Quest Journals
Journal of Education, Arts, Law and Multidisplinary
Volume 15 ~ Issue 6 (Nov. – Dec. 2025) pp: 15-23
ISSN(Online): 2347-2895
www.questjournals.org

Research Paper

"Challenges and Legal Regulation of Employment Relationships in the Digital and Gig Economy"

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Abstract
This paper explores the transformation of the labor market as a result of developments in the digital economy and the growing prevalence of gig work. Through an in-depth analysis, it examines the structural effects of digitalization and globalization on traditional forms of employment, highlighting both the advantages and challenges faced by individuals and organizations. The digital economy has empowered the creation of new platforms, which have increased access to work opportunities and capital resources, while simultaneously intensifying concerns related to job security and social protection.
The gig economy, on the other hand, promotes a flexible model of engagement based on short-term contracts or project-based work, largely dominated by technological enterprises and digital platforms. This study critically assesses the economic, social, and legal implications of these transformations, with particular emphasis on the challenges they pose for regulatory institutions and public policies aimed at safeguarding workers' rights within this new environment. The findings underscore the need for updated policy frameworks to ensure greater equality, protection, and sustainability for workers in the evolving digital labor economy.

Keywords*: Digital Economy, Gig Economy, Online Platform Work, Labor Flexibility, Employment Security, Identity Verification, Workers' Rights, Social Benefits.*

*Received 23 Oct., 2025; **R**evised 02 Nov., 2025; **A**ccepted 04 Nov., 2025 © The author(s) 2025.*
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I. INTRODUCTION

In recent decades, the rapid development of advanced technologies and the expansion of the digital economy have profoundly transformed the way work is conceived and organized (De Stefano, 2016; ILO, 2021). The emergence of digital platforms, the widespread use of artificial intelligence, and the diffusion of flexible work models have created a new economic reality in which the traditional boundaries between permanent employment and independent contracting are increasingly blurred (Prassl, 2018). Within this context, the gig economy—based on short-term engagements and project-based work mediated by technological platforms—has become one of the most dynamic forms of contemporary labor markets (Cherry & Aloisi, 2017).

These transformations have also affected the Albanian labor market, which is now facing changes similar to those observed in developed economies (Kera & Lani, 2021). The growing number of professionals offering remote services through international platforms, as well as the increasing integration of businesses into the digital ecosystem, have created a new employment landscape that demands a reassessment of existing legal and institutional frameworks (European Commission, 2022). While the digital economy has opened new opportunities for innovation and economic development, it has simultaneously raised concerns regarding the protection of workers' rights and the provision of adequate social benefits (Forde et al., 2017).

Accordingly, this study aims to analyze the impact of the digital economy and the gig work model on the labor market in Albania, examining this phenomenon from economic, social, and legal perspectives (Lani, 2023). Its primary objective is to assess whether the current normative framework and public policies are adequate to address the challenges posed by these new forms of employment, as well as to identify the regulatory gaps that require legislative or institutional intervention (European Commission, 2022).

The central hypothesis of this research is that, although the digital economy promotes flexibility and creates new opportunities for labor market participation, it simultaneously generates uncertainty and misalignment with the traditional legal framework governing employment relationships (De Stefano, 2016; Prassl, 2018). This situation requires a new policy approach from public institutions to ensure that digital transformation does not result in the erosion of labor protection or the widening of social inequalities (Forde et al., 2017; European Commission, 2022).

The study's methodology is based on an analysis of existing academic literature, legal documents, and selected case studies illustrating the effects of the digital and gig economies in Albania (Kera & Lani, 2021). The structure of the paper is organized as follows: the first chapter discusses the main theoretical concepts and the global evolution of new work models (ILO, 2021); the second chapter analyzes the economic and social impacts of these developments in the Albanian context (Lani, 2023); and the third chapter focuses on the legal and institutional challenges, offering policy recommendations to adapt the regulatory framework to the realities of the digital economy (European Commission, 2022).

Through this analysis, the study seeks to contribute to the academic and policy debate on the reform of Albania's labor market, viewing it as part of a broader global process of digital transformation that calls for a re-evaluation of traditional paradigms of employment and social protection (De Stefano, 2016; ILO, 2021).

II. THEORETICAL AND CONCEPTUAL FRAMEWORK OF THE DIGITAL ECONOMY AND THE GIG WORK MODEL

2.1 The Concept and Evolution of the Digital Economy

The digital economy represents a new stage in global economic development in which information and communication technology (ICT) has become the cornerstone of production, distribution, and consumption of goods and services (OECD, 2020). It relies on the use of the internet, data networks, and digital platforms that have transformed traditional modes of market operation (ILO, 2021). According to the Organisation for Economic Co-operation and Development (OECD), the digital economy encompasses all activities that fundamentally depend on digital technologies, including e-commerce, online services, and the automation of work processes (OECD, 2020).

The development of the digital economy has been accompanied by profound structural changes in economic and social relations. Castells (2010) defines this new era as the network society, where the center of economic value has shifted from physical capital to knowledge, information, and innovative capability. As a result, both companies and individuals now operate in an open, global, and highly competitive environment. Consequently, traditional notions of workplace and working hours have diminished, replaced by flexibility and remote work (De Stefano, 2016).

At the international level, the digital economy has become a major driver of economic growth. According to the European Commission (2023), about 22 percent of the European Union's GDP in 2023 was directly linked to digital activities, while in the United States this share exceeded 25 percent (European Commission, 2023). However, alongside these opportunities, the digital transformation has created challenges related to digital inequality, data protection, and job security (Forde et al., 2017; Prassl, 2018).

2.2 The Gig Economy Model and Its Characteristics

One of the most significant phenomena arising from the digital economy is the gig economy, which refers to a labor model based on short-term contracts, independent engagements, and mediation through technological platforms (De Stefano, 2016; Prassl, 2018). The term "gig" originates from 1920s American slang used by musicians to describe temporary or occasional work (Woodcock & Graham, 2020). In its modern sense, it encompasses all economic activities in which individuals provide services or products via platforms such as Uber, Upwork, Fiverr, or Glovo (ILO, 2021).

According to Huws (2017), the gig economy represents a new form of post-industrial labor in which technology enables large-scale, real-time intermediation of services. It is characterized by high flexibility, autonomy in time management, and the absence of the classical employer–employee relationship (Huws, 2017; Cherry & Aloisi, 2017). Although this model offers greater freedom and independence, it has created considerable ambiguity regarding the legal status and social protection of workers (Forde et al., 2017).

In several European Union member states, including Germany and Italy, a complex debate has emerged regarding the legal classification of platform workers. Some are considered self-employed, while others are treated as employees under traditional labor law (Aloisi, 2016). This legal uncertainty has prompted major reforms, notably the new EU Directive (2024/123/EU) on improving working conditions in platform work, which aims to ensure stronger protection for platform workers (European Commission, 2024).

From an economic standpoint, the gig economy represents a decentralized form of the labor market, in which value is generated through small, fragmented transactions within a global network of users (Friedman, 2014). This phenomenon has fundamentally altered traditional labor relations, shifting them from stable, long-term employment to a "project-based" and independent work economy (Prassl, 2018; De Stefano, 2016).

2.3 The Interconnection Between the Digital Economy and the Gig Work Model

The digital economy and the gig work model are deeply interconnected and mutually reinforcing processes (Prassl, 2018; ILO, 2021). The digitalization of services has created the technological infrastructure necessary for the existence of labor platforms, while the expansion of the gig economy has accelerated the diffusion of digitalization itself (De Stefano, 2016). This interaction has led to significant benefits in productivity and economic inclusion, yet it has also blurred the boundaries between formal employment and self-employment (Aloisi, 2016).

Prassl (2018) notes that the concept of "human-as-a-service" has emerged as a new paradigm in the labor market, where individuals offer their skills in a fragmented manner through algorithmic mediation. This new form of economic interaction has increased efficiency and competitiveness but has also generated a new "precariat"—a class of insecure workers dependent on market demand and lacking long-term guarantees (Standing, 2011).

In the Albanian context, these developments are still in their early stages (Kera & Lani, 2021). However, as digitalization progresses and Albania integrates further into the European labor market, the gig economy is expected to play an increasingly significant role (Lani, 2023). This evolution calls for a new legal approach that clearly defines the status of platform workers, ensures social protection, and guarantees occupational safety (European Commission, 2024). Only by adapting the regulatory framework to the digital reality can policymakers ensure a balance between economic flexibility and the protection of workers' rights (Forde et al., 2017).

III. THE IMPACT OF THE DIGITAL ECONOMY ON THE LABOR MARKET

3.1 Benefits and Opportunities of the Digital Economy

The digital economy has become a pivotal driver of economic development and labor market transformation (OECD, 2020; ILO, 2021). It generates new employment opportunities, particularly in sectors such as information technology, data science, and cloud services (European Commission, 2023). Platforms like Upwork, Fiverr, and other gig economy mechanisms have expanded access to freelance work, enabling individuals to participate in global markets and diversify income sources (Woodcock & Graham, 2020).

Digital technologies also improve productivity and operational efficiency. Businesses can optimize processes and reduce costs through cloud computing, artificial intelligence (AI), and automation, thereby enhancing service quality and fostering innovation (Brynjolfsson & McAfee, 2014). The global reach facilitated by digital platforms allows firms to expand their customer base beyond local markets, promoting international trade and competitiveness (UNCTAD, 2021).

Innovation is another crucial outcome. Both public and private sectors leverage digital tools to improve services and introduce new solutions (OECD, 2020). Governments can use e-governance platforms to provide citizens with more personalized services, while startups benefit from lowered market entry barriers, fostering entrepreneurship and economic diversification (European Commission, 2023). AI and blockchain technologies further support process automation, security, and transparency in transactions, particularly in finance, healthcare, and logistics (World Bank, 2022).

3.2 Benefits for the Economy and Society

The digital economy promotes innovation and attracts investment (OECD, 2020; World Bank, 2022). Nations and firms that adopt digital technologies early gain competitive advantages, encouraging global investors to prioritize countries with advanced digital infrastructure (European Commission, 2023). This dynamic has contributed to accelerated technological diffusion and the emergence of knowledge-intensive industries (UNCTAD, 2021).

Digitalization drives demand for new skill sets. Competencies in programming, data analysis, and UX/UI design are increasingly essential, prompting educational institutions and vocational training centers to adapt curricula to labor market requirements (ILO, 2021). This evolution fosters workforce preparedness and lifelong learning, which are crucial for sustainable employment in a technologically advanced economy (Brynjolfsson & McAfee, 2014).

Public service delivery has also improved. Digital tools facilitate easier access to governmental services and encourage citizen participation in governance (World Bank, 2022). Countries embracing digital solutions often achieve more efficient, transparent, and accountable administration, promoting social inclusion and responsiveness (OECD, 2020).

Platforms such as Amazon, Uber, and Alibaba have revolutionized business models, created gig-economy jobs, and enabled access to global markets (Woodcock & Graham, 2020). Digital skills have become key drivers of employability and competitiveness, while automation and AI improve productivity across diverse industries (Brynjolfsson & McAfee, 2014). At the same time, digitalization fosters start-up development and the enhancement of public services, highlighting the transformative potential of technologies like AI and blockchain for transparency and efficiency (European Commission, 2023; World Bank, 2022).

3.3 Challenges and Labor Market Issues

Despite its benefits, the digital economy introduces challenges and disparities in labor markets (ILO, 2021; OECD, 2020). Job insecurity has risen due to the prevalence of flexible and temporary employment, remote work, and gig-based arrangements, which often lack traditional benefits and social protections (De Stefano, 2016). The COVID-19 pandemic amplified these vulnerabilities, disrupting work patterns, increasing unemployment, and highlighting the need for adaptive labor policies (World Bank, 2022).

Inequalities remain significant. Gender disparities persist, with women often encountering barriers to leadership positions and earning less than men for equivalent work (ILO, 2020). Racial and ethnic minorities face discrimination in hiring and promotion, while younger workers struggle with experience gaps, and older workers face age-related biases, all contributing to unequal access to opportunities and benefits (Eurofound, 2022).

Informal and undocumented work is another pervasive issue. Globally, many workers engage in employment outside formal economic structures, leaving them exposed to risks, lacking social protection, and impacting tax collection (ILO, 2018). In Italy, for instance, up to 20% of construction workers participate in informal employment (OECD, 2020), while in India, informal labor constitutes approximately 90% of the workforce, particularly in agriculture and low-skilled services (World Bank, 2022). In the United States, informal work persists despite regulatory frameworks, particularly in domestic work and construction (Forde et al., 2017).

3.4 Legal Regulation and Policies in Albania

Albania has implemented legal frameworks and national strategies to create fair, secure, and inclusive labor markets. Key legislation includes the Labor Code of the Republic of Albania (Law No. 7961/1995) and the Employment and Labor Services Law (No. 15/2019), which define employer responsibilities, workplace safety, training, and employment support services (Official Gazette of the Republic of Albania, 2019). These laws facilitate labor market integration, particularly for vulnerable groups, while promoting employment policies, reducing unemployment, and enhancing work conditions (Lani, 2023).

The National Strategy for Employment and Skills Development 2023–2030 outlines objectives to improve workforce skills, align education and training with labor market needs, and increase employment opportunities through integrated and sustainable approaches (Ministry of Finance and Economy, 2023).

3.5 Training Programs and Education

Albania emphasizes professional training, continuous education, and partnerships with industry to address labor market demands (Kera & Lani, 2021). Training programs focus on technology, services, and industrial sectors, ensuring the acquisition of relevant skills. Continuous education enables professionals to update competencies in line with technological evolution. Collaboration with private sectors identifies skill gaps and develops targeted programs to prepare the workforce effectively (European Commission, 2023).

3.6 Inclusion of Vulnerable Groups. Implementation and Monitoring

National strategies specifically target youth, women, individuals with disabilities, and socially disadvantaged communities (ILO, 2021). Programs include vocational training, professional development, business creation support, and workplace adaptation measures. These efforts enhance inclusivity, promote equal opportunities, and reduce barriers to labor market participation (Ministry of Finance and Economy, 2023).

Effective implementation requires assessing needs, monitoring progress, and integrating feedback. Labor market studies identify barriers, skill gaps, and support requirements (World Bank, 2022). Monitoring systems track program performance and outcomes, enabling timely adjustments. Regular feedback from participants through surveys, interviews, and focus groups ensures continuous improvement of strategies and interventions (OECD, 2020).

3.7 Continuous Improvement and Sustainability

Feedback integration enables adaptive policy and program design, ensuring responsiveness to diverse participant needs. Regular review and adaptation foster program sustainability, effectiveness, and participant engagement (Eurofound, 2022). This systematic approach strengthens workforce capabilities, enhances employability, and supports equitable, inclusive, and resilient labor market development.

The digital economy offers transformative opportunities for labor markets, fostering employment, innovation, global market integration, and skill development. Simultaneously, it presents challenges such as job insecurity, informal work, and inequalities. In Albania, legal frameworks, strategies, and targeted programs for vulnerable groups seek to harness the benefits of digitalization while mitigating adverse impacts, promoting an inclusive, sustainable, and resilient labor market (Lani, 2023; European Commission, 2023).

IV. THE IMPACT OF THE GIG ECONOMY ON EMPLOYMENT RELATIONS AND WORKERS' RIGHTS

4.1 Employment Structures and Contracts in the Gig Economy

The gig economy, encompassing temporary engagements and freelance work through digital platforms, has significantly transformed traditional employment structures and the types of contracts used. Workers now often engage in short-term projects rather than long-term, stable employment, leading to new patterns of labor market participation (OECD, 2022). International organizations such as the OECD and the International Labour Organization (ILO) have documented these shifts, highlighting both opportunities and vulnerabilities associated with gig work(International Labour Organization [ILO], 2022).

Gig economy contracts are usually project-based or limited in duration. This model offers high flexibility for both workers and employers, allowing individuals to engage in multiple projects simultaneously and for companies to access talent on-demand(OECD, 2022). In sectors such as transportation, delivery services, and digital freelancing, these flexible contracts are especially common. For example, Uber drivers work on an as-needed basis without a permanent employment relationship, enabling flexible scheduling. Likewise, platforms like Upwork allow freelancers to accept projects from multiple clients, each project governed by its own temporary agreement (OECD, 2022).

4.2 Limited Protections and Social Security Challenges

A significant issue within the gig economy is the lack of comprehensive social protection. Gig workers often do not have access to health insurance, unemployment benefits, or retirement plans (International Labour Organization [ILO], 2022). This absence of security directly affects their wellbeing and financial stability. The OECD emphasizes the need for reforms to provide adequate benefits for gig workers, including healthcare coverage, unemployment assistance, and pension contributions (OECD, 2022).

Health Insurance: Many gig workers face difficulties obtaining affordable and comprehensive health insurance, leaving them vulnerable to high medical costs in the event of illness or injury.

Retirement Savings: Without consistent contributions to a pension system, gig workers face challenges in securing financial stability for retirement, increasing long-term vulnerability.

4.3 Platform-Mediated Employment Relations

Gig work is predominantly mediated through digital platforms, which connect workers with clients but rarely assume responsibility for employment protections. Platforms like Airbnb link property owners with guests but do not provide insurance against damages or payment disputes. TaskRabbit enables workers to perform tasks for multiple clients yet offers minimal legal or social support (OECD, 2022).

While platform mediation increases accessibility and flexibility, it often creates employment relationships lacking the stability and legal protections of traditional contracts. The ILO highlights that workers enjoy freedom in scheduling and project selection, yet this flexibility is often accompanied by income volatility and limited institutional support (ILO, 2022).

Financial Insecurity: Gig workers frequently experience irregular earnings and periods without income.

Job Instability: Lack of guaranteed contracts creates uncertainty regarding future employment opportunities.

4.4 Key Challenges and Social Protection Needs

One of the primary challenges in the gig economy is establishing social protection systems that address the specific needs of workers in this sector. Adequate coverage would include health insurance, pension contributions, and unemployment benefits (OECD, 2022). OECD reports suggest that policies should balance flexibility with security, ensuring a fair and sustainable system for gig workers (OECD, 2022).

Health Insurance Gaps: Many gig workers, particularly in transportation and delivery, lack access to employer-sponsored health insurance.

Pension and Unemployment Risks: Gig workers are often excluded from traditional systems, leaving them vulnerable to financial insecurity and unprepared for retirement (ILO, 2022).

4.5 Regulatory Efforts and International Initiatives

Several countries and international organizations have developed frameworks to address gig worker protection. European Union reforms, for example, propose directives for transparent and predictable working conditions, ensuring minimum standards for social security coverage (European Commission, 2021).Some digital platforms, like Lyft and DoorDash, have initiated programs offering health insurance and unemployment support to improve worker welfare (OECD).

Sweden's Social Security System: Sweden has implemented mechanisms that integrate gig workers into social protection schemes, providing healthcare coverage and retirement benefits.

This model illustrates how policies can be adapted to cover non-traditional employment structures (Swedish Social Insurance Agency, 2020).

4.6 Opportunities for Reform and Policy Development

Improving gig worker protection requires new policies and programs tailored to the sector's unique characteristics. Legislative reforms could include:*Expanding Labor Laws to Include Gig Workers:* Amendments to labor codes should explicitly cover flexible contracts and independent work, ensuring access to social protections (OECD).

Developing Social Insurance Mechanisms: Systems should provide health insurance, unemployment benefits, and retirement plans for independent workers (ILO).

Establishing Specialized Monitoring Units: Dedicated agencies can ensure compliance, address grievances, and provide legal guidance to both workers and platform operators (World Bank, 2021).

Specialized monitoring units would perform several key functions:

Implementation Oversight: Ensuring laws regulating labor relations and social protection are enforced.

Complaint Resolution: Addressing disputes arising from platform-mediated work.

Guidance and Support: Helping workers understand and access available protections (World Bank, 2021).

The World Bank emphasizes that dedicated institutional structures improve the effectiveness and fairness of social protection systems, providing accountability and enhanced worker rights enforcement (World Bank, 2021).

4.7 Challenges and Prospects for Albania

In Albania, current legislation inadequately addresses gig economy specifics. The Labor Law (No. 136/2015) primarily governs traditional employment relationships, leaving independent gig workers without comprehensive protections (Republic of Albania, 2015).Integration into social security systems remains limited, exposing workers to health, unemployment, and retirement risks (World Bank, 2021).

Proposed reforms for Albania include:

1. Legal amendments or specialized legislation to cover gig contracts.
2. Expansion of social security systems to include independent and platform-based workers.
3. Establishment of monitoring units to ensure compliance and address disputes.

Implementing these reforms would enhance worker security, improve compliance, and foster a more equitable labor market in Albania, aligning national regulations with international standards (World Bank, 2021).

The gig economy significantly reshapes employment relations, offering flexibility and new opportunities while exposing workers to instability and inadequate social protection. Effective legal frameworks, institutional oversight, and social insurance reforms are essential to safeguarding worker rights. International examples provide guidance, and Albania can adopt tailored solutions to ensure gig workers benefit from protections comparable to those in traditional employment, promoting fairness, sustainability, and inclusive labor market development.

V. CASE STUDIES AND ANALYSIS OF THE DIGITAL AND GIG ECONOMY IN ALBANIA

The rise of digital and gig economies has significantly transformed Albania's labor market, created new opportunities while simultaneously introduced unique challenges. These emerging economic sectors have reshaped employment structures, introducing flexible work arrangements and project-based engagements that differ markedly from traditional employment models(OECD, 2022).

5.1. Online Work Platforms

Freelance platforms such as Upwork, Freelancer, and Fiverr have become increasingly prevalent in Albania, offering individuals the opportunity to provide services on an international scale. Albanian professionals, particularly in IT, graphic design, translation, and content creation, have leveraged these platforms to connect with global clients and earn project-based income(International Labour Organization, 2022).

Analysis and Impact: The use of online platforms has expanded employment opportunities and diversified income sources for Albanian workers. Participants can work remotely, set their own schedules, and access international markets without geographic limitations(OECD, 2022).However, this model also presents challenges. Many platform workers face low wages, lack access to social protection, and have limited opportunities for unemployment benefits or pensions. Additionally, intense competition among freelancers can pressure individuals to reduce service fees, potentially undermining the quality and sustainability of their work(International Labour Organization, 2022).

5.2.Gig Economy in Transport Services

Ride-hailing services such as Bolt® have substantially altered Albania's transport sector. These platforms offer employment opportunities for individuals, particularly the unemployed or those seeking supplementary income. Flexible work arrangements allow drivers to earn immediate revenue, catering to consumer demand for cost-effective and efficient transportation(OECD, 2022).

Analysis and Impact: The introduction of gig-based transport services has increased competition and provided new employment avenues. While these services offer flexibility and immediate earnings, they also expose workers to significant challenges, including low pay, insufficient social protection, and high-performance pressures from platform algorithms. Drivers often lack access to health insurance, unemployment benefits, and retirement plans, which diminish their economic security(OECD, 2022). The high demand for consistent service quality may further exacerbate occupational risks, including long hours and unsafe working conditions.

5.3. Gig Economy in Delivery and Household Services

Platforms such as Glovo and Bolt Food have similarly expanded in Albania, providing delivery and home assistance services. These platforms appeal to individuals seeking flexible work and immediate income generation opportunities(International Labour Organization, 2022).

Analysis and Impact: While delivery platforms have increased employment availability and improved consumer access to services, workers often face precarious conditions. Low wages, limited social protections, and irregular schedules create vulnerabilities. The absence of health insurance, unemployment support, and pension contributions underscores the need for targeted interventions to safeguard worker rights and enhance occupational stability(OECD, 2022).

5.4. Policy Analysis and Recommendations.

Case studies indicate that while the digital and gig economy contributes positively to Albania's employment landscape, several policy gaps hinder fair and sustainable work conditions. Addressing these gaps requires a combination of regulatory frameworks and institutional support mechanisms.

Dedicated support structures should be created to provide social protection and legal safeguards for gig economy workers. Such institutions could oversee the implementation of labor policies, monitor compliance, and ensure that workers benefit from statutory protections. A centralized agency could facilitate grievance redressal, advise workers on rights and entitlements, and promote transparency in platform operations(World Bank, 2021).

Regulatory frameworks must be updated to accommodate the specificities of the digital and gig economy. Laws should mandate minimum standards for wages, occupational safety, social insurance, and other employment protections. Comprehensive regulations would help stabilize working conditions, ensure equitable treatment, and support sustainable growth of these emerging sectors(World Bank, 2021).

5.5 Comparison with International Practices

Several international models provide insight into effective gig economy regulation. These examples can guide Albania in creating a balanced approach that ensures flexibility while protecting workers.

Germany updated its labor laws in 2022 to address platform workers' needs, requiring platforms to ensure social security contributions and health coverage. These reforms created a fairer, more regulated environment for gig workers, mandating transparency in contracts and equitable remuneration(German Federal Ministry of Labour and Social Affairs, 2021).

The Netherlands has implemented a robust social security framework for gig workers, including health insurance and pension coverage. This integration supports financial stability and wellbeing, demonstrating the benefits of extending traditional labor protections to non-standard employment(Dutch Ministry of Social Affairs, 2020).

Sweden's social protection system explicitly includes gig workers, providing health benefits, unemployment support, and pension schemes. This model illustrates the effectiveness of broad social coverage in safeguarding platform workers' welfare(Swedish Social Insurance Agency, 2020).

In the UK, legislative changes have strengthened gig workers' participation in unions, allowing collective bargaining and improved labor protections. Union representation has enhanced workplace conditions and legal safeguards for platform workers(UK Department for Business, 2021).

In Canada, gig workers can join unions and negotiate for better working conditions, showcasing how organized labor participation can improve occupational standards and social protections in the gig sector(Canadian Labour Congress, 2023).

5.6 Practices and Policies in Albania

The primary regulatory framework in Albania, Labor Law No. 136/2015, governs employment relationships but does not adequately address the specific needs of gig economy workers. Legal gaps result in insufficient social protections and limited occupational security for platform workers(Republic of Albania, 2015).

Many gig workers in Albania lack access to unemployment assistance, healthcare coverage, and pension systems. Existing social insurance mechanisms rarely encompass platform-based work, leaving workers vulnerable and economically insecure(OECD, 2022).

The absence of organized unions for gig workers further limits their ability to advocate for better wages, working conditions, and protections. Low union representation diminishes workers' bargaining power and exposes them to exploitative practices(International Labour Organization, 2022).

VI. RECOMMENDATIONS

Updating Labor Legislation: Albania should revise labor laws to explicitly include gig economy workers, ensuring access to healthcare, unemployment support, and pension systems(Bundesministerium für Arbeit und Soziales, 2022).

Developing Dedicated Social Security Systems: Creating a tailored social protection system for gig workers would stabilize their financial security and improve occupational wellbeing(World Bank, 2021).

Supporting Unionization and Worker Representation: Policies should encourage union formation and collective bargaining, enabling gig workers to negotiate fair employment terms and access protective measures(Canadian Labour Congress, 2023).

Implementing these measures would foster a fairer and more sustainable gig economy, aligning Albania's labor standards with international best practices while protecting the rights and welfare of workers.

VII. CONCLUSION

In conclusion, the study of the impact of the digital and gig economy in Albania demonstrates a profound transformation of the labor market, creating new opportunities for flexible engagements while simultaneously exposing significant challenges regarding social protection and financial stability for workers. Case analyses indicate that platforms such as Upwork, Fiverr, Bolt, and Glovo have provided substantial opportunities for individuals to generate income and access international markets, contributing to work diversification and flexible scheduling, particularly for IT professionals, graphic designers, translators, and content writers. These platforms enable workers to operate from home and determine their working hours, facilitating income generation in a globally competitive environment(OECD, 2022). However, this flexibility often comes at a cost, as the absence of health insurance, pension plans, and unemployment support creates a precarious and unstable economic situation. Workers frequently face pressure to reduce service prices due to market competition, which can compromise work quality and career sustainability(International Labour Organization, 2022).

Furthermore, in sectors such as transportation and delivery services, the benefits of flexibility are juxtaposed with high occupational risks, income instability, and the necessity to maintain customer satisfaction under insecure working conditions(World Bank, 2021).Analyses of international policies and practices show that legal frameworks and social protection systems tailored to gig workers in countries such as Germany, the Netherlands, Sweden, the United Kingdom, and Canada have established models that Albania could emulate. These systems include health insurance, unemployment support, pension schemes, and opportunities for union participation, contributing to a more equitable and regulated environment for platform workers(German Federal Ministry of Labour and Social Affairs, 2021).

Based on these findings, it is recommended that Albania strengthen its legal framework by either enacting dedicated legislation or amending Law No. 136/2015 on Labor to address the specific needs of gig economy workers. Such legislation should cover flexible contracts, provide adequate health insurance, unemployment support, and pension provisions, and facilitate union formation and collective bargaining rights(Swedish Social Insurance Agency, 2020). Additionally, the establishment of specialized monitoring and enforcement units is crucial to ensure compliance with labor laws and social protection policies, safeguarding workers' rights and reducing economic insecurity(Canadian Labour Congress, 2023).

Overall, integrating international best practices with policies adapted to the unique characteristics of the digital economy could promote sustainable economic growth, improve workers' well-being, and create a more equitable and fair labor market in Albania. This approach ensures that the advantages of flexibility and technological innovation are not accompanied by insecurity and insufficient social protection(Bundesministerium für Arbeit und Soziales, 2022).Institutional and legal interventions are therefore essential to establish a sustainable ecosystem that guarantees protection, equity, and the long-term stability of Albania's emerging digital and gig economy workforce.

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