



Statistics Help Decision Making

Wanda Yue*

Census and Statistics Department, Hong Kong – wsfyue@censtatd.gov.hk

Statutory minimum wage (SMW) came into effect on 1 May 2011 in Hong Kong, at an initial rate of HK\$28 per hour. Providing further statutory protection for the wages of grassroots employees, the implementation of SMW represents an important milestone in the development of labour policy in Hong Kong. Given the complexity of the subject matter, the diversity of views in the community and the possible socio-economic impacts of SMW, the Provisional Minimum Wage Commission (PMWC) was established in February 2009 to recommend to the Government the initial SMW rate. The PMWC went through an iterative process in deliberating the initial SMW rate, taking into account evidence obtained from various sources and analysing them with reference to a basket of indicators about the social, economic and employment conditions in Hong Kong. It also undertook detailed analyses on wage distribution and business performance data collected from statistical surveys and conducted impact assessments under different SMW test levels in order to recommend an appropriate SMW rate that would maintain a sensible balance between the objectives of forestalling excessively low wages and minimising the loss of low-paid jobs while sustaining Hong Kong's economic growth and competitiveness. After prudent review and objective deliberations, the SMW rate was adjusted to HK\$30 on 1 May 2013, and further to \$32.5 on 1 May 2015. The setting of the initial SMW rate and subsequent reviews of its level is a good showcase of how statistics can help evidence-based policy formulation and decision making. A detailed description of the application of statistics in the setting of the initial SMW rate by the PMWC is presented in the paper.

Keywords: statistical literacy; problem solving, statutory minimum wage.