HUNGARIAN LABOUR LAW
E - J O U R N A L

Editorial
Digitalization of Industrial Labour Relations (DIGILARE) – Ageold values in a new digital world

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The DIGILARE research project (https://www.digilare.eu/),[2] funded by the European Union, arose in response to one of the most significant challenges facing contemporary labour law: the radical transformation of labour relations driven by digitalisation. This phenomenon is not limited to the expansion of telework or the growth of the platform economy, but affects the very structure of power in companies and the effectiveness of collective rights.

DIGILARE is based on a fundamental premise: digitalisation is not only a technological change, but also a process that affects the democratic governance of work. For this reason, the project aims to analyse how classic labour law values such as the rights to information, consultation and participation can be adapted to an environment characterised by algorithms, artificial intelligence and new forms of productive organisation. Its objective is twofold: to ensure that the digital transition is carried out under principles of transparency and fairness; and to demonstrate that cooperation between workers' and employers' representatives is a strategic factor for innovation and competitiveness.

As part of this project, a Call for papers was issued, the results of which, presented at the final DIGILARE conference in Santiago de Compostela in September 2025, are reflected here. The proposals by Ana García García, Hannah Lutz and Carla Spinelli were selected by a scientific committee chaired by Tamás Gyulavári, as Editor of the HLLJ, and composed of Michael Doherty, Gábor Kártyás, Yolanda Maneiro Vázquez, Cécile Nicod and Kübra Dogan Yenisey, members of the research team. I would like to express our gratitude for their review work and also to the people who submitted proposals of great interest, even though they did not participate in our conference.

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2 This issue is part of the results of the DIGILARE research project (101126503 «Digitalization of industrial labour relations – Age-old values in a new digital world»– www.digilare.eu), co-financed by the European Union (2023-2025). The opinions reflected in the text are those of the authors and are not supported by the European Commission.

As I have already pointed out, digitalisation is one of the most profound transformations of work in Europe, affecting both the organisation of production and the structure of labour relations. This issue of the Hungarian Labour Law E-Journal analyses the various challenges posed by the digital transition, highlighting the need to strengthen social dialogue as an instrument of democratic governance and business competitiveness.

Specialised literature and European regulatory experience converge on one idea: structured cooperation between companies and workers is a sine qua non for quality digital work. This concept implies not only the protection of rights, but also the creation of environments that favour innovation and organisational resilience. Participatory governance reduces conflict-related costs, improves productivity and strengthens institutional legitimacy.

From a legal-political perspective, social dialogue in the digital age must overcome the logic of conflict and add an anticipatory approach to change to its functions, without prejudice to the maintenance of traditional roles. This requires integrating the technological dimension into information and consultation procedures, ensuring that decisions on algorithms, artificial intelligence or digital surveillance, for example, are subject to internal democratic control. Cooperation is therefore not an abstract ethical value, but a functional imperative for the sustainability of the productive system.

One of the main research coordinates of the DIGILARE project has been the consideration of the geographical element, given the growing transnational dimension of telework. At present, and with prospects for growth, the virtualisation of work goes beyond national regulatory frameworks. Cross-border telework creates scenarios where determining the applicable legislation and jurisdiction becomes problematic. The absence of specific conflict rules for information and consultation rights creates gaps that compromise their effectiveness. The solution cannot be unilateral or fragmented. Multilevel cooperation between European institutions, Member States and social partners is needed to design criteria that preserve procedural unity and prevent regulatory avoidance. Linking representation to the actual centre of decision-making, rather than to formal criteria, is consistent with the functional logic of EU law.

In her paper, Hannah Lutz highlights the inadequacy of the principle of territoriality and the traditional concept of "habitual place of work" in Regulation (EC) No 593/2008 ("Rome I"), particularly in light of the increasing virtualisation of employment relationships. Her analysis is based on the architecture of Article 8 of Rome I, which, in the absence of choice, links the applicable law to the country where the work is habitually performed, to the place of establishment of the employer when no centre of activity can be determined, and to the law of the country with the closest connection, and shows how the corporeal approach endorsed by the Court of Justice (e.g. Koelzsch, C-29/10; Voogsgeerd, C-384/10; Schlecker, C-64/12) is inadequate for virtual work. Lutz proposes redefining the connection criteria in private international law by incorporating, alongside physical presence, elements such as

the functional integration of the worker and the centre of gravity of the organisation (organic and hierarchical links, locus of management and control, workflows and use of digital tools).

In terms of collective representation, her proposal is based on the doctrine of complementary extension to territoriality, consolidated by Austrian and German case law, which allows workers physically based abroad to be considered part of a domestic establishment when there is functional integration into the economic unit located in Austria or Germany. Lutz also proposes European harmonisation to establish minimum standards for transnational information and consultation, inspired by Directive 2009/38/EC and complementary to the general framework of Directive 2002/14/EC, in order to avoid gaps in participation where territorial delimitation is uncertain.

Another of the DIGILARE project's research coordinates focuses on the digitisation of the information and consultation tools available to workers' representatives and workers themselves. The effectiveness of social dialogue in digital environments requires the adaptation of its instruments. Virtual elections, telematic meetings and online voting are practices which, although present in some legal systems, lack European uniformity. This fragmentation limits the ability of representatives to perform their duties in delocalised contexts. Cooperation between companies and workers must be geared towards ensuring functional equivalence between face-to-face and digital means, avoiding discrimination and ensuring procedural integrity. This implies not only regulatory adjustments, but also the provision of technical resources and training, without which digitisation becomes a barrier to participation.

However, this digitalisation is not without risks. In her work, Ana García García warns of the impact of digitalisation on trade union action and the effectiveness of collective rights, and proposes reforms aimed at preserving and adapting traditional guarantees to the virtual environment. In terms of representation, she proposes regulating electronic voting in trade union elections, ensuring transparency, traceability and technical support, in contrast to the current framework in Spain, which requires in-person voting with paper ballots and ballot boxes, and to case law that has rejected its implementation by conventional means. With regard to the right to strike, she calls for its updating for delocalised scenarios, stating that wherever the virtual company operates, protest must be able to be expressed externally, and proposes the express prohibition of technological strike-breaking and forms of corporate control of collective action that are incompatible with constitutional protection.

In the field of algorithmic management, García proposes enhanced transparency obligations, prohibiting 'black boxes' in employment decisions affecting hiring, promotion, evaluation or discipline, and suggests reversing the burden of proof in litigation for discrimination or violation of rights derived from automated systems, in line with the information requirements of the AI Act and the recognition of the collective dimension in Directive (EU) 2024/2831. It also warns of the indirect discrimination that algorithms can cause when they penalise the exercise of representative functions (e.g. allocation of shifts or promotion based on metrics that ignore absences covered by the law), in line with precedents

such as the 2020 ruling of the Tribunale Ordinario of Bologna (Deliveroo case), and advocates the use of strategic litigation to generate regulatory pressure and prevent technological complexity from acting as an obstacle to judicial protection. Finally, it recalls that Spanish law guarantees the indemnity and non-discrimination of representatives with regard to disciplinary or promotion measures linked to their activity, which requires the adaptation of evidentiary and transparency guarantees to an environment of automated decisions.

In terms of content, the last of the DIGILARE project's research coordinates, the introduction of algorithms and artificial intelligence systems into the organisation of work poses substantial risks to dignity, equality and privacy. Algorithmic opacity and the automation of decisions can generate biases and erode basic guarantees. In response to this, cooperation is configured as a mechanism for democratic control: integrating representatives into all phases of the technological cycle, ensuring transparency and preserving human supervision. This participatory approach not only responds to ethical and legal requirements, but also to pragmatic reasons: it reduces litigation, strengthens trust and optimises efficiency. Shared governance in digital matters thus stands as a paradigm of smart regulation, capable of reconciling innovation and protection.

Carla Spinelli, in her work, examines the capacity of EU law to sustain a robust social dialogue in the digital transition. She recognises relevant regulatory advances, such as Directive (EU) 2024/2831 on platform work, which enshrines rights to information and consultation regarding the introduction or substantial modification of monitoring and automated decision-making systems; establishes secure channels of communication between workers and representatives; and incorporates representatives of persons working without an employment contract in accordance with national law. She also analyses the AI Act, which classifies AI systems used in employment, worker management and access to self-employment as "high risk", imposes obligations on the deployer and the user employer, and preserves information for representatives.

However, Spinelli warns that the Union's emphasis has shifted towards information transparency, with less development of effective consultation and negotiation, and proposes transforming autonomous agreements (European Framework Agreement on Digitalisation of 2020; Framework Agreement on Teleworking of 2002) into legally binding instruments by incorporating them into secondary legislation, guaranteeing standards on the reversibility of teleworking, compensation for expenses and algorithmic transparency. Its proposal is complemented by the updating of the preventive health and safety framework for the planned introduction of technologies, within the scope of Directive 89/391/EEC, reinforcing informed participation from the early stages.

Overall, the proposals selected in our Call for Papers and included in this issue converge on the need to articulate a mixed regulatory framework that combines minimum European harmonisation, strengthening of social dialogue, and adaptation of classic guarantees to the new digital context. The ultimate goal is to preserve one of the essential functions of labour law, namely ensuring worker

dignity and democracy in the workplace, in a scenario marked by its virtualisation and artificial intelligence. In this way, technology can be consolidated as an instrument of progress compatible with collective rights, rather than a vector of social regression.

Digitalisation is not just a technological challenge: it is a question of democracy at work. Ensuring that the digital transition is carried out under principles of transparency, fairness and sustainability requires a strategic alliance between companies and workers. Social dialogue, far from being a relic of the past, is proving to be the most effective tool for managing the complexity of the present and anticipating the risks of the future. Cooperation is not a rhetorical value, but a functional and regulatory imperative. Only through participatory governance will it be possible to build a digital working model that combines innovation, competitiveness and social justice. And that is the main conclusion of the entire DIGILARE project.