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Legalizing workplace mediation: Comparative lessons and policy gaps in albania's labor dispute framework

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Abstract This article examines mediation as a legally grounded and policy-relevant tool for preventing labor disputes and strikes in both unionized and non-unionized settings. In light of the rising complexity of labor relations, mediation offers a structured, non-adversarial mechanism to resolve workplace conflicts while preserving industrial peace and productivity. Through comparative analysis of legal systems in the United Kingdom, Canada, and Australia, the study underscores the effectiveness of mandatory or institutionalized mediation in minimizing labor unrest. It advocates for the integration of mediation into collective bargaining frameworks, supported by accredited mediators, procedural safeguards, and enforceable good faith obligations. Focusing on Albania—a country in transition and amid labor law reforms—the paper identifies critical legislative and institutional shortcomings that limit the uptake of mediation. These include ambiguous legal provisions, weak enforcement, and limited public engagement. The article proposes targeted reforms: mandating mediation in key sectors, strengthening mediator training and certification, and harmonizing national practices with international labor standards. Such reforms are presented as essential for advancing Albania's EU accession process and reinforcing democratic labor governance. The paper concludes by offering legal and policy recommendations, including the adoption of mandatory mediation in essential sectors, investment in mediator training and accreditation, and alignment with international labor standards. These reforms are positioned not only as pathways to industrial peace but also as essential steps toward meeting Albania's European Union integration objectives and strengthening democratic labor institutions.

Keywords: alternative dispute resolution, strike, european union, ILO, USA, Canada

1. Introduction

Workplace disputes and strikes continue to pose significant challenges to industrial peace and economic stability in both developed and developing economies. While the right to strike remains a fundamental component of labor relations and a legitimate tool for workers to express grievances and demand fair treatment, its exercise often entails considerable costs. These include loss of productivity, interruption of essential public services, reputational harm to employers, and, in some cases, the exacerbation of social and political tensions (ILO, 2023; Hann, 2023). The economic impact of prolonged industrial actions can be particularly severe in sectors critical to national infrastructure, such as healthcare, education, energy, and transportation (European Committee of Social Rights, 2022).

In this context, the importance of early, effective, and non-adversarial conflict resolution mechanisms has gained widespread recognition. Among the most prominent of these is mediation, a process in which a neutral third party facilitates communication and negotiation between disputing parties with the aim of achieving a mutually acceptable resolution (Bollen & Euwema, 2015). Mediation is increasingly used as a form of Alternative Dispute Resolution (ADR), offering a constructive alternative to strikes, litigation, or other confrontational approaches (Koçiaj & Sina, 2025; ILO, 1951).

Globally, many jurisdictions have integrated mediation into their legal and institutional frameworks, recognizing it not only as a pragmatic tool for dispute management but also as a strategic instrument for labor policy development. Countries such as the United Kingdom, Canada, and Australia have embedded mediation into their labor laws, either as a mandatory precondition to industrial action or as part of a formal collective bargaining process (Potočnik et al., 2018; Canada Labour Code, 1985; Fair Work Act, 2009). These systems demonstrate that when mediation is supported by legal mandates, structured procedures, and professional oversight, it can significantly reduce the incidence and severity of workplace confrontations (Foley & Cronin, 2015). As summarized in Table 1, cross-jurisdictional data indicate strong impacts where mediation is embedded—resolution/avoidance rates of ~49–80% in the UK, Canada, and Australia; contractual mainstreaming in Germany (>60% of collective agreements include mediation clauses); and conflict reduction in North Macedonia (≈40% drop in strikes)—

contrasted with Albania's low case uptake (<30%) despite improved mediator capacity, highlighting uneven institutionalization and the need for reform.

This article examines mediation within this legal and institutional context, focusing on both comparative frameworks and the evolving case of Albania. As a transitional economy undergoing significant labor law reform, Albania presents a compelling case for analyzing the potential and limitations of mediation in managing industrial relations. The study reviews Albania's current legal provisions, including the Labour Code and the Law on Mediation, and evaluates their alignment with international labor standards and best practices (Albanian Labour Code, 1995; Law on Mediation in Dispute Resolution, 2011).

Table 1 Employment Mediation Across Jurisdictions: Legal Bases, Methods, and Effectiveness.

No.	Country	Legal Framework	Empirical Method	Key Findings (%)	Impact / Relevance
1	Albania	Labour Code (1995); Law on Mediation (2011)	ILO interviews & evaluation (2023)	83% of trained mediators reported skill improvement; <30% of disputes use mediation	High potential; urgent legal reform needed
2	United Kingdom	ACAS under Employment Rights Act (1996)	ACAS SME Survey (2008)	49% full resolution; 82% avoided tribunal	Proven early mediation effectiveness
3	Canada	Canada Labour Code (1985)	Historical reports; mediator interviews	70–80% of federal sector disputes resolved via mediation	Normalization in federal systems
4	Australia	Fair Work Act (2009)	FWC reports; case studies	75% resolution rate in mandated mediation cases	High compliance; systemic integration
5	Germany	Collective Agreements (*Tarifverträge*)	Union/employer interviews	Over 60% of collective agreements include mediation clauses	Cultural commitment to mediation
9	North Macedonia	Law on Labor Mediation (2010)	ILO evaluations	Strike frequency dropped by 40% in mandatory mediation sectors	Model for essential service sectors

This article examines mediation within this legal and institutional context, focusing on both comparative frameworks and the evolving case of Albania. As a transitional economy undergoing significant labor law reform, Albania presents a compelling case for analyzing the potential and limitations of mediation in managing industrial relations. The study reviews Albania's current legal provisions, including the Labour Code and the Law on Mediation, and evaluates their alignment with international labor standards and best practices (Albanian Labour Code, 1995; Law on Mediation in Dispute Resolution, 2011).

Through this analysis, the paper aims to highlight the role of mediation as a proactive legal mechanism, capable of strengthening labor governance, fostering industrial harmony, and supporting Albania's broader socio-economic and European integration objectives (European Commission, 2023; UNIDO, 2024).

2. Materials and Methods

Primary sources include the *Labour Code of the Republic of Albania* and the *Law on Mediation in Dispute Resolution*, which were systematically analyzed to extract relevant statutory provisions, procedural requirements, and institutional responsibilities concerning mediation in labor disputes (Albania, 1995; Albania, 2011). The analysis also incorporates international legal instruments such as ILO Recommendation No. 92 (1951) on voluntary conciliation and arbitration and ILO Recommendation No. 163 (1981) on the promotion of collective bargaining, serving as normative benchmarks for assessing Albania's alignment with global labor standards (ILO, 1951; ILO, 1981).

Secondary sources comprise peer-reviewed journal articles, monographs, institutional reports, and empirical case studies. Jurisdictions selected for comparative analysis—Canada, Australia, the United Kingdom, and the United States—were chosen based on three explicit criteria:

1.Established statutory frameworks that integrate mediation into labor dispute resolution;

2.Diversity of legal traditions, including common law and hybrid systems; and

3.Availability of empirical data on mediation outcomes, institutional efficacy, and enforcement practices (Foley & Cronin, 2015; Hann, 2023; Koçiaj & Sina, 2025; Potočnik et al., 2018).

2.1. Comparative Methodology

A structured comparative analysis was conducted to identify both convergences and divergences between Albania's mediation framework and those of selected OECD countries. The comparison focused on five key variables:

- Legal status of mediation (voluntary vs. mandatory);
- Institutional infrastructure (mediation bodies, regulatory oversight);
- Enforcement mechanisms (compliance incentives, legal consequences);
- Sectoral application, particularly in essential public services;
- Integration with collective bargaining procedures and agreements (Canada Labour Code, 1985; Fair Work Act, 2009; Employment Rights Act, 1998).

2.2. Normative Legal Evaluation

The article further employs a normative legal analysis to assess Albania's mediation legislation in light of constitutional principles, such as proportionality, access to justice, and legal certainty. It also examines Albania's obligations under international labor law and its alignment with the EU acquis communautaire, specifically Chapter 19 on Social Policy and Employment (European Commission, 2023; ILO, 2023).

2.3. Theoretical Framework and Legal Context

2.3.1. Conceptual Underpinnings

Mediation, as applied in the context of labor relations, is grounded in both industrial relations theory and legal institutionalism. From the perspective of industrial relations, mediation is conceptualized as a conflict management tool that facilitates dialogue, reduces adversarial tensions, and promotes consensus-building (Foley & Cronin, 2015; Hann, 2023). It reflects a cooperative model of labor relations, contrasting with more adversarial models where disputes often escalate to strikes, litigation, or arbitration. By enabling the involvement of a neutral third party, mediation allows disputing parties—typically employers and trade unions or employees—to engage in structured negotiations while preserving autonomy over the outcome (International Labour Organization, 1951).

Legal institutionalism, on the other hand, emphasizes the importance of formal structures, legal norms, and procedural safeguards in legitimizing mediation processes. Within this framework, mediation is not merely a voluntary or informal exercise but a structured component of the labor law ecosystem. It derives its authority from statutes, collective bargaining agreements (CBAs), and administrative labor policies that outline the conditions, procedures, and institutional actors involved in its implementation (Koçiaj & Sina, 2025; Argyrou, 2018). This dual foundation—rooted in both practical conflict resolution and formal legal norms—gives mediation a unique status as both a relational and regulatory mechanism (Tjosvold et al., 2014).

Moreover, mediation aligns with the principles of procedural justice, ensuring that parties perceive the process as fair, transparent, and respectful. This perception can lead to higher compliance with outcomes and longer-lasting resolutions (Potočnik et al., 2018; International Labour Organization, 2023). As workplaces become increasingly diverse and labor markets more complex, mediation offers a flexible, culturally sensitive, and efficient method for handling disputes without resorting to industrial action (Comparative Legal Studies, 2015; Hann, 2023).

2.3.2. International and Comparative Legal Models

Globally, the legal recognition and institutionalization of mediation vary widely, but common trends point toward its growing use as a preemptive tool in labor dispute management. In the United States, the National Labor Relations Act(1935) provides the legal foundation for mediation through the establishment of the Federal Mediation and Conciliation Service (FMCS). The FMCS intervenes in collective bargaining disputes, particularly where work stoppages may have broad economic or social impacts. The agency plays a facilitative role, helping parties to identify shared interests and develop mutually acceptable solutions before conflicts escalate into strikes or lockouts (National Labor Relations Act, 1935).

In the United Kingdom, mediation is central to the mandate of the Advisory, Conciliation and Arbitration Service (ACAS), which operates independently but is publicly funded. ACAS offers both conciliation and mediation services and has a strong track record in reducing industrial action through early and informal intervention. Its approach underscores the principle of voluntary participation, bolstered by a legal and institutional framework that encourages parties to resolve disputes amicably (ACAS, 2021).

Canada employs a federal and provincial approach, with mediation services provided through labor ministries and independent commissions. Mediation is commonly mandated during collective bargaining in sectors regulated by the Canada Labour Code, and mediators are often empowered to make non-binding recommendations that influence the bargaining process (Canada Labour Code, 1985).

Australia, under the Fair Work Act 2009, emphasizes the role of the Fair Work Commission (FWC) in facilitating mediation and conciliation as part of a broader dispute resolution mechanism. The law outlines specific conditions under which the FWC may direct parties to participate in mediation, thereby integrating it into the core of the industrial relations system (Fair Work Act, 2009).

In all these cases, legal frameworks establish the rules governing the mediation process, define the roles of mediators, and provide procedural guidance. Importantly, international organizations such as the International Labour Organization (ILO) advocate for the inclusion of mediation in national labor laws. The ILO's Recommendation No. 92 (1949) and other policy instruments highlight the value of voluntary negotiation and mediation as essential to effective labor dispute prevention (International Labour Organization, 1949).

These international and comparative experiences demonstrate that while models of mediation vary, a common denominator is the recognition of mediation as both a legal obligation and a strategic asset in labor dispute prevention. The

integration of mediation into legal systems strengthens institutional capacity for conflict resolution, promotes industrial peace, and aligns national practices with global labor standards. (De Dreu, C. K. W. 1997)

2.3. The Albanian Context

Albania represents a noteworthy case of a post-socialist, transitional economy actively reforming its labor relations infrastructure in line with European Union (EU) standards. Over the past two decades, Albania has undertaken significant legal and institutional reforms to modernize its dispute resolution mechanisms, recognizing the importance of Alternative Dispute Resolution (ADR), particularly mediation, as a means to foster industrial harmony and attract foreign investment (European Commission, 2023; ILO, 2023).

2.3.1. Legal Recognition of Mediation

The primary legal instrument governing labor relations in Albania is the Labour Code of the Republic of Albania. This code, originally adopted in the aftermath of Albania's transition to a market economy, laid the foundational legal framework for employer-employee relations. However, it was the 2015 amendments—notably Law No. 136/2015—that marked a substantial shift in aligning Albanian labor legislation with EU norms. These reforms explicitly introduced structured procedures for mediation and conciliation, particularly in the context of collective labor disputes (Labour Code of Albania, 1995/2015).

In parallel, the Law on Mediation in Dispute Resolution institutionalized the use of mediation across civil, family, and labor disputes. This law designates mediation as a voluntary but legally recognized process that may be used before, during, or in lieu of formal court proceedings (Law on Mediation, 2011).

2.3.2. Institutional Architecture

The principal administrative body tasked with overseeing mediation in Albania is the National Mediation Service(Shërbimi Kombëtar i Ndërmjetësimit), operating under the authority of the Ministry of Justice. The service is responsible for training, accrediting, and monitoring licensed mediators, as well as promoting the use of mediation throughout the legal system (Albania, 2011). Despite its central role, the National Mediation Service faces challenges in effectively penetrating the labor sector, where awareness of mediation remains low and legal provisions for mandatory referral are weak (ILO, 2023).

In practice, labor disputes in Albania are still predominantly handled through traditional collective bargaining, often with limited recourse to mediation unless expressly stipulated in collective agreements. Nevertheless, some sector-specific CBAs—particularly in strategically sensitive industries such as energy, education, and public transportation—have begun to incorporate mediation clauses. These agreements usually require the parties to attempt resolution through mediation before resorting to strikes or litigation. However, these practices are not yet uniformly adopted, and their implementation depends significantly on the organizational maturity of trade unions and employer associations involved (Koçiaj & Sina, 2025).

2.3.3. Current Limitations and Barriers

While the legal and institutional infrastructure for mediation exists, Albania's mediation system continues to face several substantive and procedural obstacles:

Limited Institutional Capacity: The number of trained and certified labor mediators remains insufficient. Most certified mediators in Albania focus on civil or family law, with few specializing in labor relations. Moreover, regional disparities in mediator availability exacerbate access issues, particularly in rural and industrial areas (Koçiaj & Sina, 2025; CLE, 2022).

Low Public and Stakeholder Awareness: A significant portion of workers, union leaders, and even employers lack understanding of mediation's purpose, procedures, and legal value. This gap results in underutilization, even in cases where mediation could offer an effective resolution (ILO, 2023).

Non-Mandatory Nature: Unlike other jurisdictions where mediation is a statutory precondition for strike action or arbitration, Albania does not mandate mediation in most labor disputes. This absence of compulsion limits its preventive function and allows disputes to escalate without the benefit of early neutral facilitation (Potočnik et al., 2018; Fair Work Act, 2009).

Cultural and Historical Resistance: Decades of centralized labor control during the communist era have left a legacy of distrust toward formal dispute resolution mechanisms, contributing to a preference for direct bargaining or adversarial tactics over cooperative processes like mediation (Koçiaj & Sina, 2025; UNIDO, 2024).

2.3.4. Opportunities for Reform

Despite these challenges, Albania has significant potential to enhance its mediation framework in the labor context. The continued harmonization of Albanian labor law with European Union (EU) directives offers an impetus for further integration of mediation, particularly in sectors prone to high conflict or those affecting public interest (European Commission, 2023;

UNIDO, 2024). Additionally, the growing interest among NGOs and international donors in supporting judicial and labor reforms presents an opportunity for capacity building, awareness campaigns, and pilot programs to institutionalize mediation more broadly (ILO, 2023; CLE, 2022).

2.4. A Comparative Legal Perspective on Mediation as a Preventive Tool

The preventive power of mediation is significantly enhanced when embedded within coherent legal frameworks and reinforced by institutional authority. Comparative legal analysis demonstrates that countries with well-developed labor mediation systems—such as the United Kingdom, Canada, and Australia—have implemented mandatory pre-strike mediation, institutionalized public mediation services, and codified the procedural obligations of parties to mediate in good faith (Potočnik et al., 2018; Hann, 2023; Foley & Cronin, 2015). These systems view mediation not as a discretionary option but as an integral component of structured industrial relations (Wall et al., (2012). Table 2 will show a comparative legal framework on common law and civil law countries.

For instance, under Australia's Fair Work Act 2009, the Fair Work Commission holds statutory authority to mandate conciliation or mediation before allowing protected industrial action. This model not only reduces strikes but also fosters a compliance-oriented dispute resolution culture (Fair Work Act, 2009). Similarly, in Canada, various provincial labor relations acts, such as Ontario's Labour Relations Act, 1995, mandate the appointment of conciliation officers for bargaining disputes, making mediation a procedural prerequisite for lawful strike or lockout notices (Canada Labour Code, 1985).

In the United Kingdom, the Advisory, Conciliation and Arbitration Service (ACAS), though operating on a voluntary basis, functions with high public legitimacy and procedural efficiency. ACAS intervenes early in disputes and is deeply embedded within the collective bargaining process, especially in essential service sectors (ACAS, 2021).

These systems share key legal features:

- A legislative mandate or statutory default to mediation.
- Timely intervention mechanisms, triggered automatically or upon request.
- Accredited public mediators who act impartially and are legally bound by confidentiality.
- Accountability mechanisms ensuring parties adhere to mediation outcomes or engage in good faith efforts.

2.5. Benefits of Legally Mandated Mediation

The institutionalization of mediation as a legally mandated process within labor dispute systems offers numerous advantages for both individual stakeholders and broader socio-economic structures. By transitioning from reactive to preventive conflict management, mediation enhances the resilience of industrial relations frameworks (Foley & Cronin, 2015; Hann, 2023). The following subsections outline the most salient benefits observed in jurisdictions that have adopted robust legal frameworks for mediation—including Albania, where such reforms are emerging (Koçiaj & Sina, 2025; ILO, 2023).

2.5.1. Early Conflict Resolution

One of the most significant advantages of legally mandated mediation is its capacity to facilitate early intervention in disputes. By requiring or encouraging parties to engage in dialogue prior to taking more adversarial actions such as strikes or litigation, mediation interrupts the escalation cycle typical of unresolved labor grievances (Foley & Cronin, 2015). Early-stage mediation creates a structured space for open communication, allowing for the identification of root causes, clarification of misunderstandings, and exploration of creative solutions before positions harden (Potočnik et al., 2018).

In countries like the United Kingdom and Canada, early-stage mediation is embedded into the procedural fabric of collective bargaining, often through formalized pre-strike requirements (ACAS, 2021; Canada Labour Code, 1985). Although Albania has yet to fully embed such practices across its sectors, initial efforts in key public utilities demonstrate how early mediation can stabilize contentious negotiations and preclude broader industrial action (Koçiaj & Sina, 2025; ILO, 2023).

2.5.2. Reduction in Strikes

Empirical research across multiple jurisdictions suggests a correlative decrease in strike frequency and duration where legal mediation mechanisms are routinely applied (Hann, 2023; Potočnik et al., 2018). For example, statistical data from the United States and Australia show that sectors with mandated mediation or strong institutional encouragement of ADR experience lower incidences of prolonged industrial action. In Australia, the number of industrial disputes remains significantly lower than historical averages, with 69 disputes and 53,800 working days lost in the December 2024 quarter—a marked improvement compared to earlier decades (Australian Bureau of Statistics [ABS], 2025). This decline has been attributed in part to the effectiveness of structured mediation and the procedural frameworks established under the Fair Work Act. Similarly, in the United States, the Federal Mediation and Conciliation Service (FMCS) reports ongoing success in reducing labor conflicts and maintaining industrial peace through early intervention and facilitated bargaining (FMCS, 2023).

Mediation provides a de-escalatory platform that not only enables compromise but also reduces the emotional intensity associated with labor conflict (Foley & Cronin, 2015). In Albania, where strike actions in public transportation and education

have occasionally paralyzed essential services, the proactive use of mediation could play a critical role in minimizing disruptions (Koçiaj & Sina, 2025; ILO, 2023). By providing a legal buffer before direct action, mediation allows disputes to be reframed in terms of shared interests rather than competing demands.

2.5.3. Cost Efficiency

The economic benefits of mediation are substantial. Mediation typically incurs far lower direct and indirect costs than litigation or prolonged strikes. Court processes involve legal fees, procedural delays, and reputational risks, while strikes can lead to lost productivity, supply chain interruptions, and customer dissatisfaction (Foley & Cronin, 2015; Hann, 2023).

In contrast, mediation sessions are usually brief, non-adversarial, and confidential, minimizing organizational and personal stress. In Albania, where small and medium-sized enterprises (SMEs) form the backbone of the economy, the affordability and accessibility of mediation are especially appealing. A well-functioning mediation system can provide these businesses with a mechanism for resolving disputes that might otherwise threaten their operational viability (Ndregjoni, 2022; ILO, 2023).

2.5.4. Relationship Preservation

Mediation is uniquely suited to preserving and even enhancing long-term employment relationships. Unlike litigation or arbitration, which tend to produce winners and losers, mediation emphasizes collaborative dialogue, mutual respect, and future-oriented solutions (Foley & Cronin, 2015; Potočnik et al., 2018). This approach is particularly valuable in industries and enterprises where continuity of employment and institutional knowledge are critical to success.

In Albania's tightly knit labor market, where workers and employers often share community and familial ties, adversarial resolution methods can have broader social consequences. Mediation, by contrast, fosters understanding and reconciliation, enabling parties to return to cooperative engagement even after conflict (Koçiaj & Sina, 2025). For unions and employers alike, this relational advantage supports not only dispute resolution but also trust-building for future negotiations (ILO, 2023).

2.6. Challenges in Implementation

Despite the recognized advantages of mediation in labor dispute prevention, Albania faces significant institutional, legal, and cultural constraints that impede the effectiveness of mediation as a legally enforceable mechanism (Koçiaj & Sina, 2025; CLE, 2022). This section addresses both practical limitations in capacity and normative deficiencies in the Albanian legal framework, with reference to international standards and comparative best practices (International Labour Organization, 2023; European Commission, 2023).

2.6.1. Institutional Limitations in Albania and Peer Jurisdictions

2.6.1.2. Lack of Institutional Capacity

Albania suffers from a structural shortage of qualified mediators, particularly in the domain of labor relations. The National Mediation Service, while legally mandated under the Law on Mediation in Dispute Resolution (Law No. 10385/2011), remains under-resourced and poorly integrated with labor-specific institutions such as the Ministry of Labour or industrial courts (CLE, 2022). Moreover, the absence of regional outreach further limits access to mediation in rural and industrial areas, exacerbating disparities in service delivery (ILO, 2023).

2.6.1.3. Limited Enforceability of Mediation Outcomes

In practice, outcomes derived from mediation are often non-binding unless formalized in a written agreement, registered, or recognized by a competent authority. This lack of legal finality disincentivizes participation and undermines the credibility of mediation as a viable alternative to arbitration or litigation (Koçiaj & Sina, 2025).

2.6.1.4. Cultural and Strategic Resistance

Mediation is frequently perceived by both employers and trade unions as either symbolic or strategically disadvantageous, particularly in adversarial labor contexts. This perception, rooted in historical skepticism toward state-sponsored processes, hampers early engagement and voluntary compliance (Ndregjoni, 2022; UNIDO, 2024).

2.6.2. Legal Deficiencies in Article 7 of the Albanian Labour Code

The core legal challenge arises from the permissive and vague formulation of Article 7 of the Labour Code, which states:

"Collective disputes must, primarily, be resolved by negotiation between the employer and the employees' representative organizations. When negotiations fail, the parties may resort to mediation or conciliation procedures."

While the provision affirms a preference for dialogue, it lacks the compulsory force, procedural precision, and enforcement mechanisms found in comparative systems. The following legal gaps are particularly problematic:

2.6.2.1. Lack of Mandatory Language

The phrase “may resort” renders mediation a voluntary option, not a legal prerequisite. This stands in contrast to jurisdictions such as Quebec (Canada) or New South Wales (Australia), where conciliation or mediation is a legal precondition to any lawful strike or lockout (Fair Work Act, 2009; Canada Labour Code, 1985). Without a statutory obligation, mediation cannot fulfill its preventive mandate.

2.6.2.2. Absence of Procedural Directives

Article 7 fails to specify timeframes for initiating or concluding mediation, resulting in procedural uncertainty and enabling parties to stall or circumvent the process. In contrast, many OECD countries impose specific statutory deadlines (e.g., 10–15 working days) to ensure timely and good-faith participation (ILO, 1951; Hann, 2023).

2.6.2.3. No Designated Oversight or Enforcement Body

Unlike the Advisory, Conciliation and Arbitration Service (ACAS) in the UK, which has quasi-legal authority to manage collective disputes, Albania lacks an institution formally empowered to monitor compliance, appoint mediators, or certify mediation outcomes within the labor domain (ACAS, 2021; Potočnik et al., 2018).

2.6.2.4. Uniform Application Across All Sectors

Article 7 applies a generalized approach to all labor sectors, failing to recognize the public interest implications of industrial action in essential services such as healthcare, energy, and transportation. International norms, including those from the European Committee of Social Rights, advocate for sector-specific thresholds that mandate mediation before disruption of critical infrastructure (European Committee of Social Rights, 2020; ILO, 1981).

2.6.2.5. Absence of Sanctions for Non-Compliance

The law is silent on the consequences of failing to engage in mediation. There are no administrative, civil, or procedural penalties for bypassing the process. This undermines the enforceability of the provision and violates the principle of proportionality under Article 17 of the Albanian Constitution, which requires that legal obligations serve legitimate aims in a balanced manner (Koçiaj & Sina, 2025; CLE, 2022).

2.6.2.6. Misalignment with EU Integration Commitments

Under Chapter 19 of the EU acquis communautaire (Social Policy and Employment), Albania is required to harmonize its labor law with EU directives that emphasize structured social dialogue. Moreover, Article 28 of the EU Charter of Fundamental Rights guarantees the right to collective bargaining and action, while underscoring the role of mediation and conciliation. Albania’s current framework does not sufficiently institutionalize these mechanisms, posing a risk to its EU candidacy progression (European Commission, 2023; UNIDO, 2024).

Table 2 Comparative Legal Frameworks for Mediation in Labor Disputes.

Jurisdiction	Mandatory Mediation	Procedural Directives	Oversight Body	Sectoral Specificity	Sanctions	EU Alignment
Albania	No (Art. 7: 'may resort')	No timeframes specified	None designated	Uniform across all sectors	Absent	Partial; not institutionalized
Canada (Quebec)	Yes	Yes (statutory timelines)	Labor Relations Boards	Essential sectors specified	Yes	Yes
Australia (NSW)	Yes	Yes (FWC procedures)	Fair Work Commission	Yes, public interest tests	Yes	Yes
United Kingdom	Voluntary but incentivized	Yes (ACAS guidelines)	ACAS	Sector-sensitive mediation	Soft enforcement	Yes
Germany	Contract-based	Defined in collective agreements	Social partners	Sector-specific contracts	Contractual remedies	Yes
North Macedonia	Yes (essential services)	Yes	National Mediation Body	Yes	Yes	Yes
Slovenia	Yes (voluntary with procedural rules)	Yes	Mediation Centers	Recognized in practice	Limited	Yes

3. Discussion

The findings of this study reaffirm that while Albania has made commendable progress in acknowledging mediation as a labor dispute resolution tool through its Labour Code and Law on Mediation in Dispute Resolution, its practical implementation remains limited due to legal ambiguities and systemic weaknesses. International experience underscores that mediation is most effective when it is embedded within a comprehensive legal and institutional framework (Federal Mediation and Conciliation Service (FMCS). (2023).

Countries like the United Kingdom, Canada, and Australia offer valuable models, having established mediation as either a mandatory or normatively expected process within their industrial relations systems (Fair Work Act, 2009; ACAS, 2021; Canada Labour Code, 1985). These jurisdictions have institutionalized mediation with clear procedural mandates, designated oversight bodies, and mechanisms to ensure compliance and public trust (Hann, 2023; Potočnik et al., 2018).

In contrast, Albania's Article 7 of the Labour Code remains permissive, lacking the enforceable language, procedural directives, and institutional authority found in these more developed systems (Koçiaj & Sina, 2025). The absence of mandatory language ("may resort to mediation"), procedural timeframes, and enforcement provisions reduces the credibility and consistency of mediation in the Albanian labor landscape. Furthermore, the failure to differentiate between sectors—particularly essential services like health, transport, and energy—exposes critical infrastructure to potential disruption without a structured, preventive mechanism in place (European Committee of Social Rights, 2020).

Additionally, empirical studies and international assessments suggest that Albania's mediation framework suffers from limited public awareness and a shortage of specialized labor mediators, especially in non-urban areas (ILO, 2023; CLE, 2022). These institutional deficits hinder the operationalization of even the existing voluntary mediation mechanisms and contribute to persistent stakeholder skepticism.

To strengthen Albania's mediation regime, comprehensive legal reform is needed. This includes amending Article 7 to include mandatory pre-strike mediation for key sectors, establishing a specialized labor mediation authority, and integrating sector-specific protocols. Furthermore, increased investment in mediator training and public awareness campaigns is essential to shift perceptions and build a culture of trust and collaboration in labor relations. Aligning these reforms with EU standards under Chapter 19 of the acquis communautaire would also reinforce Albania's commitment to democratic labor governance and support its broader European integration goals (European Commission, 2023).

4. Conclusions

Albania stands at a decisive crossroads in the evolution of its labor dispute resolution system. As this study has demonstrated, mediation—when embedded within a coherent legal and institutional framework—can serve not only as a conflict resolution mechanism but also as a proactive instrument of social dialogue, economic stability, and democratic consolidation. The international evidence is compelling: countries that have embraced structured and enforceable mediation processes have witnessed a tangible decline in industrial unrest, improved communication between labor stakeholders, and enhanced resilience in times of socio-economic pressure.

Albania possesses the legal foundations for such a system, but the current framework remains underdeveloped and inconsistently applied. The absence of mandatory procedures, institutional specialization, and widespread public awareness has relegated mediation to a largely symbolic role. This underutilization represents a missed opportunity at a time when industrial peace and effective labor governance are critical for sustaining investment, maintaining essential services, and meeting EU accession benchmarks.

To unlock the full potential of mediation, a coordinated set of reforms is essential. First, the Labour Code should be amended to introduce mediation as a compulsory precondition to any lawful strike or industrial action in key sectors, such as healthcare, education, transport, and energy. This would mirror best practices from the EU and the ILO while ensuring that negotiation is exhausted before escalation occurs. Second, the creation of a specialized labor mediation unit—either within the National Mediation Service or as a standalone institution—would professionalize the process and guarantee sector-specific expertise, especially for disputes arising outside major urban areas. Third, all collective bargaining agreements should be legally required to contain binding mediation clauses, with appropriate legal incentives and penalties to ensure compliance.

Additionally, capacity building is critical. Investing in mediator training, accreditation programs, and regional accessibility will enhance trust in the system, while public education campaigns can shift perceptions of mediation from a soft option to a credible, effective mechanism for conflict prevention. International cooperation, particularly with EU labor institutions and ILO technical assistance programs, can further accelerate this transition.

These reforms are not aspirational—they are necessary. Under Chapter 19 of the EU acquis communautaire and ILO Conventions Nos. 87, 98, and 154, Albania must demonstrate its ability to manage labor relations through structured social dialogue and effective dispute prevention. Mediation directly supports these objectives, bridging the gap between economic competitiveness and social justice.

In conclusion, the institutionalization of mediation represents a timely and strategic response to Albania's labor governance challenges. Its adoption would reduce litigation and work stoppages, improve employer-employee relations, and

enhance Albania's reputation as a country committed to rule-of-law and European integration. Policymakers must now move beyond pilot initiatives and fragmented efforts, embracing mediation as a central pillar of labor policy. The cost of inaction is rising—so too is the potential reward of a stable, fair, and future-ready labor system

Ethical considerations

Not applicable.

Conflict of Interest

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