

BACKGROUND PAPER

Mapping Platform Work in *Albania*

Sonila Muskaj

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EUROPEUM Institute for European Policy is a non-profit, non-partisan, and independent think-tank focusing on European integration and cohesion. EUROPEUM contributes to democracy, security, stability, freedom, and solidarity across Europe as well as to active engagement of the Czech Republic in the European Union. EUROPEUM undertakes original research, organizes public events and educational activities, and formulates new ideas and recommendations to improve European and Czech policy making.

About the author

Sonila Muskaj is Programme Manager at the Cooperation and Development Institute (CDI).

About the project

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1. Characteristics of platform work

Platform work in Albania refers to labor facilitated through digital platforms that connect workers with clients or employers for various tasks or services. The digital labor platforms developed mostly during and after the Covid-19 pandemic when remote work became especially visible. The pandemic had a double effect. On the one hand, it forced many professionals to work from home. On the other hand, it also increased demand for the services of remote and freelance workers, especially in the ICT sector, while other areas of life (e.g., shopping, ordering services) moved increasingly online, driving the need for a specialist labor force to develop in these directions.¹

There is no specific data on the exact number of platform workers in Albania, and the share of platform workers in Albania's Gross Domestic Product (GDP) is not available. Upwork, Freelancer and Guru were the main remote employment platforms in 9 countries of the Balkans, where 114,111 platform workers were employed by 2023. Of these, about 15,000 were in Albania, being the second country in the WB6 in terms of the relative number of platform workers, with 222 platform workers per 100,000 inhabitants. This number declined for Albania during 2024, seeing 187 platform workers for every 100,000 inhabitants.²

Platform work in Albania is characterized by significant levels of informality, impacting workers' rights and social protection.

There are two types of platform work in Albania: (i) the online web-based work, where tasks are performed remotely, such as programming, graphic design, data entry, and digital marketing, performed through international and national platforms such as Upwork, Freelancer, Guru, Fiverr, Duapune, Punaime and Gjirafa; and (ii) on-location platform work services delivered in person, such as ride-hailing (Speed taxi, Patoko, ADEX) and food delivery (Baboon, Foodini, Wolt). As per the online web-based platform work, there is

¹ Mimoza Kasimati, *Embracing the digital age: The future of work in the Western Balkans – Albania*, (European Training Foundation, 2022), 11, <https://www.etf.europa.eu/en/document-attachments/embracing-digital-age-future-work-western-balkans-albania>.

² Public Policy Research Center. "Region October 2024." *Gigmetar*. Last modified October 2024. <https://gigmetar.publicpolicy.rs/en/region-en-2024-2/>.

significant participation across various sectors like creative fields (23.4%, the highest engagement in the platform economy), software development (21.2%, showing the significance of the tech sector), and clerical and data entry (18.6%). Professional services are the least represented sector in Albania, suggesting a focus on other professional fields.³ Upwork commands the largest portion of gig workers at 59.84%, followed by Freelancer at 33.01% and Guru at 7.16%.⁴

Platform work in Albania is characterized by significant levels of informality,⁵ impacting workers' rights and social protection. Platform workers often face unfair conditions, lack essential benefits like unemployment and sick leave, and experience precarious employment arrangements. This is compounded by the lack of comprehensive legal frameworks.⁶

The platform economy, characterized by its reliance on remote and platform-based work, has significantly altered labor markets across Albanian cities like Tirana, Shkoder and Durres. Technological advancements have allowed more people to access online work and services, broadening the base of both providers and consumers.⁷ The imbalances between the rural and urban areas make young people leave rural areas for better opportunities for employment in the big cities and abroad (brain drain). The share of the self-employed to total employment in Albania is 29.9%.⁸ In terms of gender distribution, Albania has a fairly balanced ratio, though it leans towards men, with 55.8% male platform workers compared to 44.2% female.⁹

³ Brikene Dionizi, Elvisa Drishti, and Brisena Kopliku, *Unpacking the potentials of the platform economy in Albania*, (Open Western Balkan Collaboratory on Online Platform Work: Serbia, Albania and Bosnia and Herzegovina PN5- 052 project, 2023), 7, <https://publicpolicy.rs/upload/files/Albania.pdf>

⁴ Brikene Dionizi Kapisyzi, Elvisa Drishti, Bresena Kopliku, Ildir Duhanxhi, and Arjola Halluni Dergjini, *A study of freelancers' work experiences in the Albanian gig economy – is there any meaning after all?*, (Research Square, 2024), 8, <https://doi.org/10.21203/rs.3.rs-4788150/v1>.

⁵ The world economics mentioned that in the year 2025, the size of Albania's informal economy is estimated to be 28.1%. <https://www.worldeconomics.com/Informal-Economy/Albania.aspx>

⁶ Branka Andjelkovic, Tanja Jakobi, Maja Kovac, Ljubivoje Radonjic, *Regulating On-Location Platform Work: Tackling Informality in Serbia, BiH and Albania*, (Belgrade, Sarajevo, Shkodra, 2024), 15 <http://dx.doi.org/10.13140/RG.2.2.19313.60003>.

⁷ Dionizi, Drishti, and Kopliku, *Unpacking the potentials*.

⁸ According to the Institute of Statistics in Albania, for the year 2024 the percentage of the self-employed is 29.9%. https://databaza.instat.gov.al:8083/pxweb/en/DST/START_TP_LFS_LFSQ/NewLFSQ014/table/tableViewLayout1/.

⁹ Dionizi, Drishti, and Kopliku, *Unpacking the potentials*.

2. Driving factors

The dynamic evolution of the platform economy in Albania is taking place in the context of a 10.9% unemployment rate, especially affecting young people, low standards of education and health services, and widening socio-economic and spatial inequalities. The unemployment rate is high due to the lack of job opportunities and inadequate skills. Even though the Albanian government has invested

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in digital infrastructure,¹⁰ and the use of the Internet via mobile phones and mobile broadband networks is predominant in Albania, young people are leaving Albania.

Those working in platform work often accept low pay, irregular hours, and lack social protection in exchange for quick income. Many Albanian workers are opting to become freelancers or entrepreneurs, and the younger Albanian population values autonomy and flexibility.

Some platforms have formalized their entire workforce, adhering to labor laws with proper contracts and benefits. Others employ a mixed workforce, with some formalized workers and others in informal, unregulated roles. Additionally, some platforms rely solely on unregulated workers, contributing to high informality.¹¹ Strong English and multilingual skills among Albanians provide a competitive edge. Women may use platform work for its flexible hours, especially if they face barriers to traditional employment. Platform work, especially in sectors like food delivery or ride-hailing, is often the only option for low-skilled workers. Albania's total earnings in the Upwork platform are moderate compared to other countries in the region, and also hourly wages are in the mid-range.¹²

¹⁰ One of the indicators measuring the development of broadband in Albania is the “use of broadband in education and research (to be measured by the use of broadband in schools, universities and vocational training sectors)”. The Government is pushing for digital education. https://www.infrastruktura.gov.al/wp-content/uploads/2020/07/National-Plan-BBAnd-EN.pdf?utm_source=chatgpt.com.

¹¹ Andjelkovic, Jakobi, Kovac, and Radonjic, *Regulating On-Location Platform Work*.

¹² Dionizi, Drishti, and Kopliku, *Unpacking the potentials*.

The National Youth Strategy and Action Plan¹³ focuses on fostering innovation among young people and enhancing their skills through high-quality education in ICT and digital development. At the same time, the Albanian Parliament has approved the Law no. 36/2023, to support Innovative Start-ups (including digital nomads).¹⁴

3. Country-specific impact: benefits and challenges

The Albanian Government acknowledges the potential of the online platform economy and has implemented measures to foster and regulate it. Initiatives such as the Coding Program,¹⁵ projects for developing new start-ups, improving telecommunication infrastructure, and investing in digital education have facilitated the growth of online

Technological changes have led to increased labor market flexibility and the rise of non-standard employment forms, including platform work.

platforms, enabling broader access to digital work and services. Consequently, the online platform economy has become integral to Albania's economic landscape, generating new employment opportunities, particularly for the youth, and empowering small businesses and entrepreneurs to reach a global audience. Albania is also attracting digital nomads through a self-employed visa, which entitles remote workers to stay in Albania for up to a year without paying taxes and can be applied for online for free,¹⁶ though there are not yet official government statistics on the number of applicants. The future of Albania's online platform economy

looks promising, with potential for further expansion and diversification. Investments in technology, continuous government support, and collaboration with international entities may drive the sector to new heights in the coming years.¹⁷

¹³ One of the objectives of the National Youth Strategy and Action Plan 2022-2029 is to support the professional capacities of the Albanian Youth in ICT, in order to be prepared for the labor market.

<https://natlex.ilo.org/dyn/natlex2/natlex2/files/download/115635/ALB-115635.pdf>.

¹⁴ <https://kpmg.com/al/en/home/insights/2023/07/recent-amendment-of-the-law-on-support-and-development-of-start.html>

¹⁵ AS, "New Coding Program, Rama: About 1 thousand applications", *RTSH RTI*, 2023, <https://rti.rtsh.al/article/new-coding-program-rama-about-1-thousand-applications>.

¹⁶ <https://visadb.io/blog/albania-digital-nomad-visa-2024-application-and-requirements-6494ee118b104d55f14213a9>

¹⁷ Dionizi Kapisyzi, Drishti, Kopliku, Duhanxhi, and Halluni Dergjini, *A study of freelancers' work experiences*.

A report by the European Training Foundation (ETF) in 2022 examined the emergence of new forms of employment and platform work in Albania, noting that technological changes have led to increased labor market flexibility and the rise of non-standard employment forms, including platform work. To combat unemployment, policymakers often promote self-employment and entrepreneurship via training, workshops, mentoring, career counselling, business plan development support, and grants.¹⁸

4. Current national regulatory landscape and EU criteria

The amended Labor Code of the Republic of Albania¹⁹ is not specifically tailored to digital or freelance work, but some provisions may apply when: (i) a remote worker has a formal contract; (ii) an employer-employee relationship exists (even informally). Some platforms have formalized their entire workforce, adhering to labor laws with proper contracts and benefits.²⁰ Baboon, as the largest food delivery platform, stands out by offering benefits that match or exceed those of standard employment contracts. While platform workers working for smaller food delivery companies face unfair conditions and lack social protections.

Actually, in Albania, there is not a dedicated register for online platforms, which are generally regulated under broader business and tax laws rather than through a specialized registry for platform-based work. The Law and Social Insurance in the Republic of Albania stipulates that social protection is closely linked to the traditional employment relationship. This disparity highlights that providing fair working conditions and protections is possible even within the flexible, often unregulated platform work framework.

¹⁸ European Training Foundation, “*Embracing the digital age*”, 2022, 5, <https://www.etf.europa.eu/en/publications-and-resources/publications/embracing-digital-age>.

¹⁹ <https://kpmg.com/al/en/home/insights/2024/08/recent-amendments-to-the-labor-code.html>

²⁰ Andjelkovic, Jakobi, Kovac, and Radonjic, *Regulating On-Location Platform Work*.

Platform work in Albania is often rooted in informality, and to tackle this, Albania has introduced the National Employment and Skills Strategy 2023-2030,²¹ focusing on reducing informality through skill development and improved labor market integration.

Freelancers (free professionals) in Albania register as sole proprietors, a relatively straightforward process that is generally faster and simpler than in many EU countries. They pay taxes online through the General Directorate of Taxation platform, covering personal income tax, social security, and health insurance contributions. VAT responsibilities are also managed online, simplifying compliance. Once registered, freelancers operate as legal entities in Albania.²² On 29 March 2023, the Government amended the Law on Income Tax (29/2023) and according to this amendment in Article 69, starting from 1 January 2024, the self-employed individuals providing professional services will be subject to the new taxation scheme and taxed at 15% for the annual income up to 14 million ALL.²³ This was not accepted by the freelancers and with the initiative of a group of Members of the Albanian Parliament, and the support of a group of CSO's, the Law was sent to the Constitutional Court. In June 2024, the Albanian Constitutional Court unanimously decided to overturn the law on the 15% tax on free professions, and repealed Article No. 69 of the Law on Income Tax,²⁴ which taxed professionals with income below 14 million ALL/year.²⁵

There is no evidence of concrete trade unions representing platform workers in Albania.

In September 2024, workers from the delivery platform Wolt in Tirana conducted a several-day protest against fee reductions for their services.²⁶ However, the protest faced

²¹ https://arkiva.financa.gov.al/wp-content/uploads/2023/10/National-Employment-and-Skills-Strategy-2030_EN.pdf

²² <https://support.guruwalk.com/portal/en/kb/articles/guide-to-becoming-a-freelancer-in-albania>.

²³ <https://kpmg.com/al/en/home/insights/2023/09/taxation-of-individuals--business-income-in-2024.html#:~:text=According%20to%20the%20new%20Law,of%20the%20Personal%20Income%20Tax>

²⁴ Article 69 of the Law on Income Tax states that for the businesses, entities and free professionals with the gross income up to 14 million ALL per year, will apply the 0% income tax rate, until December 31, 2029. <https://alprofitconsult.al/ligj-nr-29-2023-per-tatimin-mbi-te-ardhurat/>.

²⁵ Lorin Cadiu, The constitutionalist overthrows the government for the 15% tax on free professions, Citizens, 2024, <https://citizens.al/en/2024/06/27/the-constitutional-court-condemns-the-government-for-the-15%25-tax-on-free-professions/>.

²⁶ Elira Kadriu, *What is happening with the "Wolt" motorists?* (Citizens, 2024), <https://citizens.al/en/2024/09/30/cfare-po-ndodh-me-motoristet-e-wolt/>.

challenges due to a lack of effective coordination among workers, limited understanding of their rights, and insufficient support from trade unions and social organizations. There is no evidence of concrete trade unions representing platform workers in Albania.

The Directive on Platform Work serves as an essential guide to address the significant gaps in labor legislation that exist for platform workers, especially considering the increasing role of digital labor platforms in the country. This Directive has not yet been transposed into Albanian legislation. Aligning national legislation with key EU documents, such as the EU Strategic Framework for Health and Safety at Work 2021-27, remains a challenge.²⁷

²⁷ Andjelkovic, Jakobi, Kovac, and Radonjic, *Regulating On-Location Platform Work*.

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