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Common Pressures, Uneven Trajectories: The Variegated Europeanisation of Wage Regulation Institutions

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ABSTRACT

The debate on whether national industrial relations (IR) are experiencing convergence is a long-standing one. Recently, scholars argue that we are witnessing a neoliberal convergence of national IR, understood as an increase in employers' discretion. Much of this discussion has focused on countries of the European Union (EU) as empirical test cases. Hence, this debate has intertwined with that on the effects of the process of European integration on national IR. Drawing insights from the economic geography literature and the perspective of 'variegated neoliberalisation', this article argues that neoliberalisation and Europeanisation on IR should be seen as intertwined processes, which are, however, constitutively variegated. Through a multi-level research design, the article applies this theoretical framework to one key function of national IR, that is, wage regulation, with a focus on Ireland and Italy.

1 | Introduction

The debate on the trajectory of change of national industrial relations (IR) is a long-standing one. Writing at the beginning of this century, Katz and Darbishire (2000) argued that—faced with heightened international competition—national IR were showing increasing variation within countries but a common convergence across borders. Following the publication of 'Varieties of Capitalism' (VoC) (Hall and Soskice 2001), IR scholarship focused instead on the increasing divergence of national IR. Due to institutional complementarity and path dependency, national labour regimes would react differently to common shocks, reinforcing institutional heterogeneity. The debate has been reignited by the publication of Baccaro's and Howell's (2011, 2017) influential works, where they argue that national IR in Western Europe displayed a common convergence towards neoliberalism. National IR institutions have been transformed—in function if not in form—to provide greater discretion to employers over the labour process. Although some scholars have confirmed and extended Baccaro's and Howell's findings to other countries

(Boumans 2021), others have contested them, highlighting a more heterogeneous picture, with no observable convergence (Meardi 2018; Arnholtz et al. 2018; Dolvik and Marginson 2018; Bender 2025).

Most of the neoliberalisation debate has focused on countries of the European Union (EU) as empirical test cases. Hence, the discussion has intertwined with that on the effects of European integration, which since the 1990s has increasingly encroached on national IR (Marginson and Sisson 2004; Meardi 2018; Brandl and Bechter 2019; Erne et al. 2024). The literature has shown how the Europeanisation of labour relations has proceeded predominantly in a commodifying direction—which, following Erne et al. (2024), we can define as any institutional change that makes workers more dependent on the market. Commodifying pressures stemming from the process of EU integration have in turn intensified competition between national IR and promoted wage moderation (Streeck 1998; Marginson and Sisson 2004). This tendency has only been exacerbated by the outbreak of the 2007–2008 global financial crisis, which has led to the establishment

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of the so-called EU's new economic governance (NEG) regime that increased supranational commodifying encroachment on national IR (Marginson and Welz 2015; Brandl and Bechter 2019; Jordan et al. 2021; Erne et al. 2024). At the same time, more recent European legislative developments, such as the adequate minimum wage directive, have a decommodifying orientation, while marking a new step towards the Europeanisation of IR (Maccarrone 2024).

The article aims to connect explicitly these two strands of literature. Leveraging insights from the critical political economy and the economic geography literature, I argue that we should see neoliberalisation and Europeanisation of IR as *intertwined processes*, which are, however, constitutively *variegated*. The relaunch of European integration that took place since the 1980s happened in the context of neoliberalism and took predominantly the form of market integration. Yet, competing hegemonic projects vis-à-vis neoliberalism led to the emergence of a European social dimension. At the national level, commodifying or decommodifying pressures resulting from EU integration shape IR in a common direction but produce uneven trajectories of institutional change, because they are mediated by different institutional configurations and by actors' strategies of resistance or accommodation. The article focuses on the processes of reform of wage regulation institutions as empirical test ground. Wage setting lies at the core of *national* IR (Dolvik and Marginson 2018), be it determined through free collective bargaining, statutory legislation or a mix of both. Yet, over the last three decades, wage policy has become increasingly *Europeanised* (Brandl and Bechter 2019; Erne et al. 2024; Maccarrone 2024). This article investigates the trajectory of the Europeanisation of wage regulation as a constitutively variegated process. It does so through a multi-level research design, which looks at developments in European wage policy at both the supranational and national levels, focusing on Ireland and Italy, two countries which were subject to several EU interventions on national wage policy since the outbreak of the 2007–2008 global financial crisis.

The article is structured as follows. In Section 2, I summarise the debate on convergence in the IR literature. In Section 3, I highlight the theoretical framework, whereas in Section 4, I present the methodology. In Section 5, I discuss how the Europeanisation of wage policy came to be. In Section 6, I analyse its impact on Irish and Italian IR. In Section 7, I conduct a contextualised comparative discussion of the findings. In Section 8, I highlight the contribution of the article and conclude with some directions for future research.

2 | Debating Convergence of National IR: Between Neoliberalism and European Integration

In the two decades of post-WWII 'embedded liberalism' (Harvey 2005), IR scholars argued that industrialisation and economic catch-up would drive convergence towards the collective bargaining model of core US industries (Kerr et al. 1960). Throughout the 1970s and 1980s, however, this first wave of convergence theories became increasingly contested (Streeck 2018). Countries that included capital and labour into corporatist processes of policy making—be they Sweden or Japan—seemed to endure better

than Anglo-American capitalism in a decade characterised by inflation and economic recession (Streeck 2018). This stimulated research that emphasised institutional diversity in IR across countries (Katz and Darbishire 2000).

By the 1980s, however, also neo-corporatist institutions came under pressure, as the capital regime of accumulation had started to shift towards neoliberalism (Harvey 2005). Common pressures associated with neoliberalism, including intensified international competition and globalisation, privatisation and deregulation, combined with a decline in union membership and bargaining power, reignited the convergence debate (Katz and Darbishire 2000). Analysing the IR of seven industrialised countries,¹ Katz and Darbishire (2000) observed simultaneous trends of increasing divergence *within* countries and increasing convergence *across* them, going towards the decentralisation of collective bargaining and greater informality in labour-management interactions.

Although Katz and Darbishire (2000) highlighted both processes of institutional variation and convergence of IR, the focus of the influential VoC framework devised by Hall and Soskice (2001) was divergence. The degree of (dis)organisation of wage relations was emphasised as one of the defining differences between Liberal Market Economies (LMEs) and Coordinated Market Economies (CMEs). Rather than a convergence of national economies under globalisation's pressure, Hall and Soskice (2001) argued that the two models would maintain their distinctive traits, given the presence of complementarities between institutional spheres.

Throughout the 2000s and the 2010s, however, IR scholars questioned this picture of stability. Most influential in this respect has been the position of Baccaro and Howell (2011, 2017) who argue that, notwithstanding their institutional heterogeneity, since the 1980s IR in all Western European countries have exhibited a common neoliberal transformation, defined as an expansion of employer discretion over the labour process. Although the VoC approach emphasises the role of institutions as drivers of the difference between the two main types of capitalism, Baccaro and Howell go back to the intuitions of the power resource approach (Korpi 2006) and stress the role of balance of power between classes to explain the common neoliberalisation of national IR.

For other IR and political economy scholars, however, the picture is less clear-cut. For Thelen (2014), liberalisation comes in varieties (deregulation, dualisation and embedded flexibilisation), which, in turn, are related to the different political coalitions underpinning the institutions of coordinated capitalism. Analysing the impact of internationalisation on national IR of the six most populous EU countries, Meardi (2018) finds no evidence of neoliberal convergence, as weakened associational governance is at least partially compensated by strengthened state governance of labour relations. Focusing on Northern European countries, Arnholtz et al. (2018) and Dolvik and Marginson (2018) also observe that states respond differently to similar liberalising pressures, depending on employers' strategies and the balance of power between actors. Similarly, Bender (2025) concludes that Swedish IR have not undergone liberalisation, due to resilient union strength and institutional path dependency.

As most of these contributions focus on European countries, the neoliberalisation debate also intersects with that on the effects of the process of European integration for national IR. This discussion started to flourish in the 1990s, following the relaunch of the process of European integration with signing of the Single European Act in 1986 and of the Maastricht Treaty in 1992. These treaties, while significantly increasing the degree of EU market integration, also enlarged the EU competences on labour policy to promote supranational flanking measures (Erne et al. 2024). IR scholarship defined European IR as a ‘multi-level system that matches and complements the multi-level institutions that have come to govern most of public policy-making in Europe’ (Streeck 1998, 435).

As for the impact of Europeanisation on national IR, Marginson and Sisson (2004) came to a very similar conclusion to the one reached by Katz and Darbishire (2000) on globalisation. Indeed, Europeanisation was systematically promoting ‘a measure of convergence *within* companies and sectors *between* national systems’—towards increased decentralisation of collective bargaining—but also ‘greater *diversity* between companies and sectors *within* national systems’ (Marginson and Sisson 2004, 290). With the outbreak of the 2007–2008 global financial crisis and the EU’s adoption of austerity in response, scholars increasingly wondered if the EU was enforcing a de facto convergence towards the dismantling of market-constraining IR institutions at the national level (Marginson 2014). The two debates—on Europeanisation and neoliberalisation of IR—became thus increasingly connected.

3 | Neoliberalisation and Europeanisation of IR as Intertwined but Variegated Processes

This article aims to link more systematically the debate on neoliberalisation and Europeanisation of IR. Although until now the literature has focused on the *outcomes* of neoliberalisation and Europeanisation—that is, whether national IR have converged or not (Baccaro and Howell 2017; Meardi 2018)—I argue that we should analyse neoliberalisation and Europeanisation as *intertwined but variegated processes*.

First, drawing from the critical political economy literature—in particular its neo-Gramscian strand—I make the case that the process of Europeanisation of IR should be understood as shaped by broader dynamics of capital accumulation (van Apeldoorn 2002; Bieler 2005). Indeed, the relaunch of the European integration process since the 1980s cannot be understood without reference to the shift from embedded liberalism to neoliberalism (Harvey 2005) that took place in the same period. Hence, since the 1980s, neoliberalisation and Europeanisation have been increasingly *intertwined*. At the same time, the process of European integration is a terrain of struggle between different hegemonic projects (van Apeldoorn 2002). Although neoliberalism became hegemonic since the 1980s, other countervailing forces continued to exist, explaining the adoption of an—albeit limited—EU social dimension (van Apeldoorn 2002; Bieler 2005). Hence, the article also draws inspiration from the economic geography literature to understand neoliberalisation and Europeanisation as intertwined but *variegated* processes (Peck and Theodore 2007; Brenner et al. 2010; see also Huertgen 2021; Gasseau 2024).

In particular, Brenner et al. (2010, 188) argue that neoliberalisation is constitutively variegated, as ‘[m]arket disciplinary regulatory projects often combine, parasitically, with ostensibly alien institutions and policy regimes to create “hybrid” institutional landscapes in which commodifying and market-constraining logics commingle and co-evolve’ (Brenner et al. 2010, 188). Neoliberalisation processes create tensions, conflict and contestation, which, in turn, might lead to ‘erection of flanking mechanisms to manage the polarizing consequences of intensified commodification’ (Brenner et al. 2010, 197). Drawing from Polanyi’s (2001[1944]) idea of the ‘double movement’—where commodification processes generate also pressures for market re-embedding—these authors highlight how the transnational expansion of market rule gives rise to ‘multiple, differentially spatialized yet interconnected double movements across places, territories and scales’ (Brenner et al. 2010, 197).

Europeanisation is also constitutively variegated. The relaunch of the process of European integration since the 1980s has been shaped by the emergence of neoliberalism and has taken place primarily as market integration, which have exercised a commodifying pressure on IR (Erne et al. 2024). At the same time, commodifying pressures also led to Polanyian counter-tendencies that resulted in the adoption of decommodifying European legislation in the social field (Erne et al. 2024). Moreover, common EU pressures on IR—whether commodifying or decommodifying—generate uneven trajectories of institutional change, as they are layered upon existing institutional landscapes and are shaped by actors’ strategies, which are underpinned by asymmetric power resources. Arguably, these processes can be understood only through the in-depth analysis of case studies, which are introduced in the following section.

4 | Methodology

In order to analyse the neoliberalisation and Europeanisation of IR as *processes*, the article focuses on how they have affected one specific area of IR, namely, wage policy. The setting of wages is the most important function historically ascribed to national IR (Dolvik and Marginson 2018). Over time, however, wage policy became increasingly Europeanised (Maccarrone 2024). Analysing the transnational development of wage policy in Europe thus offers a unique standpoint to understand neoliberalisation and Europeanisation as intertwined but variegated processes.

This article adopts a multi-level research design. First, it describes how the EU acquired significant powers over wage setting and how the orientation of EU interventions oscillated between commodification and decommodification. Then, it moves to the national level and analyses the impact of the Europeanisation of wage policy on the reforms of wage regulation institutions in two countries, Ireland and Italy. However, EU interventions also affected public sector wage bargaining (Bach and Bordogna 2013); due to space constraints, I focus on wage regulation institutions in the private sector.

By wage regulation institutions, I mean collective bargaining and statutory wage-setting mechanisms. The focus on these institutions derives from the fact that since the outbreak of the global financial crisis, the EU has started to increasingly issue direct

policy prescriptions on these areas (Marginson and Welz 2015; Erne et al. 2024). Although *outcomes* of reforms will be analysed, the focus will be on Europeanisation and neoliberalisation of wage regulation institutions as variegated *processes*, unfolding over time and across countries, shaped by evolving interactions among supranational, national and sectoral actors, and mediated by distinct institutional trajectories and actors' power relations.

Rather than relying on the Mills-inspired logic of formal comparison (most similar/most different cases), I employ the methodology of 'incorporating comparison' devised by Philip McMichael (1990), which aims to make the interdependence of the units a part of the research design. Italy and Ireland are thus selected as national 'variants' within a 'whole' (the EU), part of larger historically integrated processes—the neoliberalisation and Europeanisation of IR. In this, the approach is akin to the extended case method approach proposed by Burawoy (2000), where the local is shaped by its relationship with the whole, although this does not presume a functionalist relationship, as local actors can resist, avoid or negotiate the impact of transnational processes (see also Erne et al. 2024).

Italy and Ireland are selected as two vantage points to observe the unfolding of the Europeanisation of wage regulation at the national level. Ireland was under an EU–International Monetary Fund (IMF) structural adjustment programme from 2010 to 2013. Italy was never formally under external conditionality, but it was affected by several EU interventions on wages through the European Semester (Jordan et al. 2021) and was under the 'implicit conditionality' (Sacchi 2015) of ECB. Both countries have now to implement the EU minimum wage directive. Although subject to similar EU pressures on wage institutions, the selection of these two cases allows for enough variation, as they differ along several dimensions with respect to wage regulation institutions (see Table 1). In particular, Ireland has a statutory minimum wage, whereas Italy does not. Conversely, at the outset of the global financial crisis, collective bargaining coverage in Italy was double that in Ireland (80% vs. 40%, respectively), as national–sectoral collective bargaining plays a much more prominent role. Despite these differences, unions' associational power, as measured (albeit imperfectly) by union density, has been declining in a rather similar way since the 1990s in both countries, hovering around 30% in both countries at the outbreak of the crisis.

At the same time, focusing on two countries allows us to pursue a strategy of in-depth, 'slow' comparison, which involves a long-term engagement with the context under study (Almond and Connolly 2020). The comparative approach chosen involved a European multi-sited fieldwork between Brussels, Ireland and Italy. Fieldwork took place, intermittently, between May 2018 and May 2020, though the last 3 months of activity were significantly affected by the outbreak of the Covid-19 pandemic, which explains the lower number of interviews for the Italian case, especially on the employers' side. Additional interviews were carried out in the fall of 2022 to account for more recent developments. In total, I conducted 74 interviews across the different sites (detailed in Table 2). Interviewees were granted anonymity and are referred to with a code throughout the text.

Data from the interviews were then coded manually, analysed thematically following an 'abductive' approach going back

between theory and empirics, and connected to the further findings that emerged through the document analysis of policy documents and secondary sources. The latter were fundamental to reconstruct the historical trajectory of wage policy at the supranational and national level in both Sections 5 and 6, whereas interviews were crucial to understand reform processes and actors' strategies since the outbreak of the global financial crisis. Document analysis also helped overcome interviewees' recollection issues and fieldwork disruptions linked to the Covid-19 pandemic.

Given the approach to comparison chosen, the article does not aim to make an abstract, 'nomothetic' (Hyman 2001), generalisation of the findings from the sample to a larger population of countries. Nevertheless, as Almond and Connolly (2020, 63) note, the situated and historically contingent comparison of the cases still offers the possibility for 'understanding and interrogating the posited effects of transnational forces, of how such forces are co-constituted and realized at local and national levels and of possibilities for the constitution of resistance and alternatives.'

5 | European Wage Regulation: Between Commodification and Decommodification

After decades of stagnation, the process of European integration was relaunched since the mid-1980s. Taking place in the context of the shift to neoliberalism, integration was re-started primarily as a process of market integration, with the establishment of the European Single Market and, subsequently, of the European Monetary Union (EMU). This increased market integration exercised commodifying pressures on national IR, which were put in competition between one another (Streeck 1998; Erne et al. 2024, Chapter 6).

Yet, to appease trade unions and social democratic parties, EU leaders also expanded the European social dimension, establishing a form of 'embedded neoliberalism' (van Apeldoorn 2002). After all, as the then European Commission president Jacques Delors observed, 'one cannot fall in love with a market' (cited in Streeck 1998; see also Jabko 2006). Hence, the Single European Act and the Maastricht Treaty expanded the EU's competences on social themes, leading on the approval of de-commodifying legislation on issues such as health and safety, working conditions, information and consultation rights. Yet, art. 153(5) of the Treaty of Functioning of the European Union (TFEU) excluded pay, the right of association and the right to strike from EU competences. Member states with voluntarist IR systems opposed any EU intervention in those areas. Until the outbreak of the 2007–2008 global financial crisis, the influence of EU integration on national wage regulation institutions was thus exercised indirectly, through the process of market integration (Erne et al. 2024).

Over time, however, the EU has increasingly acquired *de facto* competences over national wage regulation institutions. In the aftermath of 2007–2008 global financial crisis, the EU started to issue direct prescriptions on wage-setting mechanisms to its member states, by virtue of the strengthening of its powers through the establishment of an NEG regime (Erne 2015; Marginson and Welz 2015; Erne et al. 2024). First, several member

TABLE 1 | Irish and Italian industrial relations (IR) at the outset of the global financial crisis (2008).

Key features	Ireland	Italy
Statutory minimum wage	Yes	No, but courts can adopt the wages set by the relevant sectoral agreement as benchmark in cases of dispute
Collective bargaining coverage (in %)	40 [2009]	80 [2005]
Trade union density	30.1	33.4
Employer association density	60	68
Favourability principle/possibilities to derogate from (cross-)sectoral agreements	No opt-out clauses from sectoral extension mechanisms Opt-out clauses from social partnership agreements Opt-out clause from NMW	No opt-out clauses from sectoral agreements
Extension mechanism (or functional equivalent)	No extension, except for Registered Employment Agreements and Employment Regulation Orders	No extension, but courts can adopt the wages set by the relevant sectoral agreement as benchmark in cases of dispute

Abbreviation: NMW, national minimum wage.

Source: Author's elaboration partially based on OECD/AIAS ICTWSS database.

TABLE 2 | Summary of the interviews conducted.

Site	Trade unions	Employers	Policy makers	Experts	Total
EU	6 (ETUC 3, ETUCE 1, EPSU 1, ETF 1)	1 (BusinessEurope)	15 (Commission 11, Council 3, MEP 1)	1	23
Ireland	13 (SIPTU 5, ICTU 3, FORSA 3, UNITE 1, CPSU 1)	7 (Ibec 5, CIF 1, ISME 1)	9 (Departments 5, TDs 3, IMF 1)	4	33
Italy	10 (CGIL 6, UIL 3, CISL 1)	1 (Confindustria)	6 (Ministries 3, MP 1, Party Advisers 2)	2	19

Abbreviations: EU, European Union; IMF, International Monetary Fund.

states were forced to rely on loans from the EU and the IMF. Such loans were conditional on the implementation of austerity policies and 'structural reforms', affecting also national wage policy. Second, since 2011 all member states started to receive annual 'Country Specific Recommendations' (CSRs) as part of the European Semester, a new mechanism of macro-economic policy coordination. A significant share of the CSRs covers IR issues in general and wage regulation institutions in particular (Jordan et al. 2021, Erne et al. 2024). The trajectory of these prescriptions has been overall a commodifying one, going in the direction of wage moderation, to be achieved through reduction or freeze of statutory minimum wages and decentralisation of collective bargaining (Marginson and Welz 2015; Jordan et al. 2021; Erne et al. 2024). This stemmed from the emergence of a dominant narrative of the EU economic crisis as a crisis of competitiveness, which held unit labour costs (ULCs) among main culprits for the declining competitiveness (Mirò 2021).

However, the backlash effect caused by the imposition of commodifying structural reforms has led to a constant increase in Euroscepticism, as visible in the increasing share of votes of Eurosceptic parties in subsequent European and national elections. In response, in more recent years, EU leaders have shifted orientation on wage policy, in particular with the approval of the EU directive on adequate minimum wages in 2022 (Directive (EU) 2022/2041). The directive—which is based on the EU's competences on working conditions—does not only encourage those states with a statutory minimum wage to ensure that it provides decent living standards but does also recognise a positive role for multi-employer collective bargaining and requires those member states with a collective bargaining coverage lower than 80% to implement an action plan to increase it. In doing so, the directive produces decommodifying pressures on member states' wage regulation institutions, while at the same time fostering the Europeanisation of wage policy further (Maccarrone 2024).

It is precisely this further step forward in the European integration of wage policy that has provoked discontent among the governments of the Nordic countries—Denmark and Sweden—which have always been particularly cautious when it comes to preserving the autonomy of collective bargaining from any legislative intervention, including those at the European level. The Danish government, supported by the Swedish one, therefore challenged the minimum wage directive before the European Court of Justice, on the ground that the EU still does not hold formal competences on wages. Nevertheless, in November 2025, the Court largely upheld the directive, including most of its provisions on collective bargaining. Hence, the Europeanisation of wage policy continues.

6 | Assessing the Impact of the Europeanisation of Wage Policy in Ireland and Italy (1992–2024)

6.1 | Ireland

Prior to the 2007–2008 global financial crisis, the impact of the EU on Irish wage policy was only indirect. The decision of entering the EMU at the beginning of the 1990s was influential in shaping the content of the national tripartite wage agreements in place since 1987, known as ‘social partnership’ (Roche 2007). These agreements ensured a contained wage growth while maintaining labour conflict in check (Roche 2007; Erne 2008). With the outbreak of the crisis, social partnership collapsed, once the government, led by a coalition of the centre-right Fianna Fáil and the Greens, reacted by imposing harsh austerity measures, including unilateral wage cuts in the public sector (Geary 2016).

Yet the surge in public debt, following the government’s full guarantee of bank liabilities and soaring bond yields, forced Ireland to request an €85 billion EU–IMF loan in November 2010—becoming the second Eurozone country to do so after Greece. Like other bailed-out countries, Ireland had to commit to a series of reforms and austerity measures detailed in successive Memoranda of Understanding (MoUs), monitored by the IMF, the European Commission and the European Central Bank—the so-called Troika. The first MoU of December 2010 included measures to reduce ULCs, reflecting the EU’s diagnosis of the Irish recession as a competitiveness crisis driven by excessive ULC growth (Dooley 2019; see DG ECFIN 2011a).

With social partnership already collapsed prior to the arrival of the Troika, the conditions imposed by international institutions targeted other wage-setting mechanisms. The first MoU mandated a €1 per hour (around 12%) cut in the national minimum wage (NMW) and a review of the two coordinated sectoral systems: Employment Regulation Orders (EROs) and Registered Employment Agreements (REAs). EROs set minimum pay and conditions in low-wage sectors such as cleaning, retail and hospitality, covering about 15% of the private workforce in 2009 (Duffy and Walsh 2011). REAs were collective agreements that could be extended *erga omnes* at sectoral level, notably in construction, which accounted for 8% of private employment in 2009 (Duffy and Walsh 2011). The government implemented the NMW cut in late 2010 and established an independent commission to review sectoral-wage-setting mechanisms in early 2011.

The Troika’s policy prescriptions intersected with domestic struggles over wage-setting institutions. Although established in 1946, both EROs and REAs had faced criticism from employers’ groups since the 2000s, who argued that the introduction of a *national* minimum wage and individual employment rights made statutory *sectoral* provisions redundant (Dobbins 2005). The Troika’s arrival thus reinforced the position of employers, including Ibec, the largest employer confederation, advocating reform or abolition of sectoral mechanisms (Maccarrone 2024). As one interviewee noted, ‘because of the scale of retrenchment which was required (...) a lot of decisions in terms both of policy nature but also in terms of impact of industrial relations that could not otherwise be contemplated had to be debated’ (Interview Former Ibec Executive [IRE_9]).

Yet the Troika’s wage policies did not go unchallenged. Despite weakened power resources after the GFC, Irish unions retained some capacity to resist external interventions in wage-setting institutions (Maccarrone 2024). As a former union leader put it, ‘Our business at its core was (...) get rid of the troika and all that external interference’ (Interview ICTU Former Official [IRE_3]). Trade unions representing low-paid workers mobilised their associational and coalitional power by forming the ‘Coalition to Protect the Lowest Paid’ with NGOs and community groups. Ahead of the February 2011 elections, the coalition intensified its campaign (Interview SIPTU Official [IRE_2]), securing pledges from over 150 parliamentary candidates. The reversal of the NMW cut was subsequently included in the Programme for Government of the new Fine Gael–Labour coalition. Unions also made use of their institutional power and concentrated their lobbying on Labour, with whom they had long-standing ties (Interview SIPTU Official [IRE_2]; Interview ICTU Former Official [IRE_3]).

After negotiating with the Troika, the new government restored the minimum wage to its pre-cut level. To preserve the assumed competitiveness gains from lower ULCs, this was offset by a reduction in employers’ pay-related social insurance contributions (DG ECFIN 2011b), at a cost for the public budget. The commission also noted ‘that the effective ability of firms to adjust wages downward when required by the cycle would be rather addressed in the future reform of the sectoral wage bargaining system’ (DG ECFIN 2011b, 18–19). By summer 2011, pressures to reform minimum wage regulation peaked. In July, the High Court upheld a challenge from fast food employers and declared the EROs unconstitutional, leaving new hires in those sectors covered only by the lower NMW. The government chose not to appeal and instead initiated reforms of both EROs and REAs. The Troika closely monitored the process through quarterly reviews (e.g., DG ECFIN 2012a, 2012b) with detailed policy prescriptions (Higgins 2012). During this period, Ibec lobbied not only the government for sweeping reforms but also the Troika, both in Ireland and in Brussels (Interview Former Ibec Executive [IRE_9]; Cahill 2011; Maccarrone 2024).

The reform culminated in the IR (Amendment) Act 2012, which took effect in August 2012. Although the FG–Labour government retained the ERO system, the Act introduced major employer-friendly changes. EROs were now required to consider competitiveness factors—such as wage levels in comparable domestic and EU sectors and their potential impact on employment. The Act also allowed employers facing financial difficulties to seek

exemptions from ERO and REA minimum wage provisions and set out procedures to vary or revoke sectoral-wage orders. It further reduced the number of sectors covered by JLCs and limited EROs' scope, removing their authority to set Sunday premiums. Crucially, it granted employers a *de facto* veto: 'if employers refuse to agree with JRCs' minimum wage rulings, it won't be possible to make new employment regulation orders to enforce them' (Prendergast 2014).

After the introduction of the new legislation and a review of the existing EROs, new EROs were signed between the employers and the unions in the cleaning and the security industries. In these industries, larger employers saw sectoral agreements as a way to avoid an unorganised race to the bottom, as both sectors rely heavily on tenders. Notably, these were also the sectors among those previously covered by JLCs where trade union density and trade union bargaining power were higher (Interview SIPTU Official [IRE_2]). Yet, as of today, large sectors previously covered by JLCs, such as retail, hospitality and catering, are not covered by new wage agreements, due to employers' opposition.

In May 2013, after a legal challenge by a group of electrical contractors, the Supreme Court also declared the REAs unconstitutional. The Court argued that they created 'burdensome restraints on competition for prospective employers and intrusive paternalism for prospective employees' (McGowan & Others v The Labour Court, 2013), overlooking the fact that such extension mechanisms are common across Europe (Doherty 2014). As with the High Court ruling on the EROs, the Troika responded by urging further reform of sectoral-wage-setting mechanisms. However, unlike the EROs, the REAs' reform was not included in the MoU, as Ireland exited the EU-IMF programme in December 2013.

With the Troika's influence waning, the reform of REAs advanced more slowly than that of EROs. A comprehensive overhaul came only in 2015 with the IR (Amendment) Act 2015, which established Sectoral Employment Orders (SEOs) to replace industry-level REAs. Although the Act reinstated sectoral-wage-setting mechanisms, it narrowed their scope to remuneration, sick pay and pension schemes. As in the ERO reform, SEOs included a ministerial veto, consideration of competitiveness factors and an employer opt-out in cases of financial hardship. Following the 2015 Act, two SEOs were introduced in construction and one in electrical contracting—sectors previously covered by REAs. However, further legal challenges from small employers delayed the implementation of these new agreements.

Although the EU interventions on Irish wage policy during the Eurozone crisis have contributed to weaken statutory wage mechanisms, the shift in the EU wage policy through the minimum wage directive created the conditions to partially undo some of commodifying changes introduced under Troika conditionality. Given the difficulties in obtaining legislative changes at the domestic level, Irish unions campaigned for a directive on collective bargaining rights (Maccarrone 2024). In 2021, the then Irish government—led by a centre-right coalition of Fianna Fáil, Fine Gael and the Greens—tried to block the enactment of the directive at the EU level, pushing in favour of a non-binding EU recommendation instead (Irish Legal News 2021). This echoed the position of IBEC (2021).

However, once it became clear that the directive would be approved, the government reacted in a twofold way. First, it announced the phased introduction of a living wage that will be set at 60% of the median wage (one of the parameters of adequacy defined by the directive). Second, it accepted a proposal by the social partners to establish a tripartite high-level group on collective bargaining to produce recommendations on how to improve collective labour rights in Ireland.

With collective bargaining coverage well below the 80% threshold set by the directive (see Table 1), Ireland must act to 'provide for a framework of enabling conditions for collective bargaining, either by law after consulting the social partners or by agreement with them' (art. 4(2) Directive (EU) 2022/2041). The high-level group issued its final report in October 2022, recommending measures that could strengthen sectoral collective bargaining if enacted. Notably, it proposed removing the *de facto* employers' veto on establishing new EROs, introduced in the shadow of EU conditionality (LEEF 2022). However, political developments delayed both the implementation of these recommendations and the directive's transposition, as early general elections were held in November 2024. Indeed, the government published its action plan to expand collective bargaining coverage only in November 2025, with actions taking place starting from 2026.

6.2 | Italy

As in Ireland, Italy also saw a wave of neo-corporatist social pacts in the 1990s to secure entry into the EMU (Schmitter and Grote 1997; Erne 2008). By the 2000s, however, these pacts had weakened, as their implementation depended on the governing coalition's political orientation (Tassinari 2019). Although never formally bailed out, Italy was severely affected by the Eurozone crisis and faced significant EU influence over its IR, including wage regulation. In summer 2011, several EU actors identified reforms to wage-setting institutions as among the most urgent measures for the centre-right government led by Silvio Berlusconi. Without a statutory minimum wage, Italy regulates pay through national-sectoral collective bargaining—the main level of negotiation since the 1993 tripartite agreements (Orlandini and Meardi 2023; Maccarrone 2023)—which ensures very high coverage (see Table 1). Consequently, EU recommendations focused on decentralising bargaining from the national-sectoral to the firm level, aiming to align wages more closely with productivity trends.

In June 2011, in the context of the European Semester, EU executives demanded the introduction of opt-out clauses from national-sectoral collective bargaining (European Commission 2011). Shortly after, the Prime Minister received a confidential letter—later leaked to the press—from the then ECB chairman Trichet and his successor, Mario Draghi. The missive listed a number of conditions so that Italy could be included in the ECB bond-buying programme aimed at reducing the skyrocketing interest rates on Southern European countries' bonds, including the need of decentralising collective bargaining (Draghi and Trichet 2011).

As in Ireland, EU interventions overlapped with existing domestic challenges to sectoral-wage regulation. In 2010, the automaker FIAT (now Stellantis)—one of Italy's largest multinationals—

announced a new investment plan conditional on plant-level agreements introducing greater work flexibility and strict limits on the right to strike. The company warned that without approval, production would be relocated abroad. After the sector's main union, CGIL's *Federazione Impiegati Operai Metallurgici*, opposed the agreements, FIAT established separate companies for each Italian plant, withdrawing from *Federmeccanica*, the sectoral branch of *Confindustria*, the main employer confederation. This enabled FIAT to bypass sectoral agreements and implement the desired plant-level arrangements.

The Italian government responded to EU and domestic pressure to reform collective bargaining by issuing an emergency decree on 13 August 2011 (Decree 138/11), shortly after receiving the Draghi–Trichet letter. Article 8 allowed company- or territorial-level agreements to derogate not only from national collective agreements but also from national law on working time, work organisation and employment protection. This measure aimed to address both the EU's recommendations on collective bargaining decentralisation and the relaxation of dismissal rules, without directly challenging the symbolic Article 18 of the Workers' Statute (Tassinari 2019). Firms wishing to bypass Article 18 could now do so by including a clause in a company agreement approved by a majority of employees through referendum. Moreover, in a clear attempt to satisfy FIAT's requests, the decree-law was made retroactive.

It was a direct intervention in the autonomy of collective actors, unilaterally moving towards disorganised decentralisation. The three main unions voiced their opposition, although in different tones, with only the more left-leaning CGIL using its structural and associational power to call for a general strike on the 6th of September 2011. Interestingly, even the main employer organisation, *Confindustria*, was not satisfied with the unilateral government intervention in the realm of collective bargaining. Indeed, the position of the main employers' organisation reflected the internal division between its smaller and larger members. SMEs were satisfied with sectoral-level collective agreements, which in any case afforded rather moderate wage increases (Meardi 2014; Bulfone and Afonso 2020). As a former MP commented, 'in a country where 95% of the enterprises are SMEs, it is hard to leave a national contract' (Interview Former MP [ITA_08]). Moreover, unorganised decentralisation was also against *Confindustria*'s organisational self-interest, as the legitimacy of the employer body comes mainly from the role it plays in the negotiation of national–sectoral agreements (Bulfone and Afonso 2020).

Thus, it was not surprising that at the end of September 2011, *Confindustria* and the three confederal unions added a final clause to a bilateral agreement already reached in June, stressing that IR and collective bargaining issues are autonomously determined by the social partners. The August law was still in place, but the bilateral agreement downplayed it (Berta and Bull 2011). This became evident with FIAT's reaction: The company announced immediately it would leave for good *Confindustria* to put in place freely new plant-level contracts. This was a major decision: 'it is as if California would leave the US' (Interview Former MP [ITA_08]).

Although Italy kept receiving EU prescriptions via the European Semester about the need to increase the take-up of firm-level

collective bargaining until 2017 (Jordan et al. 2021), successive governments refrained to intervene unilaterally on the matter. Instead, they provided fiscal relief on the wage component negotiated at the firm level as an incentive for social partners to take them up (Interview Executive *Confindustria* [ITA_13]). On their side, the three main confederal unions and *Confindustria* reached bilateral agreements for an orderly decentralisation of collective bargaining. As a result, although the sector is still the dominant level of collective bargaining, there are now more possibilities for firms to derogate from certain provisions of said agreements.

Differently from Ireland, the approval of the EU minimum wage directive has not produced any significant effect in the Italian case. Primarily, this reflects the institutional set-up of Italian IR. Italy does not have a statutory minimum wage, and hence, it is not affected by the provisions of the directive concerning the adequacy of minimum wage. In terms of collective bargaining coverage, the OECD reports a 100% rate (OECD/AIAS ICTWSS database), owing to de facto extension mechanisms whereby courts adopt sectoral agreements as benchmarks in wage disputes (Afonso 2019; Orlandini and Meardi 2023). Thus, Italy is among the few countries that are above the 80% threshold for collective bargaining coverage set by the directive and are not compelled to act upon it.

Although the directive does not require the introduction of a statutory minimum wage, it has been used as discursive resource by supporters of the latter. Over the last 2 years, centre-left opposition parties have put forward a bill for the introduction of the NMW, and radical left parties and grassroots trade unions have also collected signatures to do so.² The right-wing coalition currently in government, however, has rejected any proposal for the introduction of a statutory minimum wage. The law for the transposition of the directive approved in 2022 demands to collective bargaining the role of providing adequate wages (Orlandini and Meardi 2023), despite the inability of the Italian collective bargaining system to do so over the last decades (Maccarrone 2023). The government's position also aligns with well-entrenched employers' preferences, especially among small and medium enterprises (e.g., *Confindustria* 2023; *Confcommercio* 2024). Yet, there is opposition to the NMW even within the trade union movements. Although grassroots trade unions have been long-time supporters of the introduction of a minimum wage (e.g., USB 2024), the three main confederal unions are divided on the ground that a statutory minimum wage would threaten the autonomy of collective bargaining. Only recently the more left-leaning CGIL and UIL have shifted in favour of the introduction of an NMW, whereas the moderate CISL remains firmly opposed.

7 | Contextualised Comparison and Discussion

In the context of neoliberalism, EU integration since the 1980s was relaunched primarily as market integration. Although competing hegemonic projects vis-à-vis neoliberalism also led the EU to also enact decommodifying directives in the social field, wages remained excluded from its competences. As explained in Section 5, until 2008, the EU thus exercised only an indirect pressure on national wage regulation institutions, through the

TABLE 3 | Changes introduced under European Union (EU) interference in Irish and Italian wage regulation.

Type of change introduced	Type of EU interference	Alignment with EU prescription	Timeframe	Reversal
Ireland				
Reduce the national minimum wage	Direct policy prescription (MoU)	Yes, full	2010–2011	Yes, full
Introduce opt-out clauses from sectoral-wage-setting agreements on the ground of economic hardship	Direct policy prescription (MoU)	Yes, full	2010–2012	No
Reduce the scope of sectoral-wage-setting mechanism	Direct policy prescription (MoU)	Yes, full	2010–2012	No
Italy				
Introduce opt-out clauses from both provisions set in sectoral agreements and employment protection legislation	Direct policy prescription (ECB letter, CSRs); MIP	Yes, full	2011	Yes, partial
Provide fiscal incentives to incentive decentralisation of bargaining	Direct policy prescription (CSRs); MIP	Yes, partial	2016–2017	No

Abbreviations: CSR, Country Specific Recommendation; MoU, Memoranda of Understanding.

process of market integration (Erne et al. 2024). In both Ireland and Italy, this resulted in policies of wage moderation, which were reached through national-level social pacts (Schmitter and Grote 1997; Roche 2007; Erne 2008). Since the outbreak of the global financial crisis, the EU has acquired significant power over member states' wage policy through the establishment of the NEG regime (Erne et al. 2024). Both Ireland and Italy received EU NEG prescriptions on wage regulation institutions, which exercised a *common commodifying pressure*.

Prescriptions for both countries were characterised by a similar overarching emphasis on competitiveness and pointed towards the need of aligning more closely the wage dynamic with firm-level productivity trends, by allowing bargaining to take place more at the firm level than at sector level or national level. Thus, since 2011, Italy was asked to ensure 'that wage growth better reflects productivity developments as well as local and firm conditions, providing for opt-out clauses from sectoral bargaining (...)' (European Commission 2011). Similarly, after the Irish government introduced an opt-out clause from sectoral-wage-setting mechanisms for firms on the ground of hardship conditions, the European Commission noted how the clause would 'ensure that wages are adequately linked to productivity levels' (DG ECFIN 2013). The focus of these prescriptions on containing wage growth by decentralising bargaining at firm level is well in line with EU labour market prescriptions to other countries issued within the EU's NEG regime (Marginson and Welz 2015; Jordan et al. 2021; Erne et al. 2024). In response to EU prescriptions, both the Irish and Italian governments fostered decentralisation through the introduction of opt-out clauses from sectoral-wage agreements. As Brandl and Bechter (2019) note, collective bargaining systems under the new European economic governance became thus increasingly perforated.

Yet, EU prescriptions were layered on ongoing national processes of institutional changes, were mediated by the different national institutional landscapes and were shaped by the strategies of

usage, adaptation and contestation enacted by IR actors vis-à-vis them, underpinned by asymmetrical power relations. This has led to *uneven trajectories of commodification* across the two countries. This unevenness was visible both in terms of content of the policy change implemented and in the timing of implementation as well as in the patterns of alignment with NEG prescriptions and reversal of the policies introduced (see Table 3).

The fact that Italy did not have any statutory minimum wage in place prior to the crisis meant that there was no space for EU intervention in that area (Afonso 2019). In Ireland, instead, the Troika recommended to reduce the national minimum wage. Although the minimum wage was restored a few months later with a new governing coalition in place, this was done preserving the overall rationale of reducing ULC, as the government reduced—at a cost for the budget—also employers' pay-related social contributions.

Differences were also visible in terms of pattern of implementation and reversal. Although the legislation introducing opt-out clauses from sectoral bargaining in Italy in 2011 was partially reversed following social partners' opposition to the change, leading to further EU pressure in this area, as of December 2025, reforms introduced to the sectoral collective bargaining in Ireland have not yet been reversed. However, the cut of the Irish minimum wage prescribed in the first Memorandum of Understanding and immediately implemented was reversed already in 2011. Unevenness in terms of the trajectories of commodification can also be seen in terms of the temporality of NEG prescriptions and their interaction with process of policy changes. In the case of Ireland, EU interference was concentrated in the period of the EU–IMF conditionality (2010–2013), whereas in the Italian case, it lasted longer, well until 2017.

These differences can be accounted partially by the different institutional characteristics of Irish and Italian IR. Irish sectoral-wage-setting institutions are regulated by law, and the government could intervene directly on those extension mechanisms through

legislation, as it did with the IR Act 2012 and 2015. Yet, such extension mechanisms are limited only to some sectors, and since the end of social partnership in 2009, collective bargaining takes place predominantly at firm level, if it takes place at all. Overall, collective bargaining coverage in Ireland was estimated to be at 34% in 2017 (Maccarrone et al. 2019). Although the process of reform which led to the IR Act 2012 was thus shaped by the Troika conditionality, the relatively minor role played by sectoral-wage legislation in Ireland with respect to Italy can account for the disappearance of the issue from NEG prescriptions from 2014; that is, because Ireland left the bailout programme, even if the process of reform to sectoral-wage-setting mechanisms continued until 2015.

In Italy, conversely, there are no formal extension mechanisms for collective bargaining so that the government had less capacity of intervention (Afonso 2019). This became clear in the summer of 2011. When the executive, in response to the conditions listed by the Draghi–Trichet letter, introduced an emergency decree that provided an opt-out clause from sectoral bargaining, social partners were still able to reaffirm the centrality of sectoral collective bargaining through a joint voluntary agreement. Given the partial implementation of the NEG policy prescription on this area, the theme of decentralisation of collective bargaining maintained, therefore, a high salience within Italy's CSR well until 2017 (Jordan et al. 2021; Erne et al. 2024). The EU's insistence on the issue also reflects the much larger role played by sectoral collective bargaining in Italy with respect to Ireland, as well as the different economic trajectories of the countries. Indeed, while Ireland experienced a fast recovery driven by FDIs, Italy's economy stagnated. Hence, Italy maintained a peripheral position within the European political economy, which made it more amenable to receive further EU prescriptions for structural reforms.

Finally, a further institutional difference between the two countries that shaped the trajectories of IR reform relates to the different protections to labour rights guaranteed by the respective constitutional charters. Although art. 36 of the Italian Constitution guarantees the right to fair remuneration, and it is the basis for the de facto extension mechanism of national–sectoral agreements granted by the courts (Afonso 2019; Orlandini and Meardi 2023), the Irish constitution grants weak protection to collective labour rights (Doherty 2014). This was evident in the two judgements that declared the EROs and the REAs as unconstitutional. As described in the previous section, both rulings were issued while Ireland was still under the Troika conditionality and were used by the Troika as source of further pressure to reform collective bargaining.

Although institutional landscapes mediated the impact of EU prescriptions on wage regulation institutions, the uneven trajectories of commodification in Ireland and Italy were also crucially shaped by patterns of usage, adaptation and contestation of NEG prescriptions by IR actors. The reinstatement of the NMW level in Ireland was reversed following contestation by organised labour, along with social NGOs. In Italy, the non-implementation of the EU's request to decentralise collective bargaining did not only reflect institutional features but crucially also the opposition of both trade unions *and* the main employer confederation to the disorganised decentralisation of collective bargaining that would

have followed the government's unilateral intervention in the summer of 2011.

The different trajectories of reform of sectoral collective bargaining in Ireland and Italy can thus also be traced to diverging employers' strategies. In Italy, the main employers' confederation supported sectoral-wage-setting bargaining against NEG prescriptions, mostly in response to small and medium firms' concerns against bargaining at firm level. In Ireland, the peak employers' organisation supported and attempted to shape EU prescriptions to promote a decentralisation of collective bargaining. How to account for the different approaches followed by the two peak employers' confederations? In line with research on employers' interest representation (Paster 2014; Bulfone and Afonso 2020), the comparison of the cases shows that Ibec and Confindustria had different organisational interests vis-à-vis existing sectoral-wage-setting mechanisms, which shaped their associational policy preferences.

In Italy, sectoral collective bargaining is still the predominant form of bargaining. For Confindustria, negotiating sectoral bargaining agreements constitutes, therefore, an important factor of self-legitimation as employers' representative body (Meardi 2014; Bulfone and Afonso 2020). To this, one should add that organised decentralisation of collective bargaining had already started to happen, with the consensus of both Confindustria and of the three main union confederations. Thus, when in 2011, the Italian government introduced legislation that could potentially open the way to a process of disorganised decentralisation, the main employer body acted in conjunction with the three main confederal unions to reaffirm the role for sectoral collective bargaining, at the cost of losing one of its largest members.

In Ireland, sectoral-wage-setting mechanisms are the exception rather than the rule. Employers in the main sector covered by such agreements—the construction industry—are largely represented by CIF, which is not part of Ibec. Although Ibec represents some employers under EROs, its interest in preserving these institutions was thus far weaker than in Italy. Since the collapse of social partnership in 2009, Ibec has also shifted its focus from collective IR to lobbying, while continuing to assist members in individual disputes (Maccarrone et al. 2019). These divergent organisational interests explain why the main employers' confederations in Ireland and Italy responded differently to similar EU prescriptions on collective bargaining. This does not imply opposition to liberalising pressures per se, but rather that employers may at times prefer maintaining existing institutions over pursuing radical change.

The uneven trajectories of commodification in Ireland and Italy were also shaped by the different impact in each country of the provisions of the EU minimum wage directive, which is in itself a result of the 'Polanyian' shift in EU wage policy following the electoral backlash triggered by the implementation of austerity policies and structural reforms in the previous decade. In Ireland, unions have actively pushed for the introduction of a directive (Maccarrone 2024), and its approval might lead to improvements to the adequacy of the statutory minimum wage, as well as a potential reversal of some of the commodifying changes to sectoral-wage-setting mechanisms introduced under Troika conditionality, though implementation has been slowed down

by recent political developments. In Italy, the directive did not have any significant effect. Again, this unevenness reflects both institutional and agential factors. As a country with a statutory minimum wage and with a collective bargaining coverage well below the 80% threshold established by the directive, Ireland is significantly more affected by the provisions of the directive than Italy. However, the null impact of the directive in Italy reflects also the opposition to the introduction of a statutory minimum wage by the current right-wing government, as well as by employers, and the fragmentation within the trade union movement.

8 | Conclusion: The Variegated Europeanisation of Wage Regulation Institutions

Most of the debate on the neoliberalisation of IR uses (Western) European countries as test cases and focuses on *outcomes*, that is, whether national IR have converged towards greater employer discretion (Baccaro and Howell 2017). As European integration progresses, this debate intertwines with that on the Europeanisation of IR. In this article, I argued that we should see neoliberalisation and Europeanisation as *intertwined but variegated processes*, and I have focused on one specific aspect of EU integration, namely, the Europeanisation of wage regulation. The article has first described the increasing encroachment of the EU on national wage regulation and its changing orientation, which reflected social struggles at the EU level between different hegemonic projects. Moving to the national level, the article has then showed how, following the outbreak of the global financial crisis and the establishment of the EU's NEG regime (Erne et al. 2024), direct EU interventions on wages and collective bargaining exercised a common commodifying pressure on Irish and Italian IR. Thus, it concurs with the view of Baccaro and Howell (2017) that European integration has contributed to intensify the liberalisation of national IR.

At the same time, drawing inspiration from economic geography literature, the article has shown how neoliberalisation and Europeanisation of IR are not only intertwined but also constitutively *variegated* at both the European and the national levels. At the EU level, the backlash caused by the implementation of austerity policies, including wage retrenchment, caused a Polanyian shift in a decommodifying direction, with the approval of the EU minimum wage directive. At the national level, Ireland and Italy displayed uneven trajectories of commodification. EU prescriptions—both commodifying and decommodifying ones—are layered onto heterogeneous institutional landscapes and ongoing processes of institutional change in domestic institutions regulating wages. Some actors directly used EU prescriptions to advance their policy agenda. Others resisted them and contributed to weaken their effect.

Although the IR literature has already shown the importance of different institutional landscapes and actors' power resources in mediating the impact of neoliberal pressures and shaping national *outcomes* (Meardi 2018; Arnholtz et al. 2018; Dolvik and Marginson 2018; Maccarrone 2024; Bender 2025), I emphasise that we should focus on neoliberalisation and Europeanisation as *variegated processes*, which are constantly evolving as they engender tensions, conflict and contestation by different actors—at the national and supranational level. The trajectory of reform

of sectoral-wage-setting mechanisms in Ireland exemplifies this dynamic. A domestic challenge to market-constraining mechanisms became intertwined with EU-driven commodification favouring employers, whereas a later EU shift in orientation towards wage regulation empowered unions to push back—though national political developments hindered the restoration of coordinated wage regulation. Meanwhile, at the EU level, the challenge brought at the ECJ by the Denmark and Swedish governments against the EU minimum wage directive, albeit unsuccessful, prompted a renewed debate on the future of wage-setting coordination in Europe.

The findings highlight the value of in-depth, 'slow' comparative case studies (Almond and Connolly 2020) for uncovering the variegated trajectories of neoliberalisation and Europeanisation in IR. This research agenda would benefit from further studies across countries occupying different positions in the European political economy and exploring other EU social dimensions. Moreover, the findings show that actors' strategies and positions vary across sectors. Future research could therefore examine a wider range of actors beyond the main unions and employer confederations and explore whether integration in one policy area—such as wage regulation—produces spillovers into other domains of IR.

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Conflicts of Interest

The author declares no conflicts of interest.

Data Availability Statement

The article relies on qualitative primary data drawn from semi-structured interviews. To protect interviewees' privacy rights, data directly generated from interviews will not be made publicly avail-

able, although brief anonymised statements are used for publication and are accessible to all readers. Descriptive statistics on Irish and Italian industrial relations are drawn from the publicly available OECD/AIAS database (<https://web-archiv.eoed.org/fr/temp/2023-10-03/577157-ictwss-database.htm>). The author is available to further discuss the findings of his research.

Endnotes

¹Australia, Germany, Italy, Japan, Sweden, United Kingdom and the United States.

²In Italy it is possible for citizens to ask the Parliament to consider the introduction of a law bill through a collection of at least 50,000 signatures.

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