**Abstract**

The implications of socioeconomic crises on political economy and its institutional infrastructure have received significant attention in the literature. In labor relations, such crises are considered to play a key role, triggering or opening up long-lasting processes of change. The COVID-19 crisis that began in early 2020 has the potential to drive significant transformations. Nonetheless, this article will suggest that the implications of the COVID-19 crisis are not transformative in nature, but rather express the acceleration of previous processes while revealing deeper trends in Israeli society: the erosion and revitalization of the power resources of organized workers and employers. Similarly, the analysis of labor relations in the age of COVID-19 reveals that their liberalization reflects the political power organized labor and employers’ associations have gained at the expense of other power resources. Whereas organized interests relied on multiple power resources during the golden age of collective bargaining, liberalization reveals that they are temporary and dependent on politics to pursue their goals.