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Bills Committee on Minimum Wage Bill

Background brief prepared by the Legislative Council Secretariat

Purpose

This paper provides information on past discussions of the Panel on Manpower (the Panel) on the establishment of a statutory minimum wage (SMW) in Hong Kong.

Background

2. Following the financial turmoil and economic downturn in late 1997, wage reduction was reported in many industries. There were calls for the establishment of a SMW in Hong Kong.

3. On 11 October 2006, the Chief Executive (CE) announced in his Policy Address the launching of a Wage Protection Movement (WPM) for employees in the cleansing and guarding services sectors. Under WPM, business enterprises were encouraged to follow the lead taken by the Government in paying cleansing workers and security guards wages not lower than the average market rate for the relevant industry/occupation published in the latest Quarterly Report of Wages and Payroll Statistics (the Quarterly Report) issued by the Census and Statistics Department.

4. On 10 October 2007, CE stated in his Policy Address that if the mid-term review of WPM indicated that the progress was unsatisfactory, the Administration would further promote WPM as well as proceed with the preparatory legislative work on SMW. If the overall review of WPM conducted in October 2008 found that the movement had failed to yield satisfactory results, the Administration would introduce a bill on SMW for security guards and cleaning workers as early as possible in the 2008-2009 legislative session.

5. In his Policy Address 2008-2009, CE referred to the Administration's review of WPM and concluded that there were indeed limits in promoting wage

protection through voluntary participation. As the result of WPM was unsatisfactory, CE announced that the Government was inclined to go for an across-the-board SMW having regard to social justice. The Labour and Welfare Bureau would press ahead with the preparatory work for the SMW legislation. An advisory Minimum Wage Commission (MWC), comprising members from the labour sector, business community, academia and government departments, would be established to study the level of minimum wage as well as the review mechanism, to ensure sensible balance between safeguarding the interests of grassroots workers and forestalling the loss of low-paid jobs, while sustaining economic growth and competitiveness.

Deliberations of the Panel

6. At its meeting on 29 October 1998, the Panel received the views of organizations on the proposal for a minimum wage in Hong Kong and noted that some organizations supported the establishment of a minimum wage system in Hong Kong, while some other organizations objected to such a system. At its meetings on 27 May and 22 July 1999, the Panel discussed the report of a research study conducted by the Research and Library Services Division (RLSD) of the Legislative Council (LegCo) Secretariat on the minimum wage systems in other places. Some members considered that a minimum wage system should be established in Hong Kong. Some other members, however, considered that wages should be determined by the market forces of supply and demand. The Administration was then of the view that it was not worthwhile to tinker with the market-determined wage mechanism by setting up any form of minimum wage system in Hong Kong. Wages should be set by the market in close relation to employees' productivity. It was undesirable to push wages artificially by statutory means.

7. The proposal for a minimum wage in Hong Kong was further discussed at the Panel meeting on 4 November 2004. Some members expressed support for introducing a minimum wage in Hong Kong. They considered that a minimum wage could provide adequate income protection for elementary workers, better protect the livelihood of low income workers, and alleviate the problem of poverty. Some of these members suggested that a minimum wage should be set for workers in the cleansing, security and catering trades first. Another member considered that SMW should be introduced for all trades.

8. Some other members, however, pointed out that while employers attached great importance to the rights and benefits of employees and were willing to assist those in need, the introduction of a minimum wage was not the only way to safeguard the benefits of employees.

9. The Administration responded that the issue of minimum wage was complicated and had far-reaching implications on the future socio-economic

development of Hong Kong. The Administration had an open mind on the issue, and would explore in depth the feasibility and desirability of introducing a SMW in Hong Kong. It would also fully assess the socio-economic implications of the proposal, analyze and draw on the experience of overseas countries with minimum wage policies. The Administration stressed that it was important to secure consensus among employers, employees and the Government before the proposal could be taken forward. As a first step, the issue would be put to the Labour Advisory Board for deliberation.

10. Between April and June 2007, the Panel held three meetings to receive the views of deputations and academics on the issue of SMW for cleaning workers and security guards, and whether there should be special arrangements on minimum wage for different categories of people, such as youth without working experience, persons with disabilities (PWDs) and recipients of Comprehensive Social Security Assistance (CSSA) allowance.

11. Deputations who attended the Panel meeting on 19 April 2007 expressed support for the introduction of a SMW. One deputation considered that different minimum wage levels should be set for the less-competitive disabled employees and those whose ability was below the market requirement. Another deputation considered that the Administration should provide wage subsidies to low-income employees working for social enterprises. Yet another deputation considered that special arrangements could be made when a minimum wage was introduced, taking into account the needs of the disabled in each district. A labour union considered that if a minimum wage was to be introduced across-the-board, disabled employees of social enterprises should not be exempted so as to prevent abuse.

12. Representatives of employees' groups who attended the Panel meeting on 17 May 2007 urged the Administration to introduce legislation to establish a minimum wage system for all trades. Some representatives suggested that a minimum wage should be set at a level no less than \$30 per hour or no lower than the level of the monthly allowance of CSSA, so as to enable elementary workers to maintain a basic standard of living and alleviate the problem of working poverty.

13. Representatives of employers' groups objected to the enactment of legislation for a minimum wage. They considered that a minimum wage would increase the cost of employers, affect the competitiveness of enterprises, and impair the efficient allocation of labour by market forces, thus leading to a reduction of employment opportunities among less-competitive workers. One employers' association, however, informed members that according to a survey it had conducted, 83% of its members supported the introduction of SMW for cleaning workers and security guards.

14. At its meeting on 21 June 2007, the Panel received the views of academics on the introduction of a SMW. One academic considered that SMW, if implemented effectively, could end up benefiting the whole economy, as it could provide CSSA recipients with an incentive for work. The minimum wage level should be set at a reasonable level. On the other hand, there were other better alternatives, such as provision of wage subsidies to employees across-the-board, than SMW. Another academic supported the introduction of a SMW and suggested that, to start with, the Administration could consider providing wage protection to cleaning workers and security guards, and the minimum wage rates should not be set at a very high level. They should be pitched at a level which offered real benefits to low-income workers, with reference to the poverty line and the cost-of-living level.

15. One academic held the view that in considering whether a SMW system should be implemented in Hong Kong, the possible effects of minimum wage on employment, such as the overall effect on the employment opportunities of low-skilled workers, youth without working experience and disabled persons, had to be thoroughly assessed. The academic considered it inappropriate for the Government to set up any form of minimum wage in Hong Kong, as any move to interfere with private sector decisions on wage setting was bound to be counter-productive. For some industries, a minimum wage would increase the labour cost.

16. At the request of the Panel, RLSD had updated its research report of 1999 on minimum wage systems. The updated research report, which was discussed at the Panel meeting on 20 March 2008, covered the following aspects of the minimum wage systems of 10 places -

- (a) development of the minimum wage system;
- (b) coverage of the minimum wage system;
- (c) minimum wage rate;
- (d) process of determining the minimum wage rate;
- (e) characteristics of minimum wage workers;
- (f) enforcement and penalty; and
- (g) empirical studies evaluating the impact of the minimum wage system.

17. A table containing a comparison of the minimum wage systems in the 10 places is in **Appendix I**.

18. In the 2008-2009 session, the Administration consulted the Panel on the key issues relevant to the preparatory work for the introduction of a draft bill on SMW at the Panel meetings on 20 November 2008, 19 February 2009 and 16 April 2009.

19. Members noted that the Administration would set up a MWC to advise the Administration on the SMW level and its review mechanism. Members enquired about the legal status of MWC, its composition and the criteria for appointing members to MWC. They considered that MWC, being an independent body, should be impartial and transparent.

20. The Administration advised that the status of MWC as a statutory body would be recognized upon enactment of the bill on SMW. MWC would comprise members from the labour sector, business community, academia and government departments to ensure a balanced representation of all interests in the community.

21. Members were informed that a Provisional MWC, which comprised a chairman and 12 members from various sectors of the community, was established on 27 February 2009. The Provisional MWC was tasked to advise CE on the initial SMW rate to be adopted on the basis of an evidence-based approach, with a view to striking a balance between forestalling excessively low wages and minimizing the loss of low-paid jobs while sustaining the economic growth and competitiveness of Hong Kong.

22. Some members held the view that the SMW rate should not be set at too low a level as this might discourage people from self-reliance and turn them into relying on CSSA. They considered that in setting the SMW level, the Administration should ensure that a safety net was provided to enable the low-income groups sustain a living. Some members held the view that SMW should be set at a level that could support the living of a two-person family.

23. The Administration responded that low-income workers who could not sustain the livelihood of their families could apply for financial subsidy under the CSSA Scheme. In setting and reviewing the SMW level, a number of indicators should be adopted to take account of all pertinent social, economic and employment factors that could reflect the situation of the concerned workers and the holistic needs of the local economy. The Administration would leave the matter to MWC to consider.

24. As the statistical method adopted for compilation of wages and business costs was not designed to support SMW, the Administration advised that it was necessary to enhance the current survey and introduce a new survey for the collection of additional and more precise information for implementing a SMW. It consulted members on the design of the new and enhanced surveys. Members in general supported the new approach.

25. On the question of whether special arrangements should be introduced for persons with disabilities (PWDs), the Administration informed the Panel that after consulting the rehabilitation sector and other stakeholders, it had come to the view that while PWDs taking up employment should be protected by SMW, some PWDs whose productivity was impaired by their disabilities could be exempted from SMW so as to minimize any adverse impact of SMW on their employment opportunities. A special arrangement to exempt PWDs from SMW, including a mechanism for assessing a PWD's productivity which would form the basis of determining his wage level under the SMW regime, was being contemplated.

26. Regarding the mechanism for assessing the productivity of PWDs, the Administration explained that the assessment would be conducted on a voluntary basis and would be initiated by PWDs. Given the diverse nature and demands of different job duties, there was a general consensus that a pragmatic job-specific assessment, which should be conducted in the actual workplace concerned, should be adopted. The special arrangement would allow employers to offer PWDs wages below the SMW rate.

27. Members in general supported the direction of the proposed special arrangement for PWDs. One member however considered that PWDs should receive wages at the SMW rate.

28. The Panel was consulted by the Administration on whether exemption should be provided for under the SMW legislation with respect to certain groups of employees, namely, students undertaking internship programmes and domestic workers, apart from PWDs. Members did not raise objection to the exclusion from the SMW legislation of students undertaking internship programmes for meeting academic or programme requirements which were either credit-bearing or compulsory for obtaining the concerned academic qualifications.

29. Some members enquired about the possibility of including live-in foreign domestic helpers (FDHs) under the SMW legislation. The Administration explained that there were practical difficulties for SMW to cover live-in domestic workers because the multifarious domestic duties and possible tasks varying from day to day and from time to time would render it quite impossible to ascertain the actual hours worked in order to determine the hourly wages due. Thus, the Administration proposed that live-in domestic workers should be exempted from SMW.

30. While expressing support for exempting live-in FDHs from the SMW legislation, some members were concerned about the threat of a judicial review by FDHs and the socio-economic implications of the judicial review, if successful, on Hong Kong. The Administration responded that it was aware

of such implications. It would ensure that the different viewpoints and legal viability would be taken into account before introducing the draft bill into LegCo.

31. A member suggested that the Government should consider prescribing standard working hours to replace the minimum allowable wage applied to FDHs in the standard employment contract for FDHs. The Administration responded that the round-the-clock attendance of live-in domestic workers had rendered the computation of SMW denominated by the hour infeasible. The current policy regarding the importation of FDHs required that FDHs be live-in and be paid a monthly wage. A change in the existing policy on FDHs had never been the policy intent of introducing SMW.

Relevant papers

32. A list of relevant papers available on the LegCo website (<http://www.legco.gov.hk>) is in **Appendix II**.

Council Business Division 2
Legislative Council Secretariat
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Table 6 – Overall comparison of the minimum wage system in selected places

	Australia	France	Guangdong	Shenzhen	Japan	South Korea	Taiwan	The United Kingdom	The United States	Singapore
Introduction of the current minimum wage system										
Year of establishing the current minimum wage system	1907.	1950.	1994.		1959.	1988.	1984.	1999.	1938.	Not applicable.
Legislation for establishing the current minimum wage system	Conciliation and Arbitration Act.	Minimum Wage Law.	Minimum Wages Regulations.		Minimum Wage Law.	Minimum Wage Act.	Labour Standards Act.	National Minimum Wage Act.	Fair Labor Standards Act.	Not applicable.
Coverage of the minimum wage system										
Eligibility of minimum wage	The minimum wage system applies to most workers, excluding workers who are not covered under the Workplace Relations Act 1996.	The minimum wage system applies to most workers, excluding trainees, apprentices and prisoners.	The minimum wage system applies to most workers, excluding domestic workers.		The minimum wage system applies to most workers, excluding trainees.	The minimum wage system applies to most workers, excluding domestic workers.	The minimum wage system applies to most workers, excluding fishermen.	The minimum wage system applies to most workers, excluding persons such as nannies, trainees, fishermen and prisoners.	The minimum wage system applies to most workers, excluding persons such as professionals and fishermen.	Not applicable.
Whether the minimum wage system covers disabled employees	Yes, a disabled employee is assessed for his or her productive capacity and receives wages corresponding to a percentage of the federal minimum wage rate.	No.	No.		Yes, a disabled employee who can perform the job duties is entitled to receive the minimum wage rate.	No.	Yes, a disabled employee is assessed for his or her productive capacity and receives wages corresponding to a percentage of the minimum wage rate.	Yes, if a disabled employee is categorized as a "worker", he or she must be paid the minimum wage rate.	Yes, a disabled employee is assessed for his or her productive capacity and receives wages corresponding to a percentage of the federal minimum wage rate.	Not applicable.

Table 6 – Overall comparison of the minimum wage system in selected places (cont'd)

	Australia	France	Guangdong	Shenzhen	Japan	South Korea	Taiwan	The United Kingdom	The United States	Singapore
Minimum wage rate and characteristics of minimum wage workers										
Hourly minimum wage rate	In 2007, hourly minimum wage rate: HK\$80.4. A percentage of the hourly minimum wage rate for junior employees, trainees and apprentices.	In 2007, hourly minimum wage rate: HK\$82.5. A percentage of the hourly minimum wage rate for young workers and apprentices.	In 2008-2009, five monthly minimum wage rates which range between HK\$541 and HK\$877. Five hourly minimum wage rates which range between HK\$5.2 and HK\$8.5.	In 2007-2008, two monthly minimum wage rates: HK\$765 and HK\$867. Two hourly minimum wage rates: HK\$4.4 and HK\$5.0.	In 2007-2008, hourly national prefectural minimum wage rate: HK\$45.0. Hourly national industrial minimum wage rate: HK\$51.2.	In 2008, hourly minimum wage rate: HK\$30.5. HK\$27.5 for workers on probation. HK\$24.4 for security guards and caretakers.	In 2007-2008, hourly minimum wage rate: HK\$23.5. HK\$16.4 for apprentices.	In 2007, hourly minimum wage rate: HK\$79.1. HK\$65.9 for workers aged 18 to 21. HK\$48.7 for workers aged 16 to 17.	Higher of the federal minimum wage rate and the state minimum wage rate: (a) in 2007, federal hourly minimum wage rate: HK\$45.4; and (b) state hourly minimum wage rate ranges between HK\$45.4 and HK\$61.6. For youth employees, HK\$33.0. For students, a percentage of the federal minimum wage rate.	Not applicable.
Whether relief measures are implemented	No.	Yes, companies are eligible for exemption in social security contribution.	No.		No.	No.	Yes, major relief measures included: (a) providing financial subsidies to employers; and (b) reimbursing up to 80% of the cost of employee training.	No.	No.	Not applicable.
Real value of the minimum wage rate	Has been appreciating since 1997, except for year 2001.	Appreciated between 2002 and 2005. Under law, the percentage increase of the minimum wage rate cannot be lower than the inflation rate.	Has been appreciating since 2000.		Has been appreciating since 2000.	Has been appreciating since 2000.	Depreciated between 1997 and 2007.	Has been appreciating since 2001.	Depreciated between 1979 and 2006.	Not applicable.
Minimum wage relative to the average wage	Minimum wage relative to the average wage of manufacturing workers: 48% in (2005).	Minimum wage relative to the average wage: 47% (in 2005).	Minimum wage relative to the average wage: about 30% (in 2007).		Average prefectural minimum wage relative to the average wage of manufacturing workers: 32% (in 2007).	Minimum wage relative to the average wage: 28% (in 2007).	Minimum wage relative to the average wage of manufacturing workers: 42% (in 2007).	Minimum wage relative to the average wage: 35% (in 2005).	Minimum wage relative to the average wage: about 31% (in 2006).	Not applicable.
Number of minimum wage workers	101 500 minimum wage workers.	About 2.5 million minimum wage workers (16.8% of the labour force).	About 23 million minimum wage workers.	More than 4.3 million minimum wage workers.	Small number of minimum wage workers.	About 2.1 million minimum wage workers (13.8% of the labour force).	About 1.4 million minimum wage workers (13.3% of the labour force).	About 1.3 million minimum wage workers (5.1% of the labour force).	About 1.7 million minimum wage workers.	Not applicable.
Characteristics of minimum wage workers	Mainly young workers without post-school qualifications and engaging in part-time casual jobs in the retail and hospitality sectors.	About 44% of the minimum wage workers employed in domestic work, 32% in agriculture.	Mainly rural migrant workers; most of them are young female workers who work in labour-intensive industries such as toys, garments, plastics and electrical appliances.	Mainly young female workers who come from inland provinces; employed in labour-intensive industries such as toys, garments, plastics and electrical appliances.	Mainly elderly female workers employed in small-sized companies.	Mainly middle-aged and elderly female workers who are engaged in the manufacturing and retail sectors.	About 65% of the minimum wage workers are women who are mainly in the age groups of 16 to 20, and 55 or above; employed in food and beverages, and retail businesses.	About 66% of the minimum wage workers are women and 60% of the minimum wage jobs are part-time in nature.	Mainly young workers who are employed in service occupations, mostly food preparation and service jobs.	Not applicable.

Table 6 – Overall comparison of the minimum wage system in selected places (cont'd)

	Australia	France	Guangdong	Shenzhen	Japan	South Korea	Taiwan	The United Kingdom	The United States	Singapore
Process of determining the minimum wage rate										
Authority for determining the minimum wage rate	Australian Fair Pay Commission.	Council of Ministers.	Guangdong Bureau of Labour and Social Security.	Shenzhen Labour and Social Security Bureau.	Prefectural labour bureau determining both the prefectural and industrial minimum wages.	Minister of Labour.	Council of Labour Affairs of the Executive Yuan.	Parliament.	Congress determining the federal minimum wage rate. Individual state legislatures setting their own minimum wage rates.	Not applicable.
Advisory body	None.	National Collective Bargaining Commission.	Local trade unions, enterprise unions and entrepreneur associations, but no single advisory body.		Prefectural minimum wage council.	Minimum Wage Council.	Basic Wage Deliberation Committee.	Low Pay Commission.	None.	Not applicable.
Membership of the advisory body	Not applicable.	40 members: four from the government, 18 from five national labour unions and 18 from employer associations.	Information not available.		15 – 20 members who come from the government, employer associations, labour unions, academic institutions and social welfare organizations.	27 members: nine employer association representatives, nine labour union representatives and nine independent members representing the public interests.	17 – 23 members who come from the government, employer associations, labour unions, academic and business research fields.	Nine members who come from employer associations, labour unions and the academic field.	Not applicable.	Not applicable.
Criteria for determining the minimum wage rate	Four criteria: (a) cost of living; (b) consumer price index; (c) economic performance; and (d) wages of comparable workers.	Four criteria: (a) needs of workers; (b) wages of comparable workers; (c) inflation rate; and (d) economic performance.	Seven criteria: (a) minimum living standards of employees and their dependants; (b) average wage of workers; (c) current economic situation; (d) labour productivity; (e) local employment situation; (f) amount of social security benefits; and (g) differences in the level of economic development within the region.		Four criteria: (a) cost of living; (b) consumer price index; (c) economic performance; and (d) wages of comparable workers.	Seven criteria: (a) cost of living; (b) economic growth rate; (c) average wage level; (d) labour productivity; (e) employment rate; (f) consumer price index; and (g) income distribution.	Six criteria: (a) current economic performance; (b) consumer price index; (c) employment situation; (d) labour productivity; (e) workers' wages in different industries; and (f) survey and statistical figures on household income and expenditures.	Six criteria: (a) economic conditions; (b) pay differentials; (c) business costs; (d) competitiveness of economy; (e) inflation rate; and (f) employment level.	Three criteria: (a) cost of living; (b) productivity and wages of comparable workers; and (c) ability of employers to absorb wage increases.	Not applicable.
Procedures for determining the minimum wage rate	The Commission conducts an annual minimum wage review.	The minimum wage rate is adjusted in accordance with changes of the national price index every July. During the interim period, if the nation price index changes by 2% or more, the minimum wage rate will be adjusted automatically.	The provincial labour and social security authorities may adjust the minimum wage rate. The revised minimum wage rate, if any, will be provided to the Ministry of Labour and Social Security for record purpose.		The prefectural minimum wage council recommends the adjusted prefectural and industrial minimum wages for the prefectural labour bureau for approval.	The Minimum Wage Council proposes an adjusted rate to the Minister of Labour for approval.	The Basic Wage Deliberation Committee submits the adjusted basic wage to the Council of Labour Affairs for final approval.	The government determines the minimum wage rates with the advice of the Low Pay Commission, subject to Parliament's approval.	The federal minimum wage rate is adjusted by legislation and any Congressman can introduce a bill to effect an adjustment.	Not applicable.
Frequency of adjustment	Annual basis.	Annual basis.	Annual basis.		Annual basis.	Annual basis.	Irregular adjustment.	Annual basis.	Irregular adjustment.	Not applicable.

Table 6 – Overall comparison of the minimum wage system in selected places (cont'd)

	Australia	France	Guangdong	Shenzhen	Japan	South Korea	Taiwan	The United Kingdom	The United States	Singapore
Enforcement and penalty										
Enforcement agency	Office of the Workplace Ombudsman.	Ministry of Labour, Labour Relations and Solidarity.	Guangdong Bureau of Labour and Social Security.	Shenzhen Bureau of Labour and Social Security.	Prefectural labour bureau.	Ministry of Labour.	Council of Labour Affairs.	Her Majesty's Revenue and Customs.	Department of Labor.	Not applicable.
Penalty for failing to pay the minimum wage rate	For individuals, not exceeding HK\$38,580; for corporations, not exceeding HK\$192,900.	Standard penalty of HK\$14,655.	Between HK\$5,100 and HK\$51,000.		Not exceeding HK\$1,338 per worker.	Not exceeding HK\$162,000 or imprisonment for not more than three years, or both.	Between HK\$484 and HK\$4,840.	Not exceeding HK\$71,650.	Not exceeding HK\$85,448; with a second penalty possibly resulting in imprisonment.	Not applicable.
Penalty for making a false report to the enforcement agency	Information not available.	Information not available.	Information not available.		Not exceeding HK\$669 per worker.	Not exceeding HK\$81,600.	Between HK\$2,420 and HK\$12,100.	Information not available.	Information not available.	Not applicable.

Table 7 –Major findings of empirical studies on the minimum wage system

Australia	Major findings of empirical studies submitted to the Australian Fair Pay Commission's 2007 Minimum Wage Review revealed that: (a) minimum wage increases could exacerbate unemployment; and (b) excessive minimum wage increases had a negative impact on employment.
France	Major findings of empirical studies revealed that: (a) the minimum wage system brought the benefits of: (i) curbing the competitive downward pressure on wages; and (ii) favouring corporate strategies aiming at boosting productivity; and (b) the wage subsidies: (i) created new jobs in the low-paid sector; (ii) directly affected the government's budget; and (iii) had adverse effects on productivity growth with companies having reduced pressure to innovate.
Guangdong	Major findings of the empirical study entitled <i>Wages and social security – An investigation into Guangdong minimum wages and research on the statistical estimate mode</i> (2006) revealed that: (a) the minimum wage system brought the benefits of: (i) playing the role of a safety net by offering minimum acceptable protection for workers and ensuring a minimum standard of living for them and their families; (ii) narrowing the income gap between the rich and the poor to reduce social tensions and promote harmonious socio-economic development; and (iii) compelling employers to restructure their businesses to enhance technical efficiency, raise labour productivity and promote the development of high-value added products; and (b) the minimum wage system did not have any significant impact on the competitiveness of the enterprises studied and their export performance.
Shenzhen	Major findings of an internal empirical study conducted in 2006 revealed that: (a) the minimum wage system brought the benefits of: (i) guaranteeing workers to have an acceptable minimum standard of living; (ii) preventing employers from exploiting low-skilled workers; (iii) increasing consumer purchasing power, through raising the incomes of low-wage workers; (iv) reducing the tensions between employers and employees; and (v) narrowing the income gap between the rich and the poor to reduce social tensions and promote harmonious socio-economic development.
Japan	Major finding of the empirical study entitled <i>The impact of the minimum wage on female employment in Japan</i> (2007) revealed that: (a) the minimum wage adjustment had certain negative impact on female employment.
South Korea	Information not available.
Taiwan	Major findings of the empirical study entitled <i>The Effects of Basic Wage on the Labour Market in Taiwan</i> (2001) revealed that: (a) the minimum wage system did not have any significant adverse effects on employment, inflation and competitiveness of the economy; and (b) there was no statistical evidence showing that the minimum wage exerted any negative impact on the employment level of low-wage workers and youths.
The United Kingdom	Major findings of empirical studies revealed that: (a) there was no significant effect of the introduction of minimum wage or its increases on employment for men, women, adults or young workers; (b) the introduction of minimum wage did not have much impact on the aggregate number of hours worked in the economy; and (c) the introduction of minimum wage had neither caused individuals to give up their second jobs nor encouraged more people to take additional jobs.
The United States	Major findings of empirical studies revealed that: (a) raising minimum wages had minor negative effects; and (b) a higher minimum wage did not relieve poverty.
Singapore	Information on a proposed minimum wage system is not available.

Appendix II

List of relevant papers on the establishment of a statutory minimum wage

Minutes

- (a) minutes of meeting of the Panel on Manpower on 29 October 1998 [LC Paper No. CB(2)920/98-99];
- (b) minutes of meeting of the Panel on Manpower on 4 November 2004 [LC Paper No. CB(2)321/04-05];
- (c) minutes of meeting of the Panel on Manpower on 16 November 2006 [LC Paper No. CB(2)673/06-07];
- (d) minutes of meeting of the Panel on Manpower on 21 December 2006 [LC Paper No. CB(2)838/06-07];
- (e) minutes of meeting of the Panel on Manpower on 18 January 2007 [LC Paper No. CB(2)1274/06-07];
- (f) minutes of meeting of the Panel on Manpower on 15 March 2007 [LC Paper No. CB(2)1581/06-07];
- (g) minutes of meeting of the Panel on Manpower on 19 April 2007 [LC Paper No. CB(2)1829/06-07];
- (h) minutes of meeting of the Panel on Manpower on 17 May 2007 [LC Paper No. CB(2)2174/06-07];
- (i) minutes of meeting of the Panel on Manpower on 21 June 2007 [LC Paper No. CB(2)2688/06-07];
- (j) minutes of meeting of the Panel on Manpower on 5 July 2007 [LC Paper No. CB(2)2636/06-07];
- (k) minutes of meeting of the Panel on Manpower on 15 November 2007 [LC Paper No. CB(2)629/07-08];
- (l) minutes of meeting of the Panel on Manpower on 21 February 2008 [LC Paper No. CB(2)1354/07-08];
- (m) minutes of meeting of the Panel on Manpower on 20 March 2008 [LC Paper No. CB(2)1663/07-08];

- (n) minutes of meeting of the Panel on Manpower on 24 April 2008 [LC Paper No. CB(2)2013/07-08];
- (o) minutes of meeting of the Panel on Manpower on 27 May 2008 [LC Paper No. CB(2)2716/07-08];
- (p) minutes of meeting of the Panel on Manpower on 19 June 2008 [LC Paper No. CB(2)2734/07-08];
- (q) minutes of meeting of the Panel on Manpower on 8 July 2008 [LC Paper No. CB(2)2755/07-08];
- (r) minutes of meeting of the Panel on Manpower on 20 November 2008 [LC Paper No. CB(2)681/08-09];
- (s) minutes of meeting of the Panel on Manpower on 19 February 2009 [LC Paper No. CB(2)1273/08-09];
- (t) minutes of meeting of the Panel on Manpower on 16 April 2009 [LC Paper No. CB(2)1570/08-09];

Papers

- (u) Administration's paper entitled "The Administration's Views on the 'Proposal on minimum wage in Hong Kong' put forward by the Hong Kong Social Security Society" for the meeting of the Panel on Manpower on 29 October 1998 [LC Paper No. CB(2)495/98-99(05)];
- (v) Research report entitled "Minimum Wage Systems" [RP08/98-99] prepared by the Research and Library Services Division of the LegCo Secretariat for the meeting of the Panel on Manpower on 29 May 1999;
- (w) Administration's paper entitled "The Proposal for a Minimum Wage in Hong Kong" for the meeting of the Panel on Manpower on 4 November 2004 [LC Paper No. CB(2)129/04-05(03)];
- (x) Administration's paper entitled "Wage Protection Movement for Cleansing Workers and Security Guards" for the meeting of the Panel on Manpower on 16 November 2006 [LC Paper No. CB(2)333/06-07(04)];
- (y) Administration's paper entitled "Progress of the Wage Protection Movement for Cleaning Workers and Security Guards" for the meeting of the Panel on Manpower on 18 January 2007 [LC Paper No. CB(2)840/06-07(03)];
- (z) Administration's papers entitled "Wage Level Used under the Wage

Protection Movement for Cleaning Workers and Security Guards" and "Preparatory Work for Introducing a Statutory Minimum Wage for the Cleansing and Guarding Services Sectors if the Wage Protection Movement Fails to Yield Satisfactory Results" for the meeting of the Panel on Manpower on 15 March 2007 [LC Paper Nos. CB(2)1273/06-07(03) and CB(2)1304/06-07(01)];

- (aa) Administration's paper entitled "Preparatory Work for Introducing a Statutory Minimum Wage - Special arrangements on minimum wage for different categories of people" for the meeting of the Panel on Manpower on 19 April 2007 [LC Paper No. CB(2)1580/06-07(03)];
- (bb) Administration's paper entitled "Progress of the Wage Protection Movement for Cleaning Workers and Security Guards" for the meeting of the Panel on Manpower on 17 May 2007 [LC Paper No. CB(2)1828/06-07(12)];
- (cc) Administration's paper entitled "Progress of the Wage Protection Movement for Cleaning Workers and Security Guards" for the meeting of the Panel on Manpower on 5 July 2007 [LC Paper No. CB(2)2355/06-07(01)];
- (dd) Administration's paper entitled "Mid-term Review of the Wage Protection Movement for Cleaning Workers and Security Guards" for the meeting of the Panel on Manpower on 15 November 2007 [LC Paper No. CB(2)310/07-08(05)];
- (ee) Administration's paper entitled "Preparatory Work for Introducing a Statutory Minimum Wage for Cleaning Workers and Security Guards if the Wage Protection Movement Fails to Yield Satisfactory Results" for the meeting of the Panel on Manpower on 21 February 2008 [LC Paper No. CB(2)1072/07-08(04)];
- (ff) Research report entitled "Minimum wage system in selected places" [RP04/07-08] prepared by the Research and Library Services Division of the LegCo Secretariat for the meeting of the Panel on Manpower on 20 March 2008;
- (gg) Administration's paper entitled "Preparatory Work for Introducing a Statutory Minimum Wage for Cleaning Workers and Security Guards if the Wage Protection Movement Fails to Yield Satisfactory Results - Definitions of Cleaning Workers and Security Guards" for the meeting of the Panel on Manpower on 24 April 2008 [LC Paper No. CB(2)1662/07-08(05)];

- (hh) Administration's paper entitled "Preparatory Work for Introducing a Statutory Minimum Wage for Cleaning Workers and Security Guards if the Wage Protection Movement Fails to Yield Satisfactory Results - Definition of A Statutory Minimum Wage" for the meeting of the Panel on Manpower on 27 May 2008 [LC Paper No. CB(2)2012/07-08(05)];
- (ii) Administration's papers entitled "Preparatory Work for Introducing a Statutory Minimum Wage for Cleaning Workers and Security Guards if the Wage Protection Movement Fails to Yield Satisfactory Results - Enforcement and penalty in relation to the implementation of a statutory minimum wage", "Preparatory Work for Introducing a Statutory Minimum Wage for Cleaning Workers and Security Guards if the Wage Protection Movement Fails to Yield Satisfactory Results - Setting of the Wage Level of the Statutory Minimum Wage" , and "Preparatory Work for Introducing a Statutory Minimum Wage for Cleaning Workers and Security Guards if the Wage Protection Movement Fails to Yield Satisfactory Results - Mechanism for Reviewing the Level of the Statutory Minimum Wage" for the meeting of the Panel on Manpower on 19 June 2008 [LC Paper Nos. CB(2)2274/07-08(03), (04) and (05)];
- (jj) Administration's paper entitled "Preparatory Work for Introducing a Statutory Minimum Wage for Cleaning Workers and Security Guards if the Wage Protection Movement Fails to Yield Satisfactory Results - Composite Report on the Practical Issues Discussed" for the meeting of the Panel on Manpower on 8 July 2008 [LC Paper No. CB(2)2480/07-08(03)];
- (kk) supplementary information note on the minimum wage system in Germany [IN20/07-08] prepared by the Research and Library Services Division of the LegCo Secretariat in response to members' request at the meeting of the Panel on Manpower on 20 March 2008;
- (ll) information note on the Australian Fair Pay Commission [IN23/07-08] prepared by the Research and Library Services Division of the LegCo Secretariat in response to members' request at the meeting of the Panel on Manpower on 20 March 2008;
- (mm) supplementary information note on minimum wage system in selected places [IN24/07-08] prepared by the Research and Library Services Division of the LegCo Secretariat in response to members' request at the meeting of the Panel on Manpower on 20 March 2008;
- (nn) information note on remedies for unfair dismissal in selected places [IN25/07-08] prepared by the Research and Library Services Division of the LegCo Secretariat in response to members' request at the meeting of the Panel on Manpower on 20 March 2008;

- (oo) information note on collective bargaining system in selected places [IN28/07-08] prepared by the Research and Library Services Division of the LegCo Secretariat in response to members' request at the meeting of the Panel on Manpower on 20 March 2008;
- (pp) Administration's paper entitled "Overall review of the Wage Protection Movement for cleaning workers and security guards, and progress report on preparatory work for introducing a bill on a statutory minimum wage" for the meeting of the Panel on Manpower on 20 November 2008 [LC Paper No. CB(2)290/08-09(04)];
- (qq) Administration's paper entitled "Enhancement of current surveys and introduction of new surveys for the purpose of implementing a statutory minimum wage" for the meeting of the Panel on Manpower on 20 November 2008 [LC Paper No. CB(2)290/08-09(06)];
- (rr) Administration's paper entitled "Statutory minimum wage - views of stakeholders on special arrangement for persons with disabilities" for the meeting of the Panel on Manpower on 19 February 2009 [LC Paper No. CB(2)864/08-09(05)]; and
- (ss) Administration's paper entitled "Statutory minimum wage - Coverage of employees" for the meeting of the Panel on Manpower on 16 April 2009 [LC Paper No. CB(2)1272/08-09(03)].