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INTRODUCTION TO A SPECIAL ISSUE

SOCIAL EUROPE: THE CHANGING CONTOURS OF TRANSNATIONAL EMPLOYMENT RELATIONS IN THE EUROPEAN UNION

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Employment relations in Europe today differ from how they were prior to the 2008 financial crisis and the COVID-19 pandemic, as key terms and conditions (e.g., wages) and sectors of economic activity (e.g., platform work and the green economy) are now subject to direct political intervention by the European institutions. Transnational (horizontal) competition within the Single European Market has long provided a context for national employment relations in Europe, and various national institutions impacted workers' rights and conditions of employment. Under the new economic governance (NEG) regime triggered by the financial crisis, political (vertical) intervention in employment relations created strong pressure toward the commodification of labor. The COVID pandemic involved policymaking in the opposite (decommodifying) direction. That said, and as the articles in this special issue clearly demonstrate, commodifying pressures are still strong, and the full realization of Social Europe is arguably as elusive as ever.

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The widely held view that "Europe is different" (e.g., Hyman 2005: 11) can be attributed, in large part, to the fact that the European Single Market comes with a Social Agenda and primacy of European laws over national laws in key areas of work and employment. Social Europe matters to European citizens. When asked, "How important or not is a social Europe to you personally (that is to say, a Europe that cares for equal opportunities, access to the labor market, fair working conditions, and social protection and inclusion)," 43% of Europeans say that it is "very important" and 45% say that it is "fairly important." Moreover, the majority (60%) are aware of at least one recent European Union (EU) initiative to improve working and living conditions, ranging from minimum wages to work–life balance, from support for working parents and caregivers to investment in the European Social Fund designed to improve skills and tackle social exclusion (European Commission 2024).

Yet, despite these initiatives, structural inequalities and differences in terms of income, gender, skills, employment protection, status, and occupation are still significant, both within and between European countries. In addition, progress has been limited in several important areas of job quality (Eurofound 2017; Eurostat 2023) and precarious work (Pulignano and Domecka, forthcoming). Europe is evidently not immune from the broad cross-national transformation in employment relations that has occurred over the past 30 years, marked by a common trajectory and purpose of state intervention leading to profound and far-reaching liberalization (Howell 2021). What is different is the role of the supranational state in driving liberalization and the consequent subordination of Europe's market-constraining (social) agenda to the market-making (economic) agenda.

This Introduction and the contributions to this special issue examine transnational employment relations since the economic and financial crisis of 2008–09. Our focus is on opposing policymaking agendas and the forces of commodification and decommodification, which remain central to understanding the (re)making of Social Europe and employment relations in Europe. Whereas commodification involves waged employment becoming the linchpin of a person's existence, decommodification allows people to maintain a socially acceptable standard of living independent of the market. Our understanding of commodification and decommodification builds upon Polanyi's seminal study, *The Great Transformation* (2001 [1944]). Concretely, we discuss the policy orientation of EU interventions in the social field along a commodification–decommodification axis based on whether these interventions turn labor and public services into commodities to be traded on the market (Erne et al. 2024: chap. 4). The direction of travel was clearly toward commodification in the wake of the global financial crisis, with some (cautious) evidence of decommodification during and after the COVID-19 pandemic.

Analyzing One Crisis after Another

The EU responded to the financial crisis of 2008–09 by allowing massive state aid packages for ailing private banks and by curbing government spending in other areas, triggering austerity and a commodification of social and employment policy in many EU member states. First, the *ad hoc* bailout interventions of the EU and the International Monetary Fund (IMF) in both non-eurozone (Hungary, Latvia, and Romania) and eurozone countries (Greece, Ireland, Portugal, and Cyprus) stipulated the retrenchment of social budgets and pensions as well as liberalization of labor markets, including the culling of collective bargaining structures that had existed in member states for decades. More comprehensive collective bargaining structures have proven to be a bulwark against competition in the labor markets of EU member states (see Lehner, Ramskogler, and Riedl in this special issue). In 2011, the EU legislators institutionalized the EU's new economic governance (NEG) regime by adopting the "Six-Pack" of EU laws, which enabled the European Commission and Council of EU finance ministers to issue binding fiscal, economic, labor, and social policy prescriptions for all EU member states with excessive deficits or excessive macroeconomic imbalances, such as Italy, Spain, and France (Erne et al. 2024: chap. 2).[1] This shift represented a dramatic departure from previous EU policymaking, which left wage setting and collective bargaining coordination to national actors.

Subsequently, the EU experienced a backlash against its handling of the economic and financial crisis. During and after the Euro crisis, left- and right-wing protest movements mobilized against the EU, sweeping anti-EU parties into government in several European countries. Examples include the left-wing Syriza government in Greece, the Movimento Cinque Stelle (M5S, Five Star Movement) in Italy, and populist right-wing governments in Poland and Hungary. In some countries, debates about leaving the EU gathered political momentum. In the case of the United Kingdom, these centrifugal dynamics led to the Brexit referendum in June 2016 and subsequent exit from the EU in January 2020.

In response, under the leadership of Jean-Claude Juncker, the Commission sought to counter questions about the utility of the EU for working people by strengthening the EU's social dimension. The EU introduced a new Pillar of Social Rights Action Plan that promoted a number of social initiatives, including the Revised Directive on Parental Leave (see Im, Larsen, and Pircher in this special issue). Efforts to further decommodify labor gathered strength under the Commission led by Ursula von der

[1]Five Regulations and one Directive (the Six-Pack), proposed by the European Commission and approved by all 27 member states and the European Parliament, entered into force in December 2011. The European Commission (2011) described the Six-Pack as "the most comprehensive reinforcement of economic governance in the EU and the euro area since the launch of the Economic Monetary Union almost 20 years ago." See also Erne (2012) and Bauer and Becker (2014).

Leyen during the COVID pandemic. A central policy was the Directive on Minimum Wages, which set out EU-level benchmarks for adequate national minimum wage levels and an aspirational 80% target for collective bargaining coverage in EU members states (see Maccarrone in this special issue). Other measures included a new EU Directive to regulate gig work and the platform economy (see Pulignano, Muszyński, and Tapia in this special issue) and EU interventions to alleviate the socioeconomic impact of the "green transition," especially in territories and industrial sectors most affected by the transition toward climate neutrality (see Dupuis, Greer, and Zimmermann in this special issue).

For employment relations scholars, these developments present important analytical challenges. For example, whereas wages and collective bargaining were previously beyond the remit of supranational regulation by the EU institutions—leading to an analytical focus on market-driven (horizontal) integration and the impact of competition on employment relations—recent policy interventions turn our attention to political (vertical) initiatives via NEG mechanisms and, post COVID, the new directives on minimum wages, pay transparency, and platform work (Erne et al. 2024). Such political intervention undermines the classical country-by-country approaches of methodological nationalism in the field, which focus on how common international (competitive) pressures are mediated by national institutional arrangements. If we assume the autonomy of national employment relations institutions, and thus see countries as the natural units for comparative studies, we risk "arriving at oversimplified, perhaps even misleading, conclusions" (Locke and Kochan 1995: 339). One example is the area of precarious work, in which we see the emergence of transnational *regional* apparatuses—underpinned by a common set of assumptions, policies, discourses, and ideas across national economies—increasingly impinging upon the structures and experiences of job and employment insecurity that workers exhibit in an age of growing marketization (Pulignano 2018). That said, going beyond methodological nationalism does not mean abandoning national sites of enquiry. Rather, we can no longer assume the autonomy of national "labor politics" and "varieties of capitalisms" (Thelen 2001) within the ever more integrated EU (Erne et al. 2024: 22; see also Maccarrone in this special issue).

A further methodological question is how we conceptualize such continuity and change in European employment relations. For example, we might adopt a temporal bracketing process (Langley 1999; Langley, Smallman, Tsoukas, and Van de Ven 2013) based on key political events (a range of EU Treaties or the election of Commissioners), the financial crisis, or the COVID pandemic (e.g., Keune and Pochet 2023) and then seek to explain what was driving (or derailing) social policy at various levels of the European polity at that particular time and place. This event-driven approach emphasizes the unique and unrepeatable, the specific constellation of actors and events that demand our attention. In contrast, structure-driven approaches focus on the underlying forces of capitalism (e.g., competition and accumulation) that create regularities, patterns, and repetitions (e.g., business cycles, periodic crises, and new waves of labor exploitation) (Barley and Kunda 1992). Alternatively, we can think of developments as a spiral that incorporates developments based on both linear (event-driven) and cyclical (structure-driven) approaches: Movement along the spiral involves traveling away from the original point of departure but not in a simple linear fashion, with periods (cycles) of reversal as well as progress. As we turn our attention once more to transnational drivers of European employment relations after the financial crisis and the ebb and flow of (de)commodification, there is a sense of both *déjà vu* and disquiet with many current developments.

Market-Making and the (De)Commodification of Labor

Beyond the textbook world of neoclassical economics, markets are widely recognized as social and not simply economic phenomena. Markets might be "created" in the first instance by entrepreneurs, who may (or may not) engage in perfect competition with other capitalist enterprises, but the market is henceforth defined by governments, ordered by institutions, and governed by rules and regulations.[2] Markets are certainly not self-correcting, especially when, all too often, social actors (usually employers) decide not to play by the rules, most notably the rules governing employment relationships. Thus, we "can never rule out human ingenuity developing new forms of contracting" (Marsden 1999: 40) because, as Michel Hansenne, former Director-General of the International Labour Organization (ILO) pointed out, "Man's [*sic*] ability to think up new forms of exploitation is one step ahead of the legislator" (Hansenne 1997: 35). Platform firms are the latest testament to this observation.

The liberalization of markets invariably involves a shift from rules and regulations that govern the *structure* of the market (e.g., which firms are allowed to participate in the market and under what terms) to *conduct* in the market (e.g., how firms behave toward rival firms, customers, and workers).[3] By way of example, consider the civil aviation industry. Measures

[2]The nomenclature of liberalization in the EU includes open markets, fair competition, and a level playing field. The reality is always and everywhere rather different from the nomenclature (Turnbull 2010).

[3]In the Ruäffert case—one of the infamous Laval Quartet (C-341/05 Laval un Partneri [2007] ECR I-11767; C-438/05 The International Transport Workers' Federation and The Finnish Seamen's Union [2007] ECR I-10779; C-346/06 Ruäffert [2008] ECR I-01989; C-319/06 Commission vs Luxembourg [2008] ECR I-04323)—the Court of Justice of the EU ruled that the social clause in the procurement law of Lower Saxony (Germany) violated companies' freedom to provide services across the EU, as the clause stipulated that public contracts should be awarded only to companies that abided by wage rates set by collective bargaining agreements. This ruling transformed the structure of the market (which firms can compete) and changed conduct in the market (how firms behave toward workers). The Laval Quartet sanctioned more vertical (commodifying) EU interventions in employment relations (Dølvik and Visser 2009).

to open up the market to competition removed restrictions that stipulated the specific airlines authorized to fly to designated airports. In the United States, this came about via the abolition of the Civil Aeronautics Board in 1985 (under the Airline Deregulation Act of 1978); and in Europe a regulatory framework of bilateral air service agreements (BASAs), typically restricting market access to the national flag airlines of the respective states, was gradually displaced by the creation of a Single European Aviation Market in 1997 (via three packages of reform in 1987, 1990, and 1992). On both sides of the Atlantic, this in turn saw the entry of new airlines and created opportunities for alternative (low-cost) business models and employment practices (Cappelli 2008; Turnbull 2010). In Europe, the latter includes "bogus" self-employment contracts for pilots and the circumvention of national employment laws (social dumping) by offering employment contracts based only on the law of the country where the airline is registered as opposed to the nationality of the pilot or the country where the pilot is based (e.g., a pilot from country A might be hired on a "self-employment" contract in country B where the airline is registered, via an agency in country C, but they live in and work from an airport in country D) (Ricardo-AEA 2019; Turnbull 2020; Geary 2022; Golden and Erne 2022). It is far more difficult for the legislator, rival airlines, or trade unions to counter such behavior compared with the days of BASAs.

On the European level, Scharpf (1999) observed an asymmetry in the formation of markets and policymaking, one that favored the adoption of "negative" market-making over "positive" market-constraining or correcting EU laws. As policymakers from different countries have views that differ on how to best regulate employment and social policies, EU legislators have indeed found it very difficult to agree on EU-wide standards in the social field (positive integration). By contrast, EU policymakers found it much easier to adopt EU laws that remove restrictions to the free movement of goods, capital, services, and people across borders (negative integration), especially as the making of a Single European Market would not question the autonomy of national labor and social policymaking institutions. As many comparative political economists pointed out (Thelen 2001), national industrial relations practitioners would respond to transnational market pressures based on national institutions (Hall and Soskice 2001). That said, the more national producers were exposed to transnational market pressures, the less their collective bargaining agreements could take pay and conditions out of competition. The transnational context was increasingly one in which social policy was subordinated to a market-driven "regime competition" and nation-states experienced rising pressure to "redefine social policy as public provision for private competitiveness for the re-commodification of labor" (Streeck 2016: 22).

The question of whether competition (horizontal market integration) would bring about a convergence of national employment and social policies in accordance with the EU's Social Agenda, or drive greater economic imbalances between member states, was brought to the fore by the financial crisis. As economic imbalances were magnified, the very future of the EU was under threat, leading to a shift in EU policymaking from horizontal (market-driven) integration to vertical (politically driven) integration (Erne et al. 2024). Economies would thus be "re-balanced" by way of, *inter alia*, supranational EU intervention in wage setting.

Economic Crisis and Political Opportunity: The EU's Intervention in Wage Setting

Since the financial crisis of 2008, EU governance has undergone what former Commission President Barroso called a "silent revolution" (Erne 2015: 346; Ryner 2023: 629). The possible collapse of the Euro after the global financial crisis of 2008 threatened the EU integration process. Several EU countries faced a sovereign debt crisis. Individual EU countries and large systemic banks struggled to service debts, as financial markets seized up. Several EU member states, including Greece, Hungary, Portugal, Romania, and Ireland, required bailouts. The unfolding economic crisis created opportunities to radically alter employment relations in Europe. Europe's political leaders as well as the leading European and US–American business associations supported a radical EU policy shift in favor of stronger EU powers in labor, health care, and social policy (Erne et al. 2024: 27). Only the German employer and business associations (BDA and BDI) registered concerns, as they anticipated that such a shift might eventually lead to "EU calls for higher wages in Germany" (Erne et al. 2024: 27).

The European Commission re-interpreted the EU's state aid and public deficit rules to allow national bank bailouts of unprecedented proportions (Erne et al. 2024: 27). Then, the EU and the IMF provided indebted EU states (in and outside the eurozone) with financial assistance, conditional not only on the curtailment of wages and public service levels but also on commodifying structural reforms of their employment relations and public services. In 2011, the EU institutionalized its NEG regime when the European Parliament and Council adopted the Six-Pack of EU laws on economic governance (Erne 2012; Bauer and Becker 2014; see footnote 1). In doing so, the EU did not follow the classical model of a federal state but rather mimicked the governance structures of multinational corporations that control their subsidiaries using headquarters-level performance indicators and site-specific *ad hoc* interventions (Erne 2015). The Six-Pack of EU laws and subsequent EU legislation went much further than reinforcing the Commission's and the Council's ability to set EU-level performance indicators and their capacity to issue binding country-specific policy prescriptions in the field of fiscal policy. The new EU laws also empowered the EU Commission to prescribe changes in national economic and social policymaking to correct macroeconomic imbalances that "jeopardise *or risk* jeopardising the *proper functioning* of economic and monetary union" (Art. 2 Regulation No 1176/2011 of the European Parliament and of the Council on the prevention and correction of macroeconomic imbalances [emphasis added]). These legal definitions proved to be all-encompassing, such that no aspect of labor and social policymaking was henceforth outside the scope of vertical EU interventions (Erne et al. 2024). One of the Six-Pack laws also outlined the yearly fines for noncomplying member states, amounting to 0.2% of the offending member state's GDP in accordance with the excessive deficit procedure and 0.1% in accordance with the excessive macroeconomic imbalances procedure, respectively. Since 2014, the EU's structural funding has also depended on the implementation of the NEG prescriptions that a country receives, which in turn depend on the country's location in the NEG enforcement regime at a particular juncture (Jordan, Maccarrone, and Erne 2021: 199; Erne et al. 2024: table 5.1).

The imposed policy changes to employment relations were far reaching, especially for those countries requiring bailouts. The most dramatic case was Greece, where bailout measures aimed to radically drive down labor costs (Kornelakis and Voskeritsian 2014). Changes to Greek labor laws reduced overtime pay and severance pay for workers. Changes to collective employment relations focused on the decentralization of collective bargaining, allowing the primacy of firm-level over sectoral agreements, which had been the primary method of wage setting in the private sector. Another case in point is the Spanish labor market reform in 2012 (Meardi 2014), which gave employers the prerogative to enhance internal flexibility and change various aspects related to work organization without union or works council involvement. The labor market reforms in Spain reduced severance pay for workers and prioritized company-level over multi-employer collective agreements, allowing employers to lower wages in economically difficult times without union consent, requiring only arbitration.

Further changes across Europe included the rules governing the right to bargain and to conclude an agreement (often linked with the representativeness of signatory parties) and those regulating the termination and the extension of the validity of an agreement (Pulignano 2018). The reforms introduced in Hungary and Romania in 2011, for example, are distinctive in this regard. They seriously questioned the right to collective bargaining in Hungary and the rules for trade union representatives in Romania, in the latter case making it practically impossible to conclude collective agreements above the company level (Trif 2013). In the case of Ireland, EU and IMF executives tasked the government to insert opening clauses into national "sectoral wage-setting mechanisms" (Maccarrone in this special issue). Other member states were tasked to enact similar restrictions on multi-employer bargaining, namely by changes to the requirements for extension practices (e.g., Greece in 2011 and Portugal in 2012) (Marginson and Welz 2014).

As most of the coercive EU policy prescriptions during the financial and Euro crises weakened labor institutions, the evidence clearly points toward a commodification of employment relations and public services (Jordan et al. 2021; Stan and Erne 2023; Erne et al. 2024). The new EU regime has exacerbated "fissures" within the wider labor market (Weil 2014). For scholars of European employment relations, NEG rendered the earlier distinction between positive and negative integration anachronistic (Erne et al. 2024: 38), as it established a "system of economic regulation at the level of the larger unit" (Scharpf 1999: 45) in areas that had hitherto been shielded from vertical EU policy interventions. More important, this observation is not only of academic interest, because the shift to NEG unintentionally prepared the ground for a surprising renaissance of the EU's social agenda, as we discuss in the following sections.

The Re-emergence of the EU's Social Dimension

The Euro crisis and the commodifying EU policy response amplified the EU's "legitimacy crisis" (Schmidt 2020), triggering a significant rise in populist political parties and social protests within the most affected member states and at EU level (Erne et al. 2024). The Juncker Commission (2014–19) was wary of the corrosive political dynamics that emerged across Europe and sought to address more clearly how the EU delivered for its citizens, shifting the policymaking discourse toward a rekindling of the EU's social dimension and potential decommodification. The Commission announced a new start for social dialogue and proposed a new European Pillar of Social Rights. The Social Pillar synthesized existing EU social and employment legislation and principles, but it also led to new legislative initiatives. A case in point is the Revised EU Directive on Parental Leave (see Im, Larsen, and Pircher in this special issue).

When the EU's political leaders were confronted with the COVID pandemic, they re-assessed the corrosion of Social Europe, leading to a decommodifying U-turn in the EU's employment relations policy. In fact, many had already realized before the COVID emergency that they could not re-establish popular legitimacy for the EU without attempting to re-integrate workers and trade unions into the EU integration process (van Middelaar 2021; Ryner 2023; Erne et al. 2024: chaps. 12 and 13). In March 2020, the Commission and the Council effectively suspended the NEG regime. This move came as a surprise to most EU scholars, who argued, for example, that they did "not expect EU institutional actors to reverse stability rules and numerical targets . . . even in the unlikely event that there were to be a shift in the political orientation of the EP [European Parliament] and the Council" (Schmidt 2020: 303). The European Commission—headed (since 2019) by center-right Ursula von der Leyen who also required center-left votes in the European Parliament to get elected—made further moves to put Social Europe back on the EU's legislative agenda with several decommodifying EU laws in the social and employment area:

The Adequate Minimum Wages Directive (2022/2041) tasks all EU member states to respect new EU reference values for statutory minimum wage levels (60% of the gross national median wage and 50% of the gross national average wage of a full-time worker) and to increase their national collective bargaining coverage until they reach the new EU reference value of 80%.

The Pay Transparency Directive (2023/970) strengthens the application of the principle of equal pay for equal work or work of equal value between men and women.

The Directive on Improving Working Conditions in Platform Work (2024) protects platform workers against bogus self-employment by obliging member states to establish an effective rebuttable legal presumption of employment, and to protect platform workers against the risks of automated monitoring and decision-making systems by establishing EU-wide rules on their use.

The Directive on Corporate Sustainability Due Diligence (2024) obliges large multinational companies and their suppliers to curb abuses of human and workers' rights as well as activities that negatively affect the environment and the climate along their global supply chains.

It is noteworthy that these four directives and other initiatives have been adopted despite strong opposition from European Employers' Organizations (Aranea, Gooberman, and Hauptmeier 2021, 2022). The adoption of the EU Minimum Wage Directive is particularly striking, as Business Europe was convinced that it would be easy to stall this proposal with reference to Art. 153 (5) of the Treaty on the Functioning of the European Union (TFEU), which excludes pay from the remit of EU policymaking. Europe's trade union leaders simply flipped Business Europe's EU competence argument by asking the following rhetorical question: How can one say that the EU has no right to provide a framework for adequate minimum wages, after a decade of binding EU prescriptions that tasked governments to curb wages and to marketize collective bargaining mechanisms? (Erne et al. 2024: 326). Paradoxically, but predictably, vertical NEG interventions in national wage policies created the political opportunity for the Minimum Wage Directive by effectively making wage policy an EU policymaking issue (Erne et al. 2024: 10).

The Changing Contours of Transnational Employment Relations in the EU

The impact of transnational policymaking on employment relations in Europe since 2008 demands a rather different analytical lens for the study of how EU policymaking interacts with national employment relations actors. Specifically, we need to ask how policymaking interventions of various EU institutions shape an opportunity structure defined by commodifying and decommodifying policies with which national employment relations actors interact along two key dimensions. First, horizontal (competitive) pressures still define the general context of employment relations in the Single Market. As always, competition within and between member states is mediated by institutions and social action. As liberalization creates opportunities for multinational firms to develop more flexible forms of employment, national institutions (Greer and Hauptmeier 2016) and actors might either mitigate or magnify the consequent fissuring (Weil 2014) of the workplace. In their study of competition in the labor market created by involuntary temporary employment, Lehner, Ramskogler, and Riedl (in this special issue) affirm a long-standing maxim of employment relations research by demonstrating that institutions matter.

The second dimension is vertical (political) intervention in employment relations, which marks a qualitative change in the relationship between the EU institutions, the member states, and the social partners. This change is demonstrated in the case of minimum wage policy in Ireland (Maccarrone in this special issue), which highlights how political opportunities can turn—like a spiral—from commodification to decommodification. There are other unexpected turns in European employment relations as the interests and actions of the EU executive (Commission and Council) and social partners change over time. Parental leave has been firmly on the European social agenda for several decades, but, whereas the social partners were previously rule-makers they are now rule-takers, highlighting once again the more direct intervention of the European institutions in employment relations (see Im, Larsen, and Pircher in this special issue). The spiral of policymaking in this context is both familiar (issues) and unfamiliar (actions). By contrast, new issues are on the EU's social agenda, most notably how to protect workers in the platform economy (Pulignano, Muszyński, and Tapia in this special issue), and how to ensure a just transition to a green economy (Dupuis, Greer, and Zimmermann in this special issue). In what follows, we elaborate on the contribution of the articles in this special issue along both horizontal and vertical dimensions and the direction of travel toward commodification or decommodification.

Looking at the case of Ireland, Maccarrone analyzes how the increasing Europeanization of wage policy after the financial crisis of 2008 affected national struggles in the area of employment relations. Depending on employers' and unions' access to EU policymakers as well as the commodifying or decommodifying policy direction of EU interventions after the financial crisis of 2008 and the COVID pandemic of 2020, Irish employers and unions used *or* resisted EU interference in national employment relations. Maccarrone's article thus neatly shows how the changes in EU labor politics since 2008 created the new transnational opportunity structures that national employer organizations and unions were able to use strategically at different junctures and to different degrees by layering EU interventions onto the existing national institutions and processes.

Dupuis, Greer, and Zimmermann focus on how worker representation in Germany shapes the green transition in the auto industry and contrast this case with developments in North America. Ambitious environmental targets have been set both in North America and in Europe, among them the ambitious EU Green Deal (2019/2956(RSP), which was followed by the January 15, 2020, resolution of the European Parliament that aims to achieve a climate-neutral and circular economy by 2025. These environmental targets have triggered a restructuring of auto production and work organization. In Germany, worker representatives are able to develop their own proposals for adaptation and thereby influence change processes based on strong coordinating institutions, such as collective bargaining, corporatist policymaking, tripartite vocational training, and codetermination, enabling worker representatives to maintain job quality and ensure that the social impacts of these transitions are equitably distributed across workplaces and workers. The article demonstrates how national institutions underpin actors' ability to influence the implementation of EU-level policies and programs.

Lehner, Ramskogler, and Riedl return to the broader theme of labor market inequalities by exploring the impact of involuntary temporary employment and aggregate wage growth in Europe. Specifically, they demonstrate that the incidence of involuntary temporary workers has strong negative effects on aggregate wage growth. Essentially, they illustrate how denying workers permanent employment has negative effects, not only for those who want to work on a permanent contract but also for those who are permanently employed and whose wages are lower because involuntary temporary workers are "in competition" with them. These effects of temporary employment are particularly pronounced in countries where wage bargaining is weak, underscoring the importance of wage-setting institutions and union strength for labor market equality.

Im, Larsen, and Pircher shed light on the evolution of EU employment and social policy by examining the changing policy process of the various directives on parental leave and their revisions. The initial EU Directive on Parental Leave in 1995 and its Revision in 2010 were negotiated by the social partners through European Social Dialogue, but the EU Commission took charge of the 2019 Revision. The analysis demonstrates that the EU has developed an increasing focus on employment and social policies and a willingness to override European Social Dialogue outcomes that are at odds with the Commission's own ambitions (as also happened in the case of the hairdressers' social partners agreement, which was not implemented by the Commission). Overall, the article captures how the EU social partners have moved away from being rule-makers to being rule-takers, which is indicative of the weakening of the European Social Dialogue and of a more interventionist Commission in the area of employment and social policy.

Pulignano, Muszyński, and Tapia examine the "effort-bargain" in European online labor markets. Going beyond the much-studied delivery and transportation platforms, this article focuses on the experiences of graphic design, IT, translation, and copywriting workers in the platform economy. The authors identify skill as a key determinant for negotiation of recognition and rewards for their work. Specialized skilled workers have a greater sense of recognition, retain autonomy, and develop more regular (ongoing) transactions that allow them to secure monetary gains, whereas less-skilled workers face exploitative practices with more insecure monetary rewards. The Directive on Platform Work seeks to address such inequalities and exploitative work practices, but, as evidenced throughout this Introduction, the implementation and effectiveness of the directive will be influenced by how employment relations actors are able to leverage national institutions and create a space for enhancing protection and fair conditions of competition for workers operating in markets (e.g., self-employment) that are typically beyond traditional regulation (e.g., collective bargaining).

All told, the contributions to this special issue highlight the ever-present threat of commodification, whether as a result of (horizontal) competition in labor markets or (vertical) political intervention in areas of employment relations hitherto beyond the remit of the EU's supranational institutions. Although there have been several developments in the direction of decommodification post-pandemic, the workers of Europe have yet to fully recover from the commodification of national employment relations, social welfare, and public services that followed the financial crisis. Indeed, it is precisely because these traditional defenses have been eroded or circumvented by (vertical) transnational intervention in employment relations that a truly Social Europe remains elusive.

Conclusion

The forces of commodification and decommodification continue to drive the evolution of European employment relations. The recent strengthening of the European social dimension led some commentators to ask: "Is this time different?" (Keune and Pochet 2023: 173). The question is pertinent because "there is always the possibility to go backwards again," as Nicolas Schmit (cited in Erne 2024), the EU Commissioner for Jobs and Social Rights, conceded in April 2024 shortly before the European Parliament and Council re-introduced new EU fiscal and economic governance rules. As in the past, the future of Social Europe remains uncertain.

We need to reflect on the immediate past and contemplate how to navigate the future in order to realize a Social Europe. Looking back, we can see clearly that the EU's commodifying NEG prescriptions failed to deliver sustained economic growth, with workers' disposable income over the past decade falling (e.g., in Greece) or remaining static (e.g., in Austria, Cyprus, Finland, France, Italy, and Spain) in many countries across the EU (Eurostat 2023). After an unexpectedly robust economic rebound from the COVID-19 pandemic, the EU is now grappling with the challenge of reducing inflation. Annual inflation in the EU in 2022 soared to a record 9.2%, more than three times the 2021 rate of 2.9%, leading central banks to implement unprecedented interest rate hikes—with the consequent pressure on household budgets exacerbating dissatisfaction and disaffection toward the EU. Economic growth in the EU has tapered off since mid-2022, coming almost to a halt, with the eurozone experiencing a mild technical recession. Horizontal (market) competition created economic imbalances between and within European member states that vertical (political) intervention served only to exacerbate.

Looking forward, in June 2022, the EU adopted Council Recommendation (2022/C 243/04) on "ensuring a fair transition towards climate neutrality" that demands a "transition towards a climate-neutral and environmentally sustainable economy by 2050" that "is fair and leaves nobody behind." This represents a political opportunity for a renewed focus on Social Europe, with trade unions calling for, *inter alia*, a permanent investment mechanism to ensure that member states can achieve their social and environmental objectives. Such a mechanism would be one way to achieve a more appropriate balance between fiscal, social, and environmental objectives. Currently, however, under the new EU fiscal and economic governance rules adopted by the European Parliament and Council just before the EU elections of June 2024, several member states will likely be unable to afford their social and green investment needs (Mang and Caddick 2024). To avoid a further cycle of policymaking that spirals toward further commodification, Europe needs transnational interventions that strengthen and give meaning and effect to the European Pillar of Social Rights, supporting workers and promoting industrial democracy at every level of Europe's multilevel governance.

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