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## COMPARATIVE LABOUR LAW IN PRACTICE: LESSONS FROM GERMANY AND SWEDEN FOR INDIA

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Niharika S Shankar, Gujarat National Law University

### ABSTRACT

Labour law is key in creating a balance between capital and labour within the global economy, so that economic dynamism can flourish without placing protection of workers at risk. There are lessons to be learned, therefore, from the experiences of other advanced economies in respect to labour laws. This paper compares two leading Labour market systems – Germany and Sweden with a view to drawing implications for India's ongoing labour law reforms. Germany has statutory co-determination and works councils which institutionalize worker participation in corporate governance.

Sweden, on the other hand, focuses on collective bargaining and flexicurity with a worker-friendly welfare state rather than on individual protectionism in order to accomplish simultaneously flexibility for employers and security for employees. Using a doctrinal-comparative approach, the paper examines legal norms and institutional policies in each country, identifying their relative strengths, weaknesses and alignment with ILO standards. It suggests that wholesale transplantation of either model is not feasible but a hybrid approach, which provides for some elements of legal institutionalism in combination with trust based collective bargaining could be a practical route forward more equitable and sustainable labour law.

## INTRODUCTION

In a world where the mobility of capital across borders is growing, labour law becomes the means by which creditor interests subject to cross-border investment and worker protections are reconciled. Global supply chains, migration and transnational companies challenge domestic labour regulation which means that it is imperative to compare national systems with global benchmarks. Since its creation in 1919, ILO<sup>1</sup> has been the standard bearer of international labour standards to ensure protection to decent work across states.<sup>2</sup> By expressing fundamental conventions like freedom of association, collective bargaining, and the elimination of forced labour ILO provides normative benchmarks through which national legislations are designed and compared with.<sup>3</sup> Meanwhile, the evolution of a human-rights context in which labour rights have developed has raised labour safeguards from mere social policy to binding legal principles.<sup>4</sup>

International law on workers' rights has developed through multilaterally negotiated texts, from the ILO standard-setting machinery to their embedding in the broader "International Bill of Human Rights,"<sup>5</sup> and finally into economic, social and cultural rights instruments such as ICESCR.<sup>6</sup> More recently joint statements by ILO experts and UN human rights treaty bodies have reiterated that labour rights and human rights are "complementary and mutually reinforcing".<sup>7</sup> This fusion drives home the transformation in the discourse: labour rights are no longer at the edges, but at the very core of global justice.

### Methodology:

The paper asks the question: What might India be able to learn from more developed labour law regimes abroad? To do so, I use a doctrinal-comparative method covering the legal systems, institutional setup and normative practice in Germany and Sweden. It is doctrinal in that it discusses statutory and case law, as well as institutional arrangements in each country. It is comparative in that it examines the commonalities and divergences of the German, several views on French, codetermination system and that of Sweden's flexicurity model. The intention is not to advocate for transplant in toto, but rather to identify transferable best practices which

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<sup>1</sup> International Labour Organization, *Constitution of the International Labour Organization* (Apr. 1, 1919).

<sup>2</sup> Ruth Dukes et al., *Labour Law in the 100 Years of the ILO: Evolution of Labour Law's International Dimension* (International Labour Organization 2021)

<sup>3</sup> J.J. Bradney, The Internationalization of Sources of Labor Law, 38 *U. Pa. J. Int'l L.* 1 (2017).

<sup>4</sup> Rebecca Owens, Are Labour Rights Human Rights? The Joint Statement of ILO and UN Bodies (2021)

<sup>5</sup> UN, 'International Bill of Human Rights', 1966

<sup>6</sup> International Covenant on Economic, Social and Cultural Rights, 16 December 1966, 993 UNTS 3

<sup>7</sup>Id.

could inform reform of labour law in India regarding worker participation, collective bargaining and social protection.

## FOUNDATIONS OF LABOUR LAW

Labour law is intended to address the inequality of bargaining power between employers and employees, where entrepreneurs have far greater capacity for negotiation than workers. At the heart of labour law lies a distributive and protective purpose: it establishes minimum conditions of pay, safety, social security, and a way to redress grievances when they arise. The protectiveness of this equilibrium is more than redistributive: it lends economic legitimacy and social stability by containing labour market exploitation and market failures that otherwise vitiates productivity and social cohesion.<sup>8</sup>

Four inter-locking themes structure modern labour regulation. First, **minimum standards** (wages, working time, occupational safety) are internationally promoted as baseline protections that every state should secure for workers. The ILO's "Decent Work" agenda and instruments such as the Social Security (Minimum Standards) Convention (No 102) exemplify this baseline approach.<sup>9</sup> Second, **social security** (from unemployment insurance to pensions) is recognised as a human-rights and social policy imperative — embedded in the ICESCR and clarified by CESCR General Comment No. 19 on Article 9 (social security).<sup>10</sup> Third, **collective rights** — freedom of association and collective bargaining — operate as enabling rights that allow workers to organise and negotiate terms collectively; these are core ILO freedoms (Conventions Nos 87 and 98).<sup>11</sup><sup>12</sup> Fourth, **dispute resolution** mechanisms (judicial and non-judicial; mediation, arbitration, labour courts) are essential to operationalise rights and prevent industrial conflict. The ILO's work on labour dispute prevention emphasises strengthening both judicial access and workplace-level resolution mechanisms.<sup>13</sup>

Comparative law methodology illuminates how different legal systems prioritise and institutionalise these themes. Functionalist and doctrinal comparative approaches (as mapped by Zweigert & Kötz and subsequent scholars) direct attention to how legal rules perform

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<sup>8</sup> International Labour Organization, *Decent Work* (n.d.).

<sup>9</sup> International Labour Organization, *Social Security (Minimum Standards) Convention (No. 102)* (1952).

<sup>10</sup> U.N. Comm. on Econ., Soc. & Cultural Rts., General Comment No. 19: The Right to Social Security (Art. 9 of the Covenant), ¶ 1, U.N. Doc. E/C.12/GC/19 (Feb. 4, 2008).

<sup>11</sup> International Labour Organization, Convention No. 87 on Freedom of Association and Protection of the Right to Organise (1948).

<sup>12</sup> International Labour Organization, Convention No. 98 on the Right to Organise and Collective Bargaining (1949).

<sup>13</sup> International Labour Organization, *Labour Dispute Prevention and Resolution* (n.d.)

equivalent social functions across jurisdictions and what institutional designs best realise policy goals.<sup>14</sup> In a comparative study of “best” labour law systems, therefore, the task is twofold: (a) identify robust doctrinal rules and enforcement architectures that secure the four themes above; and (b) evaluate institutional complementarities (social dialogue, enforcement capacity, welfare financing) that allow those rules to work in practice. This combined doctrinal-functional lens guides the comparative inquiry that follows.

## GERMANY: THE SOCIAL MARKET MODEL

Germany offers perhaps one of the clearest examples of a social-market labour law regime: one that seeks to balance market efficiency with robust protections for labour. This section reviews its historical evolution, institutional features (co-determination, works councils, collective bargaining), worker protections (dismissal, working hours, leave), strengths, and current criticisms including pressures from the gig economy and globalization.

### Historical evolution of German labour law

In the years following World War II, the groundwork for Germany's labour law system was established. Control Council Law No. 22 (1946), which restored works councils following the fall of the Nazi regime, was one early landmark.<sup>15</sup> The Works Constitution Act (Betriebsverfassungsgesetz, BetrVG) 1952 came next, offering institutionalised co-determination in operational areas and formalising works councils at the firm level.<sup>16</sup> In the decades that followed, sectoral bargaining, robust business associations and trade unions, and legal safeguards for employees all contributed to the development of industrial relations. The Working Hours Act (Arbeitszeitgesetz, ArbZG), the Protection Against Dismissal Act (Kündigungsschutzgesetz, KSchG), and the rules pertaining to paid leave (Bundesurlaubsgesetz) and compensation during holidays or illness (Entgeltfortzahlungsgesetz) are important codifications.<sup>17</sup>

### Works councils and co-determination (Mitbestimmung)

In Germany, there are two primary institutional forms of co-determination: (1) BetrVG-compliant works councils, which are present in businesses with five or more voting-eligible

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<sup>14</sup> Konrad Zweigert & Hein Kötz, *Introduction to Comparative Law* (Tony Weir trans., 3d ed., Oxford Univ. Press 1998).

<sup>15</sup> Allied Control Council, *Control Council Law No. 22* (Apr. 10, 1946) (Ger.).

<sup>16</sup> *Betriebsverfassungsgesetz* [Works Constitution Act], July 11, 1952, BGBl. I at 681 (Ger.).

<sup>17</sup> Federal Ministry of Labour & Social Affairs (BMAS), *Labour Law*, Federal Republic of Germany (n.d.).

employees and have the authority to consult, participate, and grant approval on issues like working hours, breaks, workplace regulations, hiring practices, and safety.<sup>18</sup>

(2) Employee representation on supervisory boards is mandated by the Codetermination Act (Mitbestimmungsgesetz) for larger firms (i.e., those that exceed a specific size).<sup>19</sup> In certain situations, works councils must be consulted before dismissals (§ 102 BetrVG), and members of works councils are granted particular protection against termination (see KSchG and specific regulations).<sup>20 21</sup> Although selection effects are significant, empirical research demonstrates that works councillors enjoy minor salary premia, demonstrating that co-determination has real impacts.<sup>22</sup>

### Strong collective bargaining institutions

Collective bargaining is the foundation of the German model. Employer associations and unions form collective agreements that establish minimum pay, working hours, bonuses, and overtime regulations. These agreements frequently span entire industries or regions. Many of the most generous rights come from these collective agreements, even in cases where there are legislative minimums.<sup>23</sup> Collective bargaining's independence is safeguarded by the constitution and upheld by law. In order to modify or surpass industry standards, the works councils may also negotiate "works agreements" (Betriebsvereinbarungen) within businesses and engage with collective agreements.<sup>24</sup>

### Worker protections: dismissal, working hours, paid leave

**Protection from dismissal:** Employees are entitled to protection from termination without socially acceptable grounds under the Protection Against Dismissal Act (KSchG).<sup>25</sup> The employer must demonstrate that the employee's behaviour, private circumstances, or pressing business needs warrant the dismissal.<sup>26</sup> The regulation usually only applies to companies with

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<sup>18</sup> Ibid.

<sup>19</sup> *Mitbestimmungsgesetz* [Codetermination Act], May 4, 1976, BGBl. I at 1153 (Ger.).

<sup>20</sup> Federal Ministry of Labour & Social Affairs (BMAS), *Labour Law*, Federal Republic of Germany (n.d.);

<sup>21</sup> *Kündigungsschutzgesetz* [Protection Against Dismissal Act] § 1, Aug. 25, 1969, BGBl. I at 1317 (Ger.).

<sup>22</sup> Laszlo Goerke & Markus Pannenberg, Wage Determination in the Shadow of the Law: The Case of Works Councilors in Germany, *45 Econ. & Indus. Democracy* 83 (2024).

<sup>23</sup> Federal Ministry of Labour & Social Affairs (BMAS), *Labour Law*, Federal Republic of Germany, <https://www.bmas.bund.de/EN/Labour/Law/labour-law.html>.

<sup>24</sup> *Grundgesetz* [Basic Law], art. 9 (Ger.).

<sup>25</sup> *Kündigungsschutzgesetz* [Protection Against Dismissal Act] § 1(1)–(2), Aug. 25, 1969, BGBl. I at 1317 (Ger.).

<sup>26</sup> *Kündigungsschutzgesetz* [Protection Against Dismissal Act] § 1(1), Aug. 25, 1969, BGBl. I at 1317 (Ger.).

more than ten employees and only after six months of employment.<sup>27</sup> Extra safeguards are granted to special groups, such as members of the Works Council, expectant mothers, and those with severe disabilities.<sup>28</sup>

**Working hours:** Eight hours a day is the maximum allowed under the *Arbeitszeitgesetz* (Working Hours Act, ArbZG); extensions of up to ten hours are permitted as long as the average over a period of six months or twenty-four weeks stays at eight hours.<sup>29</sup> Breaks (30 minutes after 6–9 hours; 45 minutes if more) and rest intervals (at least 11 hours between shifts) are required.<sup>30</sup>

**Paid leave and related benefits:** The Federal Paid Leave Act, often known as the *Bundesurlaubsgesetz*, mandates at least four weeks of paid vacation time annually.<sup>31</sup> Laws like the *Entgeltfortzahlungsgesetz* guarantee that compensation will continue even in the event of statutory holidays, illness (within the allotted time), etc. Additionally supported by statutes are family leave and carer leave.<sup>32</sup>

### **Strengths: balance between employers and employees**

Germany's system is frequently commended for striking a balance: sectoral bargaining guarantees predictability and lowers wage competitiveness, while high job security lowers turnover and gives employees a voice through works councils and co-determination. Labour courts and conciliation committees are examples of well-established enforcement systems. The corollary is that employers have to plan, invest in workforce stability, and negotiate changes. This tends to support both social cohesion and economic resilience, especially during crises.<sup>33</sup>

### **Criticisms and challenges**

Nonetheless, there are criticisms and emerging challenges:

**Platform work and the gig economy:** Many platform-based workers do not fit the traditional definitions of employment, are exempt from KSchG protections, are subject to working hour

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<sup>27</sup> *Kündigungsschutzgesetz* [Protection Against Dismissal Act] § 15, Aug. 25, 1969, BGBl. I at 1317 (Ger.).

<sup>28</sup> ArbZG § 3; Working Hours: see Chambers & Partners, *Employment 2022 – Germany*

<sup>29</sup> *Arbeitszeitgesetz* [Working Hours Act] § 3, June 6, 1994, BGBl. I at 1170 (Ger.); see also Chambers & Partners, *Employment 2022 – Germany*.

<sup>30</sup> Chambers & Partners, *Employment: Germany – Collective Bargaining Coverage* (n.d.)

<sup>31</sup> *Bundesurlaubsgesetz* [Federal Paid Leave Act], Jan. 8, 1963, BGBl. I at 2 (Ger.); see also FAU Berlin, *Labor Law Basics*.

<sup>32</sup> *Kündigungsschutzgesetz* [Protection Against Dismissal Act], Aug. 25, 1969, BGBl. I at 1317 (Ger.).

<sup>33</sup> OECD, *Employment Protection Legislation (EPL) Database* (n.d.)

regulations, or are not subject to collective bargaining.<sup>34</sup>

Employers may push for fixed-term contracts, subcontracting, or informal employment arrangements as a result of pressure to lower worker costs and enhance flexibility brought on by globalisation and international competitiveness.

**Rigidity and bureaucracy:** Some contend that work councils, firing policies, and tenure rights impede innovation, restructuring, and adjustment to quickly shifting market conditions.

**Productivity pressures and demographic change:** Germany is facing challenges from automation, worker shortages, and an ageing population, all of which call for more flexible work arrangements but run the danger of weakening protections.

## **SWEDEN: THE NORDIC FLEXICURITY MODEL**

A common example of a social democratic, trust-based system where labour market regulation is accomplished primarily through collective bargaining and an all-encompassing welfare state is Sweden's labor-law model. Three interrelated pillars support the model: (a) strong employer organisations and high union coverage; (b) a history of decentralised collective bargaining and minimal statutory intervention; and (c) strong social protection and active labour market policies that allow for flexicurity, or labor-market flexibility combined with social security.

A historical keystone is the Saltsjöbaden Agreement of 1938, a landmark collaboration between the Swedish Trade Union Confederation (LO) and the Swedish Employers' Association (now part of the Confederation of Swedish Enterprise) that institutionalised voluntary, self-regulatory collective bargaining and a norm of minimal state interference in industrial relations.<sup>35</sup> The Swedish model was established by this agreement: the majority of fundamental job conditions are shaped by social partners rather than the government. This strategy was solidified in the post-war era, creating a complex network of sectoral and corporate-level collective bargaining agreements that encompass a significant portion of the labour population.<sup>36</sup>

Union density in Sweden has historically been among the highest in the world. Recent decades, however, have seen some decline, especially among blue-collar workers. Still, collective bargaining coverage remains extensive because many agreements are extended to non-

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<sup>34</sup> Reingard Zimmer, Protection Against Unfair Dismissal in Germany, **33 King's L.J.** 169 (2022).

<sup>35</sup> *Saltsjöbaden Agreement* (1938), Nordics Info (n.d.).

<sup>36</sup> Eurofound, *Developments in Working Life 2023 – Sweden* (2024).

members or apply widely within sectors.<sup>37</sup> Eurofound and Nordic research indicate that, despite recent shifts in membership, roughly half to two-thirds of employees is still organized or covered through bargaining institutions. This level supports the negotiated governance of wages, working time, and employment conditions.<sup>38</sup>

Legally, Sweden relies on limited statutory protections. The Employment Protection Act (LAS, *Lagen om anställningsskydd* 1982, as amended) offers core protections against unfair dismissal, establishes notice rules, and grants priority rights for rehiring. However, many everyday terms, such as detailed working-time arrangements, overtime rates, and sectoral wage floors, are determined in collective agreements rather than by law.<sup>39</sup> This reliance on agreements, along with strong enforcement through labor courts and active tripartite institutions, is a key feature of the model.

Flexicurity in Sweden means that employers can adjust work organization or use different types of contracts, as long as they follow the law. Workers benefit from strong income support, retraining programs, parental leave, and subsidized childcare. Parental benefits in Sweden are impressive. Parents can take 480 days of paid leave per child, with earnings-related payments for most days. Recent reforms also allow designated family members to take portions of this leave, which improves flexibility for families.<sup>40</sup> Active labor market policies and training, backed by the Public Employment Service and generous unemployment insurance, further strengthen job security.<sup>41</sup>

The strengths of the Swedish model include high worker satisfaction, low inequality, and strong social bonds. Its trust-based bargaining system minimizes conflict and allows for flexible solutions at the firm level, while maintaining essential protections. However, the model has notable criticisms. The costs of welfare and public services raise concerns about sustainability, especially with an aging population and limited funding. A drop in union membership and an increase in non-standard work could weaken the coverage of collective agreements, leaving gaps for platform workers and others on atypical contracts. Additionally, the lack of a national minimum wage means that reduced bargaining power could quickly lead to wage instability

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<sup>37</sup> Anders Kjellberg, *Changes in Union Density in the Nordic Countries* (NEPR, Oct. 2024).

<sup>38</sup> Eurofound, *Collective bargaining coverage* (n.d.).

<sup>39</sup> *Employment Protection Act* (1982:80) (Swed.), non-official English translation, Government Offices of Sweden.

<sup>40</sup> Swedish Social Insurance Agency (Försäkringskassan), *Parental benefit (480 days)* (n.d.).

<sup>41</sup> OECD, *Employment and Skills Strategies in Sweden* (2015)

for vulnerable groups.<sup>42</sup>

In summary, Sweden shows how strong social protection, active labor market policies, and collective bargaining can create a flexible but secure labor system. For those studying comparative models, Sweden offers insights on delegating regulatory power to social partners, family and social policies that encourage labor force participation, and the institutional support required to maintain high coverage. However, there are also warnings about sustainability and inclusiveness amid changes in the labor market.

### **Comparative Analysis of German and Swedish Models**

#### **Similarities**

Germany and Sweden are, if institutionally different, also similar in many respects which arguably place them among the most advanced labour law systems of Europe. One of the chief similarities is that both hinge on collective bargaining. In Sweden, around 88-90% of employees are covered by collective agreements, in relation to how much statutory regulative function such contracts may have.<sup>43</sup> And in Germany, sectoral bargaining between employer associations and trade unions continues to prevail as the main instrument to fix wages, control working hours and lay down working conditions.<sup>44</sup> Both systems are characterised by the principle of “passive state involvement”, so that the law establishes a framework but substantive employment regulation is largely left to social partners to decide for themselves.<sup>45</sup>

In addition, both jurisdictions have strong substantive employee protection. The rules with regard to unfair dismissal, working time regulation, minimum paid leave and social security systems are well known. However, it is these protections which are often extended through collective bargaining and -in Germany especially- the works council ensuring that such minimum standards are not just made part of law making them passive regulations but rather bringing those laws to life or “activating” those norms.

#### **Differences**

Despite these general similarities, the German and Swedish systems are very dissimilar in terms of their institutional structure and legal philosophy. German labour law is structured in its own

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<sup>42</sup> The Guardian, reporting on Tesla–union disputes and collective bargaining coverage challenges (Jan. 2024); Eurofound, analysis on platform-work risks (n.d.).

<sup>43</sup> Eurofound, *Working Life in Sweden* (2024)

<sup>44</sup> Japan Institute for Labour Policy and Training (JILPT), *Collective Agreement Systems in Modern Industrialized Nations: Summary and Observations*, Report No. 184 (2016)

<sup>45</sup> Ibid.

way, and recognised as being unduly complex by European standards, largely due to the super-codetermination model of labor laws predominant in the German constitution itself under codetermination laws. These mechanisms ensure that workers are represented not just at the plant level, through works councils (Betriebsräte), but also on a supervisory board level in both larger companies, thereby integrating workers into corporate governance.<sup>46</sup>

Sweden, in contrast, has actively restricted labour law's statutory footprint. There are broad consultation principles in the MBL but much of the detailed regulation is left to collective agreements between highly-organised trade unions and employer associations.<sup>47</sup> This is in line with the "Swedish Model" where extensive legislative regulation is replaced by trust in social partners. It promotes the balance between flexibility (flexibility for employers over their workforce) and security (protection directly by involving social security nets, nurseries and parental leave benefits).

### **Lessons from Their Contrasts and EU/ILO Perspectives**

The contrast between Germany's legal institutionalism and Sweden's collective trust-based approach highlights two distinct pathways to effective labour protection. Germany shows that a legal entrenchment of participation rights may institutionalize industrial democracy and establish the predictable means of reconciling capital and labour. Yet there is no need to resort to such sweeping legislative intervention, as Sweden demonstrates that high unionization and a strong collective bargaining system can provide comparable-if not better-protections.

Both systems are generally in line with the European Pillar of Social Rights, which prioritises decent working conditions, collective bargaining and sufficient social protection.<sup>48</sup> Similarly, they reflect the principles of ILO's fundamental conventions on freedom of association and collective bargaining (Conventions Nos. 87 and 98).<sup>49</sup><sup>50</sup> But each model has drawbacks: Germany's system comes under fire for its inflexibility in the gig economy, while Sweden's dependency on collective agreements risks collapsing if union density falls.

The German and Swedish models therefore together demonstrate that good labour law does not have to be cast in one, specific mould. Instead, both highlight the importance of a balance

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<sup>46</sup> Codetermination | Encyclopedia.com (last visited 25<sup>th</sup> September, 2025.)

<sup>47</sup> OSHwiki, *Worker Participation — Sweden*, <https://oshwiki.eu> (last visited 25<sup>th</sup> September, 2025.)

<sup>48</sup> European Commission, *European Pillar of Social Rights* (2017)

<sup>49</sup> International Labour Organization, *Freedom of Association and Protection of the Right to Organise Convention* (No. 87), 1948;

<sup>50</sup> International Labour Organization, *Right to Organise and Collective Bargaining Convention* (No. 98), 1949.

between institutional certainty and negotiated flexibility, a lesson Germany and even France would do well to study with others perhaps including India that are looking to rework their labour-law regimes.

## LESSONS FOR INDIA

Comparative analysis of German and Swedish labour law provides useful learning for India which continues to struggle with the challenge of reconciling economic growth, industrial competitiveness and social protection. Both Germany and Sweden show that there doesn't need to be a trade-off between high levels of worker power, combined with strong dialogue with employers, and economic dynamism- although this looks different under different conditions.

Germany's codetermination system provides a first example of the opportunities that embedding worker representation in corporate governance can offer. India, though having the Industrial Disputes Act 1947 and the Trade Unions Act 1926 statutes in place, has not institutionalised enterprise-governance level participation as much. Induction of works councils akin to the Gurmit model or some other forms of participation like employees' presence on the company's board suited to Indian social conditions in India could enhance industrial democracy and neutralize the adversarial nature of employer-employee relationship.<sup>51</sup>

Secondly, Swedish dependence on collective bargaining and flexicurity highlights the importance of trust-based negotiation. This model, however, is premised primarily on unprecedented levels of union density and coverage – realities that do not apply to India where trade union membership is dispersed and confined mainly to the formal sector covering less than 10 per cent of its workforce.<sup>52</sup> However, the Swedish experience till date supports weakening of such sectoral bargaining system and for employer associations to enter in and make laws rather than depend on statutory law; this may break through present over dependence on statutory law which most often is under-enforced in India's vast unorganized sector.

Thirdly, the two jurisdictions present a picture of the importance of an inclusive social protection. The intertwining of labour law with welfare policies—on such vital areas as child

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<sup>51</sup> Berndt Keller, The German Works Council and Board-Level Codetermination System, *24 Transfer: Eur. Rev. Lab. & Res.* 9 (2018).

<sup>52</sup> International Labour Organization, *India Wage Report: Wage Policies for Decent Work and Inclusive Growth* (2018)

care, healthcare, and parental leave ensures in Sweden that flexibility doesn't mean precarity. India has made piecemeal progress through schemes such as the Code on Social Security 2020, but coverage gaps are large and glaring, especially amongst informal and gig economy workers. Borrowing from European practice, India could make the push for universalising basic social protections while also allowing more room for flexible contractual arrangements in sectors that need to be nimble.

Last but not least, the respect of international labour standards, such as ILO Conventions no: 87 and 98 concerning freedoms to associate and collective bargaining, must continue to be central. India, which is one of the founder members of ILO has not ratified those conventions on the ground that public service could be weeded out. The experience in Germany and Sweden shows that synchronizing the national regulations with standards adopted at the international level may bolster the confidence in global chains of supply, while it can also generate sustainable development.

In sum, the lessons from Germany and Sweden point towards a hybrid model for India: strengthening legal guarantees of participation and social security on one hand and building up a culture of collective bargaining and dialogue on the other. It is through such an approach that the chasm between what is promised in a statute and what might be lived reality of labour in India might well be narrowed.

## CONCLUSION

The comparison of Germany and Sweden shows that no one size fits all when it comes to successful labour law systems. Both countries reach high levels of worker protection and industrial peace but through very distinct institutional features: Germany, relying on legal codetermination, works councils; and Sweden, with collective bargaining, Flexicurity supported by welfare guarantees. Labour law in each system is shaped by its history, society and political context – demonstrating that labour law will only function as a subset of all societal regulation and intervention.

The lessons for India are clear. Labour reform should not be reduced either to codification or deregulation, but instead combined with a constructive approach, one which reinforces worker participation in the company, extends social security and develops non-confrontational mechanisms for collective dialogue. An amalgamation of these two, with due sensitisation to India's unorganized sector and also its splintered union landscape will provide a sustainable

way forward. In this context, global experience offers not a template but guidance to the direction in which India's labour law system is bound to evolve.