![International Labour Organization]

▶ **Sectoral Advisory Bodies**
 18 – 20 January 2023

ANNOTED AGENDA ITEM 1: REVIEW OF SECTORS

SECTORAL POLICIES DEPARTMENT

REVIEW OF SECTORS COVERED

▶ Sectors covered

The Sectoral Policies Department (SECTOR) is responsible for coordinating and providing support to ILO constituents in addressing employment and labour issues in 22 specific economic and social sectors at the global, regional and national levels. The sectoral approach to decent work cuts across the entire Decent Work Agenda.

This list of 22 sectors was established in 1994 and, subsequently, been endorsed by the Governing Body in 1995 and it has, despite various efforts, not been updated since. In 2007, eight groupings of sectors were established to better reflect changes that globalization brought to the world of work, and the development of new sectors, but the 22 sectors were left unchanged.

The priorities for each sector and for each grouping of sectors are determined through consultations with the tripartite constituents and reflect the overall priorities of the ILO. Cross-sectoral activities are also undertaken to address opportunities and challenges that cut across several sectors, as well as to encourage the exchange of experiences between specific sectors.

▶ Rationale for a review of the list of sectors covered

1. **Alignment with developments in the world of work**
   Technological advances including digitalization, a changing climate and concerns about environmental sustainability, demographic shifts, globalization and multiple crises are changing all sectors in profound but very different ways. Supply chains and sectors have over time become more intrinsically linked: most sectors are organized along supply chains and most supply chains have a sectoral and cross-sectoral nature and scope. Just transition challenges and opportunities differ from sector to sector. This has highlighted the importance of proactive, targeted, and well-designed sectoral and industrial policies.

2. **Alignment with ISIC and the UN**
   Better alignment of the sectors covered by the ILO with the UN system and with sector-specific data, i.e., the International Standard Industrial Classification of All Economic Activities (ISIC rev. 4), would enhance access to better data and research. Enhanced sectoral data, research and statistics would allow the ILO to play a leadership role in numerous sectoral and market-based arenas to promote decent work along with productivity growth and help support tripartite constituents to develop and implement targeted sectoral interventions for better decent work outcomes.

3. **Assessing the potential for prioritization of efforts and regrouping sectors**
   The global economy and the world of work have undergone significant changes since 1994, in part due to the global financial crisis and the COVID-19 crisis, but also due to accelerated technological advances and measures to address a changing climate. This includes a shift in

employment across sectors from extractives, to manufacturing and to services, as well as the servicification of manufacturing. Many countries are pursuing and undergoing structural transformation of their economies, towards greener, digital and more inclusive societies. To better reflect changing economic realities and drivers of change, and in line with the Office's move towards a resource-efficient 'fewer-bigger-better'-approach, it could be a good time to explore ways of grouping sectors into clusters aligned with ILO priorities such as the care, rural, digital, blue and circular economy, crisis-response, supply chains and Just Transition to Environmental Sustainability to advance social justice.

▶Next steps

The Sectoral Advisory Bodies are invited to provide initial views concerning the rationale and need for a review of the list of sectors covered by the ILO, and how they are grouped, and may consider including in their recommendations to the Governing Body in March 2023 a request to the Director-General to submit a document to a forthcoming session of the Governing Body concerning the matter.