



### Third (special) sitting

Monday, 4 June 2007, 10.30 a.m.

*President: Mr. Sulka*

**ADDRESS BY HER EXCELLENCY MS. MICHELLE  
BACHELET, PRESIDENT OF THE REPUBLIC OF CHILE**

The PRESIDENT

Today, we are honoured to welcome Her Excellency, Ms. Michelle Bachelet, President of Chile.

I now give the floor to Mr. Somavia, Secretary-General of the International Labour Conference, to welcome our distinguished guest.

*Original Spanish:* The SECRETARY-GENERAL

The life of President Michelle Bachelet is a life marked by struggle. A struggle against human rights violations to ensure that tragedy shall never again destroy the soul of a nation. A struggle for democracy, to give all Chileans a voice in determining the course their country follows. But also a struggle for national reconciliation as part of which, without forgetting the recent past, she, as Minister of Defence, promoted a historical time of re-encounter between a democratic society and the military, and between the armed forces and their own republican history. A struggle for gender equality and non-discrimination. And today she is President of Chile.

Dear friends, why am I telling you all this?

Because President Bachelet comes from that political breed for which depth of conviction is rooted in life itself and in her life experience. She believes that politics should be at the service of people, of families and of communities. This is what characterizes her style and her personality: listening and engaging in dialogue in order to take better decisions. Listening to people, understanding people and their circumstances, understanding their concerns, their aspirations, their humanity, from the viewpoint of her own humanity. And engaging in dialogue with the world of politics, the world of business, the world of labour, and others, so that, going beyond legitimate differences, shared paths can be found to respond precisely to people's needs.

President Bachelet, with her values, her individual style and her enormous tenacity, is promoting in Chile a welfare reform to build a solid social floor which, first and foremost, will embrace the least protected Chileans. Social protection is the distinctive sign of her leadership. She is promoting fairness at all levels of Chilean society and fighting against inequality from the cradle.

Let me give you a small example. There has been a massive increase in nurseries to enable women to work but also to provide initial education and care for children. As you said, Madam President, in your recent message to the nation on 21 May, and I

quote, "we as a society must make decent work an ethical imperative and we must strengthen corporate social responsibility".

Chile has been successful economically, and should aim for the same success in social terms. This is the answer to those who look at social welfare from a distance and ask "when will it be our turn?"

Dear friends, in this great world of tripartite assembly, it is not easy for me to describe to you the emotion that I feel, as a Chilean Director-General, in welcoming President Michelle Bachelet here today.

I have the honour today to introduce to you a president who is transforming into concrete policies a fundamental truth: you cannot have sustainable economic growth without social justice. This is increasingly necessary because of the imbalances resulting from globalization. You cannot have sustainable development without respecting the balances that should exist between, social, economic and environmental policies.

That is why the message brought today by the President of Chile has a universal value. She is a national leader of global standing because her priority is the people's agenda – the agenda of people throughout the world.

Welcome, Madam President, to the International Labour Organization.

*Original Spanish:* Ms. BACHELET (*President of the Republic of Chile*)

It is an honour for me, as President of the Republic of Chile, to address you in this important forum. Since its establishment in 1919, the International Labour Organization has been remarkable for the contribution it has made to the building of a better world. Those first six ILO Conventions on hours of work, unemployment, maternity protection, night work, minimum age and night work of young persons will go down in history.

Today, hardly anyone questions these rights, whereas almost a century ago they were highly controversial in our societies. Words such as social justice, progress, inclusion, dialogue and equality have become part of the ILO lexicon. And certainly the fact that I am the first woman to preside over my country makes these words all the more pertinent. Defeating prejudice is also a victory for inclusion. For women in Chile, equality is ceasing to be only a dream. In addition to this, for Chile, the ILO represents something that we have made very much our own, and which has historical antecedents. Chile participated in the first International Labour Con-

ference in 1919 and, moreover, we were the first American nation to approve the main ILO Conventions. Today, the ILO is a very special forum. We also have to thank the ILO for its support for the democratic cause in Chile.

For these reasons, Mr. President, having the opportunity to share some of my ideas and thoughts with this tripartite International Labour Conference is so special.

Anyone reviewing the history of my country would detect in it a constant quest for the values that the ILO promotes. They would find, as in the majority of developing countries, the same challenges as are being debated here. When, in 1919, the ILO came into being, in Chile we were just beginning the process of building a social architecture that would shape various institutions and laws that would protect workers and create the first social security systems. We had experienced only a few decades of the labour movement. The world of work had only recently begun to take a political form. It would take several generations – and many martyrs – for the country to acquire a minimum institutional social framework. However, as in many other countries, the plans for progress, the political projects conducive to social change, could not be brought into harmony in pursuit of the common goals that we shared. We failed to cultivate harmonious relations. We failed to forge the necessary consensus. And those who would oppose a people's progress simply ended up snatching democracy away from us, and with it the dream of a better society.

In 1990, democracy returned to Chile, and with it the idea of fairness in development, which had characterized Chile during the twentieth century.

Since then, we have been building a new social model that combines growth with equality and progress with social justice. This is what Chile is striving for at the moment.

However, as I have said, our history in the world of work is not very different from that of other developing countries, particularly those in Latin America. It must be acknowledged that Latin America still falls far short of the ILO's ideal of decent work. It is true that, in the last four years, employment and wages have increased more than in the two previous decades. But problems remain. Almost 40 per cent of the population of our region live in poverty. More than 9 per cent are unemployed, while only 52 per cent of those in employment are employed in the formal sector, and less than 60 per cent have access to the basic social security benefits.

In Chile, the figures are better, but we still have a long way to go. According to the figures for 2003, poverty has fallen to 18 per cent. Unemployment is at last approaching the levels at which it stood prior to the economic crisis at the end of the 1990s, which was about 6.7 per cent. There are already several measurements that confirm a trend: salaried employment is leading job creation. However, in Chile, we still find a low participation of women and young people in employment. We also have low levels of unionization and collective bargaining, which points to mutual mistrust. And worse still, on top of this 18 per cent of poverty, there are groups of people who are particularly vulnerable, people who, though not technically poor, are so disadvantaged that they can easily fall below the pov-

erty line whenever something unexpected occurs, such as losing their job or falling ill.

My Government is dealing with this issue. And our reply to this challenge, the challenge of decent work in an ever more uncertain world, is to construct a "system of social protection". I have said that this will be the hallmark of my Government. This is what we will be remembered for in the history books, which will tell of how my Government, building on the achievements of its democratic predecessors, was able to make a qualitative leap forward in social rights and lay the foundations for a social protection system.

Of course, economic growth is essential. We have no doubts that economic growth is the main ally of employment, but it is not enough. In addition to promoting enterprise and innovation, with support for small and medium-sized enterprises to make them more productive and competitive, it is necessary to bring greater efficiency and depth to social policies. At this point, I would like to mention three concepts which form the basis of everything we propose: vulnerability, universality and real or explicit guarantees. The first of these involves making the transition from a hand-out culture to a comprehensive policy that takes social vulnerability into account. As I have just mentioned, above the poverty line there is a broad group of people at risk of descending into poverty when something unexpected happens, when they grow old or when they fall sick. Thus, the many risks oblige us to think of the sources of vulnerability and the possible ways of dealing with them. As we see it, we need new collective insurance schemes and new tools and powers for citizens. This involves a notion of universality, that is to say, creating a system of social protection for the entire population. Of course, this must be done intelligently, by giving priority to those most in need, but with a vision of civic rights that extend to all. We do not want merely contributory "you get what you pay for" schemes. I am talking more of redistributing risks and opportunities, of signing a new social compact, of a democratic redefinition of the public goods that we intend to ensure for every Chilean man and woman, provided only that he or she lives in our country. And this involves protecting social rights, providing explicit, legally enforceable guarantees for citizens.

In my country and in Latin America, we spend a lot of time listing rights, sometimes with impeccable rhetoric. However, it is no longer enough to list, or guarantee access to, these rights: we have to ensure that they make an impact. That is what we are doing now in Chile in connection with the reform of the pension system.

As you may know, in 1981 the military government introduced a system based almost exclusively on individual employee accounts. Today, we are proposing a mixed system. We are proposing an individual account pillar, a voluntary savings pillar and a solidarity pillar which will enable those Chileans who so desire to obtain a decent pension.

We are doing all this in a system that carefully safeguards balances and combines incentives. I am sure that we shall be successful in introducing these reforms. And the next time a president of Chile comes to this Conference, he or she will be able to say, with pride, that the country has succeeded in abolishing poverty in old age.

We are doing the same in the health system, where a very successful process of reform has al-

ready been under way for three years. We are telling all Chilean men and women that, if they get any of the 56 common diseases, they will be entitled to efficient and timely care. Of course, all diseases are treated, but we have defined a group of diseases which, owing to their serious nature or urgency or the costs involved, must be covered by guarantees not only in terms of access to care, but also the timing and quality of such access. The State will do this for all citizens, whether they have a private health plan or a public insurance scheme. In addition, my Government is increasing from 56 to 80 the number of diseases for which we would like to provide guarantees for everyone in our country.

We have a similar approach to education. For years, the Chilean State has worked to achieve the almost 100 per cent coverage we now have in the 12 years of compulsory schooling. Today, in a reform process in full swing, we are telling Chileans that the State will ensure not only access but quality as well. Given the progress we have achieved as a country, it is no longer enough to ensure the right to education for all girls and boys; we have a political, social and ethical obligation to guarantee quality education for everybody.

Where childhood is concerned, we have created a protection system that seeks to eliminate inequalities of birth among our children. We begin providing care from the moment of pregnancy, accompanied by a series of medical, nutritional, biopsychosocial and educational services. This includes complete coverage of preschool education at kindergarten and pre-kindergarten levels (5–6 years old) and complete nursery coverage (from birth to age 4) for the poorer 40 per cent of the population.

We take a similar approach to rights in the case of unemployment insurance. Under this insurance scheme, each month the State, the worker and the employer contribute a percentage of salary, which goes into a special account opened for the worker, to which the worker has access in the event of dismissal. What my Government will do is increase the state contribution and allow more workers to obtain access to these benefits.

The same vision inspires our efforts to eradicate extreme poverty. We are creating a system that works hand in hand with the individual and seeks to include him or her in state programmes. It is not a question of charity, but a policy of treating the poor as holders of legal rights, of empowering them and showing them how they can improve their lot.

As you will appreciate, this is the same logic as that which underlies the social protection system we are in the process of creating – a logic which involves understanding the realities of the modern world, the realities faced by workers in the twenty-first century.

The old social security schemes do not take these realities into account, because their conditions of access and their benefits were designed for a category of worker which, although it represents the majority, is far from being the only one – namely, the salaried worker in formal employment with a long-term relationship with his company.

Today's labour market is much more diverse and dynamic. Therefore, a modern social protection system must position itself within this context, because, while naturally it should protect everybody, it should especially – though this may seem obvious – protect the most vulnerable.

Today, we have many people who are in fact excluded from the benefits of social security. This situation is inconsistent with the values of equality, liberty, fraternity and solidarity that inspire my Government and the great majority of Chileans.

Citizenship is not just a matter of belonging to a political community, or the assurance of certain freedoms. All this is fundamental, of course, but it is not everything. Modern citizenship is also an expression of social rights and obligations. We want universal rights which are enforceable and substantive. To ensure effectively the social rights of citizens, from the legal and financial standpoints.

The social protection system has a further dimension within the context of in-company labour relations. As I have already said, we are determined to improve unemployment insurance to support workers who lose their jobs.

We are also strengthening the legal protection for workers involved in court proceedings. We will establish a Labour Counsel and increase the number of courts that specialize in labour cases.

We also want to give a fresh impetus to the trade union movement. For various reasons, including the brutal persecution under the dictatorship and the pernicious anti-union practices of some companies, trade union organization in Chile is not as strong as we would like. Less than 10 per cent of workers are governed by some form of collective bargaining agreement. We see many cases of harassment of trade union leaders. Hence, my Government's commitment to strengthening worker organization. If we really want to modernize labour relations, we will have to improve trade union organization, with more workers bargaining collectively, with severe penalties for anti-union practices. We shall seek agreements to advance this agenda.

The modern world, the world of globalization, demands more from us every day. In the spirit embodied by the ILO in its 88-year history, it demands more social dialogue, an effort on the part of the entire community within every country and collaboration among States.

I have come to this Organization at a time when we are seeking to give globalization a human face. A time when, at the call of the ILO, "decent work" is becoming a vital obligation in every country, an ethical imperative for every nation. A time when the challenge is to shape the social dimension of globalization. The only way to achieve this is by involving everyone in the effort.

For our part, I should mention that we have ratified the ILO's basic labour Conventions. Furthermore, we have incorporated the principles of these Conventions, as well as those of the ILO 1998 Declaration on Fundamental Principles and Rights at Work, and the concept of decent work in numerous free trade agreements signed with a wide variety of trading partners.

The incorporation of labour issues in our agreements has enabled us to exchange experience concerning good practice with our trading partners.

We enthusiastically support the initiative taken by the United Nations and the ILO with regard to eradicating child labour. In my country, we are actively committed to eliminating this scourge, and there are many initiatives incorporated in a Plan for the Eradication of Child Labour that call for the active participation of several ministries and agencies, assisted by the business and union sectors.

Cooperation is also required in the matter of migrant workers. After decades during which it was we Chileans who left the country, for political or economic reasons, the trend has been reversed. Today, Chile is welcoming brothers from Peru, Ecuador, Bolivia and other countries in the region. We as host countries need to implement policies for the social integration of migrants. This process should be consistent with the right to cultural diversity. In this respect, a basic factor is the tendency towards equality of duties and rights for migrants.

We have signed and ratified international treaties that protect the rights of migrants, such as the International Convention on the Protection of Human Rights of All Migrant Workers and Members of their Families and the Palermo Protocol against the smuggling of and trafficking in migrants.

As an example, I should like to mention that when we recently extended our trade agreement with Peru, we signed a Labour and Migration Agreement between our two countries committing us to respect labour rights, especially those of our respective migrant workers.

One issue that is still pending in this country which aspires to be more inclusive and non-discriminatory is the ratification of the ILO's Indigenous and Tribal Peoples Convention, 1989 (No. 169). This Convention has been submitted to Parliament, and we will give it the highest priority so that our indigenous peoples can enjoy the same equality of opportunity as everyone else.

I would like to mention another example. This year, the Ibero-American Summit, to be held in Chile held in September, will focus on social cohesion issues. We can and must discuss these issues, find common ground in our policies and integrate initiatives which might be productive and useful.

There are several other issues – gender issues, indigenous peoples and disability rights – in which Chile is participating enthusiastically, in the belief that international collaboration is essential.

It is a great honour for me, as my country's first woman President, to address this assembly, which

represents so much for Chileans and which symbolizes so much for humanity, namely dialogue, democracy, protection of human rights and dignity. Therefore, on behalf of my entire country, thank you for your invitation and thank you for the work you do, which aims to protect all of humanity.

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The PRESIDENT

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Many thanks, Madam President, for those words, which were in such close harmony with the objectives of the International Labour Organization. The Conference is honoured today by the presence of a true pioneer, accustomed to breaking new ground. Before your election as Chile's first woman president, you were also the first Chilean woman to hold the health portfolio, as well as the first woman to hold the defence portfolio of your country. The time will come, I am certain, when facts of this sort will no longer appear astonishing, but we are still in the time of pioneers, and it is therefore still extraordinary and inspiring. This means that your voice is clearly heard, not just in Latin America, but in the broader international context. Chile has embarked on a process of profound change, a period of development that includes all members of society. It has become a model of stability in Latin America, and the world has also taken note of the political modernization that you have engaged.

Madam President, a major theme of the Conference this year is the struggle to eliminate discrimination in employment and occupation. It is the subject of the Director-General's Global Report to the Conference – *Equality at work: Tackling the challenges*. Your call today for equality, social justice and inclusion, and your defence of all women throughout the world, have marked the Conference and will inform its debates. Above all, Madam President, it is your own life that provides an example to us. On behalf of my fellow Officers, and of the Conference, I offer you my sincere thanks for taking the time from your busy schedule to come and address us here today.

*(The Conference adjourned at 11.00 a.m.)*

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