

## THE HISTORY OF INDUSTRIAL RELATIONS IN THE EUROPEAN UNION

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### Abstract

*This paper explores how industrial relations in the European Union have developed over time, with particular attention to the institutional changes, economic pressures, and technological shifts that shaped today's multilevel system of governance. It focuses on three main issues: the key factors behind change, the effects of EU enlargement and economic crises on social dialogue, and the new challenges created by digitalization and the COVID-19 pandemic. The study employs a qualitative research approach based on document analysis, comparative institutional assessment, and the examination of legislative developments at both EU and national levels.*

*The analysis suggests that industrial relations in the EU have moved from largely separate national systems toward a more coordinated supranational framework, in which social dialogue has gained an important regulatory role.*

*The Maastricht Treaty and subsequent EU legislation strengthened the normative capacity of social partners, while the 2004–2007 enlargement introduced significant asymmetries due to weaker institutional traditions in Central and Eastern Europe. The global financial crisis generated temporary authoritarian recentralization, reducing collective bargaining coverage and limiting the autonomy of social partners in several Member States. In contrast, the digital era and the pandemic accelerated structural changes in work organization, highlighting the need for new regulatory frameworks addressing platform work, algorithmic management, and hybrid work models.*

*The study concludes that despite notable progress, convergence in industrial relations across the EU remains incomplete. Future challenges - digital transformation, demographic shifts, and the green transition - will require continuous adaptation of social dialogue mechanisms to ensure economic cohesion, social protection, and sustainable development. This points to the need to strengthen institutional capacity, especially in newer Member States, and to make collective bargaining systems more resilient in a labor market increasingly shaped by technological change.*

**Keywords:** Industrial Relations in the European Union, Social Dialogue, EU Enlargement, Economic Crisis and Austerity, Digitalization of Work, Platform Work Regulation, Collective Bargaining

**JEL Classification:** J50, J53, J81, O52, O33, J80.

### 1. Introduction

Industrial relations within the European Union have undergone profound transformations over the past six decades, shaped by economic integration, institutional consolidation, and successive waves of enlargement. The literature highlights the transition from nationally embedded systems of collective bargaining (Hyman, 2001; Marginson & Sisson, 2004) to a multilevel governance structure in which EU institutions and social partners jointly influence labor standards and working conditions. The Maastricht Treaty and the subsequent development of the European social dialogue (Goetschy, 1999; Keller & Sörries, 1998) marked a turning point by granting social partners a quasi-legislative role, while the 2004–2007 enlargement introduced significant asymmetries due to weaker institutional traditions in Central and Eastern Europe (Meardi, 2012). More recent studies emphasize the disruptive effects of the global financial crisis (Glassner & Keune, 2010; Schulten & Müller, 2015) and the structural changes generated by digitalization and platform work (Degryse, 2021; Eurofound, 2023).

Although the existing literature is substantial, there is still limited clarity about the long-term direction of industrial relations in the EU and about how far supranational mechanisms have

actually promoted convergence among diverse national systems. To address these gaps, this paper formulates two central research questions:

**a. To what extent have EU treaties, institutions, and social dialogue mechanisms shaped the evolution of industrial relations from nationally fragmented systems toward a multilevel supranational governance framework?**

**b. How have EU enlargement, economic crises, and digital transformation influenced structural convergence or divergence among Member States in terms of collective bargaining, union density, and social partner autonomy?**

Based on the existing literature and preliminary evidence, the study advances two working hypotheses:

**H1: The institutionalization of social dialogue at EU level - particularly through the Maastricht Treaty and Articles 154–155 TFEU - has strengthened supranational governance mechanisms but has not eliminated structural divergences between Member States.**

**H2: EU enlargement toward Central and Eastern Europe, combined with the effects of the global financial crisis and digitalization, has amplified asymmetries in industrial relations, limiting the prospects for full convergence across the Union.**

This paper therefore examines how industrial relations in the EU evolved over time and how institutional change, economic pressures, and technological developments influenced the present structure of social dialogue. The analysis is based on document review, comparative institutional assessment, and the examination of EU-level legislation and policy reports. The findings indicate that while the EU has progressively strengthened the role of social dialogue, significant divergences persist between Member States, particularly between Western and Eastern Europe. The study also shows that crises - economic or sanitary - tend to accelerate institutional change, while digitalization introduces new regulatory challenges that will shape the future of industrial relations.

## **2. Literature review**

The literature on industrial relations in the European Union can be grouped into several major theoretical and empirical approaches. Classical comparative studies emphasize the diversity of national models, ranging from coordinated corporatism in Northern Europe to decentralized voluntarism in the United Kingdom (Hyman, 2001; Katz & Darbishire, 2000). These frameworks highlight how historical legacies, institutional complementarities, and power relations shape collective bargaining structures and the role of social partners. Marginson and Sisson (2004) argue that European integration has progressively introduced a multilevel governance system, where national and supranational institutions interact in shaping labor standards.

The institutionalization of European social dialogue has been widely examined in the literature. Goetschy (1999) and Keller & Sörries (1998) document the evolution of social dialogue from a consultative mechanism to a quasi-legislative process following the Maastricht Treaty. Streeck (1995) and Traxler (2003) further highlight the tension between national autonomy and supranational coordination, noting that EU-level agreements often depend on national implementation capacities. The legal dimension of industrial relations has also been explored, with studies emphasizing the importance of Articles 154–155 TFEU and directives such as the Parental Leave Directive (1996) in shaping European labor governance.

A second strand of literature focuses on the impact of EU enlargement. Meardi (2012) and Bohle & Greskovits (2012) show that Central and Eastern European countries entered the EU with weaker industrial relations institutions, lower union density, and limited collective bargaining coverage. These structural asymmetries challenge the convergence hypothesis and contribute to persistent East–West divergences.

The effects of the global financial crisis have been extensively documented. Glassner & Keune (2010), Schulten & Müller (2015), and Baccaro & Howell (2017) argue that austerity measures imposed in several member states led to a recentralization of decision-making and a

weakening of collective bargaining institutions. These findings suggest that crises can accelerate institutional erosion, particularly in countries with fragile industrial relations systems.

More recent literature examines the transformative impact of digitalization and platform work. Degryse (2021), Eurofound (2023), and Visser (2019) highlight the emergence of algorithmic management, new forms of precarious work, and the challenges these pose for traditional regulatory frameworks. The proposed EU Directive on platform work is seen as a key step toward addressing these gaps, although its effectiveness will depend on national enforcement and the adaptability of social partners.

Overall, the literature indicates that while the EU has made significant progress in institutionalizing social dialogue, industrial relations remain heterogeneous across member states. This review provides the conceptual foundation for analyzing the institutional evolution, structural divergences, and contemporary challenges explored in the following sections.

### **3. Methodology**

This study employs a qualitative research design based on document analysis, comparative institutional assessment, and the examination of secondary statistical data. The methodological approach was selected to capture the complexity of industrial relations within the European Union, a field characterized by multilayered governance structures, diverse national traditions, and evolving regulatory frameworks.

The primary method used is document analysis, which includes the systematic review of EU treaties (such as the Treaty of Maastricht and the Treaty on the Functioning of the European Union), directives relevant to social dialogue and labor standards, national legislation (e.g., Greece’s Law 4024/2011), and official policy documents issued by the European Commission. This approach allows for the identification of institutional mechanisms, legal provisions, and policy instruments that have shaped the evolution of industrial relations across different historical stages.

A second methodological component is comparative institutional analysis, applied to evaluate differences and similarities between Western and Eastern European member states. This comparison draws on established theoretical frameworks in the literature on industrial relations and examines how national models interact with supranational governance. The analysis focuses on collective bargaining structures, union density, employer organization, and the role of social partners in policymaking.

The study also incorporates secondary statistical data from Eurofound, ETUI, and the Economist Intelligence Unit. These data sources provide quantitative indicators such as collective bargaining coverage, union density, platform work prevalence, and democracy index scores. The data were selected based on relevance, reliability, and availability across EU member states.

Taken together, these methods make it possible to examine both the historical evolution of industrial relations in the EU and the main structural differences and current challenges that define the field today. The triangulation of legal documents, comparative analysis, and statistical indicators strengthens the validity of the findings and supports a nuanced interpretation of the results.

### **4. Results and discussions**

#### **4.1. Institutional Evolution of Industrial Relations in the EU**

The evidence suggests that industrial relations in the European Union evolved from largely national systems into a multilevel governance structure in which EU institutions and social partners jointly shape labor standards. The Maastricht Treaty and Articles 154–155 TFEU strengthened the institutional role of social dialogue, enabling social partners to negotiate binding agreements. The introduction of directives such as Directive 96/34/EC on parental leave demonstrates the increasing regulatory capacity of European-level industrial relations. Overall, the institutional trajectory reflects a gradual consolidation of supranational mechanisms complementing national traditions.

#### **4.2. Impact of EU Enlargement on Convergence**

The available evidence indicates that the 2004–2007 enlargement had a significant impact on the convergence of industrial relations across the EU. Western member states, characterized by strong collective bargaining institutions, high union density, and established social dialogue structures, contrast sharply with Central and Eastern European countries, where industrial relations remain less institutionalized. The analysis reveals persistent divergences in collective bargaining coverage, union density, and the autonomy of social partners. These asymmetries have slowed the development of a cohesive European industrial relations model.

#### **4.3. Effects of the Global Financial Crisis (2008–2013)**

The findings confirm that the global financial crisis triggered a temporary authoritarian recentralization of industrial relations in several member states. Countries under financial assistance programs - such as Greece, Portugal, and Spain - experienced unilateral legislative interventions, suspension of collective agreements, and reduced bargaining autonomy. Statistical data show a sharp decline in collective bargaining coverage and union density during this period. The crisis disproportionately affected newer member states, where institutional frameworks were less resilient.

#### **4.4. Digital Transformation and Platform Work**

One of the clearest recent changes is the rise of platform work, algorithmic management, and hybrid work models, all of which put pressure on traditional industrial relations structures. More than 28 million workers in the EU engage in platform-mediated work, yet only around 10% benefit from collective representation or clear employment status. The results show that existing regulatory frameworks are insufficient to address algorithmic transparency, data governance, and collective bargaining rights in digital labor markets. The 2021 EU proposal for a directive on platform work represents a significant step toward addressing these gaps.

#### **4.5. Statistical Indicators of Divergence Across Member States**

The quantitative indicators also show clear structural disparities between EU member states. Union density ranges from approximately 65% in Sweden to 18% in Romania, while collective bargaining coverage varies from 90% in France to around 30% in Romania. The Democracy Index also reveals substantial differences, with Western European countries scoring above 70 points and several Eastern European states remaining below 30. These indicators confirm that industrial relations systems across the EU remain heterogeneous, despite ongoing efforts toward convergence.

#### **4.6 Discussions**

The discussion points to several key dynamics that help explain how industrial relations continue to evolve in the European Union. First, the institutional consolidation of social dialogue at EU level demonstrates that supranational governance has progressively complemented national systems, yet without fully replacing them. This dual structure creates both opportunities and constraints: while EU-level instruments such as Articles 154–155 TFEU strengthen the regulatory capacity of social partners, their effectiveness depends heavily on national institutional traditions. This finding aligns with previous research showing that European integration tends to reinforce existing national patterns rather than homogenize them.

Second, the persistent divergence between Western and Eastern European member states underscores the limits of convergence. The enlargement of 2004–2007 introduced countries with weaker collective bargaining institutions, lower union density, and limited social partner autonomy. These structural asymmetries explain why EU-level initiatives often produce uneven outcomes

across member states. The results suggest that convergence cannot be achieved solely through legislative harmonization; it requires long-term institutional capacity-building and stronger involvement of national social partners.

Third, the analysis of the global financial crisis reveals that economic shocks can significantly reshape industrial relations. The crisis triggered a shift toward centralized, state-driven interventions, reducing the autonomy of social partners in several member states. This confirms the argument that crises tend to weaken collective bargaining structures, especially in countries with already fragile institutions. The long-term effects of these interventions are still visible in the form of reduced bargaining coverage and weakened union influence.

Fourth, digitalization and platform work introduce new regulatory challenges that traditional industrial relations frameworks are not fully equipped to address. Algorithmic management, data asymmetries, and the ambiguous employment status of platform workers require innovative regulatory solutions. The EU's 2021 proposal for a directive on platform work represents a significant step forward, but its implementation will depend on national enforcement capacities and the ability of social partners to adapt to new forms of work organization.

Finally, the statistical indicators analyzed - union density, collective bargaining coverage, and democracy index scores - reinforce the conclusion that industrial relations in the EU remain heterogeneous. These disparities have implications for social cohesion, economic performance, and the legitimacy of EU-level policymaking. These results suggest that future reforms should take structural differences between Member States more seriously and avoid one-size-fits-all solutions.

## **5. Industrial relations and sustainable development**

The evolution of industrial relations in the European Union is increasingly intertwined with the broader agenda of sustainable development, as labor institutions play a crucial role in promoting social cohesion, equitable growth, and responsible transitions. Research shows that strong social dialogue contributes to the social dimension of sustainability by enhancing job quality, reducing inequality, and supporting inclusive labor markets (ILO, 2017; Eurofound, 2020). Collective bargaining mechanisms are essential for managing the social implications of the green transition, particularly in sectors undergoing decarbonization, where negotiated agreements can facilitate just transition pathways and workforce reskilling (Stavis & Felli, 2015). Moreover, coordinated industrial relations systems have been found to correlate with higher environmental performance and more sustainable corporate practices, as participatory governance fosters long-term strategic planning (Jackson & Apostolakou, 2010). In the context of digitalization, social partners also play a key role in ensuring that technological innovation aligns with sustainable development goals by promoting fair working conditions, algorithmic transparency, and responsible platform governance (De Stefano & Aloisi, 2019). These findings suggest that industrial relations are not only a labor market institution but also a foundational component of the EU's broader sustainability architecture.

Recent Romanian scholarship further strengthens the argument that industrial relations are a central pillar of sustainable development. Ghena (2026) demonstrates that mechanisms such as social dialogue, collective bargaining, and participatory decision-making are essential for advancing several Sustainable Development Goals, particularly SDG 8 on decent work and economic growth. His analysis highlights that strong industrial relations systems enhance institutional resilience, support fair labor practices, and help balance the opportunities and risks associated with technological transformation, especially the growing influence of artificial intelligence on labor markets. By linking industrial relations to SDGs such as SDG 3 (health and well-being), SDG 4 (quality education), SDG 12 (responsible consumption and production), and SDG 16 (strong institutions), Ghena's contribution reinforces the view that labor governance is not merely a regulatory mechanism but a strategic driver of sustainable and inclusive economic development. This perspective aligns closely with the findings of the present study, underscoring

the need for coordinated action among employers, workers, and policymakers to ensure that economic modernization and digitalization translate into equitable and sustainable outcomes.

The relevance of industrial relations for sustainable development is also emphasized in Romanian economic research. Pavelescu (2016) argues that long-term economic sustainability depends on the interaction between structural factors, institutional coordination, and the capacity of economic actors to adapt to cyclical transformations. His analysis of economic dynamics within the broader framework of sustainable development highlights the importance of stable institutions and coherent governance mechanisms - elements that closely intersect with the functioning of industrial relations systems. By showing how institutional quality and coordinated policy responses contribute to resilience and balanced growth, Pavelescu's work reinforces the argument that social dialogue and collective bargaining are essential components of a sustainable development strategy, particularly in economies undergoing structural change.

Industrial relations constitute a fundamental pillar of the European social and economic architecture, reflecting the interaction between employers, employees, and state institutions in regulating working conditions, wages, and social protection. In the European Union (EU), industrial relations have evolved from fragmented national models to a complex supranational architecture, influenced by processes of economic integration, geographical enlargement, and digital transformation (Marginson & Sisson, 2004, p. 12). Industrial relations represent a genuine perimeter of neutrality in the negotiation and social dialogue processes that may arise, during the unfolding of socio-economic activities, between employees and employers, as well as between trade unions and employers' associations. Beyond these interactions, the state also appears, with its legislative framework, governing and arbitrating the various situations that may emerge in the stages of valorizing the labor factor - arguably the most important of the factors of production in contemporary society and in the context of its accelerated development (Hyman, 2001, pp. 27–29).

Economic, political, and social transformations on the continent have evolved significantly and continue to change. Within the EU, these transformations are evident, underscoring the importance attributed to industrial relations. From the West European corporatist model to the post-communist challenges in the East, industrial relations have become a pillar of European governance (Hyman, 2001, p. 41).

Regarding the study of industrial relations in the European Union, the specialized literature identifies several distinct stages necessary for an adequate understanding of the mechanisms of industrial relations within European structures and their role in the socio-economic consolidation of the European Union. These stages, according to Goetschy (1999, p. 119) and Marginson and Sisson (2004, p. 33), are the following: a) The founding period (1958–1970); b) Institutional consolidation (1970–1990); c) The Maastricht Treaty (1993); d) EU enlargement, post-2000 period; e) The global economic crisis (2008–2013); f) The digital era and the post-pandemic period (2014–present).

The six stages described will be addressed separately in this paper in order to highlight the role and importance of each in crystallizing industrial relations as an essential element and fundamental pillar for the economic evolution and welfare of the European Union.

With regard to the founding period, it should be recalled that the first forms of European industrial cooperation were initiated through the establishment of the European Coal and Steel Community (ECSC) in 1951, an institution that introduced the idea of transnational concertation among social partners. The ECSC recognized the role of trade unions and employers' associations in the decision-making process, marking the beginning of participatory governance in the field of labor (Marginson & Sisson, 2004, pp. 18–20). The founding period, delimited between 1958 and 1970, was strongly influenced by national traditions. Moreover, the ECSC was established under the massive impact of the Second World War, initially having a pacifying role aimed at maintaining cooperation among states with bellicose potential. The most important models of the period, which formed the basis for the development of European industrial relations, were the German corporatist model, the British voluntarist model, and the Nordic model (Hyman, 2001, pp. 45–52).

During this period, European industrial relations were strongly influenced by the national traditions of the member states. The specialized literature identifies three dominant models that formed the basis for the subsequent development of European industrial relations (Marginson & Sisson, 2004, pp. 21–25): the German corporatist model, the Nordic model, and the British voluntarist model.

The German corporatist model was characterized by codetermination and the existence of works councils, while the British voluntarist model relied on trade union autonomy and decentralized collective bargaining. The Nordic model, applied especially in countries such as Sweden and Denmark, was distinguished by strong centralization of collective bargaining and high trade union density. According to Eurofound, in the 1960s trade union density in Sweden exceeded 70%, compared with under 40% in Italy (Eurofound, 2007, p. 14).

The British voluntarist model, based on trade union autonomy and decentralized collective bargaining, emphasized the freedom of trade union and employer organizations to negotiate without state intervention (Hyman, 2001, pp. 63–65).

The ECSC introduced the idea of transnational social dialogue, recognizing the role of trade unions and employers’ associations in the decision-making process. According to Marginson and Sisson (2004, pp. 18–20), this period laid the foundations for a “culture of concertation” in Western Europe, a culture that constituted a solid basis for the subsequent development of industrial relations through mechanisms such as negotiation and social dialogue.

The period of institutional consolidation is historically delimited to the decades 1970–1990. The 1970s and 1980s were marked by major economic crises and industrial restructuring, which led to an intensification of social dialogue. Thus, in 1975, the European Commission launched the first program of action in the field of social policy, which included measures for promoting equal opportunities and protecting workers (European Commission, 1975, *First Programme of Social Action*, pp. 3–5).

Subsequently, the European Economic and Social Committee (EESC), created in 1957, became an important forum for consulting social partners. During this period, industrial relations were influenced primarily by the German model of codetermination and the Nordic model of centralized collective bargaining (Hyman, 2001, pp. 101–103).

Another significant moment of this period was the establishment, in 1985, of the Social Dialogue Committee, an institution that enabled European social partners to participate directly in the development of social policies. According to ETUI, between 1985 and 1990 more than 20 joint opinions were adopted between ETUC and UNICE regarding working conditions and social protection (ETUI, 2016, p. 22).

Another important stage, practically a turning point in the history of industrial relations at EU level, is the Maastricht Treaty (European Union, 1992), signed in 1992 and entering into force in 1993. The Maastricht Treaty enshrined social dialogue as an official instrument of European governance. The Protocol on Social Policy, annexed to the treaty, introduced mechanisms through which social partners could be consulted, could negotiate agreements, and could influence Community legislation (Goetschy, 1999, pp. 123–124).

Article 138 of the EC Treaty, currently Article 154 TFEU (European Union, 2012, arts. 154–155), provided the possibility for social partners to negotiate agreements that could subsequently be transformed into European directives. The emblematic example of the application of these provisions is the Parental Leave Directive, 96/34/EC (Council of the European Union, 1996), resulting from an agreement between ETUC and UNICE (Keller & Sörries, 1998, pp. 113–115).

The Maastricht Treaty marked a decisive stage in consolidating the social dimension of the European Union. Through the introduction of the Protocol on Social Policy, the EU officially recognized social dialogue as a governance instrument, offering social partners the possibility to directly influence European legislation. This institutional opening allowed for a reconsideration of

the role of each actor involved in the labor process and contributed to the improvement of working conditions and social partnerships (Goetschy, 1999, pp. 123–124).<sup>1</sup>

Articles 154 and 155 of the Treaty on the Functioning of the European Union (TFEU) set out essential elements regarding the role of industrial relations from a European supranational perspective. Among the most important provisions are the mandatory consultation of social partners before adopting any measure in the social field, as well as the possibility of negotiating agreements between social partners that may subsequently be transformed into European directives (Goetschy, 1999, pp. 124–125).<sup>2</sup>

European social dialogue evolved from a consultative phase to a normative one, in which social partners acquired the capacity to generate legal norms. Articles 154 and 155 TFEU (formerly Articles 138 and 139 EC) allow two major directions of action: <sup>3</sup>

- consultation of social partners before initiating social legislation; <sup>4</sup>
- negotiation of agreements between social partners, which may be transformed into European directives.<sup>5</sup>

An emblematic example of this period is the Agreement on Parental Leave, negotiated between ETUC, UNICE, and CEEP. This agreement was transposed into Directive 96/34/EC, which introduced the right to a minimum of three months of parental leave for each parent, applicable in all Member States. This model of “legislation through agreement” is considered unique in the international legal landscape, offering social partners a significant quasi-legislative role (Keller & Sörries, 1998, pp. 113–115).<sup>6</sup>

This stage of the Maastricht Treaty, following the period of institutional consolidation, marked the transition from a consultative model to a normative one, in which social partners not only influenced but actively participated in the creation of European legislation. According to ETUI (2020, p. 7), between 1993 and 2003 six major European agreements were concluded, three of which were subsequently transformed into directives.<sup>7</sup>

Statistical data support this evolution: in 1995, 68% of workers in the EU were covered by national or sectoral collective agreements, and in 2000, 15% of the social directives adopted were based on bipartite agreements between social partners (ETUI, 2020, p. 9). These results reflect the direct impact of the mechanisms introduced by the Maastricht Treaty on the consolidation of European social dialogue.<sup>8</sup>

The fourth stage in the historical development of industrial relations within the European Union is represented by the period after 2000, marked by EU enlargement, the economic and financial crisis, and digital transformation. The integration of Central and Eastern European states into the EU brought major challenges for the convergence of industrial relations within the European supranational structure. In these countries, at the time of accession, the tradition of social dialogue was weak, and trade unions were often perceived as legacies of the communist regime. According to Eurofound (2007, pp. 22–24), EU enlargement accentuated the fragmentation of collective bargaining models in the newly integrated states.<sup>9</sup>

EU enlargement generated significant structural transformations in the field of industrial relations, one of the main challenges being the convergence between old and new Member States. The 2004 and 2007 enlargements brought into the Union 12 Central and Eastern European states characterized by different trade union traditions and low levels of institutionalization of social dialogue (Eurofound, 2007, p. 30).<sup>10</sup>

In these countries, industrial relations were marked by recurring problems, including trade union fragmentation, the lack of a consolidated culture of collective bargaining, and the limited influence of social partners in public policy-making. This reduced influence contributed to significant differences in the approach to industrial relations and the labor factor between old and new Member States.<sup>11</sup>

Another relevant aspect of the post-2000 period is the low level of collective agreement coverage in the new Member States. Countries such as Romania, Bulgaria, Lithuania, and the

Baltic states had collective agreement coverage below 30%. According to Eurofound (2015, pp. 17–19), enlargement accentuated structural divergences among Member States, placing pressure on social harmonization mechanisms.

This major enlargement generated a genuine “East–West divide” in industrial relations, with the risk of fragmenting the European model. Meardi (2012, pp. 104–106) emphasizes that institutional and historical differences between Western and Central-Eastern European states created an asymmetric dynamic that is difficult to harmonize within European social policies.

Table 1 synthetically reflects the percentage differences between indicators such as trade union density, collective agreement coverage, or participation in tripartite social dialogue, between traditionally established EU Member States (Germany, Sweden) and newly admitted states originating from the sphere of influence of the Soviet Union and with lower living and wage levels compared to the West (Romania, Bulgaria).

Table 1 – Differences between industrial relations indicators after EU enlargement

| No. | Indicator                                   | Germany | Sweden | Romania | Bulgaria |
|-----|---------------------------------------------|---------|--------|---------|----------|
| 1   | Trade union density (%)                     | 18      | 65     | 18      | 17       |
| 2   | Collective agreement coverage (%)           | 60      | 90     | 30      | 25       |
| 3   | Participation in tripartite social dialogue | High    | High   | Low     | Low      |

Source: Eurofund 2015

From the data included in Table 1, clear differences can be observed between Western states participating in the EU economy and the EU system of industrial relations, and the newly acceded states, which entered the Union with different systems and traditions. The differences regarding collective agreement coverage are relevant for understanding the different ways of performing and valorizing labor, as well as the major differences in perspectives on work between Western and Balkan states. While in examples such as Romania or Bulgaria no more than one third of agreements were covered by collective bargaining, in Sweden almost all industrial relations fell within the scope of a collective agreement. Likewise, participation in tripartite social dialogue - an instrument formalized and institutionalized through the Maastricht Treaty (1993) - was high in Western states and low in Eastern ones. In the new Member States, social dialogue was often formal, without real influence on public policies (Glassner & Keune, 2010, pp. 12–14).

These problems deepened even further after the first wave of EU enlargement, in which the new Member States were admitted. Another form of enlargement, with a more limited impact on legislative harmonization and industrial relations, was represented by cooperation agreements signed by the EU with states from the former Soviet Union, such as the Republic of Moldova, Ukraine, and Georgia. In these countries, industrial relations had a different tradition, and social dialogue and collective bargaining were long absent from relations between employees and employers (Eurofound, 2015, pp. 27–29).

The global economic crisis, manifesting primarily between 2008 and 2013, had major effects on national economic systems and, implicitly, on the common economy of EU Member States. This crisis is considered by most specialists to represent the fifth stage in the evolution of industrial relations in the EU (Crouch, 2013, pp. 44–46).

The financial crisis profoundly affected industrial relations in the EU. The austerity measures imposed by the European Commission, the European Central Bank, and the International Monetary Fund affected Member States differently. Countries that had recently joined the EU, where the level of institutionalization of social dialogue was low, felt the effects to a greater extent than Western states with consolidated traditions (Glassner & Keune, 2010, pp. 18–20).

Among the most visible influences of the global economic crisis on industrial relations are:

- the reduction of social partners’ autonomy;
- the suspension or unilateral modification of collective agreements;

- unilateral legislative interventions in the field of labor;
- the decline of trade union density and trust in dialogue institutions (ETUI, 2016, pp. 33–35).

A relevant case is Greece, where Law 4024/2011 (Greece, 2011) allowed employers to conclude individual agreements to the detriment of collective ones, generating a profound destabilization of industrial relations and imposing a massive reorganization of social dialogue in the context of the acute economic crisis (Schulten & Müller, 2015, pp. 12–14). Another significant example is Portugal, where the number of collective agreements decreased by more than 60% between 2008 and 2012 (Schulten & Müller, 2015, p. 16). The countries where interventions by European and international institutions most severely limited the autonomy of social partners were Greece, Spain, and Portugal (Schulten & Müller, 2015, pp. 18–19). ETUI (2016) emphasizes that this period led to an “authoritarian recentralization” of industrial relations, contrary to the principles of European social dialogue. The limitation of trade union power and the decline of collective bargaining represented the most difficult problems the European Union faced during this period, directly affecting the labor factor, both in terms of work performance and working conditions, as well as its valorization by employers (ETUI, 2016, pp. 33–35).

This period of global economic and financial crisis marked an “authoritarian recentralization” of industrial relations, contrary to the principles of European social dialogue established before the onset of the crisis (Crouch, 2013, pp. 44–46). The global economic crisis shook the world’s economies to their foundations, affecting EU Member States and their internal industrial relations. Work itself was perceived differently during and after the crisis, with its value and stability being reconsidered in the context of economic uncertainty.

Nevertheless, global crises are cyclical phenomena whose occurrence can be anticipated through economic and social indicators. From this perspective, the global economic crisis, although it significantly disrupted industrial relations at EU level, also generated positive effects, contributing to their subsequent development and convergence within the European Union.

The sixth stage in the evolution of industrial relations in the EU is represented by the digital era and post-pandemic measures. Technological transformations and the COVID-19 pandemic fundamentally redefined industrial relations, both in the EU and globally. The emergence of platform work, the expansion of telework, and the use of artificial intelligence imposed new forms of regulation and generated new challenges regarding unionization and working conditions. In this context, the European Commission launched in 2021 a proposal for a directive on the working conditions of digital platform workers, targeting in particular the following aspects: clarification of workers’ legal status; access to social protection and collective bargaining; regulation of digital management algorithms (European Commission, 2021, pp. 2–4). After 2014, industrial relations were influenced by two major factors that generated a paradigm shift: the digitalization of work and the COVID-19 pandemic. Digitalization introduced digital platforms, automation, telework, hybrid work models, and the use of artificial intelligence in the workplace. The COVID-19 pandemic accelerated these transformations, highlighting the need for adapted forms of social protection under conditions of risk and uncertainty.

There is a direct correlation between the two sub-stages: digitalization, initially an option, became a pressing necessity during the pandemic, when health risks required reducing physical contact between workers. The pandemic period led to an exponential diversification of work modalities, with many institutions being forced to adapt their schedules and processes to ensure worker protection. Although employee and employer perspectives have rarely been convergent throughout history, the pandemic demonstrated that a form of cooperation and solidarity can exist between them in the face of a common threat related to health and survival. Despite the difficulties generated by the COVID-19 pandemic, certain sectors in the EU did not cease their activity, managing - through schedule adaptation and the introduction of digital technologies - to meet competitive demands.

Moreover, work performed in certain sectors, such as food services, healthcare, or defense and public order, could not be interrupted during the pandemic, requiring viable solutions to ensure continuity of activity. Public administration, both central and local, represented another sector that could not suspend its activity, as public institutions played an essential role in managing emergency situations and reducing public health risks. Numerous legislative changes in the field of labor occurred both at EU and national level, generated by the unprecedented needs imposed by the pandemic period. Digitalization, whether emerging before or after the COVID-19 pandemic, requires a reconfiguration of industrial relations, with emphasis on algorithmic regulation, data transparency, and digital collective bargaining (Degryse, 2021, pp. 8–10).

According to official data, more than 28 million workers in the EU operate through digital platforms, yet only approximately 10% benefit from trade union protection or collective agreement coverage (Eurofound, 2023, pp. 5–7). The European Union has attempted to address the vulnerabilities of atypical workers through various initiatives. Among the most important are the proposal for a directive on the working conditions of digital platform workers (European Commission, 2021) and the Action Plan for the European Pillar of Social Rights (2021), which includes objectives regarding the extension of collective bargaining and worker protection.

In conclusion, statistical indicators reveal significant differences in industrial relations across the EU. The average trade union density in the EU is approximately 23%, with important variations between states such as Sweden (65%) and Romania (18%) (ETUI, 2020, pp. 11–13). Regarding collective bargaining coverage, the EU average is approximately 60%, but there are considerable differences: in Romania, coverage is around 30%, while in France it reaches 90% due to the administrative extension of collective agreements (Eurofound, 2015, pp. 17–19).

Another relevant indicator is the Democracy Index, published by the Economist Intelligence Unit (EIU). The EU average is 49.9 points, but there are significant differences between Western states - such as Denmark, Finland, the Netherlands, Austria, and Sweden - where the index exceeds 70 points, and Central and Eastern European states - such as Greece, Bulgaria, and Romania - where values do not exceed 30 points (EIU, 2023, pp. 4–6). The history of industrial relations in the EU reflects an evolution from fragmented national models to complex supranational architecture. Although divergences persist among Member States, social dialogue remains a fundamental instrument for economic and social cohesion. Future challenges - digitalization, migration, the green transition - will require continuous adaptation of concertation mechanisms, and the convergence of industrial relations in the EU remains an objective still far from being achieved, offering a broad field for future research.

## **6. Conclusions**

### **6.1 Conclusions and future directions**

The diversity of industrial relations in the EU is an expression of democratic pluralism and national specificity. While harmonization is a strategic objective, flexibility and respect for the institutional identity of each Member State are essential for the effectiveness of social policies. The EU must continue to promote social dialogue and support the adaptation of national systems to contemporary challenges. The development of industrial relations in the European Union shows a gradual shift from separate national models toward a stronger supranational framework, shaped by economic integration, enlargement, and technological change. The diversity of industrial relations models - Nordic, Continental, Anglo-Saxon, Southern, and hybrid - highlights the institutional and cultural pluralism of the EU, as well as the difficulty of achieving real and sustainable convergence.

The Maastricht Treaty and Articles 154–155 TFEU enshrined social dialogue as an instrument of European governance, offering social partners a normative role in shaping social policies. The enlargement of the EU toward Central and Eastern European states accentuated structural differences in industrial relations, generating challenges related to trade union

fragmentation, collective agreement coverage, and participation in social dialogue. The global economic crisis (2008–2013) produced an authoritarian recentralization of industrial relations, diminishing the autonomy of social partners and affecting social cohesion in several Member States. The digital era and the COVID-19 pandemic imposed a profound reconfiguration of industrial relations, through the emergence of platform work, telework, and digital management algorithms, requiring new regulations and forms of social protection.

The study shows that industrial relations in the European Union have been shaped by institutional change, economic pressures, and technological developments over time. The historical trajectory - from the early post-war national systems to the current multilevel governance framework - reveals a gradual strengthening of supranational mechanisms, particularly through the Maastricht Treaty and the legal provisions of the TFEU. These developments have expanded the regulatory capacity of social partners and have positioned social dialogue as a central pillar of EU labor governance.

## 6.2. Integration of Research Questions and Working Hypotheses

This subsection links the main findings to the research questions and the working hypotheses introduced at the beginning of the paper. The findings are broadly consistent with the expectations set out at the start of the study.

### Research Question 1:

*To what extent have EU treaties, institutions, and social dialogue mechanisms shaped the evolution of industrial relations toward a multilevel governance framework?*

Findings confirm the first hypothesis. The institutionalization of social dialogue at EU level - especially through the Maastricht Treaty and Articles 154–155 TFEU - has significantly strengthened supranational governance. However, these mechanisms have not eliminated structural divergences between Member States. Instead, they have complemented national traditions, resulting in a hybrid governance model where supranational coordination coexists with persistent national specificities.

### Research Question 2:

*How have EU enlargement, economic crises, and digital transformation influenced convergence or divergence among Member States?*

Findings confirm the second hypothesis. EU enlargement introduced substantial asymmetries in union density, collective bargaining coverage, and social partner autonomy, particularly in Central and Eastern Europe. The global financial crisis further deepened these divergences by weakening collective bargaining institutions in countries with fragile institutional frameworks. Digitalization and platform work have added new layers of complexity, requiring regulatory innovation and coordinated EU-level action.

However, the findings also show that convergence across Member States remains limited. The enlargement of the EU introduced significant structural asymmetries, with Central and Eastern European countries displaying weaker institutional traditions, lower union density, and reduced collective bargaining coverage. These divergences persist despite EU-level initiatives and continue to shape the uneven implementation of social dialogue mechanisms. The global financial crisis further amplified these disparities by triggering state-driven interventions that weakened collective bargaining structures, particularly in countries under financial assistance programs.

The study also highlights the transformative impact of digitalization and platform work, which challenge traditional industrial relations frameworks and require new regulatory approaches. Issues such as algorithmic transparency, employment classification, and data governance demand coordinated action at both national and EU levels. The EU's recent initiatives, including the proposed directive on platform work, represent important steps toward addressing these challenges, but their effectiveness will depend on national enforcement capacities and the adaptability of social partners.

Overall, the study suggests that although the EU has made substantial progress in institutionalizing social dialogue, full convergence in industrial relations remains a long-term goal. Future developments - driven by digital transformation, demographic change, and the green transition - will require continuous adaptation of regulatory frameworks and stronger cooperation between EU institutions and national social partners. Strengthening institutional capacity, especially in newer Member States, will be important if the EU wants to improve cohesion and make its labor market institutions more durable over time.

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