

**Seventeenth (special) sitting**

Wednesday, 13 June 2007, 3.35 p.m.

*President: Mr. Sulka***HIGH-LEVEL PANEL ON TRIPARTISM  
AND SOCIAL DIALOGUE****The PRESIDENT**

I am privileged to open this High-level Panel on Tripartism and Social Dialogue. I should like briefly to introduce our panellists, although they are likely to be well known to many of you already.

If I may start with our Government panellist, Senator Cristina Fernández de Kirchner of Argentina, who was first elected as a Senator for Santa Cruz before becoming Senator for Buenos Aires in 2005. She has served Congress in her country since 1989, she is President of the Constitutional Affairs Commission of the Senate in Argentina and she has been deeply involved in the revision of the Labour Reform Act. Her reputation as a staunch defender of human rights and her promotion of gender equality go before her.

Our Employer panellist, Mr. José María Cuevas, was, until last week I believe, the President of the Spanish Employers Confederation for 23 years. During this time, he has managed to include the spheres of agriculture, manufacture, services and finance within the Confederation, covering not only big businesses but also small and medium enterprises. He has consistently taken an international view and has strongly supported the integration of Spain within the European Union. He is known for his profound belief in collective bargaining and in social dialogue as a means of achieving social peace, decent work and national goals.

Mr. Guy Ryder, our Worker panellist, is well known to the International Labour Organization and the Workers' group here at the Conference, indeed to all of us. He has worked in the world of trade unionism for the best part of 30 years and moved from the Geneva office of the International Confederation of Trade Unions to become Director of the Bureau for Workers' Activities in the ILO in 1998. He was appointed General Secretary of ICFTU in 2002 and, on the historic occasion of the union of the ICFTU with the World Confederation of Labour, a union which included other independent national trade union confederations, Mr. Ryder became General Secretary of the most representative unified trade union in the history of the trade union movement. With those words I should like to give the floor to the first of our speakers, Mr. José María Cuevas, President, Spanish Employers' Confederation.

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*Original Spanish: Mr. JOSÉ MARÍA CUEVAS (President, Spanish Employers' Confederation, Spain)*

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My first words are to express my gratitude for the opportunity to take part in this panel. It is for me a matter of great significance because it will be the last statement I make in my capacity as President of the Spanish Employers' Confederation, which I have held for more than 23 years and which, since last week, has past to my successor, Gerardo Díaz Ferón.

As I said, this of dual significance because the subject of my statement is social dialogue, and issue which has been at the forefront of my long presidency and perhaps the standard of conduct that we have promoted, maintained and defended the most.

Social dialogue; understood as frank, direct, free and responsible negotiation among social organizations that are voluntary and representative, has produced in Spain absolutely spectacular results over the last 30 years since our country undertook a peaceful transition from an authoritarian system to a democratic one, in a process led by His Majesty the King Juan Carlos I. and supported by practically all political and social forces. We have moved from following and interventionist model of a State to another one, in which more and more recognition has gradually been given to the essential role of the autonomy of employers and workers in a context of increasing economic liberalization. The way we went about creating the social changes that have occurred in our country in the midst of an economic crisis and political stability has been by generating a climate of constant negotiation between employers' organizations and trade unions. Social dialogue has proven itself as a useful instrument for creating a climate of dialogue and calm discussion and therefore keeping to reasonable levels any potential labour conflict in difficult times of political change and prolonged and intense economic crisis.

Indeed, contributes to the creation of prosperity and employment by generating greater price stability and promoting competitiveness abroad.

It can also take in its stride commitments that involve substantial reform, such as those dealing with labour legislation, vocational training, social security or voluntary mechanisms for internal labour dispute settlement. Indeed, social dialogue can create mechanisms that will ensure that it is constantly maintained.

In a few years, Spain has gone from having 12 million people in work to over 20 million, and we have gone from suffering and acutely high unemployment rate of 24 per cent to having the opposite

problem: we need immigrant labour to fuel an economy that is growing every year at a rate above the European average.

These have been the main achievements of social dialogue in Spain – and that is by no means an exhaustive summary. It has not been an easy process or without hiccups; there have been moments of disagreement and tensions; nevertheless, with hindsight, we can say that the moments of agreement have been much more frequent than those of confrontation and, in the final analysis, we have obtained what we were looking for, which was to contribute to a more socially cohesive Spain, in the prosperous, free economic model of a market economy.

To my mind, and drawing the conclusions from what I have said, there are three conditions necessary for social dialogue to be crowned with success, in Spain or any other country.

The first is the existence of strong and representative trade unions and employers' organizations, based on freedom of association and functioning democratically. This may seem self-evident, but there are very often times when the political powers give in to the temptation of creating tailor-made partners which are docile and not really representative. In the long run, these policies lose all credibility and organizations created by the political powers or government are useless for reaching effective agreements.

Secondly, the legislative framework must recognise the centrality of social dialogue and make space for it. Here, too, Governments must resist the temptation for interventionism and overregulation that very often characterizes them.

Thirdly, society needs to recognize this work and the benefits that it produces for all, and that this justifies the respect given to social dialogue and the actors involved in it.

If these conditions exist, social dialogue will bear fruit and secure a social stability that makes possible economic growth and employment.

Obviously this dialogue can be either tripartite or bipartite, according to the items on the agenda. It can be occasional, taking the form of concrete agreements, or it can be institutional and ongoing.

The richness and variety of forms must be respected, and in this connection international organizations, such as the ILO, play a fundamental role in the ongoing and institutional dialogue to which I have referred.

The challenges of globalization and the imperative of responding to our national societies' demands on us stimulate us to persist in this effort of understanding, which could in turn be an example to adopt in other areas of human relations such as, without going into detail, the political sphere.

The International Labour Organization, a permanent forum for tripartite cooperation between governments and employers' organizations and trade unions that are the most representative bodies in their countries, has three main responsibilities in this area, in my opinion.

Firstly, it must guarantee strict application of the core Conventions in the area of freedom of association and collective bargaining, which ensure the independence and representativeness of the essential actors in social dialogue, employers' organizations and trade unions. Along with this, it is essential to foster program designed to build the capacity and representativeness of the social partners through

the ILO Bureaux for Employers' and Workers' Activities.

Secondly, we must continue the technical cooperation efforts of the International Labour Organization in countries in order to help them to determine dynamic social dialogue policies and create institutions for consultation between the social partners.

The third is to encourage processes for the reform and modernization of labour legislation to create more room for free negotiation by the parties as opposed to having excessive regulation that constricts social dialogue.

This would be the best contribution of the International Labour Organization for its member countries, through social dialogue, to be able to grapple with the structural changes that are required by globalization in a climate and social peace.

Finally, allow me to end on the personal note. A few months after assuming his great responsibilities as Director-General of the International Labour Organization, Mr. Somavia told me of his great desire to see the ILO become the major driving force for social dialogue in the world.

The Spanish experience may be useful for many countries that are embarking on the process of change in the economic, political or social spheres.

With the holding of the special sitting of the Conference in which, for me, it has been a great honour to participate on behalf of the Employer's group, I see that this priority continues to be kept alive not only by the Director-General but also by the whole Organization. And in this, they may always rest assured of the full cooperation of the Spanish Employers' Confederation.

*(Applause.)*

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The PRESIDENT

Thank you, Mr. Cuevas, for touching on issues that are so critical to fundamental principles underpinning the International Labour Organization.

I now invite our Worker panellist, Mr. Guy Ryder, General Secretary of the International Trade Union Confederation, to address the Conference.

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Mr. RYDER (*General Secretary of the International Trade Union Confederation*)

I am honoured to offer my ideas about tripartism and social dialogue. The task is not quite as easy as it might appear at first sight for the reason, paradoxical perhaps, that the virtues of both tripartism and social dialogue are taken in this house as being axiomatic, as self-evident. The ILO, after all, is the international incarnation of tripartism in its structures and decision-making and, quite rightly, has made social dialogue a key component of its Decent Work Agenda. So, to contest their value is tantamount to challenging the foundations of our Organization, and nobody is going to be so courageous, I would say misguided, as to do that here, least of all the representatives of the trade union movement.

This said, I do not think it is particularly helpful this afternoon to simply make the case for tripartism and social dialogue within on the safe confines of the orthodoxies and the ground rules of the ILO. I believe we have a more challenging task than that ahead of us. It is, basically, to demonstrate here and elsewhere that these instruments work in each of our countries and that they work, or can work, to the

advantage of each and all of the ILO's constituent groups.

Now, behind each of the country name plates in this hall lies a distinct and complex national reality. In some of your countries, the principles and practice of social dialogue are well established and valued, and may even have constitutional sanction. In others, for different reasons, social dialogue is in-existent or ineffective.

The Director-General has judiciously composed this Panel in a way which, I think, is exemplary in showcasing in a very specific and concrete way the case for social dialogue. In Spain, where the achievement of three decades of democracy owes an enormous amount to the combined efforts of Mr. Cuevas' organization and the affiliates of the International Trade Union Confederation (ITUC) present here the Trade Union Confederation of Workers' Committees (CCOO) and the General Union of Workers (UGT), within an institutional framework which encourages tripartite cooperation and of the Government which, from the outset of its current mandate, has explicitly made social dialogue a key instrument of policy development.

Also in Argentina, where the remarkable recovery of the last five years from the dark days of national crisis has been sustained and reinforced by the well-established machinery of social dialogue and, equally important, the confidence and commitment existing between Argentina's social partners.

I think these are two remarkable examples, and I don't believe it is entirely coincidence that today's strong dialogue and tripartism in Argentina and in Spain comes after both countries experienced painful years of dictatorship. Appreciating the real value of something can be easier when you have seen what the alternatives are really like. If anybody is in doubt, let me add what I hope you already know, that my organization, the ITUC, is itself firmly committed to the promotion of the same objectives.

Despite all this, I think we would be wrong to ignore the fact that the value of social dialogue has been widely questioned in recent years and that its practice at national level is not as well accepted or established as a casual visitor to this Conference might be led to believe.

Part of the orthodoxies that have prevailed too long and too widely around the world has consisted of the belief that the extraordinary transformation of the world of work that all of us have known in recent years, requires governments to introduce radical reform and enterprises to adjust quickly and equally dramatically, and that they simply cannot be delayed or prevented from doing so by the formalities of tripartite consultation and dialogue.

The watchwords of this era of globalization have been deregulation, liberalization and adaptation to the demands of intensified international competition. For governments, as for employers, failure to act can look like loss of competitiveness, with all that entails.

In such circumstances, it really is not too difficult to understand the reaction of the Minister who rejects social dialogue in favour of unilateral decisions. As one stated it to me, the difference between his government, taking up what he saw as his perceived responsibilities alone, and engaging in dialogue, was the difference between doing what he knew what had to be done and what he could get others to agree to; lowest common denominator, which he considered insufficient.

From this panorama, I want to make three reflections.

The first is that social dialogue and tripartism is not only the preferred option over unilateralism and imposed outcomes simply because that is an article of faith, but because it is more efficient, more sustainable and ultimately the mechanism through which economic performance and social justice can be pursued jointly and most effectively. It is a problem solver and a consensus builder and that matters in our enterprises in our societies. There is a great deal of empirical evidence to substantiate the positive track record of social dialogue and tripartism. We do not need to confine ourselves to the most familiar examples of the Nordic countries or others in Europe to find that evidence. Where was the recovery from the financial crisis in Asia in 1997 strongest and quickest? Precisely, in those countries where institutions were in place to build tripartite agreement on action needed, and, where necessary, sacrifices to be made.

The lesson is also that, far from being an inhibitor of change or a brake on effective decision making, these mechanisms provide enormously valuable channels to win acceptance of change and bring success in its implementation.

It is unfortunate that these ideas appear, on occasion, as counter-orthodoxies to some and counter-intuitive to others. But the tide of ideas is, I believe, turning and the ILO, as an advocate and practitioner, can help more that process forward.

The second reflection is that the practice of dialogue and tripartism is closely linked to, and entirely dependent on the respect of trade unions, and I echo Mr. Cuevas on employer rights and independence. Where the parties are not independent of each other, social dialogue is rather like talking to yourself and we all know what that means.

However they interact, and I have already referred to the massive diversity of national experience, dialogue cannot have substance unless the right to collective bargaining is realized effectively. Dialogue and collective bargaining need to be conjugated in the most effective ways.

The third reflection has to do, most importantly, I believe, with the subjective dimension of tripartism and of dialogue. The Director-General has spoken often of positive tripartism: that which accumulates the added value of the contribution of each partner, rather than plays each against the other in a zero sum gain, or something like it.

To some extent, I believe it is possible to say that the simple process of dialogue, in itself, adds value. But beyond that, the attitude, the motivations with which each party comes to the table matters enormously.

It is clear that dialogue and tripartism implies, a priori, no obligation to agree. Indeed, the reality is that periods of confrontation do occur and that does not invalidate the value of partnership nor does it call into question the good faith of the partners.

In this respect, as trade unionists, we insist that the right to strike is not only inherent to freedom of association, but also necessary to make dialogue work. It is not the preferred option of trade unions but it should not be disqualified, as it sometimes is, as outdated or irresponsible.

But I do think that dialogue implies commitment to genuinely work for agreement and in this I am reminded of the answer that I got from one of our affiliates in Finland when I asked how they were

able to produce such extraordinary economic and social results from their highly developed centralized system of bargaining and dialogue. This, they said, was simply because trade unions, governments and employers had decided to make it work, and it does work, and there is a simple lesson in that reality.

We are not talking about silver bullet magic solutions which guarantee success but rather of common endeavour to find solutions. In the end, it depends on us, our organizations, our institutions and the processes that together we have built, over the years, to produce results. There is a rich and accumulated capital of experience, know-how and achievement which can serve us well in the future.

Two last thoughts for the ILO and for the future. UN reform is very much on the agenda. We understand its importance but we insist very much that these values, these essential values of tripartism and of social dialogue find their place in any new arrangement of the United Nations and the place of the ILO within it. The second thought has to do with the internationalization of social dialogue. Dialogue needs to take place at the level at which decisions are made. It needs to involve the decision-makers. Globalization means not only that the ILO's own role as a place for international dialogue has to be developed, but that others too need to be initiated or elaborated. The ITUC wants to explore these possibilities with our employer partners of the IOE. Our global union colleagues are developing their contacts within industrial and sectoral employer representatives at the world level. There are already 50 global framework agreements in place and other processes need to grow around regional integration mechanisms. All of this is of central concern to the ITUC as central parts of the new trade union internationalism that we are seeking to build and part of our outstretched hand of cooperation to all of the partners here at the ILO.

*(Applause.)*

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The PRESIDENT

Thank you, Mr. Ryder, for your participation in this event. The ILO is privileged to have the ITUC as its principal partner for the workers of the world and your vision of social dialogue, and its role in governance will always be central to themes discussed by the International Labour Conference. I now give the floor to our Government panellist, Senator Cristina Fernández de Kirchner. You have the floor Ms. Senator.

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*Original Spanish:* Ms. FERNÁNDEZ DE KIRCHNER  
*(Government, Argentina)*

I would like to begin by thanking the ILO for having invited me to join you at this 96th Session of the Conference, for the purposes of sharing experiences. I would also like to thank my Latin American compatriot, Mr. Juan Somavia, the Director-General of the ILO, and take this opportunity to pay tribute to and acknowledge this Organization for the tremendous solidarity and commitment it showed to the trade union leaders and workers who were persecuted in my country during the last dictatorship and for its commitment to the cause of human rights.

I would like to share with you here today our experiences and accounts of social dialogue and tripartism. In my country, Argentina, social dialogue

has a long history. It was first introduced in around 1919, almost at the same time as it began to feature at the international level, as a result of a tragic experience and a difficult struggle. A virtually revolutionary strike occurred in the early twentieth century in Argentina, which led to the introduction of social dialogue as a method of negotiating between employers and workers and as a means of cooperation between the two parties, to facilitate development. In the course of this brief history – of course, in terms of the history of humankind, any history is brief if it does not date back more than 400 or 500 years, and more than that in Europe – social dialogue and tripartism emerged in the 1940s and 1950s stronger and more structured, in the form of tripartite social dialogue, as a result of the growing industrialization in Argentina and the political force for which I have worked my whole life.

From our experience in Argentina, it is clear that social dialogue and tripartism are very closely linked to democracy and the economic models that our country has followed. We can see very clearly that, in times when there has been an absence of democracy and when policies have been adopted where speculation rather than labour and where the transfer of resources rather than production have been the basis for the model of accumulation, there has been very little by way of social dialogue. This all reached a head in the 1990s when we can clearly see, in terms of the economic model, the beginning of a period of low-intensity social dialogue and, as Guy mentioned earlier, the casualization of labour and increased flexibility of labour, which coincide with globalization.

In Latin America, at least in my country, the International Monetary Fund (IMF) suggested that the way of generating wealth and employment was to make labour and workers more vulnerable and more flexible, that employers would invest more if they were spending less on wages, that the trickle-down effect would occur and then the market, totally independent of the State – which should under no circumstances intervene, but leave the market free – and that this would provide a miracle solution to our problems.

Well, after a decade of our being the IMF's guinea pig – and I would like to remind you that one President of my country was introduced at an IMF assembly as a great example for the world to follow – in 2001, the country quite literally collapsed. I am sure that I do not have to tell you more about this, as you will all no doubt have seen on the news the many thousands of savers hammering on the doors of the banks, which had metal plates over them to prevent the savers, whose savings had been confiscated by the State, from getting in. This led to an employment rate of more than 20 per cent – in fact, almost 27 per cent. In addition, there was such a breakdown in the institutional framework that attempts were made quite fraudulently – and as I was a Senator at the time I can bear witness to this – to bring in labour reforms. The speaker who introduced me said that I had played an active part in these labour reforms, and yes, I did play an active role in denouncing the attempts by the Government at the time to bribe legislators from my own party into bringing greater flexibility to the labour market. This resulted in the collapse and the international discredit of that Government, which had been elected with 52 per cent of the votes.

We were not being dogmatic when we took our position towards the vulnerability and flexibility of the labour market. We simply observed that, whenever in the history of my country we have brought together production, capital and labour in an accumulative model based on production rather than speculation, there has been social dialogue and tripartism. There was, essentially, a social and fiscal dimension to economic growth. This economic growth is something else I would like to mention.

In the 1990s, in the light of what the IMF was advocating, we had economic growth of around 7 per cent. If you look only at the figures on the growth of economic activity, you might conclude that it was a successful Government. But alongside that economic growth, many thousands of workers were falling out of the productive machinery because of the policy of speculation in a service-based economy. We were not generating wealth, which is the key to any economic process, but were simply transferring it to another sector.

This was very clear because economic growth brought in its wake the loss of jobs. So it is not neutral, the type of economic growth that has a society to guarantee its growth.

Here, I would like to mention something that was said by Juan José Cuevas, namely that often it is tempting for politicians (and I am one myself) to choose partners who are not in a sound position and thus cannot participate in social dialogue and that they could do this in the 30 years of a democratic Spain. I have to agree with him, first because democracy is an essential pillar of any sort of social dialogue. In Spain, there was a business sector which decided on an accumulation model based on the production and generation of jobs. This is quite different to what happened in my country, where those who held the capital thought that it was better to speculate than to produce and work. This is also a great temptation, not only for politicians, but also for employers, who are often tempted to increase their earnings three or four fold by adopting a "casino mentality" over just one or two years, and forget everything else.

So it seems to me that the question of social dialogue and tripartism is not just a question of economic growth but rather of what type of economic growth we have chosen for our societies. Do we really think that a society can live by speculation alone? I know some of the businessmen present might say "yes" – if the "casino economy" gives me more, why should I choose a production economy, which always entails risks in investing, producing and so on? The reason is very simple and can be seen from all experiences across the world; The sustainability of production – and labour-based growth is quite different to the sustainability or unsustainability of the bubble economy which financial speculation produces.

It seems to me that the second key element for guaranteeing social dialogue and tripartism is democracy, as I said at the outset. But, at the same time, this should be accompanied by the adoption by the national bourgeoisie of a model of accumulation which dovetails production and labour, capital and labour, putting them together in a model which generates and creates jobs, because although we live in a globalized world where we are all potential consumers, we all know that we need a developed domestic market with well paid workers who always have the option to progress. That is what has

characterized the sustainable nature of development models in the major industrialized countries. Of course, that could be taken as a theoretical exercise, but it is not. It is practical, and that is why I would like to tell you of our experience in Argentina.

On 25 May 2003, when President Kirchner came into government, unemployment, as I said before, stood at 27 per cent. For every 100 jobs created in the 1990s, only ten were registered. Over ten years or a little more, only 2,100 collective agreements were signed. And these statistics do not even touch on questions of poverty and misery. I do not wish to overwhelm you with a tragic image but I am sure that many of you, am sure all of you, in fact, almost all of you are acquainted with the figures, and also the recovery the country has now witnessed. Four years on, we have cut unemployment over the last quarter to 8.7 per cent. Poverty too has been reduced substantially, from more than 60 per cent to 26.3 per cent today. Of course, that is still a painful high figure but there has been growth and that growth has reached many. We are now getting down to the hard core of poverty, which often requires very targeted and varied policies, because growth based on economic activity alone will not suffice to alone to tackle it.

Argentina's National Statistics Institute (INDEC), is set to announce today that, once again in the four years of our Government, there has been a decrease in the size of the informal sector. From 48 per cent at the start of the Kirchner Administration, 41.6 per cent of jobs are now in the black economy, and in every 100 new jobs, the 3.4 million jobs we have created, only ten are now in the informal sector, while 90 are in the formal sector. So, we have actually reversed the figures so far as decent work is concerned. We also mentioned here the minimum wage, which has risen by more than 300 per cent in the last four years, or social security, with more than ten increases in minimum pension levels giving a total increase of around 180 per cent, and a 13 per cent overall increase in general income. This comes after more than 13 years of no such increases being witnessed in the Argentine economy.

This has not been achieved by waving a magic wand, and I do not wish to blind you with figures. We have taken important steps towards paying off our debts, renegotiating our foreign debt and paying off our debt to the International Monetary Fund, in which we now have reserves of around \$41,000 million compared to about \$10,000 million over four years. This shows that adopting a cumulative model which brings together capital and labour and ensures that labour is given the central place it used to enjoy in terms of social organization and development has been the key to this recovery, which has been astonishing to all those who have witnessed it. We had a very serious recession indeed. We plummeted to the depths and in those hard days it was very difficult to legislate in Argentina. The Parliament was surrounded by police and security forces and it was very bad word to be known as a politician or an employer. Many businessmen and bankers were attacked if they were recognized in the street. For this reason, as I said at yesterday's meeting, to which I was kindly invited and which was attended by employers from various delegations from various countries, I said that we do not want good businessmen, we want intelligent businessmen because we have to be absolutely clear in saying that development profits and benefits which will be

sustainable over time require a model of growth where production and labour are the most important things.

This is not an exercise in rhetoric by someone who happens to be standing before you today. This is what we have learned from history. Spain gives us an example of it: a democracy with a middle class which has decided to transform a country, and to do so on the basis of labour and their efforts in order to become competitive in the world, and to make their society competitive, with frankly astounding levels of consumption and development, which anyone who visits Spain can see. By way of conclusion, then, I would say to you that democracy, politicians with institutional responsibilities who are committed to social dialogue and tripartism, and employers who are committed to labour and production – these, I think, are the three basic elements we need, if we are to have social dialogue and tripartism.

*(Applause.)*

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The PRESIDENT

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Senator, thank you for your intervention. You also have covered subjects that are of primary concern to the quest for social justice, social peace and to the promotion of decent work.

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*Original Spanish:* The SECRETARY-GENERAL

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I think we are all delighted to note the applause that accompanied the previous speakers. Ms. Cristina Fernández, I should like to thank you for being here, as you have inspired us all. I thank Mr. Ryder too, who has succeeded in unifying trade unions at the international level and who knows what he is talking about. And I thank Mr. Cuevas, who has been a major player in the very successful social dialogue process in Spain. I think the three of them deserve a round of applause.

*(Applause.)*

Clearly, social dialogue produces excellent results, both economically and socially, but to succeed it requires certain political conditions that are more easily found in democracies than under other political systems. These conditions include the presence of strong, independent, autonomous social partners, of shared ground rules that recognize not only the right to organize but also the fundamental importance of collective bargaining – including, when necessary, the right of workers to strike – as well as the rights of employers. Society has to recognize the fact that people work not only in their own interests but also in the interests of society as a whole. The institutions may be there, the legislation may be there, but without the good will of the main actors nothing is possible.

We all know what we mean by the willingness to enter into dialogue. I believe that each society, each country represented here can give us examples of how difficult dialogue can be, when each side is convinced that it is right and the other side is wrong. It takes time to build trust, to reach an agreement and have it work and then reach a second agreement and have it work and then reach a third agreement and have it work, and the fourth time around you think everything is going to be all right but you still have to keep on and on. The good will of the actors is fundamental.

Governments have a vital role to play. They have to encourage, promote and use this extraordinary instrument of social stability that countries have at their disposal. As Mr. Fernández said, a lot depends on the growth model that you choose, and on whether your economy is based on production, employment creation and the search for replies to the democratic demands of all the people you represent here – and who are begging the leaders of the world, the employers, the workers, the decision-makers, to solve the employment problem that all our countries face.

The role of government is fundamental, and we have two examples to illustrate the fact. Spain, for one, after the years under General Franco, can now claim to have learnt enough to be able in future to find a way of understanding one another. That does not mean that they are always going to agree, but there are not going to be strikes or other problems, because there is a genuine sense of national interest which the people are capable of putting into practice. As for the example given by Senator Fernández, it would seem that my own country was a guinea pig for experiments that came from abroad. The two examples are very different, but they both illustrate the important fact that, ultimately, every country has to determine its own future and we all have to disregard those who come from elsewhere to try to tell us what to do.

This, of course, is the ILO's standpoint because, as you know, you have never heard representatives of the ILO, when they come to your country to help you with your policies, say "This is what you have to do." We have a Committee on the Application of Standards which has machinery for supervising the application of certain standards that you have undertaken to abide by. Each country has to be helped to do the things it is in a position to do and for which it needs support.

So thank you, Senator, for reminding us that production and speculation are a central issue. This means that society has to be competitive. It has to be competitive, so that thanks to its education, its health, its social standards, the creativity of its entrepreneurs and the capability of society as a whole, the country can succeed in the world, can make the whole thing work.

Dialogue may be bipartite or tripartite, national or international. By and large it has been my experience that, when the employers and workers are able to define a space in which they can progress, things tend to work better, to be more stable, to last longer. Of course, this has to be within the context of a government policy that may or may not help these things to come about. As the Senator pointed out, the nature of the economic project may be such that social dialogue never really has a chance.

Naturally, there are difficulties, and social dialogue is not recognized everywhere. It is not in every country that the three social partners believe in social dialogue. As Guy Ryder observed, things that to us seem natural are not looked at in the same way elsewhere. This is why the struggle for social dialogue is probably the most important democratic battle of our time. For we know that, although the great alternatives that people are offered are different, there are many points on which they converge. Ultimately, the real issue is how we can agree among ourselves, how we can create the social infrastructure and basis for understanding that will

enable the social actors to put into practice the points on which they agree.

This is what we have been hearing today, that if the ability to work together so that things really happen doesn't exist, then everything is going to be extremely difficult. We all agree that here in Geneva tripartism works very well, but the real test of tripartism is at the level of each country. We all know that dialogue can have a common denominator, but we also know that that common denominator can be so low that it is no longer relevant, it doesn't have much influence, it doesn't bring about change, it doesn't have the potential that the three of you have said it can have. When people see that an agreement ignores the real issues, they will never take it seriously.

What has our experience been in the ILO these past years? For various reasons we have managed to agree on a maximum common denominator. How come? Why did we want to do it? What was the combination of factors that brought us to this point? Of course, everyone has their own answer. The fact is that, when we defined the Decent Work Agenda, we chose a very high common denominator. When we said that we have to analyze the social dimension of globalization, again we struck a high common denominator. And when we said that the United Nations cannot claim to be able to reduce

poverty by 50 per cent by the year 2015, without taking labour into account, the common denominator was high once more. That is what we have been doing.

Today, Senator Fernández, the Secretary of the International Confederation of Free Trade Unions, and Mr. José María Cuevas say "Let's take the high common denominator of social dialogue!" I think this is a major challenge that we have to take up - we at the ILO and you as the actors of tripartism in your own countries. So I can only express my gratitude to the three of you, Cristina, Guy, José María, and say that you have given us a strong message. My goodness, but it's good sometimes not just to have to listen to one speech after another up here on the podium but instead listen to people from outside, with their experience, their knowledge and their passion. For all three of you have spoken with passion and with conviction, on the basis of your knowledge and experience. So thank you again, and I call for another round of applause.

*(Applause.)*

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The PRESIDENT

Thank you, Mr. Director-General, and thanks once again to each of our distinguished guests.

*(The Conference adjourned at 4.30 p.m.)*

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