

**LegCo Panel on Manpower
(for Meeting on 25 May 2000)**

Equal Pay for Work of Equal Value

Introduction

The Government is fully committed to fostering gender equality in Hong Kong. The principle of equal pay for work of equal value is a relatively new concept in Hong Kong. The Government will participate in the work of the Task Force on “Equal Pay for Work of Equal Value” set up by the Equal Opportunities Commission (EOC).

The Concept of Equal Pay for Work of Equal Value

2. With reference to the paper on “Equal Pay for Work of Equal Value” submitted by the EOC to LegCo, Members may wish to note that the Commissioner of Labour had spoken on this subject at the Conference on Equal Pay for Work of Equal Value held on 18 March 2000. A copy of his speech is attached for Members’ reference. As the Commissioner has pointed out, in order to put this concept into operation, an employer will have to ensure that all workers are given equal remuneration not only for the same job, but also for jobs of a different nature yet having the same value. An employer may have to develop an objective job classification and wage-fixing system and employ qualified personnel for its administration. The implications on employers and in particular the Small and Medium Enterprises (SMEs) which constitute 98% of all enterprises in Hong Kong for implementing the concept will need to be carefully and critically examined.

Task Force on Equal Pay for Work of Equal Value

3. A Task Force on “Equal Pay for Work of Equal Value” has been set up by the EOC to promote the principle of equal pay for work of equal value and to recommend ways to implement the principle.

4. The Government will participate in and contribute to the work of the Task Force. Government representatives on the Task Force include representatives from the Home Affairs Bureau, the Health and Welfare Bureau, the Civil Service Bureau, and the Labour Department. We will keep in view of the work and findings of the Task Force.

Education and Manpower Bureau
May 2000

Speech by Mr Matthew CHEUNG Kin-chung, JP
Commissioner for Labour
at the Conference on Equal Pay for Work of Equal Value
On Saturday, 18 March 2000

Ms Wu, Distinguished Guests, Ladies & Gentlemen,

It gives me great pleasure to be invited to address this Conference on the topical issue of Equal Pay for Work of Equal Value.

2. Equality of men and women is a cardinal principle enshrined in many international instruments on human rights. These international instruments include the Convention on Elimination of all forms of Discrimination Against Women (CEDAW), the International Covenant on Economic, Social and Cultural Rights (ICESCR) and the International Covenant on Civil and Political Rights (ICCPR). All of them find application in the Hong Kong Special Administrative Region (HKSAR). The HKSAR Government is fully committed to fostering gender equality through legislation and administrative policies.

3. The Bill of Rights made under the Hong Kong Bill of Rights Ordinance provides, among others, that men and women shall enjoy the same basic human rights and equal protection under the law. To provide the legal basis for tackling gender discrimination, the Sex Discrimination Ordinance (SDO) was enacted in 1995. The SDO renders unlawful discrimination on the grounds of sex, marital status, or pregnancy in specified areas of activity including employment.

4. A significant milestone in the battle against discrimination was the establishment of the Equal Opportunities Commission (EOC) in 1996. Though established for less than four years, the Commission has gone a long way in laying a solid foundation for promoting equal opportunities in Hong Kong. As at January this year, the EOC has received over 1 600 complaints which it dealt with by conciliation or follow-up efforts. Of the cases that proceeded to conciliation, about 66% were successfully settled. Among the cases which EOC took follow-up action, 77% were resolved. This is a remarkable performance by international standards. More important, the EOC has successfully aroused public awareness of the concept of equal opportunities through its research activities and promotional programmes.

5. For our part, the Labour Department fully supports the promotion of equal opportunities, particularly in the area of employment. Our labour legislation provides equal protection in all employment-related areas to all employees, irrespective of sex. These areas mainly cover rights and benefits as well as safety and health. In addition, our Employment Ordinance provides female workers with maternity benefits and also protection against discrimination on ground of pregnancy.

6. In the field of employment services, the Labour Department's Local Employment Service (LES) and Selective Placement Service provide free employment assistance to job-seekers on a gender-neutral basis. In 1999, 45% of the 189 000 job-seekers registered with the LES were female and 54% of the 33 500 placements directly made by the department were successfully made for female. To eliminate discriminatory practices on recruitment of employees, the LES carefully vets vacancies received from employers to ensure that they carry no restrictive requirements based on sex and age.

7. During the past decade, women's participation and standing in the Hong Kong economy have been steadily improving. With enhanced education and increased training and retraining opportunities, there is a growing number of women taking up employment in Hong Kong. At present, women represent almost 40 percent of the labour force. The unemployment rate for females is generally lower than that for males. In 1999, the unemployment rate for females and males was 4.9% and 7.1% respectively. Ten years back, both female and male had the same unemployment rate of 1.1%. The proportion of female employees in managerial, administrative and professional occupations has also been rising steadily. Currently, nearly one-third of the managers, administrators and professionals in Hong Kong are female.

8. Along with widening employment opportunities, female employees have been enjoying a rapid increase in earnings. In the fourth quarter of 1999, the median monthly earning of female employees was 129% higher than that for the same quarter of 1989. This was greater than the corresponding increase of 120% for male employees. Nevertheless, the median monthly earning of female employees was still 27% lower than that for their male counterparts. The difference may be due to a combination of factors including the nature of jobs taken, educational attainment level, family commitment and career aspiration.

9. In Hong Kong, market forces generally determine the rates of remuneration. While "equal pay for men and women for equal work" is now a generally accepted principle in the local community, the concept of "equal pay for work of equal value" is an entirely new one. To put this concept into operation, an employer must ensure that all workers are given equal remuneration not only for the same job, but also for jobs of a different nature yet having the same value. The determination of wage level shall be guided not only by the "invisible hand" of market forces but also the principle of equality and equity. This means that an employer has to objectively appraise different jobs and determine their relative values. To this end, an employer must develop an objective job classification and wage-fixing system and employ qualified personnel for its

administration. Employers, especially those of small and medium enterprises (SMEs), will surely encounter difficulties in meeting these requirements owing to their financial and manpower constraints. As over 98% of the enterprises in Hong Kong are SMEs, the implications of implementing the new concept must be carefully and critically examined.

10. As a free market, the remuneration for a job is determined by the supply and demand of a particular skill, hence reflecting the market value which is more objective than an employer's judgement of certain inherent values of different jobs. On the face of it, the implementation of the concept of equal pay for work of equal value seems to be fraught with difficulties and complexities. For instance, on what criteria shall we compare the values of different jobs? By the job contents, the performance of the job-holders or other factors such as contribution to the company? How can employers strike a balance between market force and the principle of equity? What if the employer's value, when translated into actual pay, fails to attract people to do the job? Shall employers or a central authority be responsible for conducting objective job appraisals? How best can a practicable and cost-effective mechanism for job appraisal be put in place? Do we have sufficient expertise to carry out objective job appraisals? How should complaints on wage discrimination be dealt with? What is the experience elsewhere where the concept is adopted? Are there any success stories? All these are questions of substance that need to be addressed in the first place.

11. This Conference provides a good start for examining these complex issues. It provides an excellent opportunity for us to tap the views and experience of the International Labour Organisation specialist, academics, employers, trade unions, women associations and other concerned parties on this interesting subject. I am sure that the expert opinion of our distinguished speakers will give us wholesome food for thought. We would be happy to work with the EOC in the promotion of gender equality in the employment field and maintain meaningful dialogue with all our social partners.

12. May I wish you all a very fruitful conference. Thank you.