

Policy Document on Improving the Implementation of Labor Legislation in Kosovo



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**Policy Document on Improving the Implementation of Labor Legislation
in Kosovo**

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Executive Summary

This policy document is drafted based on the findings of two monitoring processes carried out by Levizja FOL: *the Labor Inspectorate Performance Index*¹ and *the monitoring of judicial efficiency in handling labor disputes*². The combined analysis of these two processes provides a comprehensive overview of the functioning of the labor legislation enforcement system, identifying the progress achieved, existing challenges and areas where priority reforms are needed.

The main findings of the document show that:

- *The Labor Inspectorate has improved its institutional performance and increased inspection activity during the period 2022-2024, but nevertheless, human and professional capacities continue to remain insufficient to guarantee effective supervision of the labor market.*
- *The lack of complete data on inspector training, complaint handling, complaint procedures, and the impact of inspection activities conducted limit the transparency, accountability, and strategic planning of the institution.*
- *Labor disputes continue to be characterized by lengthy court proceedings, with an average duration of 2.64 years from the filing of the lawsuit to the first instance decision and 3.61 years from the Labor Inspectorate's decision to the conclusion of the court proceedings, undermining the effective realization of employees' rights.*
- *The high rate of approval of lawsuits against administrative decisions (82.5%) indicates that a significant portion of the Labor Inspectorate's decisions do not withstand judicial scrutiny, raising concerns regarding the quality and legal sustainability of administrative decision-making.*
- *A significant portion of disputes stem from uncertainties regarding the boundaries of competences between the Labor Inspectorate and the courts, which has contributed to the increase in the number of disputes, the annulment of administrative decisions, and the creation of legal uncertainty for the parties.*
- *The findings show that challenges in implementing labor legislation are not only related to institutional resources, but also to the quality of administrative decision-making, inter-institutional coordination, data transparency, and the efficiency of judicial protection.*

¹ Levizja FOL, Labor Inspectorate Performance Index, December 2025.

² Levizja FOL, Judicial efficiency in handling labor disputes in Kosovo (2021-2025), June 2026.

Overall, the findings of this paper show that the challenges in implementing labor legislation are not only related to the lack of human and financial resources, but also to the quality of administrative decision-making, inter-institutional coordination, data transparency and the efficiency of judicial protection. Consequently, improving the system requires coordinated interventions that simultaneously address institutional capacities, the quality of decision-making, clarification of competencies and acceleration of judicial procedures.

Consequently, this document provides a list of objectives oriented towards strengthening the capacities of the Labor Inspectorate, improving the quality and legality of administrative decision-making, increasing institutional transparency and accountability, clarifying competencies between responsible institutions, and advancing the efficiency of judicial handling of labor disputes. The implementation of these recommendations would contribute to the creation of a more effective, fairer, and more sustainable system for the protection of workers' rights in Kosovo.

Methodology

This policy document has been drafted based on an integrated analytical approach, which combines the data and findings of two separate monitoring processes carried out by the Levizja FOL:

- Labor Inspectorate Performance Index, and
- Monitoring judicial efficiency in handling labor disputes in Kosovo.

By synthesizing these two reports, this " *White Paper* " aims to provide a comprehensive overview of the functioning of the institutional mechanisms responsible for the implementation and protection of rights arising from the employment relationship.

The first component of the analysis is based on the Labor Inspectorate Performance Index, which was developed by the Levizja FOL as an instrument for monitoring and evaluating institutional performance. The index analyzed the performance of the Labor Inspectorate in five main areas:

- institutional capacities and resources;
- planning and work processes;
- inspection activity and law enforcement;
- the results and impact of inspection activities;
- governance, transparency and institutional accountability.

For each of these areas, measurable indicators were used, which were assessed through a standardized scoring system, enabling the comparison of the institution's performance over the years and the identification of areas where priority interventions are needed.

The second component of the analysis is based on the monitoring of judicial practice related to labor disputes. As part of this process, *57 court cases were analyzed*, randomly selected from the judgments published on the official website of the Kosovo Judicial Council during the period 2021-2025. Only cases in which a decision of the Labor Inspectorate previously existed were included in the analysis, in order to assess the interaction between the administrative procedure and the judicial control of administrative decisions.

Based on the synthesis of the main findings of both these analytical reports, the document also presents evidence-based recommendations, which aim to contribute to improving public policies, strengthening institutional capacities and advancing mechanisms for the implementation of labor legislation in Kosovo. The recommendations have been formulated taking into account the empirical findings of the monitoring, international standards in the field of labor inspection and European best practices in the protection of workers' rights.

Introduction

In Kosovo, the protection of workers' rights is achieved through an institutional system that includes, among others, the Labour Inspectorate as an administrative mechanism for supervising the implementation of labour legislation and the judicial system as a guarantor of effective legal protection. These two mechanisms have different, but closely related roles. The Labour Inspectorate has a mandate to identify violations of legislation, order the taking of corrective measures and impose administrative measures, while the courts have a decisive role in controlling the legality of administrative decisions and in guaranteeing judicial protection of the rights of the parties.

However, practical experience in recent years has shown that the implementation of labor legislation continues to face significant challenges. On the one hand, the Labor Inspectorate operates under limited human and financial capacity, while on the other hand, labor disputes are often characterized by lengthy judicial procedures, which can delay the effective realization of employees' rights and create legal uncertainty for employers. Furthermore, judicial practice has consistently highlighted issues related to the limits of the Labor Inspectorate's competences, the quality of administrative decision-making and the harmonization of institutional actions with legal and judicial standards.

Precisely to address these challenges and to contribute to the improvement of public policies in the field of labor relations, the Levizja FOL has carried out two monitoring and research processes:

- assessing the performance of the Labor Inspectorate through the Labor Inspectorate Performance Index 3and
- monitoring judicial efficiency in handling labor disputes.

Both of these processes have provided important data and findings on the functioning of institutions responsible for the implementation and protection of labor rights.

The purpose of this document is to synthesize the main findings of these two analyses and translate them into concrete recommendations for institutional and legal reforms. The document aims to identify the main obstacles affecting the effectiveness of the implementation of labor legislation, analyze their causes, and propose feasible measures that can be taken by the responsible institutions to improve the protection of workers' rights in Kosovo.

3 https://levizjafol.org/wp-content/uploads/2025/12/Indeksi-Inspektoratit-te%CC%88-Pune%CC%88s-ALB_fin.pdf

More specifically, this document aims to:

- to assess the current level of performance of the Labor Inspectorate in terms of capacities, processes, inspection activities, results and institutional transparency;
- to analyze the efficiency of the judicial system in handling labor disputes, with a focus on the duration of procedures and the results of judicial review;
- identify institutional and legal gaps that affect the effective implementation of labor legislation;
- to provide concrete, measurable and evidence-based recommendations for improving public policies and institutional practices in this area.

This document aims not only to highlight existing problems, but also to provide a clear framework for reforms that can serve as a basis for future actions by public institutions, social partners, civil society organizations and international actors supporting the advancement of labor rights in Kosovo. Through a data- and evidence-based approach, the document aims to contribute to the creation of a more effective, transparent and fair system for the protection of workers' rights and the implementation of labor legislation.

Main Challenges in the Implementation of Labor Legislation in Kosovo

| The capacities of the Labor Inspectorate remain limited.

Despite the fact that during 2024 the Labor Inspectorate has made progress, especially through the increase in the number of active inspectors ⁴, the capacities of the Labor Inspectorate continue to remain insufficient to guarantee effective supervision of the implementation of labor legislation throughout the territory of Kosovo. Data analysis shows that the number of inspectors and the number of employed persons still remain below international standards and recommended practices, limiting the institution's ability to exercise systematic and sustainable supervision of the labor market.

Among the main challenges identified are:

- insufficient number of inspectors in relation to the real needs of the labor market;
- low level of implementation of recruitment plans and difficulties in filling vacant positions;
- lack of a structured and documented system for professional development and continuous training of inspectors;
- high workload for existing inspectors, which affects the planning, coverage and quality of inspection activities.

These limitations directly affect the Inspectorate's capacity to prevent violations of labor legislation, to respond in a timely manner to workers' complaints, and to ensure consistent and effective implementation of labor standards. Consequently, strengthening the human and professional capacities of the Labor Inspectorate appears as one of the main prerequisites for improving the system of protection of workers' rights in Kosovo.

| Increased inspection activity, but not full effectiveness of inspections

The analyzed data show that the Labor Inspectorate has made significant progress in operational terms during the monitoring period ⁵. The number of inspections carried out has continuously increased, reflecting greater institutional commitment to overseeing the implementation of labor legislation and increased inspection presence in the field.

⁴ Levizja FOL, Labor Inspectorate Performance Index, p. 47.

⁵ Ibidem.

The performance analysis shows that the Inspectorate has demonstrated a high level of inspection activity, with a particular focus on sectors traditionally considered to be at higher risk for violations of workers' rights and for violation of occupational safety and health standards. Also, a significant part of the inspection activities have been carried out in a proactive manner, reflecting an orientation towards preventing violations and not only reacting to complaints submitted.

However, despite these positive operational results, it remains difficult to assess whether increased inspection activity is translating into sustainable improvements in compliance with labor legislation. The lack of clear indicators for measuring impact, such as the rate of recurrence of violations, the level of compliance after inspections, the improvement of working conditions or the reduction of violations in the monitored sectors, limits the possibility of assessing the long-term effects of inspection interventions.

For this reason, in addition to increasing the number of inspections, it is necessary for the performance monitoring system to focus more on measuring the results and real impact of inspection activities, in order to assess not only how many inspections have been carried out, but also to what extent they have contributed to improving respect for workers' rights and the implementation of labor legislation.

| Lack of data limits transparency and accountability

One of the main challenges identified during the performance assessment of the Labour Inspectorate is related to the lack of complete and structured data on a number of important performance indicators. Although the institution publishes data on its overall inspection activity, the lack of detailed information in several key areas limits the ability to comprehensively assess the effectiveness of its work and the real impact of its inspection activities ⁶.

The analysis highlights a limited lack of data regarding:

- training and professional development programs for inspectors, including the number of participants, duration and results of training;
- deadlines for handling complaints submitted by workers and employers;
- the results of appeal procedures against decisions of the Labor Inspectorate;
- indicators that would enable the measurement of the long-term impact of inspection measures on improving compliance with labor legislation.

The lack of such data not only makes it difficult to monitor and objectively assess institutional performance, but also limits transparency and accountability to the public. At the same time, it makes it more difficult to identify problem areas, strategically plan inspection activities, and draft evidence-based public policies.

⁶ Labor Inspectorate Performance Index, p. 49.

Therefore, improving data collection, management and publication systems should be considered an institutional priority. Increasing transparency and establishing more advanced reporting mechanisms would contribute not only to strengthening the accountability of the Labor Inspectorate, but also to creating a more stable basis for monitoring the implementation of labor legislation and assessing the effectiveness of future reforms.

Labor disputes continue to take a long time , despite the fact that they should be handled urgently.

One of the most prominent problems identified during the monitoring of judicial practice is related to the duration of procedures for handling labor disputes. Despite the fact that the legislation in force provides for urgent handling of this category of cases, monitoring data show that procedures continue to be characterized by significant delays.⁷

The analysis of monitored cases has shown that the average duration of procedures from the filing of the lawsuit to the issuance of the first-instance judgment is 2.64 years. Meanwhile, when the entire period from the issuance of the initial decision by the Labor Inspectorate to the completion of the recorded judicial procedure is taken into account, the average duration reaches 3.61 years. In some cases, the procedures have lasted even significantly longer, exceeding the deadlines that can be considered reasonable for the resolution of disputes related to fundamental rights from the employment relationship.

These data are particularly concerning given that Article 475 of the Law on Dispute Procedure⁸ obliges courts to deal with disputes arising from employment relationships with urgency, precisely because of their nature and the direct impact they have on the economic and social well-being of the parties. However, monitoring findings show that this legal standard is not being implemented in practice.

Long procedural delays directly affect the effective realization of employees' rights, prolonging the period of legal and financial uncertainty for the persons involved in the dispute. In cases related to dismissal, reinstatement, compensation of wages or realization of other benefits from the employment relationship, the drag of procedures can significantly reduce the practical effectiveness of legal protection, even when the party ultimately wins the dispute.

In addition to the impact on employees, lengthy procedures also create uncertainty for employers, affecting the financial and organizational planning of public institutions and private entities. For this reason, improving judicial efficiency and reducing the duration of procedures should be considered key elements for strengthening the system of protection of labor rights and guaranteeing effective access to justice.

⁷ Levizja FOL, Judicial efficiency in handling labor disputes in Kosovo (2021-2025).

⁸ Law on Dispute Procedure, Article 475: "In disputes arising from the employment relationship, especially when setting deadlines and convening court hearings, the court shall always take into account the need for urgent resolution of disputes arising from the employment relationship."

The high rate of annulment of administrative decisions by courts raises concerns about the quality of decision-making.

One of the most significant findings of the monitoring of judicial practice is related to the quality and legal stability of administrative decisions issued by the Labor Inspectorate. Out of a total of 57 monitored cases, in 82.5% of them the courts have approved the claims filed against the administrative decisions, while only 17.5% of the cases have ended with their rejection.⁹ This high percentage of approval of claims shows that a considerable number of administrative decisions have failed to withstand judicial control of legality.

The findings suggest that in practice, challenges continue to exist regarding the interpretation and implementation of legal provisions, as well as the legal reasoning of administrative decisions. In a significant number of cases, the courts have found shortcomings related to the legal basis of decision-making, the interpretation of the competences of the Labor Inspectorate, or the manner of reasoning of contested decisions.

Also, the analysis of the judgments shows the need for greater harmonization of administrative practice with the standards and consolidated positions of judicial practice. The lack of a unified approach in the interpretation of the relevant legal powers and provisions has contributed to the increase in the number of administrative disputes and the annulment of a significant part of the decisions of the Labor Inspectorate.

Improving the quality of administrative decision-making requires strengthening the professional capacities of inspectors, systematic analysis of judicial practice and the creation of internal mechanisms for controlling the legal quality of decisions. Such an approach would contribute to increasing legal certainty, reducing the number of court disputes and strengthening the effectiveness of institutional mechanisms for the protection of workers' rights.

Ambiguities regarding the boundaries of administrative and judicial powers continue to create legal disputes.

Monitoring of judicial practice has shown that a significant part of labor disputes are not directly related to the existence of violations of rights from the employment relationship, but to the interpretation of the boundaries of competences between the Labor Inspectorate and the courts. In a large number of cases, the subject of judicial review have been administrative decisions through which the Labor Inspectorate has intervened in matters that the courts have assessed as the exclusive competence of the judiciary.¹⁰

⁹ Ibidem.

¹⁰ Levizja FOL, Judicial efficiency in handling labor disputes in Kosovo (2021-2025).

This has been particularly evident in cases involving the reinstatement of employees, compensation of wages, annulment of employer decisions and the exercise of other rights arising from individual employment relationships. In these cases, the courts have held that the final resolution of such issues requires judicial decision-making and cannot be achieved through administrative procedures conducted by the Labour Inspectorate.

This situation has produced numerous practical and institutional consequences. First, it has contributed to the increase in the number of administrative disputes initiated against the decisions of the Labor Inspectorate. Second, it has resulted in the annulment of a significant number of administrative decisions by the courts. Third, it has created legal uncertainty for workers and employers, who often face uncertainties regarding the competent institution for resolving their claims. At the same time, this practice has brought additional burden to the judicial system, extending the duration of the procedures and increasing administrative and procedural costs for all parties involved.

The monitoring findings indicate the need for greater clarification of the boundaries of competences between the Labour Inspectorate and the courts, both at the normative and practical levels. In this regard, harmonizing administrative practice with the consolidated positions of the courts, drafting clear guidelines for the exercise of competences and strengthening inter-institutional coordination would contribute to reducing the number of disputes, increasing legal certainty and improving the overall efficiency of the labour rights protection system.

Impact Analysis of Identified Challenges

The findings presented in this document show that challenges in the implementation of labor legislation stem not only from a lack of human or financial resources, but also from deeper institutional and systemic weaknesses that affect the functioning of labor rights protection mechanisms.

The analysis of the performance of the Labor Inspectorate and judicial practice highlights that there is a significant disconnect between the three main links of the labor legislation implementation system: *administrative supervision, judicial control and the practical realization of employees' rights*. Although the Labor Inspectorate has increased its inspection activity and intensified field supervision, the effectiveness of administrative interventions is often limited by problems that arise in the subsequent stages of the process.

On the one hand, the monitoring has identified challenges in the legal quality of some administrative decisions and uncertainties regarding the limits of the competences of the Labor Inspectorate. On the other hand, lengthy court procedures and the high rate of approval of lawsuits against administrative decisions indicate that a significant part of administrative interventions fail to produce the intended effects in practice.

As a result, an institutional cycle is created in which violations are identified and dealt with administratively, but their final resolution is often shifted to lengthy judicial proceedings. This not only reduces the effectiveness of existing mechanisms for the protection of labor rights, but also increases institutional costs, burdens the judicial system, and creates legal uncertainty for employees and employers.

Furthermore, the lack of complete data on inspection results, complaint handling, and the long-term impact of inspection measures limits the ability of institutions to identify problems in a timely manner and take evidence-based corrective measures.

Consequently, improving the implementation of labor legislation requires a comprehensive approach that simultaneously addresses institutional capacities, the quality of administrative decision-making, judicial efficiency, inter-institutional coordination, and the transparency of the system. Only through interrelated reforms in each of these areas can more effective, faster, and more sustainable protection of workers' rights in Kosovo be ensured.

Strategic Objectives

Based on the findings presented in this document, reforms in the field of labor legislation implementation should be oriented towards strengthening institutional capacities, improving the quality of decision-making, and guaranteeing effective access to justice for employees.

In this context, the strategic objectives of the reform are assessed to be:

- **Strengthening the institutional and professional capacities of the Labor Inspectorate**, with the aim of increasing the effectiveness of supervision of the implementation of labor legislation and improving labor market coverage.
- **Improving the quality, legality and sustainability of administrative decision-making**, through harmonization of administrative practice with legal standards and judicial practice.
- **Increasing the efficiency of the judicial treatment of labor disputes**, by reducing the duration of procedures and guaranteeing legal protection within reasonable deadlines.
- **Clarifying competencies and strengthening coordination between the Labor Inspectorate and the judicial system**, in order to avoid overlapping competencies and reduce the number of administrative disputes.
- **Advancing transparency, accountability and institutional data management**, to enable more effective performance monitoring and evidence-based policymaking.
- **Improving workers' access to effective administrative and judicial protection mechanisms**, ensuring faster and more efficient realization of rights arising from the employment relationship.
- **Strengthening legal certainty in the field of labor relations**, through the creation of more stable institutional practices and the reduction of uncertainties arising from different interpretations of legal powers and provisions.

Recommendations

For the Ministry of Labor, Family and War Values ¹¹:

The Ministry should take measures to strengthen the institutional capacities of the Labor Inspectorate and improve its performance monitoring system. In this regard, it is recommended that:

- to gradually increase the number of labor inspectors, in accordance with the needs of the labor market and international standards for the supervision of labor relations;
- ensure sufficient financial resources for the professional development and continuous training of inspectors;
- to draft and implement a multi-year strategy for the development of the capacities of the Labor Inspectorate;
- develop performance indicators that measure not only inspection activity, but also the results and impact of inspection interventions on compliance with labor legislation;
- Strengthen mechanisms for monitoring and reporting data on the implementation of labor legislation.

For the Kosovo Judicial Council and Courts

Given the nature of labor disputes and their impact on the realization of citizens' economic and social rights, it is recommended that:

- Labor disputes should be monitored and treated as a priority category within the judicial system;
- to set concrete objectives for reducing the duration of procedures in labor disputes;
- regularly monitor cases that exceed reasonable procedural deadlines and take measures to address delays;
- develop specialized training programs for judges handling labor disputes and administrative disputes related to Labor Inspectorate decisions;
- to ensure more systematic and accessible publication of relevant judicial practice to contribute to the harmonization of administrative and judicial practice.

¹¹ With the constitution of the Government of the Republic of Kosovo in 2025, the competencies in the field of labor, which were previously exercised by the Ministry of Finance, Labor and Transfers, have been transferred to the Ministry of Labor, Family and War Values.

For the Assembly of Kosovo:

The Assembly, within the framework of its legislative and supervisory function, should contribute to the creation of a clearer and more effective framework for the implementation of labor legislation. In this regard, it is recommended that:

- examine the need for legal amendments and supplements that clarify the competencies of the Labor Inspectorate;
- strengthen parliamentary oversight over the functioning of mechanisms responsible for protecting employees' rights;
- Periodic reporting should be required from responsible institutions regarding the implementation of labor legislation and progress in addressing identified challenges.

