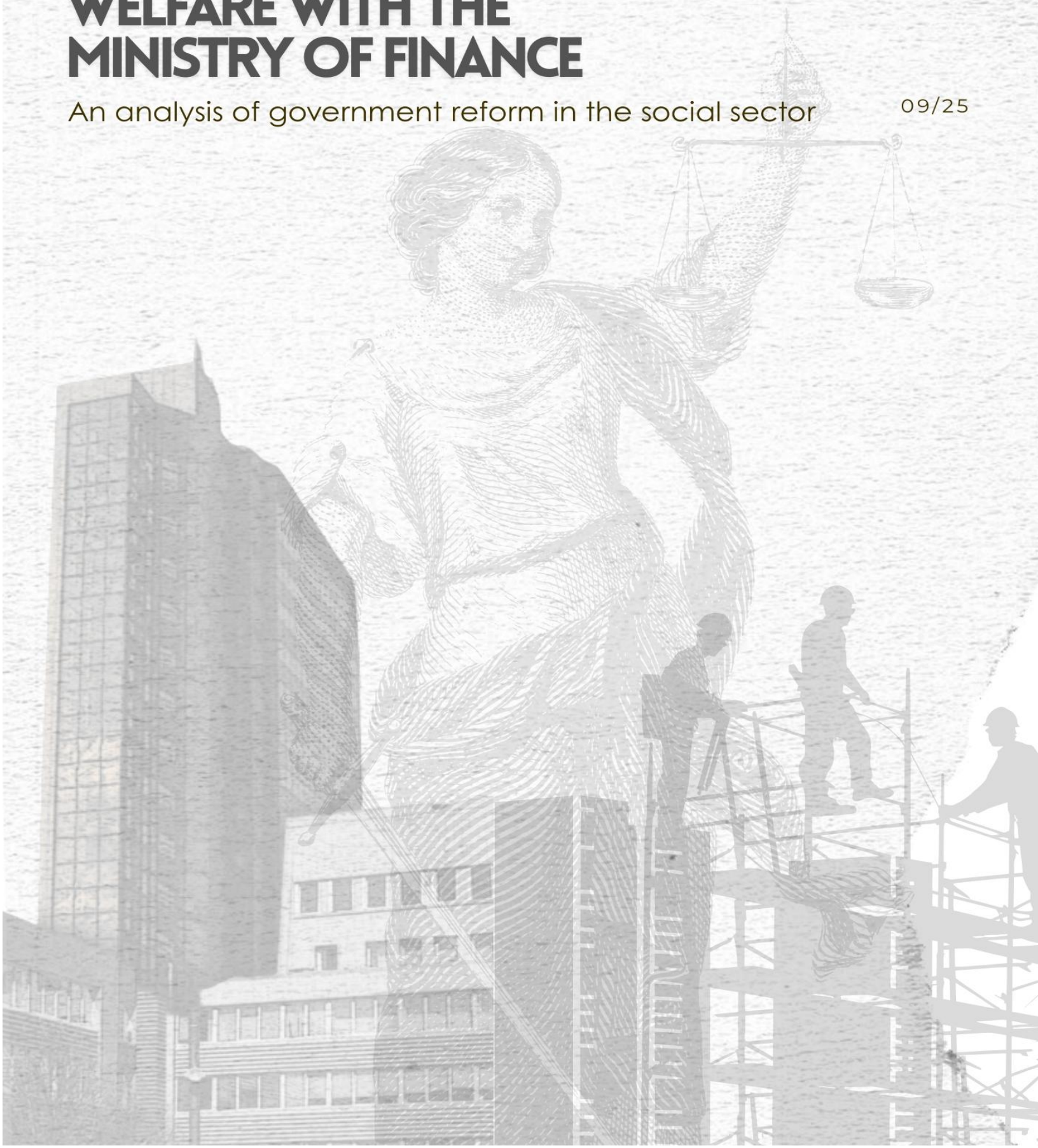


# THE IMPACT OF MERGING THE MINISTRY OF LABOR AND SOCIAL WELFARE WITH THE MINISTRY OF FINANCE



An analysis of government reform in the social sector

09/25



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The paper on the dissolution of the Ministry of Labour and Social Welfare in Kosovo is a policy document prepared by the Kosovo Law Institute within the framework of the “Good Governance” Program. This document aims to analyze and assess the impact of this decision in the field of labor and social welfare, offering a critical review of the policies adopted by the Government and the Assembly of Kosovo in 2021.

Documents of this kind are published when certain policies are considered incorrect or do not serve the interest of citizens and specific social groups, and to promote transparency and the improvement of governance processes.

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## List of acronyms

<b>ARK</b>	Assembly of the Republic of Kosovo
<b>OPMK</b>	Office of the Prime Minister of Kosovo
<b>PCP</b>	Public Consultation Platform
<b>MLSW</b>	Ministry of Labor and Social Welfare
<b>MF</b>	Ministry of Finance
<b>MFLT</b>	Ministry of Finance, Labor and Transfers
<b>LP 2023</b>	Legislative Plan for 2023
<b>PG LV</b>	Parliamentary Group of the VETËVENDOSJE! Movement
<b>PG PDK</b>	Parliamentary Group of the Democratic Party of Kosovo
<b>PG LDK</b>	Parliamentary Group of the Democratic League of Kosovo
<b>PG AAK</b>	Parliamentary Group of the Alliance for the Future of Kosovo
<b>PG LS</b>	Parliamentary Group of the Serb List
<b>PG MULTIETNIK</b>	Parliamentary Group of Non-Majority Community Deputies
<b>MLGA</b>	Ministry of Local Government Administration
<b>RPA</b>	Rules of Procedure of the Assembly
<b>KLI</b>	Kosovo Law Institute
<b>GRK</b>	Government of the Republic of Kosovo
<b>MoJ</b>	Ministry of Justice
<b>CC</b>	Constitutional Court
<b>IOK</b>	Institution of the Ombudsperson of Kosovo
<b>CoE</b>	Council of Europe
<b>MIA</b>	Ministry of Internal Affairs
<b>MoE</b>	Ministry of Economy

## **1. Executive summary**

The dissolution of the Ministry of Labor and Social Welfare (MLSW) and its merger with the Ministry of Finance to form the Ministry of Finance, Labor and Transfers (MFLT) represents one of the most significant changes in the institutional architecture of the Government of Kosovo after 2021. This decision, undertaken by the Kurti II Government, was presented as part of a broader effort to rationalize the government structure during the electoral campaign, but was implemented without public consultation and without any detailed political or technical justification. Considering that the MLSW was one of the key ministries in guaranteeing social policies, this intervention appears to have had considerable consequences for the functioning of the social protection system in the country.

Before 2021, the MLSW played an irreplaceable role in the design and implementation of social policies, the protection of workers' rights, social dialogue between employers and trade unions, as well as in providing social services to the most vulnerable groups of citizens. Through this ministry, the state managed numerous pension and social assistance schemes covering hundreds of thousands of citizens, from contributory pensioners to families receiving social assistance and persons with disabilities. Moreover, it held direct responsibility for sensitive issues such as the care for war veterans, the families of martyrs, survivors of sexual violence during the war, and other categories affected by the 1998-19989 conflict.

Following the dissolution of the MLSW and the transfer of its competences to the MFLT, a fundamental shift occurred in the approach of social issues. Instead of long-term and inclusive policy development, the new approach has focused almost exclusively on the distribution of financial means. As this paper will highlight, this technical and fiscal orientation has marginalized the social function of the state, reducing welfare to unilateral budgetary transfers made without consultation, impact analysis, or the inclusion of interest groups.

The merger of the MLSW with the Ministry of Finance also contributed to the failure to fulfill the legislative agenda in social field. Key draft laws such as the Law on Labor, the Law on Occupational Safety and Health, and the Law on Labor Inspectorate were either overlooked or withdrawn without explanation. Of the 12 draft laws planned for the 2021-2024 period, only four have been adopted, and even those were passed through expedited procedures without public consultation, resulting in legal challenges before the Constitutional Court.

Legislation concerning labor, workplace safety and inspection remain outdated and misaligned with European union directives and International Labour Organization (ILO) conventions. This includes discrepancies in standards for short-term contracts, gender equality, effective inspection and protection against discrimination. Kosovo continues to operate under a Labor Inspectorate Law dating from the UNMIK period and a Law on Occupational Safety and Health from 2013, despite the fact that in 2024 there were 505 workplace injuries and 12 fatalities. With only 60

inspectors overseeing more than 70,000 active businesses, the situation poses a serious risk to workers' lives. The failure to operationalize the national Council for Occupational Safety and Health has deepened this crisis.

The Government has failed not only to update the legal framework but also uphold the rule of law in public appointments. The appointment of the Chief Labor Inspector was declared unlawful by all judicial instances, including the Supreme Court. Furthermore, in February 2025, he was detained by the Kosovo Police for 48 hours on suspicion of abuse of official position, violation of employment rights and unauthorized use of property, leading to a criminal investigation by Serious Crimes Prosecution Office.

The Kosovo Law Institute (KLI) has found that in 85% of European union member states, there exists a dedicated ministry for labor and social welfare, serving as a strong pillar for ensuring social rights. Similarly, most Western Balkan countries maintain ministries dedicated to this area, treating employment, workplace safety and social welfare as distinct political priorities. This underscores the strategic importance attributed to this field elsewhere and stands in contrast to the model adopted in Kosovo, where these issues have been integrated into a ministry with an expansive financial mandate.

The absence of a dedicated ministry for labor and social welfare has weakened social dialogue and trade union organization. The Economic and Social Council has not been constituted since April 2023, effectively blocking the negotiation of collective agreements. The Government set a minimum wage at €350 through an arbitrary decision, without consultation with trade unions. Moreover, the general collective agreement has not been signed and sectoral agreements, such as those in education and healthcare, have also been discontinued. A dedicated ministry would have held a clear mandate to foster collective bargaining and ensure the participation of trade unions in the policymaking process.

## **2. The dissolution of the Ministry of Labour and Social Welfare**

On 22 March 2021, the Assembly of Kosovo adopted the decision to establish the new Government of Kosovo, led by the VETËVENDOSJE Movement and its leader, Albin Kurti, as Prime Minister. Within this decision, the proposal to merge the Ministry of Labor and Social Welfare (MLSW) with the Ministry of Finance was also approved, resulting in the creation of the Ministry of Finance, Labor and Transfers (MFLT).<sup>1</sup>

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<sup>1</sup> Decision No. 08-V-005, Assembly of the Republic of Kosovo; ([https://www.kuvendikosoves.org/Uploads/Data/SessionFiles/2021\\_03\\_25\\_VendimperzgjedhjeneQeveriseKosoves22.03.2021\\_rYexDNvAC6.pdf](https://www.kuvendikosoves.org/Uploads/Data/SessionFiles/2021_03_25_VendimperzgjedhjeneQeveriseKosoves22.03.2021_rYexDNvAC6.pdf)), (last accessed 9 July 2025).



The decision to dissolve the MLSW and merge it with the Ministry of Finance to create the MFLT was undertaken without any in-depth public discussion, without consultation with stakeholders and without a clear justification from the Kurti II Government. Although presented as part of a rationalization of the government structure, the measure was, in reality, adopted without transparency and without any accessible explanation for the public or political representatives in the Assembly. Despite the fact that VETËVENDOSJE! Has campaigned on the advancement of social policies, once in power, it presented no political or technical rationale for its decision the MLSW. This approach to policymaking reflects a contradiction between electoral promises and governmental actions.

KLI identified a further inconsistency regarding the government's reform of the number of ministries. In the document *"Priorities of the Republic: 40 Governance Measures of the VETËVENDOSJE! Movement for the Development and Strengthening of the Republic of Kosovo"*, presented for the 2017 early parliamentary elections, it was stated that, as part of the reduction of ministries, the Ministry of Labor and Social Welfare would be merged with the Ministry of Health.<sup>2</sup> Although this plan did not propose a separate ministry of labor and social welfare, it was a **more** coherent approach, as in several regional and EU countries, health, labor, and social welfare are often governed together due to their shared objective of social protection. The 2021 merger, however, which combined the ministry with finance and transfers, cannot be seen in the same light.

The 2021 decision contradicts the 2017 commitment and not only conflicts with the electoral pledges of the VETËVENDOSJE! Movement, but also reveals a deficient practice in the formulation of public policies.

### **3. Ministries of Labor in Europe and Western Balkans**

#### **3.1. Ministries of Lanor in European Member States**

In the member states of the European Union, employment and labor market policies are areas of fundamental importance, overseen by dedicated ministries of labor and social welfare. In 85% of EU member states, governments maintain a separate ministry responsible for these fields.

Germany: The *Bundesministerium für Arbeit und Soziales* (Federal Ministry for Labor and Social Affairs) is one of the most influential ministries, covering labor policies, industrial relations, workers' rights, and employment programs. The promotion of employment and prevention of unemployment are the primary objectives of Germany's Federal Ministry for Labor and Social

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<sup>2</sup> Item 10, "Republic Priorities"; Lëvizja VETËVENDOSJE!, Kosovo; ([https://www.vetevendosje.org/alternativa\\_vv/prioritet/](https://www.vetevendosje.org/alternativa_vv/prioritet/)), (Last accessed 9 July 2025).



Affairs, aiming not only to ensure financial security but also to foster social participation and individual independence.<sup>3</sup>

*Austria:* The *Federal Ministry for Labor, Social Affairs, Health, Care and Consumer Protection* is one of the central institutions ensuring the effective functioning of social, health, and labor policies in the country. In the area of labor, the ministry comprehensively covers issues related to the labor market, labor law, occupational health and safety, labor migration, and workers' rights to paid leave and rest.<sup>4</sup>

*Italy:* The *Ministero del Lavoro e delle Politiche Sociali (Ministry of Labor and Social Policies)* coordinates industrial relations, labor law, and labor market integration. The Ministry of Labor and Social Policies in Italy is responsible for the design, implementation, and coordination of policies related to employment, workers' protection, the social insurance system, and the development of social policies. Its objectives extend beyond the promotion of sustainable employment and the protection of labor rights, aiming also at the prevention and reduction of poverty and social exclusion at both individual and family levels.<sup>5</sup>

In *Belgium*, policies related to employment, labor law, and social dialogue at the federal level are implemented through the *Federal Public Service for Employment, Labour and Social Dialogue (FPS Employment, Labour and Social Dialogue)*. This institution is not a ministry in the traditional sense, but rather an administrative body operating under the supervision of the Federal Minister of Employment, who is a member of the Federal Government.<sup>6</sup>

In *Cyprus*, The *Ministry of Labour and Social Policy* designs and implements policies related to employment, social insurance, family protection, and the integration of marginalized groups. It is also responsible for occupational safety standards and the collection of labor market statistics.<sup>7</sup>

In *Croatia*, The *Ministry of Labour, Pension System, Family and Social Policy* covers a wide range of areas — from the development and implementation of labor market policies, active employment measures, and unemployment registries, to pension provision and family support. It also ensures

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<sup>3</sup> “Employment Promotion”, *Federal Ministry of Labour and Social Affairs (BMAS)*, Germany, (<https://www.bmas.de/EN/Labour/Employment-promotion/employment-promotion.html>) (Last accessed 9 July 2025).

<sup>4</sup> “Labour”; Bundesministerium für Soziales, Gesundheit, Pflege und Konsumentenschutz (<https://www.sozialministerium.gv.at/en/Topics/Labour.html>), (Last accessed 11 July 2025).

<sup>5</sup> “Il Ministero”; *Ministero del Lavoro e delle Politiche Sociali*; (<https://www.lavoro.gov.it/g7-labour/ministro-e-ministero/Il-ministero>), (Last accessed 11 July 2025).

<sup>6</sup> “Themes”; *Federal Public Service Employment, Labour and Social Dialogue*; Belgium; (<https://employment.belgium.be/en/themes>) (Last accessed 12 July 2025).

<sup>7</sup> “Department of Labour Inspection – Legislation”; *Ministry of Labour, Æelfare and Social Insurance, Republic of Cyprus*; (<https://www.gov.cy/mlsi/dli/dliup.nsf/All/B76DABA1AAACE7705C2257E28001EB553?OpenDocument>).

compliance with occupational safety and health legislation through the Labor Inspection Directorate, and promotes social dialogue with trade unions and industrial partners.<sup>8</sup>

In the *Czech Republic*, the Ministry of Labour and Social Affairs (MoLSA) aims to ensure social protection, pensions, work permits, and labor inspection, while also providing information for foreign workers and “blue card” holders. It issues guidelines for the implementation of policies in regional labor offices and oversees the national social insurance system.<sup>9</sup>

In *Denmark*, the Danish Ministry of Employment (Beskæftigelsesministeriet) is responsible for developing a flexible and secure labor market through the well-known “flexicurity” model, which combines employer flexibility with strong employee protection. The ministry deals with labor legislation, unemployment benefits, workplace safety, and the implementation of active employment policies.<sup>10</sup>

In *Estonia*, the Ministry of Social Affairs (Sotsiaalministeerium) is an integrated structure covering policies on public health, employment, social protection, and gender equality. This ministry was established in 1993 as a result of merging the functions of the former ministries of labor, health, and social affairs, aiming to create a coordinated approach to citizens’ well-being at all stages of life.<sup>11</sup>

In *Finland*, the Ministry of Economic Affairs and Employment (Työ- ja elinkeinoministeriö – TEM) is responsible for national policies related to the labor market, economic development, innovation, and entrepreneurship. It works closely with TE Services (Employment and Economic Development Services) to implement employment policies and to support citizens and businesses in integrating into the labor market.<sup>12</sup>

In *France*, the Ministry of Labour, Health, Solidarity and Families (Ministère du Travail, de la Santé, des Solidarités et des Familles) is responsible for employment policies, vocational training, occupational health and safety, as well as social dialogue at both national and regional levels. It operates through a network of services (DREETS), agencies, and operators, and advances reforms such as the *Loi pour le plein emploi*, while utilizing platforms like SIPSI and France Travail to facilitate labor market administration and provide support to citizens.<sup>13</sup>

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<sup>8</sup> “Minister of Labour, Pension System, Family and Social Policy” and information on the structure and competences of the ministry; *Ministry of Labour, Pension System, Family and Social Policy, Croatia*.

<sup>9</sup> “The Ministry of Labour and Social Affairs (MoLSA),”; *Ministry of Labour and Social Affairs of the Czech Republic*; (<https://www.mpsv.cz/en/>).

<sup>10</sup> “The Ministry of Employment,” *Beskæftigelsesministeriet – Ministry of Employment, Denmark*, (<https://bm.dk/the-ministry-of-employment/>).

<sup>11</sup> “About the Ministry,”; *Ministry of Social Affairs of Estonia*; (<https://www.sm.ee/en/about-ministry>).

<sup>12</sup> Ministry of Economic Affairs and Employment,” *Työ- ja elinkeinoministeriö – Ministry of Economic Affairs and Employment of Finland*, (<https://tem.fi/en/frontpage>).

<sup>13</sup> “Açueil | Ministère du Travail, de la Santé, des Solidarités et des Familles,”; *travail-emploi.gouv.fr*; (<https://travail-emploi.gouv.fr/>).

In *Greece*, the Ministry of Labour, Social Security and Welfare is the main institution responsible for labor policy, social insurance, workplace health and safety, and social dialogue. It protects workers' rights, enforces labor legislation, and provides services for the unemployed and vulnerable groups at the national level.<sup>14</sup>

In *Hungary*, social and labor affairs fall under the Ministry of Human Resources, which includes a Deputy Minister for Social and Family Affairs. It develops policies for social inclusion, family services, the rights and protection of workers, and oversees national social insurance systems.<sup>15</sup>

In *Ireland*, the Department of Social Protection manages income support schemes for unemployment, illness, pensions, family care, and people with disabilities. It also provides integrated employment services through Intreo centers and the online platform MyWelfare.ie, aiming to promote social inclusion and activation in the labor market.<sup>16</sup>

In *Latvia*, the Ministry of Welfare (Labklājības ministrija) leads national policies on employment, social insurance, child and family protection, the rights of persons with disabilities, and gender equality. It aims to stabilize the situation of citizens at social risk and promotes safe and lawful working conditions.<sup>17</sup>

In *Lithuania*, the Ministry of Social Security and Labour formulates and coordinates national policies on social insurance, employment, pensions, unemployment protection, and the inclusion of vulnerable groups. It also oversees the implementation of these programs and cooperates with institutions such as the State Social Insurance Fund (SODRA).<sup>18</sup>

In *Luxembourg*, the Ministry of Labour (Ministère du Travail) designs and coordinates labor policy, workplace safety standards, and supervises professional inspection. It cooperates with agencies such as the *Inspection du Travail et des Mines* (ITM) to ensure legality and protection in the working environment.<sup>19</sup>

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<sup>14</sup> “Ministry of Labour and Social Affairs,” Υπουργείο Εργασίας και Κοινωνικής Ασφάλισης, Republika e Greqisë, (<https://ypakp.gr>).

<sup>15</sup> “Emberi Erőforrások Minisztériuma – Ministry of Human Capacities,”; Kormányzat Magyarország; (<https://2015-2019.kormany.hu/en/ministry-of-human-resources>).

<sup>16</sup> “Department of Social Protection,”; Gov.ie – Government of Ireland; (<https://www.gov.ie/en/organisation/departments/departments-of-social-protection/>).

<sup>17</sup> “Labklājības ministrija – Ministry of Welfare,” Latvijas Republikas Labklājības ministrija, (<https://www.lm.gov.lv/en/>).

<sup>18</sup> “Ministry of Social Security and Labour,” Lietuvos Respublikos socialinės apsaugos ir darbo ministerija, (<https://socmin.lrv.lt/en/>).

<sup>19</sup> “Ministère du Travail,” Portal guichet.public.lu, ([https://guichet.public.lu/fr/entreprises/organismes/organismes\\_entreprises/ministere-travail.html](https://guichet.public.lu/fr/entreprises/organismes/organismes_entreprises/ministere-travail.html)).

In *Malta*, the Ministry for Social Policy and Children's Rights is responsible for social insurance, pensions, social support, social housing, and care for families and children. Through services managed by foundations and authorities, it ensures quality and sustainable social coverage within the community.<sup>20</sup>

In the *Netherlands*, the Ministry of Social Affairs and Employment promotes safe and sustainable employment, manages labor migration, and oversees social benefits and workplace protection.<sup>21</sup>

In *Poland*, the Ministry of Family, Labour and Social Policy (*Ministerstwo Rodziny, Pracy i Polityki Społecznej*) develops and implements policies on employment, labor rights, unemployment programs, social dialogue, and the administration of social insurance. It also supervises social insurance institutions such as ZUS.<sup>22</sup>

In *Portugal*, the Ministry of Labour, Solidarity and Social Security, through structures such as the *Direção-Geral do Emprego e das Relações de Trabalho* (DGERT) and the *Inspeção-Geral*, develops active employment policies, unemployment protection measures, social dialogue initiatives, and oversees working conditions.<sup>23</sup>

In *Romania*, the Ministry of Labour, Family, Youth and Social Solidarity is responsible for employment policies, social schemes, pensions, and support for families and youth. It also oversees labor inspection and protects workers' rights through agencies such as ANOFM and the National Public Pension House (*Casa Națională de Pensii Publice*).<sup>24</sup>

In *Slovakia*, the Ministry of Labour, Social Affairs and Family is the main institution responsible for labor policy, social support, the pension system, and family protection. It modernizes labor laws, provides assistance to the unemployed, and ensures recovery from poverty and social well-being.<sup>25</sup>

In *Slovenia*, the Ministry of Labour, Family, Social Affairs and Equal Opportunities coordinates policies on the labor market, unemployment insurance, social affairs, family support, and the

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<sup>20</sup> "Ministry for Social Policy and Children's Rights," *Gov.mt*, (<https://www.gov.mt/en/Government/Government%20of%20Malta/Ministries%20and%20Entities/Pages/Ministries%202022/Social-.aspx>).

<sup>21</sup> "Ministry of Social Affairs and Employment," *Government.nl*, (<https://www.government.nl/ministries/ministry-of-social-affairs-and-employment>).

<sup>22</sup> "Ministry of Family, Labour and Social Policy," *Gov.pl*, (<https://www.gov.pl/ceb/family>).

<sup>23</sup> "DGERT – Direção-Geral do Emprego e das Relações de Trabalho," *DGERT.gov.pt*, (<https://www.dgert.gov.pt/>).

<sup>24</sup> "Ministerul Muncii, Familiei, Tineretului și Solidarității Sociale," *Gov.ro*, (<https://www.mmuncii.ro/j33/index.php/en>).

<sup>25</sup> "Ministry of Labour, Social Affairs and Family of the Slovak Republic," *employment.gov.sk*, (<https://www.employment.gov.sk/en/>).

promotion of gender equality. It also sets professional standards, conducts labor inspections, and supports vulnerable groups.<sup>26</sup>

In *Spain*, the Ministry of Labour and Social Economy (*Ministerio de Trabajo y Economía Social* – *MITES*) designs and implements policies related to labor relations, employment, and the social economy. Through entities such as SEPE (*Servicio Público de Empleo Estatal*) and the *Inspección de Trabajo*, it oversees working conditions, self-employment, unemployment benefits, and social dialogue.<sup>27</sup>

In *Sweden*, the Ministry of Employment (*Arbetsmarknadsdepartementet*) is responsible for labor market policies, labor legislation, employment security, and the integration of immigrants. It is supported by the Public Employment Service (*Arbetsförmedlingen*), which provides employment services and manages unemployment and work capacity programs.<sup>28</sup>

Shteti	Ministri e veçantë për Punë?
Austria	Po
Belgjika	Jo (agjenci federale)
Bullgaria	Po
Kroacia	Po
Qipro	Po
Çekia	Po
Danimarka	Po
Estonia	Jo (e integruar me shëndetësi)
Finlanda	Po
Franca	Po
Gjermania	Po
Greqia	Po
Hungaria	Jo (pjesë e burimeve njerëzore)
Irlanda	Jo (bashkë me mbrojtjen sociale)
Italia	Po
Letonia	Po
Lituania	Po
Luksemburgu	Po
Malta	Po
Holanda	Po
Polonia	Po
Portugalia	Po
Rumania	Po
Slovakia	Po
Slovenia	Po
Spanja	Po
Suedia	Po

**Table no.1 – Ministries of Labor and Social Welfare in Europe**

<sup>26</sup> “Ministry of Labour, Family, Social Affairs and Equal Opportunities,” *Gov.si*, (<https://www.gov.si/en/state-authorities/ministries/ministry-of-labour-family-social-affairs-and-equal-opportunities/>).

<sup>27</sup> “Ministerio de Trabajo y Economía Social,” *MITES*, (<https://www.mites.gob.es/>)

<sup>28</sup> “Ministry of Employment,” *Government of Sweden*, (<https://www.government.se/government-of-sæden/ministry-of-employment/>).

This table provides a clear and structured overview of how the Member States of the European Union have organized matters related to employment and workers' rights. As observed, the vast majority of EU countries have a dedicated Ministry of Labour, which serves as a key pillar in the design and implementation of policies concerning the labor market, social protection, and social dialogue. Even in cases where these functions are integrated within broader ministries, there is a specific portfolio dedicated to this field. This approach demonstrates the strategic importance attributed to this sector and the need to treat the Ministry of Labour as an independent and specialized institution — a model that should also serve as an example for countries outside the EU.

### 3.2. Ministries of Labour in the Western Balkans

In the countries of the Western Balkans, despite the changes that occur with political transitions in government, ministries of labour have generally been preserved as central institutions for the implementation of employment and worker protection policies:

In *Albania*, since 2017, the Ministry of Health and Social Protection has also assumed employment-related competences, transferring this portfolio from the former Ministry of Labour and Social Affairs. It oversees the labor market, social insurance, and active employment programs through the National Employment Service.<sup>29</sup>

In *North Macedonia*, the Ministry of Labour and Social Policy remains the main body responsible for regulating the labor market, employment policies, and labor relations. It serves as the central institution for labor issues, including the implementation of labor law, national employment strategies, unemployment benefits, pensions, and workplace inspection.<sup>30</sup>

In *Serbia*, the Ministry of Labour, Employment, Veterans, and Social Affairs is responsible for labor relations, labor law, workplace safety, foreign employment, and social and pension services. It supervises the Labour Inspectorate and provides support to various groups, including veterans and their families.<sup>31</sup>

In *Montenegro*, the Ministry of Labour and Social Welfare (*Ministarstvo rada i socijalnog staranja*) is responsible for employment policies and ensuring decent working conditions. It covers employment policy, social protection, and care for vulnerable groups. The ministry also manages labor law implementation and provides support for families, pensioners, and persons with special needs.<sup>32</sup>

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<sup>29</sup> “National Employment Service,”; *Zyra Kombëtare e Punësimit, Shqipëri*, (<https://www.puna.gov.al>)

<sup>30</sup> “Ministry of Labour and Social Policy,”; *Republic of North Macedonia*; (<https://ovp.gov.mk/en/institutions/ministry-of-labour-and-social-policy/>).

<sup>31</sup> “Ministry of Labour, Employment, Veteran and Social Policy,”; *Government of Serbia*; (<https://www.minrzs.gov.rs/>).

<sup>32</sup> “Ministarstvo rada i socijalnog staranja,”; *Government of Montenegro*; (<https://www.gov.me/mpss>).

In *Bosnia and Herzegovina*, the Ministry of Labour and Social Policy in the Federation of Bosnia and Herzegovina (*Federalno ministarstvo rada i socijalne politike*) is a governmental institution that develops and implements national policies in the fields of labor, social insurance, and family protection.<sup>33</sup>

In most Western Balkan states, there is a distinct Ministry of Labour and Social Policy that oversees the labor market, workers' rights, and social welfare. However, in some countries such as Albania and Kosovo, the labor portfolio has been merged with other sectors such as health or finance, which may reduce strategic focus. Clearer institutional structures, as seen in North Macedonia, Montenegro, and the Federation of Bosnia and Herzegovina, ensure more dedicated policy attention and effective governance.

#### **4. Shift of Focus Toward Financial Transfers**

Following the dissolution of the Ministry of Labour and Social Welfare and the transfer of its functions to the Ministry of Finance, Labour, and Transfers (MFLT), a profound change has been observed in how social issues are handled in Kosovo. Instead of developing structured policies, the MFLT has adopted an approach almost exclusively focused on the allocation and transfer of financial resources. This model marginalized the policymaking dimension of social welfare and weakened the role of planning and analysis in public policy development.

This shift was first evident in the decision to increase pensions from 90 to 100 euros, which was implemented without any analysis of economic or social indicators, without consultation with pensioner representatives or civil society organizations, and in violation of the Law on the Methodology for Determining the Amount of the Basic Pension. Such a decision not only ignored the legal framework but also clearly demonstrated that social policy had been reduced to a unilateral financial act rather than a comprehensive policymaking process.

Furthermore, the 20% increase in contributory and basic pensions in 2024 followed the same logic: decisions were made without justification, consultation, or assessment of long-term impacts. In the absence of an analysis of effects on the pension system, these measures risked becoming temporary political interventions rather than serving as part of a sustainable social reform.

Similarly, the decision to distribute a one-time payment of 100 euros to all pension beneficiaries, while having an immediate effect in alleviating citizens' financial difficulties, does not constitute a structural solution for addressing social crises. Without objective criteria and targeting of the

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<sup>33</sup> *Federal Ministry of Labor and Social Policy – Federation of Bosnia and Herzegovina*, (<https://www.fmrsp.gov.ba/>).



most vulnerable groups, this type of intervention reinforces citizens' dependence on temporary support and substitutes social justice with budgetary charity.

Moreover, the exclusion of key stakeholders from decision-making processes has also harmed the standard of social dialogue. Until the dissolution of the Ministry of Labour and Social Welfare, dialogue between the Government, trade unions, workers' organizations, and pensioner representatives was a key element for legitimizing reforms. This mechanism has now been replaced by centralized decision-making, where citizens' interests are no longer represented through relevant institutions but rather through unilateral actions of the executive.

## 5. Unfulfilled Promises of Social Legislation

Following the merger of the Ministry of Labour and Social Welfare (MLSW) with the Ministry of Finance and Transfers (MFT), the process of drafting and advancing legislation in the social field has experienced significant stagnation. Responsibility for crucial matters such as workers' rights, workplace safety, and social protection was absorbed into a ministry with a broad and fragmented mandate, where the institutional voice for welfare seemed no longer represented at the ministerial level—or, when it was, as elaborated in the previous chapter, it was viewed solely through the lens of one-off financial transfers.

This new organizational structure, which has represented the social field through only one minister and one deputy minister for an extended period, has resulted in a profound failure to fulfill the legislative agenda in this area. Key draft laws such as the *Labour Law*, the *Law on Safety and Health at Work*, and the *Law on the Labour Inspectorate* have either been left off the agenda or withdrawn without clear justification from the government. These laws—forming the foundation for the protection of social and labour rights—have been neglected throughout the entirety of the 8th legislature.

From 2021 until the end of 2024, a total of 12 draft laws in the social field were planned, but only 4 were adopted.<sup>34</sup> This ratio reflects a serious lack of institutional capacity to advance social reforms and highlights the low prioritization of this field within the government's agenda. The absence of a dedicated office at the ministerial level has led to process blockages, lack of coordination with the Assembly, and weakened cooperation with social partners.

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<sup>34</sup> Legislative programs for 2021-2024: 2021: [https://kryeministri.rks-gov.net/ep-content/uploads/2021/08/Programi-Legjislativ-per-Vitin-2021\\_25.08.2021-2.pdf](https://kryeministri.rks-gov.net/ep-content/uploads/2021/08/Programi-Legjislativ-per-Vitin-2021_25.08.2021-2.pdf), 2022: <https://kryeministri.rks-gov.net/ep-content/uploads/2022/01/Programi-Legjislativ-per-vitin-2022.pdf>, 2023: <https://kryeministri.rks-gov.net/ep-content/uploads/2025/04/Programi-Legjislativ-per-vitin-2023-25.1.2023.pdf>, 2024: <https://kryeministri.rks-gov.net/ep-content/uploads/2024/07/Programi-Legjislativ-per-vitin-2024-15-korrik-1.pdf>.

Even the few adopted laws—such as the *Law on Mandatory Health Insurance*, the *Law on Social and Affordable Housing*, and the *Law on the Administrative Court*—were passed hastily on December 5, 2024, without opposition involvement and outside the standards of proper public consultation. This method of law adoption has resulted in contested procedures, many of which have ended up before the Constitutional Court for review of constitutionality.

The centralized structure of the Ministry of Finance, Labour and Transfers (MFLT), in which fiscal priorities and social transfers overshadow social interests, has stripped social policymaking of its strategic role. In the absence of a strong political authority to advocate for vulnerable groups, social draft laws have lacked sufficient institutional backing to move forward. Consequently, social dialogue has weakened, the inclusion of stakeholder groups has been bypassed, and several fundamental instruments for the protection of workers and citizens in need have been lost.

In this context, it becomes imperative that the next legislature—regardless of which party forms the government—seriously consider the reinstatement of the *Ministry of Labour and Social Welfare* within the government cabinet. Such a structure is essential not only to ensure the drafting and consultation of legislation but also its effective adoption and implementation, especially in areas concerning occupational safety, minimum wage, pensions, and social protection.

## **6. The Labour Law and Its Incompatibility with EU Directives**

The current *Labour Law* of Kosovo<sup>35</sup> was drafted and adopted during a period of institutional transition and no longer reflects the modern context and developments in labour relations. Its outdated nature, combined with substantial content deficiencies, has created significant disparities in the enforcement of workers' rights and in the harmonization with the *acquis communautaire* of the European Union.

The inconsistencies include the lack of adequate regulation for part-time work, short-term contracts, protection of vulnerable groups, and effective mechanisms for preventing discrimination and violations of labour rights. These gaps pose not only challenges for employees—who are often left unprotected in unequal employment relationships—but also for Kosovo's European integration process, as the absence of alignment with EU directives represents a direct obstacle to negotiations under the social rights and employment chapters.

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<sup>35</sup> Labour Law, No.03/L-212; Official Gazette of the Republic of Kosovo, Pristina, December 1, 2010.

The *Labour Law* was included in the legislative program for the years 2021–2023<sup>363738</sup>, yet it was never submitted to the government for approval. Moreover, even the concept document for this matter was not adopted. In March 2024, the *Kurti II Government* withdrew the draft law from the legislative program without providing any justification during a cabinet meeting.<sup>39</sup>

Such a decision—to remove the new draft Labour Law from the legislative agenda—can be regarded as a retreat from the government’s commitments to improving workers’ rights and modernizing the legal framework in this field. The adoption of a new draft law had been viewed as an opportunity to address the shortcomings of the current law, which is considered outdated and misaligned with the current needs of the labour market, the protection of workers’ rights, the advancement of gender equality, and the promotion of essential social reforms.

The *Labour Law of the Republic of Kosovo*, adopted in 2010, remains one of the most important acts regulating labour relations in both the private and public sectors. However, the law has not been updated in line with the country’s socio-economic developments and, more importantly, it has not been fully harmonized with the *acquis communautaire* of the European Union. The lack of compliance with EU directives poses not only a risk of undermining workers’ rights but also a serious obstacle to Kosovo’s European integration process.

One of the most significant deficiencies relates to indefinite employment and short-term contracts, which are not sufficiently regulated to prevent employer abuse. According to *Directive 97/81/EC*<sup>40</sup> and *Directive 1999/70/EC*<sup>41</sup>, EU member states are obliged to ensure equal treatment for part-time or fixed-term workers and to limit the use of successive short-term contracts.

Another evident inconsistency concerns the fight against discrimination and the promotion of equality in the workplace. While the current law broadly prohibits discrimination, it lacks clear mechanisms for the effective protection of rights and the sanctioning of violations, which is

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<sup>36</sup> Item III.31; Legislative program for 2021; Office of the Prime Minister; <https://kryeministri.rks-gov.net/ep-content/uploads/2022/05/Programi-Legjislativ-per-Vitin-2021-25.11.2021.pdf>.

<sup>37</sup> Item III.19; Legislative program for 2022; Office of the Prime Minister; <https://kryeministri.rks-gov.net/ep-content/uploads/2022/08/Programi-Legjislativ-2022..pdf>.

<sup>38</sup> Item III.19; Legislative program for 2023; Zyra e Office of the Prime Minister; <https://kryeministri.rks-gov.net/ep-content/uploads/2023/10/Programi-Legjislativ-per-vitin-2023.pdf>.

<sup>39</sup> Legislative Program for 2024; Zyra e Office of the Prime Minister; <https://kryeministri.rks-gov.net/ep-content/uploads/2024/02/Programi-Legjislativ-per-vitin-2024-.pdf>.

<sup>40</sup> Council Directive 97/81/EC of 15 December 1997 concerning the Framework Agreement on part-time work; Official Journal of the European Communities; L 14, 20 January 1998; p. 9–14.

<sup>41</sup> Council Directive 1999/70/EC of 28 June 1999 concerning the framework agreement on fixed-term work concluded by ETUC, UNICE and CEEP, OJ L 175, 10.7.1999, p. 43–48, available at Eur-Lex (pdf). <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:31999L0070>.

inconsistent with *Directive 2000/78/EC*<sup>42</sup> and *Directive 2006/54/EC*<sup>43</sup> on gender equality and the prohibition of discrimination in employment.

Recently, a fundamental discrepancy is observed in the lack of effective implementation and inspection. According to *Directive 91/533/EEC*<sup>44</sup>, employers are obliged to clearly inform employees about the essential terms of employment and their contracts. In Kosovo, the absence of written contracts in many cases, coupled with insufficient workplace inspection, jeopardizes compliance with this European standard. Overall, the *Labour Law of Kosovo* requires a comprehensive review and harmonization with EU directives to ensure not only effective protection for workers but also adherence to the essential standards necessary for European integration.

On the other hand, an outdated and non-harmonized legal framework undermines the country's integration process. Aligning labour legislation with the *acquis communautaire* is a key criterion under the EU chapter on social policy and employment. Lack of progress in this area may negatively affect EU periodic assessments and delay the opening or advancement of membership negotiations. Therefore, delays and withdrawal from reforming the Labour Law are not merely domestic social issues but also represent a serious barrier to Kosovo's European integration.

## **7. Law on Occupational Health and Safety**

Under the new structure and in both public discourse and daily administrative engagement, monitoring by KLI indicates that the Ministry of Finance, Labour, and Transfers (MFPT) has not given topics related to workers' life and well-being equal representation, nor advanced them with the institutional priority they warranted.

The *Law on Occupational Health and Safety* has been included in the legislative program every year during the VIII legislature. However, despite this inclusion, it has never been submitted for approval. The law remains unchanged since its adoption in 2013, even though Kosovo has

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<sup>42</sup> Council Directive 2000/78/EC of 27 November 2000 establishing a general framework for equal treatment in employment and occupation. Official Journal of the European Communities; L 303, 2 December 2000; pp. 16–22; <https://eur-lex.europa.eu/eli/dir/2000/78/oj/eng>.

<sup>43</sup> *Directive 2006/54/EC of the European Parliament and of the Council of 5 July 2006 on the implementation of the principle of equal opportunities and equal treatment of men and women in matters of employment and occupation*; Official Journal of the European Union; L 204, 26 July 2006; pp. 23–36; <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32006L0054> (Last accessed 13 July 2025).

<sup>44</sup> *Council Directive 91/533/EEC of 14 October 1991 on an employer's obligation to inform employees of the conditions applicable to the contract or employment relationship*; EUR-Lex - Access to European Union law; (<https://eur-lex.europa.eu/eli/dir/1991/533/oj/eng>), (Last accessed 9 July 2025).

committed to harmonizing it with EU directives and relevant International Labour Organization (ILO) instruments.

Under the *Stabilisation and Association Agreement*, Kosovo has pledged to align its legislation with *Directive 89/391/EEC* on improving workers' health and safety, as well as other sectoral directives. Moreover, as a country striving for continuous ILO membership, Kosovo has not met the requirements of *Conventions No. 155 and 187*, which mandate establishing a national occupational health and safety policy, creating an effective oversight system, and involving workers in policy development.

Despite these international commitments, workplace injuries and fatalities in Kosovo have steadily increased since 2020. In 2024, 505 injuries and 12 fatalities were recorded, compared to 394 injuries and 15 fatalities in 2022.<sup>45</sup> This trend indicates a worsening of workplace safety conditions and a complete lack of institutional intervention to prevent further escalation.

Year	Accidents	Death
2004	54	17
2005	15	7
2006	15	4
2007	47	7
2008	21	11
2009	29	10
2010	21	10
2011	31	17
2012	45	17
2013	37	9
2014	59	19
2015	47	20
2016	62	22
2017	125	12
2018	126	13
2019	153	12
2020	169	16
2021	179	22
2022	394	15
2023	256	8
2024	505	12
2025	**	10

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<sup>45</sup> Ombudperson Report; Ex officio No. 252/2021, regarding health and safety in the workplace.

**Table 2 – Accidents and deaths in the workplace in Kosovo (2004-2025)**

These data demonstrate that, despite the continuous deterioration of working conditions, the competent authorities have not undertaken any sustainable reforms to improve the situation. The absence of an updated law, coupled with insufficient inspections in high-risk sectors, points to a deep crisis of institutional accountability.

Workplace accidents, especially in the construction sector, continue to occur without thorough investigation, while companies that violate safety standards face no serious penalties. This reinforces a culture of impunity and creates an unsafe environment for workers. The ineffective functioning of the Labour Inspectorate, combined with the lack of an updated law, has rendered institutions virtually invisible on the ground.

Even in the legislative context, the approach to labor issues has been weak. While the Law on Compulsory Health Insurance and the Law on Social and Affordable Housing were passed through an accelerated procedure in December 2024, the Law on Occupational Safety and Health remained without concrete action. This indicates a low priority for the direct protection of workers' lives and health.

The exclusion of this law from the approval process, despite its continuous inclusion in the government's legislative program, reflects a lack of political will and institutional dysfunction in safeguarding fundamental labor rights.

In the absence of a dedicated ministry for labor and social welfare, the Law on Occupational Safety and Health has remained a symbol of institutional passivity toward one of the most sensitive areas for human rights and worker dignity. The field of occupational safety and health cannot be treated as merely a technical or fiscal matter; it requires a dedicated social, political, and institutional approach.

## **8. Law on the Labour Inspectorate**

Kosovo still operates under a Labour Inspectorate law adopted during the UNMIK period, which constitutes over 80% of all legislation regulating the inspection of labor relations and workplace safety.<sup>46</sup>

his law, essential for enforcing workers' rights and occupational safety, was only minimally amended in June 2008, when Kosovo was formally independent but still under international

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<sup>46</sup> *Law No. 2002/9 on Labour Inspectorate in Kosovo*; Official Gazette of the Republic of Kosovo; (<https://gzk.rks-gov.net/ActDetail.aspx?ActID=3252>), (Last accessed 9 July 2025).

supervision. The amendments at that time covered just two pages and did not affect the structure, competencies, or operational tools of the Labour Inspectorate. As a result, for more than fifteen years, this institution has functioned under an outdated legal framework that does not meet current labor market demands or EU directives.

In the years following independence, each government attempted to pass a new Labour Inspectorate law, but all failed to approve it in Parliament. Despite this procedural failure trend, at least a formal effort had been maintained to improve the legal framework. During its second mandate, the Kurti government did not submit this law to Parliament at all—not even for a government vote. This stagnation is particularly concerning given that the legislative priority during this term was harmonization of laws with the EU acquis, while this law remains one of the most critical for that purpose.

The Labour Inspectorate in Kosovo plays a key role in enforcing labor relations legislation and occupational safety and health. This includes Law No. 03/L-212 on Labor and Law No. 04/L-161 on Occupational Safety and Health, where the Inspectorate is responsible for monitoring the correct implementation of workers' rights and safety standards. However, in the absence of a new functional law for the Inspectorate itself, the implementation of these laws is constrained, as the institution lacks the necessary legal tools and instruments to ensure effective oversight.

The current law is outdated and ineffective, not only because of its obsolete content but also because it lacks modern mechanisms for monitoring, sanctioning, institutional cooperation, and transparency. It does not clearly define performance indicators for inspectors, does not establish a proper link between the Inspectorate and the courts, and does not provide clear division of competencies with municipal inspectorates. In this way, the existing law represents a structural obstacle to the effective and independent functioning of the institution.

The failure to amend this law is a direct consequence of the lack of political will for deep reforms in the field of workers' rights and occupational safety. While other laws, such as those on minimum wage or pension schemes, have been included on the government agenda, the Law on the Labour Inspectorate has been neglected, despite being essential for the enforcement of all other labor legislation.

Another major issue is the insufficient number of inspectors to cover field needs. Even though recent recruitments doubled the number of inspectors from around 30 to nearly 60, this figure remains extremely low for overseeing approximately 70,000 active businesses in Kosovo. According to international standards, this ratio is unacceptable and risks leaving thousands of workers unprotected against legal violations.



**60 LABOUR INSPECTORS**

**70,000 BUSINESSES**

In addition to the insufficient number of inspectors, another challenge is the lack of specialization. Inspectors often face complex technical issues that require advanced knowledge in specific sectors such as construction, the food industry, or technology, while their professional training remains minimal. The new law proposed over the years aimed to create specialized inspector profiles, but this reform has remained only on paper.

The Law on the Labour Inspectorate has consistently been included in the legislative programs of successive governments, including the Kurti Government, yet it has always been removed from real implementation priorities. This reflects a lack of consistency in adhering to the government's own strategic documents and a pronounced neglect of the labor inspection sector. In a country with a weak union presence and a high level of workers' rights violations, inspections remain the only effective protective mechanism.

In conclusion, the fact that during the VIII legislature the government did not take even the initial step toward the adoption of the Labour Inspectorate Law reinforces the hypothesis that the merger of the Ministry of Labour with the Ministry of Finance and Transfers has led to the marginalization of social welfare priorities. Excluding this law from the government's decision-making agenda constitutes a clear institutional failure, with a direct impact on the quality of life and safety of workers in Kosovo.

## **9. Legal Issues of the Chief Labour Inspector**

### **9.1 Illegal Appointment to the Head of the Central Inspectorate**

One of the central figures in the protection of workers, the Chief Labour Inspector, was appointed illegally. This was confirmed by administrative and judicial bodies, which consecutively found that Hekuran Nikçi's appointment during the Kurti II Government was in violation of the law. The selection and appointment process went through several institutional and judicial levels, beginning with a review by the Independent Oversight Board of the Kosovo Civil Service (IOBKCS), which found serious procedural and legal violations.

After the selection and appointment procedure concluded, the case was appealed to IOBKCS. This independent body, mandated to oversee compliance with civil service rules, determined that the

appointment had breached the principles of legality, transparency, and equal access. IOBKCS annulled the appointment and ordered the procedure to restart from the beginning.

In an attempt to legitimize its decision, the Ministry contested IOBKCS's ruling in the Prishtina Basic Court, Administrative Department. After a full review of the evidence and procedure, the court confirmed that the appointment violated civil service recruitment laws and fully upheld IOBKCS's decision.

Despite this ruling, the dissatisfied party continued the process at the appellate level in the Court of Appeals. This court, after reviewing the appeal and relying on the lower court's judgment, also rejected the appeal and confirmed that fundamental rules of fair administrative procedure and proper competitive selection had been violated.

As a final effort to preserve the illegal appointment, the case was brought before the Supreme Court of Kosovo, the highest judicial authority. Even this court, through a final and binding decision, confirmed that the Chief Labour Inspector's appointment had violated legal provisions, ultimately supporting all previous judicial and administrative rulings.<sup>47</sup>

This case clearly demonstrates that, despite the executive's resistance to acknowledging the illegality of the appointment, the administrative and judicial system functioned effectively as a corrective mechanism against institutional violations. However, the prolonged process and the effort to uphold an illegal decision reflect a lack of political will to ensure the rule of law in public appointments.

Finally, it must be emphasized that the absence of a dedicated ministry for labour and social protection—following the dissolution of the Ministry of Labour and Social Welfare—has had concrete and measurable consequences for institutional functioning. In this case, the attempt to control a key position such as the Chief Labour Inspector without adhering to the law constitutes not only an abuse of institutions but also a risk to the protection of workers' rights in Kosovo.

## **9.2 Suspicions of abuse of official position**

In February 2025, the Chief Labor Inspector of this institution, Hekuran Nikçi, together with the acting manager of the Human Resources Management Unit, Naim Shalaku, were detained for 48 hours on suspicion of abuse of official position and other criminal offenses. According to the

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<sup>47</sup> Four Courts Declared Him Illegal: How Did the Government Protect Hekuran Nikçi for Nearly Three Years, Who Was Imprisoned Yesterday?" *Ekonomiaonline*. Available at: <https://ekonomiaonline.com/kater-istanca-gjyqesore-eshpallen-te-jashteligjishem-si-e-mbrojti-qeveria-per-gati-tre-vjet-hekuran-nikcin-qe-u-burgos-dje/> (Last accessed 9 July 2025).

Prosecutor's Office, both officials were interviewed by the Kosovo Police, specifically by the Financial Investigations Sector – Anti-Money Laundering Unit, within the Directorate for Investigation of Economic Crimes and Corruption. By order of the Prosecutor of the Department for Serious Crimes, the 48-hour detention measure was applied. Hekuran Nikçi is suspected of abuse of position or official authority, violation of labor rights, and unauthorized use of property, while Naim Shalaku is suspected of abuse of official position and continuous violation of labor rights.<sup>48</sup>

These developments cast a serious shadow over the functioning of the Central Labor Inspectorate, an institution established to protect workers' rights and ensure enforcement of labor laws. When the highest officials of this institution face such allegations, public trust is undermined, and there is a clear need for immediate accountability. The case underscores, once again, the necessity for robust oversight and transparency mechanisms within institutions that are mandated to protect, rather than harm, citizens.

In this context, it is entirely unjustifiable for an official, such as the Chief Labor Inspector, to continue performing their duties under such serious suspicions. This position requires high ethical and professional standards, as it carries direct responsibility for safeguarding workers' rights. It is neither expected nor acceptable for a Chief Inspector to compromise these rights; their role is to protect them, not violate them. Continuing to exercise the position under such circumstances not only damages the integrity of the institution but also erodes public confidence in the state's oversight mechanisms.

## **10. Trade Union Organizations**

Trade unions in Kosovo operate in a challenging environment characterized by a lack of institutional support, obstacles to representation, and political interference. In practice, union representatives are often excluded from decision-making processes, even in cases where their representation is guaranteed by law. A clear example is the undermining of union representation on the Board of the Kosovo Pension Savings Fund, where public institutions have sidelined the legitimate representatives of workers. Similarly, the lack of social dialogue in determining the minimum wage illustrates this issue, as the government arbitrarily set the level at €350 without proper consultation.<sup>49</sup>

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<sup>48</sup> "Suspicion of abuse of official position, Chief Labour Inspector, Hekuran Nikçi detained", Koha, Kosovo, <https://www.koha.net/arberi/dyshime-per-keqperdorim-te-pozites-ndalohet-kryeinspektori-i-punes-hekuran-nikci> (Last accessed July 9, 2025).

<sup>49</sup> "Decision on minimum wage raises legal dilemma, Ministry of Finance is silent", Ekonomiaonline; (<https://www.evropaelire.org/a/vendimi-per-pagen-minimale-ngre-dilema-ligjore-/33104398.html>), (Last accessed 9 July 2025).

This situation demonstrates that, although trade union freedom is formally recognized by law, it is not guaranteed in practice. The absence of political will to include unions in institutional processes and the marginalization of their legitimate representatives creates an insecure and dysfunctional environment for union activity. As a result, unions remain weak in their representative role and are largely unable to influence policy-making related to workers' rights, which undermines both employees' interests and the quality of social dialogue in the country.<sup>50</sup>

The current legal framework provides sufficient protection for union activity, recognizes the right to organize, includes clear provisions to protect union representatives from employer pressure, specifies effective sanctions against interference in union activities, and obliges institutions to include unions in the legislative process affecting their interests.<sup>51</sup>

Additionally, the law guarantees strong protections for the effective exercise of the right to strike, providing unions with security against administrative or legal sanctions. To ensure genuine freedom of trade union organization, it is essential to reform the legal framework in alignment with the main ILO instruments, expert opinions and recommendations from relevant ILO committees, as well as the European Union directives.

## **11. Failed social dialogue**

The dissolution of the Ministry of Labour and Social Welfare and its merger with the Ministry of Finance, Labour, and Transfers has resulted in a weakened institutional approach to labour market policies and social dialogue in Kosovo. By being incorporated into a ministry whose priorities are predominantly fiscal and financial, social and labour issues have been deprioritized. This reorganization has led to a lack of sustained and focused institutional representation to protect workers' rights and to develop the necessary mechanisms for dialogue with trade unions.

In practice, the period 2020–2025 has been one of the most problematic in terms of social dialogue development in Kosovo. During this time, no general or sectoral collective agreements were adopted, creating a legal vacuum that has contributed to unequal treatment of workers in both the public and private sectors. The absence of these agreements has generated uncertainty regarding workers' rights and has undermined previously established social protection standards used to regulate labour relations.

Moreover, the government has not undertaken the necessary updates to social legislation, despite the urgent need to reform the social protection system and working conditions. Key laws, such as those on health insurance, pensions, unemployment, and occupational safety, have remained

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<sup>50</sup> Article 21, Law No.04/L-011 on organization of trade unions in Kosovo; Official Gazette of the Republic of Kosovo; 28 July 2011, (published 9 August 2011).

<sup>51</sup> Article 27, *ibid.*

outside political and institutional attention. The failure to adopt these laws has made it impossible to establish minimum standards for a dignified living for society's most vulnerable groups.

A clear indicator of this failure is the absence of the Economic-Social Council, which, according to the law, is the key tripartite mechanism representing the government, trade unions, and employers.<sup>52</sup> This body has not functioned throughout this period, leaving workers' and business representatives' demands and proposals without institutional voice. Without this mechanism, dialogue has been impossible, and decision-making processes have proceeded unilaterally by the government.

The Government of Kosovo, as one of the social partners under the applicable legislation, has consistently avoided fulfilling its duty to ensure sustainable social dialogue. By 1 May 2025, International Labour Day, there had been no serious attempt to create a structured environment for social dialogue. This deliberate failure constitutes a violation of the principles of a functional democracy and a serious obstacle to Kosovo's progress toward European Union standards.

Despite political statements often emphasizing the importance of workers' rights and dialogue with trade unions, the government has taken very few concrete steps. When action has been taken, it has been primarily aimed at creating a positive public perception rather than establishing sustainable cooperation mechanisms with social partners. In practice, trade unions have been excluded from decision-making processes on issues directly affecting their membership.

One illustrative case is the adoption of the Public Sector Wage Law, which affects over 94,000 employees. Although this law has a profound impact on workers' lives, it was drafted and passed without considering the input of trade unions or civil society in consultation or decision-making. The absence of a dedicated ministry for labour has made it impossible to address these issues with the seriousness they require within the government. A ministry with a sole mandate covering social protection, workers' rights, and labour market development could have ensured greater attention to establishing a fair and comprehensive system. In its absence, these issues have been marginalized on the government agenda.

The consequences are tangible: workers who previously enjoyed broader rights through collective agreements and institutional support now face legal uncertainty, lack of representation in dialogue, and inconsistent treatment of their rights. Within the same workplace, newer generations of workers are treated differently from those under previous contracts, creating inequality and a sense of institutional discrimination.

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<sup>52</sup> "Kosovo, the Only Country in Europe Without an Economic-Social Council," RTV21; (<https://rtv21.tv/kosova-i-vetmi-vend-ne-evrope-pa-keshill-ekonomiko-social/>), (Accessed 9 July 2025).

## 12. The Un-constituted Economic-Social Council

The Economic-Social Council (ESC) is a crucial mechanism for fostering social dialogue between the government, employers, and employees. Its role is to contribute to the drafting and assessment of social, economic, and labor policies through a balanced and comprehensive approach. The ESC is essential for advancing labor standards, negotiating collective agreements, and representing the interests of all parties in decision-making processes.

However, this mechanism in Kosovo remains non-functional and un-constituted, despite its legal and institutional significance. Despite repeated requests from representatives of workers and employers, the Government has not taken the necessary steps to operationalize this body, even though its activation was one of the government's key social commitments.

The dysfunction of the Economic-Social Council (ESC) severely undermines the development of sustainable labor policies and reflects a lack of institutional commitment to establishing a fully functional system of social dialogue, in line with the international standards of the International Labour Organization (ILO).

*Why has it not been functional?*

One of the main factors preventing the achievement of a general collective agreement is the failure to constitute the Economic-Social Council (ESC) – a responsibility that falls under the Ministry of Finance, Labour, and Transfers.<sup>53</sup> This ministry was fully aware that the mandate of the KES ended on 18 April 2023, yet it took no action to re-establish this important mechanism. As a result, Kosovo continues to lack a functional ESC, seriously calling into question the institutional commitment to creating an appropriate environment for social dialogue and further weakening the position of employees in the public sector.

Moreover, the inaction of the Ministry of Finance, Labour, and Transfers constitutes a direct violation of its legal obligations. This situation makes it impossible for workers to have a structured and effective voice in policies that directly affect their professional lives and well-being.

On the social level, the consequences of ESC's dysfunction are equally concerning. The absence of such a mechanism deepens public distrust in state institutions, creating a sense of disregard and prompting employees to disengage from the public sector – a trend that could lead to a crisis in the quality of public service delivery.

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<sup>53</sup> KLI Researcher: Ministry of Finance Responsible for Failure to Constitute the Economic-Social Council, Betimi për Drejtësi; (<https://betimiperdrejtesi.com/hulumtuesi-i-ikd-se-ministria-e-financave-pergjegjese-per-mosformimin-e-keshillit-ekonomiko-social/>), (Accessed 9 July 2025).

Although the Assembly of Kosovo has a constitutional and legal mandate to oversee the work of the executive,<sup>54</sup> it has never addressed this issue through parliamentary oversight mechanisms such as questions, interpellations, or committee discussions. This situation reflects the lack of engagement by members of the Kosovo Assembly, who during the VIII legislature did not raise these topics in any parliamentary session.

Social dialogue is a fundamental instrument of the European social model and a key tool for improving living and working conditions, achieving social justice, promoting workplace democracy, and increasing productivity. Therefore, the absence of a functional Economic-Social Council (ESC) and the failure to activate it represent a serious obstacle to meeting European standards and advancing Kosovo on its path toward European Union integration.

During the previous legislature, the Ministry of Finance, Labor, and Transfers failed to announce a call for the selection of new members of the Economic-Social Council, even though the mandate of this body had expired on 18 April 2023.<sup>55</sup>

Currently, the government is in a caretaker capacity and cannot undertake such administrative actions. However, the next government, immediately after its constitution, must announce the call and proceed with the establishment of the ESC. This step is essential to restore the functionality of the tripartite social dialogue platform, address challenges in labor relations, and ensure equal participation of all parties in decision-making.

### **13. Absence of general collective agreement and sectoral collective agreements**

During the four-year tenure of the Kurti government, Kosovo has remained without a valid general collective agreement, as the previous agreement expired and no initiatives were undertaken to renew it or negotiate a new contract with trade union representatives.<sup>56</sup> This governmental inaction has left a large number of workers without collective protection, exposing them to the loss of rights that were previously guaranteed under the collective agreement. The absence of such an agreement weakens the labor system and exposes workers to insecure and often unfair working conditions.

Regarding the collective protection of workers, it is clear that the Government of Kosovo has failed to fulfill one of its fundamental obligations to social partners: signing a general agreement with the Independent Trade Unions of Kosovo (ITUK). This failure is not isolated; it occurs despite

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<sup>54</sup> Article 65(9); Constitution of the Republic of Kosovo; Official Gazette of the Republic of Kosovo; June 2008

<sup>55</sup> IKD Researcher: *Kosovo the Only Country in Europe without an Economic-Social Council*, RTV21; <https://rtv21.tv/kosova-i-vetmi-vend-ne-evrope-pa-keshill-ekonomiko-social/> (Last accessed: 12 July 2025)

<sup>56</sup> Jakaj, Naim: *Lack of Collective Agreements and Worker Protection*, Interaktiv | KTV; <https://www.youtube.com/watch?v=5LG0VkMnOhc> (Last accessed: 9 July 2025).



repeated requests from ITUK to initiate negotiations and establish a new legal and contractual framework that would provide workers with greater security in their employment relationships. In addition to the general agreement, sectoral collective agreements have also been neglected. Several key ministries, despite concrete requests from the relevant unions, have failed to negotiate or sign new agreements. One of the most significant cases is the Ministry of Education, Science, Technology, and Innovation (MESTI), which not only failed to sign a new agreement but also took an unprecedented step by unilaterally withdrawing the existing collective agreement with the United Union of Education, Science, and Culture (UUESC), without prior notice or any attempt at preliminary negotiations.<sup>57</sup>

UUESC took steps to address this situation by submitting a new draft collective agreement to MESTI as early as October 2024.<sup>58</sup> However, despite this initiative, neither MESTI nor the Ministry of Finance held meetings to discuss the content of the draft. This approach demonstrates a pronounced lack of institutional willingness for social dialogue and cooperation with unions in the education sector, leaving the demands of education workers unaddressed and further worsening their working conditions.

A similar situation has been observed in the healthcare sector. The relevant ministry, following the unilateral withdrawal from the sectoral agreement with the Health Sector Union, signaled a willingness to resume negotiations but has not taken any concrete action to fulfill this commitment.<sup>59</sup> The lack of initiative to secure a collective agreement with healthcare workers is another example of the institutions' indifferent approach toward employee representatives, at a time when the sector faces significant challenges, including shortages of basic equipment, inadequate wages, and a high risk of professional migration to European Union countries.

Had the Ministry of Labor and Social Welfare not been dissolved as a standalone institution, it is likely that there would have been greater institutional commitment to social dialogue and the guarantee of collective agreements. A dedicated ministry for labor would have focused on protecting workers' rights, negotiating with social partners, and implementing the agreements reached. Its dissolution and integration into a larger structure focused primarily on financial management has diminished the priority given to worker protection.

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<sup>57</sup> Jakaj: The unilateral withdrawal from collective agreements contributes to social tensions; Betimi për Drejtësi; (<https://betimiperdrejtesi.com/jakaj-terheqja-e-njeanshme-nga-kontratet-kolektive-kontribuon-ne-tensione-sociale/>), (Accessed for the last time on July 9, 2025).

<sup>58</sup> SBASHK submits the draft of the new education collective agreement to the Ministry; Koha (<https://www.koha.net/arberi/sbashk-u-e-dorezon-ne-ministri-draft-kontraten-e-re-te-arsimit>), (Accessed for the last time on July 9, 2025).

<sup>59</sup> Indeks online; Kosovo Ministry of Health Concludes Collective Agreement with the Health Trade Union Federation of Kosovo; Indeks online; <https://indeksonline.net/en/msh-shkeput-kontraten-kolektive-me-federaten-sindikale-te-shendetesise/>, (Accessed 13 July 2025).

The consequences are immediate and visible: in the absence of new collective agreements, many workers are treated according to the minimum standards set by law, without the additional benefits previously provided under past agreements. This has created a situation in which newly hired employees do not enjoy the same rights as those employed when collective agreements were in effect. The resulting disparity has generated internal inequalities within public sector institutions and has negatively affected employee morale and motivation.

This situation is particularly concerning considering that collective agreements are among the most important mechanisms for ensuring social protection, workplace safety, and dignified working conditions. Their non-implementation is not merely a managerial or bureaucratic issue but a matter of social justice and the dignity of work.

The Government of Kosovo should have demonstrated greater responsibility and commitment to preserving this essential instrument of collective protection.

In conclusion, the absence of a specialized ministry for labor, such as the Ministry of Labor and Social Welfare, has negatively impacted the advancement of workers' rights through collective agreements. Without this institution, which would have played a proactive role in promoting social dialogue, collective protection has been significantly weakened. This demonstrates that institutional functioning is not merely an administrative issue but is directly linked to how social rights are respected and implemented in a democratic state.

#### **14. National Council for Safety and Health at Work**

The National Council for Safety and Health at Work is a mechanism designed to ensure workplace safety and health standards in the Republic of Kosovo. This body was conceived as a tripartite forum bringing together state institutions, employers' representatives, and workers' representatives, with the aim of advancing national policies and strategies in occupational safety and health. Its role is advisory and coordinative, seeking to harmonize institutional and social efforts to ensure that every worker in Kosovo operates in a safe and healthy environment.

Despite the importance of this mechanism, the Council has not been functional since 2019. This means that for more than six consecutive years, Kosovo has lacked a permanent structure to address and monitor the multiple challenges related to workplace safety and health. This institutional neglect is in direct conflict with the urgent needs of the labor market and the state's obligations under international standards that require active engagement in this field.

Following the dissolution of the Ministry of Labor and Social Welfare, responsibility for the Council's functionality was transferred to the Ministry of Finance, Labor, and Transfers. However, this ministry has not undertaken any concrete measures to constitute the Council throughout the

current government term, specifically the VIII legislature. The need to reorganize and operationalize this mechanism was urgent from the outset of the Government's mandate but has inexplicably been neglected.

This demonstrates a lack of political will and institutional seriousness in addressing workers' rights.

The Council's prolonged non-functionality has severe consequences for labor standards and safety across various economic sectors, particularly in high-risk areas such as construction, heavy industry, and the mining sector. In the absence of a body that identifies challenges and provides concrete recommendations for legal or administrative interventions, workers remain exposed to hazardous conditions and frequent deterioration of health and life in the workplace.

The right to workplace safety and health is a fundamental right guaranteed by international instruments, including ILO Convention No. 155, which obliges member states to establish and implement comprehensive policies in this area. These obligations also entail the creation of institutional structures, such as the National Council, which ensure stakeholder participation and effective monitoring. The Council's non-functionality constitutes a violation of these standards and sends a concerning message regarding the state's lack of engagement in protecting workers' rights.

Moreover, the absence of such a mechanism creates a vacuum in the development and implementation of integrated policies for the prevention of occupational accidents, occupational diseases, and the management of workplace environmental issues. As a result, any new strategies for workplace safety and health remain fragmented and insufficiently supported by all involved parties, including trade unions and employer associations.

It is noteworthy that in recent years, there have been several severe workplace accidents resulting in serious injuries or fatalities, particularly in the construction sector. These incidents are often due to non-compliance with basic safety standards, lack of effective inspections, and institutional withdrawal from legal responsibilities. A functional Council would play an irreplaceable role in identifying, analyzing, and providing solutions to prevent such cases.

The failure of the Ministry of Finance, Labour, and Transfers to operationalize this Council over a six-year period represents an institutional failure that reflects a lack of political will to address social priorities with the necessary seriousness. This negligence clearly demonstrates that merging the functions of the Ministry of Labour with a larger ministry focused on fiscal policy and social transfers has not advanced workers' rights; on the contrary, it has weakened their priority.

In this context, the failure to functionalize the National Council for Occupational Safety and Health is one of the clearest indicators of the negative consequences stemming from the dissolution of the

Ministry of Labour and Social Welfare. In the absence of this body, workers are left without a representative mechanism to protect their interests in workplace safety and health, while the state fails to fulfill one of its most fundamental obligations to citizens.

## **15. Lack of Reporting to Parliament**

During the previous legislature, the Ministry of Finance, Labour, and Transfers demonstrated a serious lack of parliamentary accountability by failing to report to the Assembly on key issues within its mandate, such as the operationalization of the Economic and Social Council, progress on labor law reform, and the status of workers' rights.

Furthermore, the Ministry did not provide complete data, systematic reports, or regular clarifications to Members of Parliament, directly affecting transparency and preventing informed parliamentary debate on challenges in labor and social welfare. This situation left many citizen and worker concerns unaddressed and reinforced the perception of institutional unaccountability in this sector.

On the other hand, there was also a lack of systematic engagement by Members of the Assembly of Kosovo to hold government ministers accountable through parliamentary oversight instruments regarding pension and social reform issues. Only in one instance did the Minister of Finance, Labour, and Transfers respond to a request from the Committee on Health and Social Welfare, reporting on a strategy for social reform—strategies that were never approved by the government nor submitted to the Assembly of Kosovo.

## **16. Recommendations for the Government and the Assembly**

Based on a comprehensive analysis of the institutional, legal, and social consequences of the dissolution of the Ministry of Labour and Social Welfare, KLI presents a set of concrete recommendations for the Government and the Assembly of Kosovo. These recommendations aim to restore institutional focus on labor, social welfare, and social justice as key pillars of democratic governance and citizen protection.

The Government and the Assembly should take urgent measures to restore the functionality and credibility of institutions responsible for social policies, including renewing the legal framework, strengthening social dialogue, and enhancing parliamentary oversight.

**Recommendations:**

1. Reestablish the Ministry of Labour and Social Welfare.
2. Draft and adopt social and pension legislation that has been delayed or left out of the legislative agenda.
3. Functionalize the Economic and Social Council and the National Council for Occupational Safety and Health as key mechanisms for social dialogue and monitoring of working conditions.
4. Initiate a general collective agreement and sectoral collective agreements in cooperation with the relevant trade unions.
5. Strengthen social dialogue and ensure continuous inclusion of trade unions in decision-making and legislative processes.
6. Appoint trade union representatives to the Board of the Kosovo Pension Savings Fund, in accordance with the law and principles of fair union representation.
7. Initiate a new and lawful procedure for appointing the Chief Labour Inspector, respecting court decisions and principles of transparency.
8. Increase the number of labour inspectors and specialize them by high-risk sectors, in accordance with international standards.
9. Enhance reporting and accountability to the Assembly through regular submission of reports and active participation in parliamentary oversight.