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This policy paper is part of the “Fashioning A Just Transition” project (2024-2027)

POLICY PAPER

Integrating “Just Transition” principles into National policies in Albania. On challenges, gaps, and opportunities in the Garments and Footwear Sector.

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Executive Summary

A Just Transition in the Textile and Footwear Sector in Albania

Albania stands at a turning point. As a candidate country for the European Union (EU), it must align its labour and environmental policies with the European Green Deal. The textile and footwear sector (a key export industry employing over 50,000 people, 85% of whom are women) is central to this transition. This document analyses the sector’s readiness for a Just Transition—a concept developed by the International Labour Organization (ILO) and supported by the Group of Twenty (G20) and the Paris Agreement, which ensures that environmental sustainability is achieved alongside social justice, the creation of quality jobs, and strong social dialogue.

Challenges:

- The textile and footwear sector is dominated by women (85–95%) and is highly dependent on short-term contracts with European markets.
- Current national strategies do not integrate the principles of Just Transition, creating risks of job insecurity, gender inequality, and poor working conditions.
- Key challenges include low wages, delayed payments, lack of regular contracts, minimal social protection, weak trade union representation, and limited environmental awareness.
- Empirical data reveal that 75% of workers have not received vocational training on safety or sustainability, and 65% are not familiar with the concept of Just Transition. Gender inequalities persist in leadership roles.

In addition, within public administration there is sporadic implementation, fragmented coordination, limited resources, insufficient training, and inconsistent application of Just Transition initiatives.

Meanwhile, companies show willingness to invest in green practices but face financial, technical, and regulatory barriers. Pilot initiatives demonstrate that even small interventions in recycling, energy efficiency, and training can deliver measurable economic and environmental benefits.

Opportunities:

Pilot initiatives in Albanian factories, aligned with international programmes such as the International Labour Organization (ILO) SCORE programme (Sustaining Competitive and Responsible Enterprises – SCORE), demonstrate tangible benefits. Simple interventions in recycling and energy efficiency have resulted in cost savings of 8–12%, reductions in energy consumption of up to 25%, and productivity increases of 15–20%. These practices, combined with the active involvement of women in monitoring roles, confirm that a green transition can be both economically viable and socially empowering.



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Key Recommendations:

To harness this potential, this document proposes a structured roadmap, implemented in three phases (2025–2030), built on five pillars:

1. **Institutional Integration** – Establishment of a National Just Transition Council and an interministerial Task Force to harmonise policies (2025–2026).
2. **Financial and Technological Support** – Launch of pilot financing schemes for 50 companies, using European Union (EU) / Instrument for Pre-Accession Assistance (IPA) / European Bank for Reconstruction and Development (EBRD) funds for green investments and skills development (2026–2028).
3. **Social Dialogue and Worker Empowerment** – Revitalisation of trade unions and creation of tripartite forums to address grievances and promote social protection (2026–2029).
4. **Alignment with International Standards and Gender Equality** – Integration of International Labour Organization (ILO) Conventions, Sustainable Development Goal 5 (SDG 5), and the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) into all transition policies, ensuring women’s participation in leadership (2025–2030).
5. **Partnership and Innovation** – Development of training programmes, digital platforms, and pilot projects to promote transparency, monitoring, and experience sharing (2025–2030).

Implementation Roadmap

- Phase 1 (2025–2026) – Legal framework and institutional coordination.
- Phase 2 (2026–2028) – Piloting of green investments and training programmes.
- Phase 3 (2028–2030) – Full implementation with continuous monitoring, gender inclusion, and alignment with European Union (EU) standards.

Conclusion: *A Just Transition is not merely an environmental necessity but a comprehensive strategy to improve workers’ well-being, productivity, and gender equality. Without urgent intervention, the sector risks stagnation and the deepening of inequalities.*

Effective implementation can transform fragmented pilot practices within Albanian businesses into a regional model of green, inclusive, and competitive industrial development.



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Introduction

The Necessity of a Just Transition in Albania

The global transformation towards a low-carbon and circular economy, driven by the European Green Deal and the United Nations (UN) Sustainable Development Goals (SDGs), presents both a challenge and an opportunity for Albania. The concept of a Just Transition, developed by the International Labour Organization (ILO) in 2015 and endorsed by the Group of Twenty (G20) and the Paris Agreement, provides the essential framework to ensure that this transformation leaves no one behind. It mandates the integration of environmental policies with social justice, promoting decent work, training for “green skills,” and effective social dialogue.

In the global context, industries such as textiles and garments, which employ approximately 300 million people worldwide, face significant pressure from requirements for ethical and sustainable production, as dictated by European Union (EU) regulations and the Sustainable Development Goals (SDGs). International success stories, such as the transition towards circular textiles in Kenya with support from the European Union, where emissions were reduced by 25% and women were empowered within the supply chain, demonstrate that a Just Transition can create economic opportunities without sacrificing social justice. Similarly, in Bangladesh, a report by the Laudes Foundation shows how circular policies in the textile sector have promoted investments in resource efficiency, creating green jobs and strengthening social protection for workers.

In Albania, as a candidate country for European Union membership, this transition takes on particular urgency, especially in the textile, clothing, leather, and footwear sector (TCLF), commonly known as the “fason” sector. This sector, which makes a significant contribution to employment and exports, employs over 50,000 people, approximately 85% of whom are women, and has been a pillar of economic development during the post-communist transition. However, the sector faces structural challenges, including low wages, difficult working conditions, insecure three- to six-month contracts with European markets such as Italy and Germany, lack of effective trade union representation, and limited environmental awareness. According to the International Labour Organization (ILO) mapping report on the TCLF sector in Albania, the industry has potential for a transition towards sustainability but requires support to address barriers such as the high costs of automation and the lack of training. International Labour Organization (ILO) initiatives, such as the Sustaining Competitive and Responsible Enterprises (SCORE) programme, have demonstrated success cases in Albania, improving productivity and working conditions in textile and footwear factories, reducing waste, and promoting green practices in Tirana and Durrës. Likewise, the United Nations Industrial Development Organization (UNIDO) Zero Draft Roadmap for the TCLF sector in Albania assesses



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progress towards sustainability, identifying factories that have adopted renewable energy and waste management practices, with export growth of up to 10%.

Purpose

This policy document aims to provide a strategic framework for integrating the principles of a Just Transition into Albania’s national policies, with a focus on the textile and footwear sector, in order to ensure a sustainable economic transformation that respects social and environmental justice. Through the analysis of gaps and opportunities, based on empirical data and domestic and international success examples, the document seeks to guide policymakers, institutions, and social actors towards the creation of a decent, inclusive, and sustainable working environment, while strengthening alignment with international standards.

By linking to international standards such as the International Labour Organization (ILO) Conventions, the European Union (EU) Labour Code, Sustainable Development Goal 5 (SDG 5 – Gender Equality), the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), and the European Green Deal (EU Green Agenda), the document proposes measurable and actionable recommendations up to 2030. Through domestic and global examples, it emphasizes that a Just Transition is not only an environmental necessity, but also an opportunity for fair, inclusive, and competitive development, avoiding the deepening of inequalities and empowering women as the core workforce of the sector. Only in this way can Albania transform today’s challenges into a sustainable model for the future..

More specifically, this document aims to:

1. Identification of key gaps by analysing the legal, institutional, and social barriers that hinder the adoption of a Just Transition in the garment industry, drawing on findings from questionnaires, interviews, and case studies.
2. Proposal of implementable policies by formulating SMART recommendations (Specific, Measurable, Achievable, Relevant, and Time-bound) to address challenges such as low wages, lack of social dialogue, and environmental constraints, with the aim of improving working conditions and competitiveness by 2030.
3. Strengthening gender equality through the promotion of policies that empower women, who constitute 85% of the workforce, by ensuring their inclusion in decision-making processes and access to training for green skills.
4. Integration with international standards by linking national policies with the International Labour Organization (ILO) Conventions, Sustainable Development Goal 5 (SDG 5 – Gender Equality), the Convention on the Elimination of All



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Forms of Discrimination against Women (CEDAW), and the European Green Deal (EU Green Agenda) to ensure alignment and international support.

5. Promotion of success stories to draw lessons from successful initiatives, such as the International Labour Organization (ILO) SCORE programme in Albania and the circular transition in Kenya, in order to build an adaptable model for the Albanian garment industry.
6. Establishment of a monitoring framework by setting measurable indicators to assess the progress of the Just Transition, including the increase in collective agreements, the number of supported enterprises, and the percentage of women in decision-making roles.

Methodology and Sources

The analysis of this policy paper is based on an integrated approach, combining empirical and qualitative data to identify gaps and formulate actionable recommendations. The main methods include:

- Questionnaires and interviews with sector workers, drawing on findings from trade union organizations and worker networks, covering working conditions, rights, gender equality, and sustainability.
- Examples: Workers report high physical workload, average safety levels, and partial legal knowledge.
- Consultations with small and medium-sized enterprise managers, focusing on the business perspective and analysing barriers such as initial costs for green technologies and the lack of subsidies.
- Analysis of national strategic documents (2020–2025), including the assessment of labour, environmental, and inspectorate legislation, identifying the lack of integration of Just Transition principles.
- Studies and case studies, including ILO, Clean Clothes Campaign, ETUC, government publications, and specific cases such as “Just Transition in the Garment Industry in Albania,” highlighting dynamics such as tripartite dialogue and support for green investments.
- Observation of good practices from companies that have implemented waste recycling, energy-saving measures, and sporadic training, providing pilot examples for transition.

This combination ensures a balanced analysis, integrating field-based perceptions with official evidence to identify real and existing gaps.

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1. Policy Context and Background

1.1. Global Changes and Their Impact on the Albanian Labour Market

The concept of Just Transition was developed by ILO in 2015 and endorsed by G20 and the Paris Agreement, emphasizing the need to integrate environmental policies with workers' social protection during the shift towards a low-carbon economy. This transition is not limited to emissions reduction alone, but also includes the creation of decent jobs, training for green skills, and strong social dialogue. At the global level, industries such as textiles face increasing pressure from consumers and EU regulations for ethical and sustainable production, requiring environmental and social certifications.

For Albania, as an EU candidate country, alignment with the EU Green Deal is essential but has a direct impact on the labour market. The garment and footwear sector, which is dependent on short-term three- to six-month contracts with European markets (Italy, Germany, France), faces the risk of job losses if it does not adapt. Findings from case studies show that workers, primarily women, associate sustainability with improvements in job quality, while trade unions view it as a means of protecting incomes during technological changes. Without the integration of Just Transition principles, the transition risks exacerbating inequalities, as evidenced by difficult environmental working conditions (heat in summer, cold in winter) and the lack of protective measures.

1.2. National Context and Priority Sectors

In Albania, the textile and footwear sector makes a significant contribution to employment and exports, but is characterised by a weak structural foundation. The number of employees ranges from 48 to 95 per factory, with women representing 85–95% of the workforce in production roles. Current national strategies, such as the National Strategy for Development and Integration 2030 and the Employment Strategy, do not include the concept of Just Transition and lack measurable indicators for social or environmental progress.

Key challenges include low wages and delayed payments, extended working hours without overtime compensation, lack of regular contracts, and minimal health protection. Trade unions remain largely inactive, leaving workers without effective representation in negotiations. Case studies show that women dominate the workforce but are underrepresented in senior decision-making positions, while environmental awareness remains at an early stage, with sporadic waste recycling practices. These elements make the transition a multidimensional issue: social (weak dialogue), economic (high costs of automation), and gender-related (limited support for maternity leave).

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2. Empirical Findings

2.1. Workers’ Perspective

Based on questionnaires and interviews, it emerges that 75% of workers have not received vocational training in safety or sustainability, while 65% are not familiar with the concept of Just Transition or “green jobs.” Working conditions are generally regulated, but are accompanied by high physical workload, difficult environmental conditions, and insufficient safety equipment. Wages remain low and are often delayed, while contracts are formally regular but offer limited prospects for professional advancement.

Legal rights are only partially known, mainly during external audits, while trade unions are passive and have limited influence in negotiations. Complaints are addressed, but sustainable solutions and institutional protection mechanisms are lacking. Gender equality is a key issue, as women make up approximately 90% of the workforce in the textile and footwear sector, yet remain underrepresented in decision-making positions. Although maternity leave policies are implemented in some factories, physical strain and lack of flexibility in working hours continue to pose significant challenges.

With regard to sustainability, some enterprises have begun to apply basic practices such as recycling and energy saving; however, training related to these initiatives remains sporadic and uncoordinated. Workers perceive a Just Transition as an opportunity to improve working conditions and safety, but view it as difficult to achieve without financial and institutional support. At the same time, case studies from Albanian factories provide convincing evidence that a Just Transition is both achievable and economically beneficial..

Case Studies and Positive Practices

Case 1 – Small enterprise with 48 employees (production of work jackets for the European market)

This enterprise has initiated the separation and recycling of textile waste, sending it for processing to local companies that reuse it in secondary products such as furniture fillings.

The results include a reduction in cleaning and transportation costs of approximately 8%, improved workplace hygiene, and increased employee satisfaction.

Small enterprises can benefit both economically and environmentally from simple recycling practices, contributing to a more sustainable and healthier work culture.

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Case 2 – Medium-sized enterprise with 65 employees (production of footwear and accessories for European markets)

This company has implemented energy-saving measures and improvements in environmental working conditions, including:

- LED lighting in production lines,
- new ventilation systems to reduce air pollution,
- environmental training for 20 employees, focused on the management of chemical waste and wastewater.

The results include a 12% reduction in energy consumption and a decrease in health-related absenteeism, particularly among women workers. This case demonstrates that a Just Transition promotes technological modernisation and worker well-being, especially in sectors where women constitute the majority of the workforce.

Case 3 – Large enterprise with 89 employees (production for textile exports)

This enterprise has established an integrated energy and waste management system, using:

- solar panels for outdoor lighting,
- recycling of plastic packaging,
- internal training on safety and energy efficiency.

An internal “eco-work” group has also been established, composed primarily of women, which monitors waste separation and energy saving. This case shows that a Just Transition can serve as an instrument for gender empowerment and the development of a culture of shared environmental responsibility.

2.2. Public Administration Perspective

Public institutions have a partial understanding of existing legal frameworks (Labour Law, Labour Inspectorate), but an integrated policy on Just Transition is lacking.

Implementation is partial and sporadic, with limited resources and insufficient interinstitutional coordination. Cooperation between labour, environment, and vocational education structures remains fragmented. Only a few institutions link the concept of Just Transition to the green economy or sustainable jobs, but concrete implementation is largely absent. Key challenges include the lack of training for public staff, limited financial resources, and weak social dialogue mechanisms.

From an institutional perspective, public administration has begun to recognise the importance of synchronising labour and environmental policies, but requires international support, legal reform, and permanent coordination mechanisms.

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2.3. Business Perspective

Garment and footwear manufacturing enterprises operating for European markets show willingness to improve, but are hindered by the lack of fiscal incentives and technical support. Their structure is centred on insecure subcontracting arrangements, with a feminised workforce and low wages relative to workload. Implementation of the Labour Code is largely formal, while practical monitoring remains partial. Trade unions are inactive and have no role in decision-making processes. Environmental practices exist in some cases (use of LED lighting, waste recycling, improved ventilation), but knowledge of the circular economy remains limited.

Key barriers: high investment costs, lack of technical expertise, and the absence of a national strategy for green incentives.

From a forward-looking perspective, a Just Transition is seen as a necessity for European integration, but as unattainable without supportive instruments and long-term implementation plans..

Table 1 – Analytical summary of cases

Implementation element	Example	Key effect	Scaling potential
Waste Recycling	Enterprise with 48 employees	8% cost savings and cleaner environment	Collaboration with local recycling companies
Energy Efficiency	Enterprise with 65 employees	12% reduction in energy consumption and improved working conditions	Model for fiscal subsidies
Training and Gender Participation	Enterprise with 89 employees	Active inclusion of women and self-management of environmental practices	National “Green Skills” program

These empirical findings and practical cases demonstrate that elements of a Just Transition are already present within Albanian industrial practice, albeit in a fragmented manner and without a unified strategy.

Enterprises are experimenting with recycling, energy efficiency, and environmental training, which contribute to improved working conditions, increased awareness, and higher efficiency.

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At the same time, these practices represent political and economic potential for the development of new national policies related to:

- the inclusion of women in green transition processes,
- sustainable vocational training, and
- fiscal support for businesses that apply green standards.

In conclusion, a Just Transition can serve as an integrative platform linking labour, the environment, and social equality, transforming the current sporadic experiences of Albanian enterprises into a sustainable national strategy for green development.

Table 2 – Summary of gaps and opportunities for transition

Area	Current gap / Main challenges	Impact	Need for intervention / transition opportunities	Measurement indicators	Pilot examples
Legal	Lack of integration of “Just Transition” principles into Labor Law	Social insecurity, inadequate protection for workers during transition	Legal and environmental reforms; integration of Just Transition into national legislation	Number of legal mechanisms implemented	Draft law for Task Force; integration with CEDAW for gender equality
Institutional	Lack of inter-ministerial coordination	Fragmented policies, lack of harmonization	Inter-sectoral Task Force; strengthening inter-ministerial coordination	Number of inter-ministerial meetings/reports	Inter-ministerial reports; collaboration with unions for tripartite dialogue
Social	Weak social dialogue, lack of active unions	Conflicts, lack of worker voice	Strengthening unions; involving workers in social dialogue	% of workers represented by unions	Worker training; models from Clean Clothes Campaign
Economic	Limited funds for	Lack of incentives	Fiscal schemes	Number of enterprises	50 supported

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	green innovation	for sustainable development	and grants; financial incentives for innovation	financially supported	enterprises ; recycling in pilot factories
Gender	Unprotected women in transition	Marginalization, lack of decision-making representation	Active gender policies, training, promotion of gender equality	% of women in decision-making roles	40% women in roles; maternity leave and promotion programs

3. Analysis of Economic and Environmental Impact

Results from the case studies and empirical findings show that Albanian enterprises, despite operating under limited institutional conditions and with minimal public support, are managing to generate measurable economic and environmental impacts through gradual interventions within the framework of a Just Transition.

3.1. Economic Impact

From an economic perspective, enterprises that have begun applying measures related to recycling, energy management, and environmental training have reported:

- Operational cost savings of 8–12%, mainly due to waste recycling and the use of LED lighting;
- Reductions in energy consumption of up to 25% in enterprises that have installed energy-efficiency systems (solar panels, upgraded ventilation, energy-saving equipment);
- Productivity increases of 15–20% in enterprises that have implemented training on green skills, as a result of improved working conditions, reduced physical strain, and increased awareness of occupational safety.

In export markets, the adoption of environmental standards is increasingly perceived as a competitive advantage. The cases examined show that relatively small investments in clean technologies and waste management have enhanced the credibility of Albanian companies vis-à-vis European partners, positively affecting the continuity of manufacturing and subcontracting contracts.

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It is projected that the implementation of financial support schemes for 50 similar enterprises could generate export growth of 10–12% within three years, provided these measures are supported by fiscal policies and green subsidies.

3.2. Environmental Impact

Based on the analysis of the cases, clear positive environmental impacts are identified:

- Reduction of industrial waste by up to 30% through the separation and recycling of textile and plastic materials;
- Improvement of indoor air quality as a result of installing ventilation systems and LED lighting;
- Reduction of acoustic and thermal pollution along production lines, directly linked to increased workplace comfort;
- Development of an internal environmental culture, where workers take an active role in waste separation and energy-saving processes (e.g. through “eco-work” groups in enterprises with 89 employees).

These effects demonstrate that even without large-scale investments, targeted environmental interventions can generate a dual impact, both by reducing the ecological footprint and by improving working conditions. In particular, the involvement of women in monitoring roles related to sustainable practices has contributed to increased collective awareness and to functional gender equality.

3.3. Social Impact and Risks of Insufficient Support

Findings from workers and public administration indicate that:

- The lack of social dialogue and clear cross-sectoral policies renders a Just Transition fragmented and often not inclusive;
- The main risk is that green investments are interpreted solely as market requirements, without being accompanied by social protection and equitable access to vocational training;
- This may lead to job losses in certain traditional sectors and to the deepening of gender inequalities if institutional support for labour reorientation is absent.

On the other hand, the active involvement of women in environmental processes (such as in the case of “eco-work” groups) demonstrates that a Just Transition can become an instrument for empowerment and enhanced dignity at work, when accompanied by training policies, fiscal incentives, and effective social dialogue mechanisms.

The integration of environmental and economic dimensions within manufacturing enterprises demonstrates clear potential for sustainable development in Albania.

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A Just Transition, if supported by public policies, can lead to:

- increased productivity and export competitiveness,
- reduced pollution and improved working conditions,
- broader inclusion of women in decision-making processes, creating a national model of integrated Green Employment practices.

4. Policy Options

Based on empirical findings and measured economic and environmental impacts, a Just Transition in Albania requires an integrated approach that links labour policies with environmental and economic development policies. The options outlined below provide a possible framework for interventions to build a sustainable and inclusive model.

Option 1 – Institutional Integration and Cross-Sectoral Governance

Objective: To ensure coherence between labour, environmental, and economic development policies, avoiding institutional fragmentation.

Proposed measures:

- Establishment of a National Just Transition Council, with a legal mandate to coordinate cross-sectoral policies;
- Inclusion of representatives from relevant ministries (Labour, Environment, Economy), trade unions, employers’ organizations, and civil society;
- Development of a National Just Transition Strategy 2026–2030, aligned with ILO Guidelines and the EU Green Deal.

Expected impact: Increased institutional coherence and more efficient use of public resources; policy alignment with European standards.

Option 2 – Financial and Technological Support for Enterprises

Objective: To accelerate technological transformation and improve working conditions through green financing mechanisms.

Proposed measures:

- Use of IPA III, EBRD, and EU instruments to invest in green equipment, green skills training, and recycling processes;
- Introduction of priority criteria for enterprises employing a majority of women, promoting gender equality as a condition for financial support;
- Establishment of a pilot grant scheme for enterprises implementing energy and waste management systems.

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Expected impact: Energy and waste savings at levels of 20–30%; productivity increases of 15–20%; stimulation of women’s employment in manufacturing sectors.

Option 3 – Social Empowerment and Structured Dialogue

Objective: To ensure that the transition is genuinely “just” for workers, through social protection and equal participation.

Proposed measures:

- Revitalisation of trade unions through technical support and inclusion in collective bargaining;
- Establishment of social mediation mechanisms to address grievances and violations (non-payment of overtime, safety conditions, gender discrimination);
- Creation of tripartite forums (workers–employers–government), linked to the National Just Transition Council.

Expected impact: Reduction of labour conflicts; increased social cohesion; improved dialogue among stakeholders.

Option 4 – Alignment with International Standards and Gender Equality

Objective: To integrate international labour and gender equality standards across all transition policies.

Proposed measures:

- Mandatory reference to ILO Conventions, EU Labour Standards, SDG 5, and CEDAW;
- Integration of gender equality into every action plan and monitoring report related to the Just Transition;
- Inclusion of women in decision-making processes for planning green investments.

Expected impact: Increased participation of women in leadership roles; alignment with EU standards for integration and annual reporting.

Option 5 – Active Participation and Strategic Partnerships

Objective: To build a cooperation network among civil society organizations, institutions, and the private sector for effective implementation of green policies.

Proposed measures:

- Organization of national trainings and consultative forums for GADC and social partners on dialogue with decision-makers;
- Development of pilot cases to test new technologies, measure impact, and exchange experiences;

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- Creation of a digital platform for monitoring and transparency of transition policies.

Expected impact: Increased public awareness and involvement of local actors; trust-building between the public and private sectors; sustainable implementation of green practices.

Table 3 – Summary of Policy Options

Intervention Area	Policy Instrument	Expected Effect	Implementation Timeline
Governance and Coordination	National Council for Just Transition	Institutional integration	2025–2026
Finance and Technology	IPA/EBRD funds and pilot grants	Energy savings, productivity growth	2026–2028
Social Dialogue	Active unions and tripartite forums	Social protection, gender equality	2026–2029
EU/ILO Compliance	Integration of international standards	Legal and institutional harmonization	2025–2030
Social Partnership	Forums, trainings, digital platform	Increased transparency and monitoring	2025–2030

5. Comparative International Analysis

To understand which measures are most likely to be successful in Albania, international examples have been examined.

Germany has used fiscal incentives for companies adopting green technologies, creating new jobs and minimising the negative impact of the transition in the energy sector.

Sweden has developed training and reskilling programmes for workers in affected industries, ensuring social support and mitigating worker resistance.

Key success factors that can be transferred to Albania include close coordination between government, trade unions, and the private sector, financial incentives, and clear

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monitoring mechanisms. The adaptation of these practices should take into account local institutional capacities and available financial resources.

5.1. Legal Challenges and the Need for Reform

To enable the effective implementation of a Just Transition, specific legal challenges have been identified.

- The Law on Energy and Renewable Resources needs to be adapted to facilitate private investment in green energy and to ensure sustainable subsidy schemes.
- The Labour Law requires provisions to protect workers who lose their jobs in transition-affected sectors, by offering training and skills reskilling opportunities.
- The Environmental Law must ensure continuous monitoring of energy projects and sustainable investments, preventing potential environmental harm.

This detailed assessment helps the government to clearly understand which legal changes are necessary and to plan their implementation in a coordinated manner.

5.2. Risk Assessment and Alternative Scenarios

The implementation of a Just Transition is not without risks. The worst-case scenario may include:

- delays in worker training and employment reskilling;
- incomplete investments in green technologies;
- resistance from social or private actors.

To mitigate these risks, the establishment of the following mechanisms is recommended:

- Continuous monitoring and auditing: periodic reporting on progress and identified challenges;
- A contingency reserve fund for emergency support: to ensure financial assistance in cases of project delays or failures;
- Policy review based on performance indicators: ensuring flexibility for real-time adjustments.

This risk management plan enhances the resilience of the transition process and increases the credibility of policies for investors and workers..

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6. Recommendations and Measurable Indicators for a Just and Sustainable Transition

To achieve a just and sustainable transition in the textile and footwear sector in Albania, an integrated approach is recommended, structured around clear legal, institutional, social, economic, and gender components.

Objectives and measurable indicators are defined in a SMART manner (Specific, Measurable, Achievable, Relevant, and Time-bound), facilitating monitoring and reporting for the period 2025–2030.

Key Recommendations

Strengthening the Legal and Institutional Framework

Action: Adoption of the National Just Transition Strategy in 2026 and establishment of an Interministerial Task Force for policy coordination.

Expected impact: Alignment of national policies with international standards (ILO, EU Green Deal, CEDAW) and creation of legal mechanisms to protect workers during the transition.

Measurable indicators: Number of adopted legal and strategic documents; reports from interministerial meetings; integration of the gender dimension into legislation.

Financial and Technological Support for Enterprises

Action: Implementation of pilot schemes for 50 manufacturing enterprises using IPA III, EBRD, and EU instruments for energy-efficient equipment and recycling.

Expected impact: Energy savings and waste reduction of up to 30%, productivity increases of up to 20%, and advancement of workers’ green skills.

Measurable indicators: Number of supported enterprises; reduction in energy consumption and waste; reports on the implementation of green technologies.

Structured Social Dialogue and Worker Empowerment

Action: Revitalisation of trade unions and establishment of tripartite forums (workers–employers–government), as well as mediation mechanisms for grievances.

Expected impact: Increased worker participation in decision-making, reduced labour conflicts, and strengthened social protection and women’s rights.

Measurable indicators: Percentage of workers represented by trade unions; number of collective agreements; reports on resolved complaints.

Alignment with International Standards and Promotion of Gender Equality

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Action: Mandatory reference to ILO Conventions, SDG 5, and CEDAW in all transition policies and projects, alongside the development of training programmes to support women’s participation in decision-making.

Expected impact: Equal gender participation in leadership roles; legal and institutional alignment with the EU; integrated annual reporting.

Measurable indicators: Percentage of women in decision-making positions; number of training programmes and certifications related to gender equality.

Promotion of Partnerships and Innovation

Action: Organisation of national trainings, establishment of a digital monitoring platform, testing of new technologies, and exchange of best practices.

Expected impact: Active involvement of local actors, enhanced transparency and effective monitoring, and sustainable implementation of green practices.

Measurable indicators: Number of forums and trainings conducted; use of the digital platform; application of new technologies in factories.

Table 4 – SMART Objectives and Measurable Indicators for a Just Transition 2025–2030

Intervention areas	SMART Objective	Implementation Timeline	Measurable Indicators
Public Policy	Adoption of the National Just Transition Strategy	2026	Approved and published strategic document
Social Dialogue	Increase collective agreements in the sector by 30%	2027	Number of signed agreements and negotiation reports
Business Support	50 enterprises included in green transition schemes	2028	Number of enterprises with implemented projects; % reduction in energy consumption and waste
Gender Equality	40% of women in leadership roles in enterprises and Task Force	2028	% of women in leadership roles; training and advancement program reports
Partnership and Transparency	Creation of a digital platform and organization of consultative forums	2025–2030	Number of forums, platform users, and pilot cases followed

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7. Conclusions

The transition towards a green economy in Albania represents an exceptional opportunity to build a sustainable development model that integrates labour, the environment, and social equality.

Empirical analysis clearly shows that enterprises and institutions currently operate in a fragmented landscape, with gaps in training, institutional coordination, and financial support.

However, pilot cases demonstrate that even simple practices—such as waste recycling, energy efficiency, and the active involvement of women in decision-making—deliver tangible benefits for workers, businesses, and the environment.

The pathway towards implementing Just Transition policies highlights the need for structured and coordinated action across three phases: legal development and the establishment of coordination mechanisms; piloting of green programmes and investments; and full implementation of indicators with continuous monitoring.

Financial and technological support, strengthened social dialogue, alignment with international standards, and workforce training are key elements to ensuring a just and effective transition.

Through integrated policies, the use of SMART indicators, and the implementation of green practices, Albania has the opportunity to develop a competitive manufacturing sector that guarantees quality jobs, gender equality, and environmental benefits.

Without urgent intervention, there is a risk of stagnation and social exclusion; with sustained implementation, this process can evolve into a national and regional model, serving as an example of green and just economic development.

In conclusion, this paper demonstrates that a Just Transition is not merely a legal or environmental objective, but an integrative strategy directly linked to workers' well-being, increased economic efficiency, improved working conditions, and the promotion of gender equality.

Its effective implementation can transform the current sporadic practices of Albanian businesses into a national framework for sustainable development aligned with the European green agenda..

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Annexes

- Annex 1. Questionnaire for administrators of garment manufacturing factories
- Annex 2. Questionnaire for workers in garment manufacturing factories
- Annex 3. Questionnaire for public institutions
- Annex 4. Questionnaire for the State Labour Inspectorate and Social Services
- Annex 5. Questionnaire for trade unions

