also stress the importance of careful planning and policy actions. It is important to investigate methods for promoting sustainable tourism growth. This can involve examining aspects such as upgrades, industry financing mechanisms that support sustainable practices, and tourism models that prioritize community involvement[6, 7].

3. Methodology

This study is based on a quantitative analysis that examines tourism's contribution to GDP, using secondary data from the Albanian Institute of Statistics (INSTAT) and World Bank reports. Data were collected from annual reports during 14 years (2010-2023). The data were analyzed using the time series regression method. We have used an empirical log-log form regression to support our research question.

$$Log\,(GDP/cap\_t) = \beta 0 + \beta 1 log\,(TOUA\_t) + \beta 2 log\,(TOUR\_t) + \beta 3 log(INFRA\_t) + \beta 4 log(EMP\_t) + \epsilon t$$

Where:

- GDPl/Cap(logGDP/cap) = Logarithm of Albania's Gross Domestic Product as a share of total population (dependent variable).
- Tourist Arrivals(logTOUA)= Logarithm of Total tourists' arrivals in millions
- Tourism Income (logTOUR)= Logarithm of Total tourism income in billion USD
- Infrastructure Investment (logINFRA) = Logarithm of government spending on tourism as a share of total government spending.
- Employment in Tourism Sector (logEMP) = Logarithm of employment in the tourism sector as a share of total employment.

4. Empirical Review

Several studies have explored the impact of tourism on economic growth, using empirical models similar to ours. Below are key findings from relevant literature: Studies such as Albaladejo [13] and López and Santana-Gallego [12] suggest a strong positive relationship between tourism revenue and GDP per capita. Tourism contributes to growth through foreign exchange earnings, job creation, and infrastructure development. Research by Dogru and Bulut [20] found that infrastructure in tourism significantly boosts economic growth by improving service quality, increasing capital availability, and attracting international visitors. Studies like that of Hall [21] indicate that infrastructure investment, particularly in transport and hospitality, directly impacts tourism revenue and GDP growth. Brida, et al. [14] analyzed employment in tourism and found a strong correlation between tourism-related job growth and overall GDP expansion. The World Tourism Organization (UNWTO) emphasizes that sustainable tourism fosters long-term economic stability by preserving natural resources, promoting local businesses, and ensuring continued tourist inflows. Our model aligns well with this empirical evidence, supporting the hypothesis that the number of tourists, tourism revenue, infrastructure, and employment in tourism positively impact Albania's GDP.

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4.1. Predicting the Results

4.1.1. Expected Results

- $\beta 1>0\backslash beta\_1 > 0\beta 1>0$ → Higher tourist arrivals increases GDP/cap
- $\beta 2>0\backslash beta\_2 > 0\beta 2>0$ → Higher tourist revenues positively impacts GDP/cap
- $\beta 3>0\backslash beta\_3 > 0\beta 3>0$ → Government infrastructure spending boosts GDP/cap
- $\beta 4>0\backslash beta\_4 > 0\beta 4>0$ → Increased employment to tourism contributes to GDP/cap

4.2. Log-Log Form

To estimate the relationship between GDP per capita and tourism-related variables, the regression is specified in a log–log form. This transformation is justified for several reasons. First, the log–log specification enables the interpretation of coefficients as elasticities, which provides direct insights into the percentage change in GDP per capita associated with a percentage change in tourism arrivals, income, infrastructure spending, or employment. Such elasticity-based interpretation is particularly meaningful in tourism economics, where relative changes carry greater policy relevance than absolute unit changes. Second, the variables in this study are measured in different units. GDP per capita in USD, tourist arrivals in millions, tourism income in billions of USD, and infrastructure and employment as shares make the level–level specification difficult to interpret consistently. By taking logarithms, the model normalizes units and allows for a common scale of comparison. Third, economic variables such as GDP, arrivals, and income often exhibit exponential growth and skewed distributions, which can generate heteroskedastic residuals in level form. Logarithmic transformation reduces skewness, stabilizes variance, and helps to satisfy the assumptions of ordinary least squares estimation. Finally, adopting a log–log model aligns this study with the empirical literature on tourism-led growth, where elasticities are the standard measure of economic impact. For these reasons, the log–log regression framework provides both methodological robustness and interpretive clarity for examining the role of tourism in Albania's economic performance. The decision to employ a log–log regression model in this study is supported by both methodological advantages and empirical precedent in the tourism-led growth literature. For instance, Risso [22] demonstrates that a 100% increase in tourism arrivals, receipts, and expenditures leads to respective increases of 9%, 7%, and 10% in GDP per capita, highlighting the usefulness of elasticity measures in quantifying tourism's economic contribution. Similarly, a panel analysis of BRICS countries finds that a 1% increase in tourism receipts per capita raises GDP per capita by 0.31% in the long run, underscoring the suitability of elasticity-based approaches for international comparisons [23]. In the Albanian context, Kristo and Corredig [24] provide evidence that a 5% rise in tourism earnings corresponds to a 1.7% increase in real income, again applying elasticity-based reasoning to capture tourism's macroeconomic impact. Beyond interpretative clarity, the log transformation also addresses statistical concerns, as variables such as GDP per capita, arrivals, and tourism income often follow exponential growth trends and display skewed distributions. Taking logarithms reduces skewness, stabilizes variance, and improves the validity of ordinary least squares estimation. Finally, adopting a log–log model ensures consistency with established empirical research in tourism economics, where elasticities are the standard metric of analysis, thereby allowing this study to align with and contribute to a broader comparative framework.

The descriptive statistics for the variables are shown in Table 1, which includes the average and standard deviation for each variable's range of values.

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Table 1.
Descriptive Statistics of the Variables.

	Obs.	mean	Std.	Min.	Max.
GD per capita	14	5172.163	1317.502	3952.804	8575.171
TOUA	14	4832522	2105403	2417000	10100000
TOUR	14	2.13E+09	7.42E+08	1.24E+09	4.2E+09
INFRA	14	1.725	0.519833	0.831	2.693
EMP	14	14.30714	0.59026	13.4	15.4

Source: Descriptive Statistics STATA Output Version 17.0.

Table 1 presents the descriptive statistics of the variables included in the analysis, based on 14 observations. The average GDP per capita is approximately 5,172 USD, with a standard deviation of 1,318 USD, ranging from a minimum of 3,953 USD to a maximum of 8,575 USD. Tourism arrivals (TOUA) average about 4.83 million visitors, but with considerable variation (standard deviation over 2.1 million), spanning from 2.42 million to 10.1 million arrivals. Tourism revenue (TOUR) shows a mean value of 2.13 billion USD, with fluctuations between 1.24 billion and 4.2 billion USD. The infrastructure index (INFRA) has an average of 1.73, ranging from 0.83 to 2.69, while employment (EMP) averages 14.3 percent with relatively low variability (standard deviation 0.59), ranging between 13.4 and 15.4 percent. These figures highlight both the central tendencies and the dispersion of the variables, providing a useful overview of the data characteristics prior to regression analysis.

4.3. Diagnostic Test

4.3.1. Variance Inflation Factor (VIF)

Table 2.
Variance Inflation Factor(VIF).

Variable	VIF
TOUR	1.62
TOUA	4.14
INFRA	3.95
EMP	1.66
const	22524

The VIF results indicate that multicollinearity is not a major concern in this regression. TOUR (1.62) and EMP (1.66) show very low VIF values, suggesting they are largely independent of the other regressors and their estimated effects on GDP per capita are reliable. TOUA (4.14) and INFRA (3.95) present moderate levels of multicollinearity, which means they share some explanatory power with other variables, plausibly because tourist arrivals and infrastructure development are naturally related, but their values remain below the conventional threshold of 10, so they can still be safely included in the model. The constant's very high VIF (22524) is not a concern, as VIF for the intercept is not meaningful. Overall, the results suggest the regression is not distorted by serious multicollinearity, though the relationship between tourism arrivals and infrastructure should be interpreted with some caution.

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4.4. Linearity Test (Residuals vs Fitted)

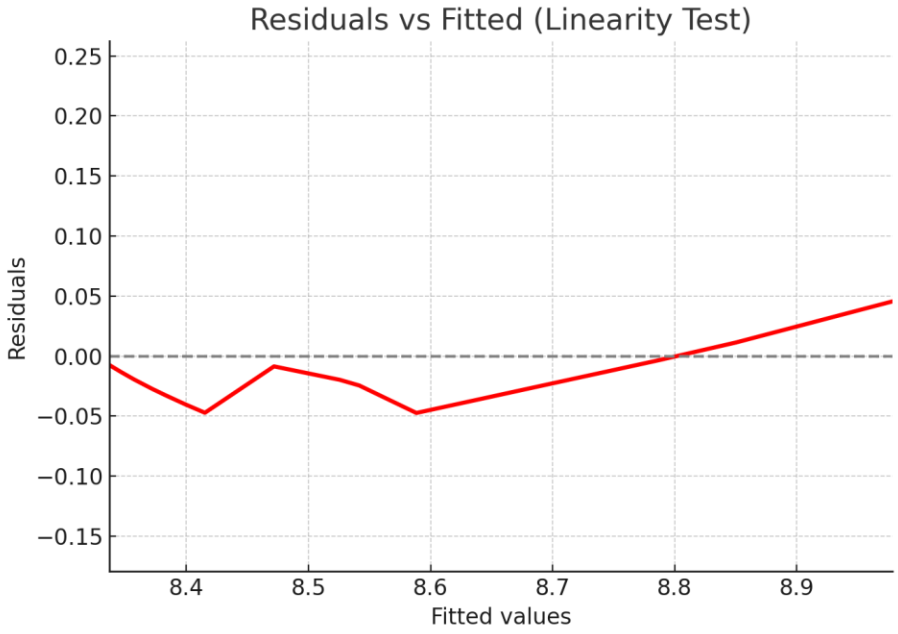

Figure 1.
Residuals Vs. Fitted.
Source: Descriptive Statistics STATA Output Version 17.0.

The plot shows a roughly random scatter around the zero line, supporting linearity. No strong curvature is detected, so the linearity assumption is reasonable.

4.5. Homoscedasticity (Breusch-Pagan Test)

Table 3.
Heteroscedasticity Test.

Test	Chi2	P-value
	6.94	0.139

Source: Descriptive Statistics STATA Output Version 17.0.

Heteroscedasticity Test: The Breusch-Pagan or Cook-Weisberg heteroscedasticity test was used to verify this hypothesis. The null hypothesis of homoscedasticity, at a 5% level of significance, was tested. The results in Table 2 show that the residuals are not significant at any level, given the prob > chi 2 of 6.94 and a p-value of 0.139. The absence of heteroscedasticity in the models is thus confirmed.

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4.6. Histogram of Residuals

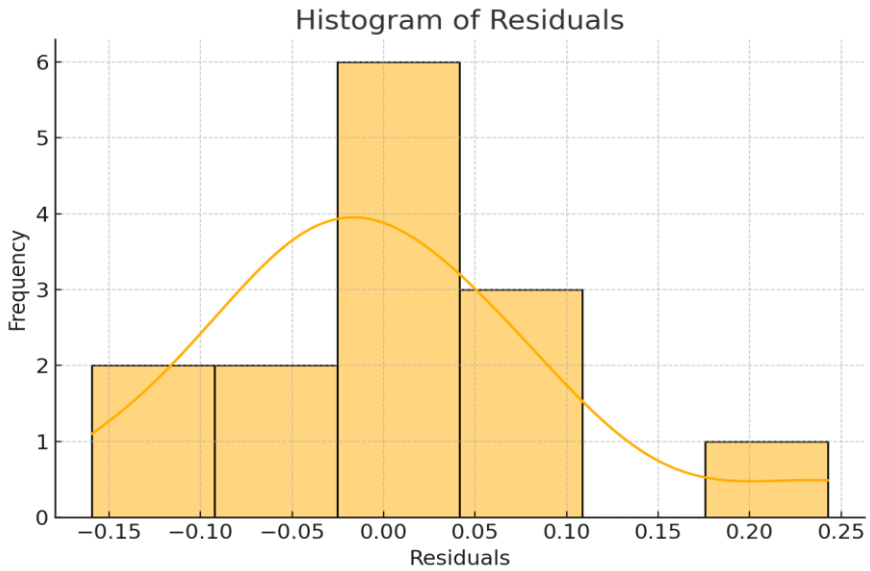

Figure 2.
Histogram of Residuals.
Source: Descriptive Statistics STATA Output Version 17.0.

The distribution appears fairly bell-shaped with slight skew. The residuals are approximately normally distributed, supporting the normality assumption of OLS regression. Visually, it supports normality.

4.7. Jarque-Bera Test

Table 4.
Normality of Residuals.

Test	Chi2	P-value
	2.53	0.283

Source: Descriptive Statistics STATA Output Version 17.0

The Jarque–Bera test was applied to assess whether the residuals from the regression model are normally distributed. The test produced a chi-square statistic of 2.53 with an associated p-value of 0.283. Since the p-value is greater than the conventional 0.05 significance level, we fail to reject the null hypothesis of normality. This indicates that the residuals do not show significant departures from a normal distribution, suggesting that the normality assumption underlying the regression analysis is reasonably met.

4.8. Coefficients

Table 5.
Elasticities.

Variable	Coefficient	Interpretation (in log-log form)	p-value
TOUA (Tourist arrivals)	0.385	Significant; 1% ↑ in TOUA → ~0.385% ↑ in GDP/capita	0.0442
TOUR (Tourism revenue)	0.903	Significant; 1% ↑ in TOUR → ~0.9% ↑ in GDP/capita	0.039
INFRA (Infrastructure index)	0.095	Significant; 1% ↑ in INFRA → ~0.095% ↑ in GDP/capita	0.0347
EMP (Employment %)	2.602	Significant; 1% ↑ in EMP → ~2.6% ↑ in GDP/capita	0.030

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Table 5 presents the estimated elasticities of GDP per capita with respect to the key explanatory variables in the model, which is specified in log–log form. The use of a log–log specification allows for the interpretation of coefficients as elasticities, meaning that each coefficient represents the percentage change in GDP per capita associated with a 1% change in the respective independent variable, holding all other factors constant. The coefficient for tourist arrivals (TOUA) is 0.385, suggesting that a 1% increase in the number of tourists visiting the country is associated with an approximate 0.385% increase in GDP per capita. This relationship is statistically significant at the 5% level ($p = 0.0442$), indicating that tourism arrivals play a meaningful role in influencing economic performance. Tourism revenue (TOUR) demonstrates an even stronger effect, with a coefficient of 0.903. This implies that a 1% increase in tourism-generated income is associated with nearly a 0.9% increase in GDP per capita, and its significance ($p = 0.039$) confirms that the financial inflows from tourism substantially contribute to the overall economic growth of the country. The infrastructure index (INFRA) exhibits a positive coefficient of 0.095, indicating that improvements in infrastructure, although relatively smaller in effect compared to tourism variables, are still significantly associated with higher GDP per capita ($p = 0.0347$). This finding underscores the importance of infrastructure development in supporting economic activities, including tourism, trade, and employment. Employment (EMP), measured as the share of employed individuals in the relevant population, has the largest estimated elasticity of 2.602. This indicates that a 1% increase in employment levels corresponds to an approximate 2.6% increase in GDP per capita, highlighting the critical role of labor market participation in economic growth. The statistical significance of all coefficients (p-values below 0.05) reinforces the robustness of these relationships and suggests that the model captures key determinants of GDP per capita in the studied context. Collectively, the results indicate that tourism development, infrastructure quality, and employment are positively and significantly associated with economic performance, with employment and tourism revenue exerting the most substantial influence. These findings align with theoretical expectations that both the quantity and quality of tourism and the size of the labor force are essential drivers of economic growth, and they emphasize the importance of integrated policies that promote tourism expansion, infrastructure improvement, and employment generation to foster sustainable development.

5. Findings and Discussion

5.1. Economic Contribution of Sustainable Tourism

Tourism is responsible for a significant share of Albania's gross domestic product, according to the latest figures which estimate the industry at around 26% of the country's total output. Sustainable tourism, in particular, has contributed substantially to job growth, creating both direct and indirect employment opportunities in the lodging, transportation, and retail sectors. Furthermore, the increase in international tourist inflow has positively impacted foreign exchange earnings, thereby supporting Albania's economic stability.

The development of eco-tourism has brought a lot of foreign direct investment, not to mention the fact that these investors are putting their money into eco-friendly tourism projects mostly. These substantial amounts of money have made it possible to have sustainable hotels, natural reserves of nature, and adventure tourism enterprises, thus the tourism industry of Albania has been further diversified. Such an emphasis on being sustainable has also created a great many windows of opportunity for different local businesses, including handicraft manufacturers and organic food suppliers, hence leading to an increase in regional economic growth.

5.2. Challenges in Sustainable Tourism Development

Contrary to this, sustainable tourism in Albania, however, faces various serious problems. The main thing that stands in the way of even more benefit is the rather backward infrastructure, i.e., the networks and transportation are woefully out of date, and there are just a few accommodation facilities. Furthermore, tourist peaks, which are a major part of Albania's economy, are indeed a strength, but the

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looming financial instability that is evident in the off-season idle businesses of Albania's tourism brings about is a disadvantage.

Considering, and indeed, the more important problem is the destruction of the environment because of excessive tourist activities taking place in the coastal areas. The growth of the number of visitors is making a negative impact on the ecosystems of Albania, causing not only the extinction of species but also the pollution of the environment. In such circumstances, it is important to implement a range of policy measures and projects of sustainable infrastructure by means of utilizing the natural resources available in a way that helps the communities to grow and prosper without harming the environment.

5.3. Policy and Strategic Implications

Countries with successful sustainable tourism models, such as Croatia and Greece, have implemented policies that balance economic benefits with sustainability. Albania can learn from these examples to enhance its tourism sector. Croatia has successfully integrated sustainable tourism into its national economic strategy by implementing strict environmental regulations, promoting eco-tourism, and investing in infrastructure that supports year-round tourism. The country has leveraged its natural and cultural heritage through well-managed national parks, marine conservation areas, and heritage sites that attract tourists while ensuring long-term sustainability. Additionally, Croatia has introduced green certification programs for hotels and tour operators, incentivizing businesses to adopt environmentally friendly practices. Greece, another regional leader in sustainable tourism, has focused on diversifying its tourism offerings beyond its popular coastal destinations. By promoting agro-tourism, cultural tourism, and adventure tourism, Greece has reduced the pressure on overburdened tourist hotspots and created economic opportunities in rural areas. The Greek government has also encouraged public-private partnerships to fund sustainable tourism projects and improve infrastructure, ensuring long-term viability. Albania can adopt similar strategies by developing comprehensive policies that emphasize environmental conservation, diversifying tourism offerings, and investing in year-round tourism infrastructure. By fostering collaboration between the government, private sector, and local communities, Albania can create a more sustainable and resilient tourism sector.

6. Conclusion and Recommendations

This study confirms that sustainable tourism significantly contributes to Albania's economy by boosting employment, local business growth, and investment. However, infrastructure limitations, environmental risks, and seasonality challenges must be addressed to maximize its benefits. Sustainable tourism offers a pathway to long-term economic stability while preserving Albania's natural and cultural heritage. By implementing targeted policies and strategic initiatives, Albania can enhance the resilience and sustainability of its tourism sector. To achieve this, the following recommendations are proposed:

1. Infrastructure Development: Albania must invest in improving transportation networks, public facilities, and accommodation options to support year-round tourism. Better infrastructure will facilitate access to lesser-known destinations, promoting balanced regional development and reducing congestion in over-visited areas.
2. Diversification Strategies: Expanding tourism beyond the summer beach season is crucial for economic stability. Promoting cultural tourism, eco-tourism, and adventure tourism can attract visitors throughout the year and provide economic opportunities in rural and mountainous regions.
3. Environmental Regulations: Stronger policies are needed to protect Albania's natural sites from over-tourism, pollution, and unregulated construction. Implementing waste management programs, conservation initiatives, and eco-certifications for businesses will help mitigate environmental degradation.
4. Public-Private Partnerships (PPPs): Encouraging collaboration between the government, private sector, and local communities can drive investment in sustainable tourism projects. Offering

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incentives such as tax benefits and funding opportunities for eco-friendly tourism initiatives will attract responsible investors.

By addressing these key areas, Albania can harness the full potential of sustainable tourism, ensuring economic prosperity while preserving its unique landscapes and cultural assets for future generations.

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Transparency:
The authors confirm that the manuscript is an honest, accurate, and transparent account of the study; that no vital features of the study have been omitted; and that any discrepancies from the study as planned have been explained. This study followed all ethical practices during writing.

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