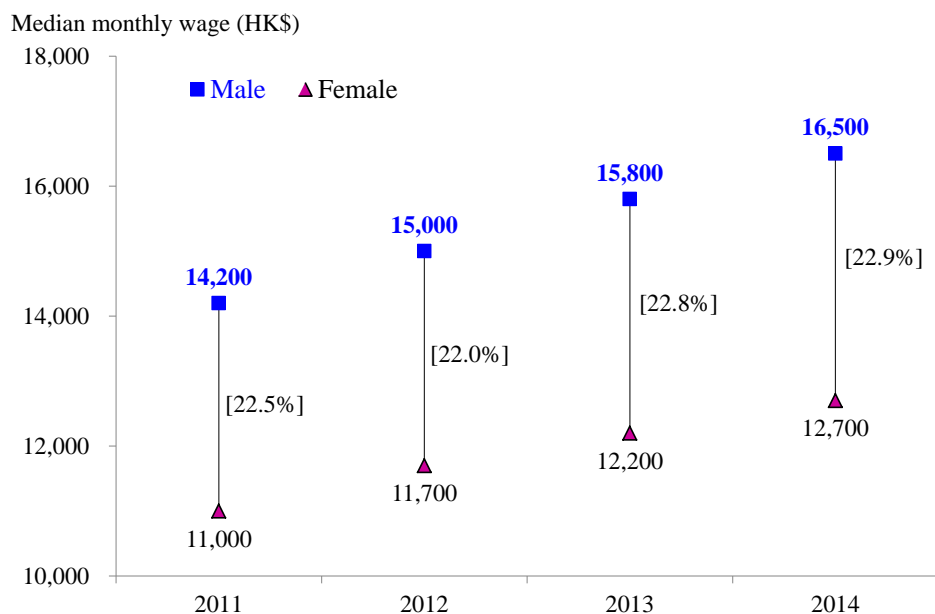


## Box 5.1

## Gender wage gap for low-paid employees in Hong Kong during 2011-2014

Like many other economies, females in Hong Kong in general earned lower monthly wages than males. Based on the results of Annual Earnings and Hours Survey (AEHS)<sup>(1)</sup> conducted by the Census and Statistics Department (C&SD), the median monthly wages of females were some 20% less than those of males throughout 2011 to 2014 (*Chart 1*). Literature suggests that such difference may be attributable to the variations in individual characteristics, like educational attainment, occupation engaged, hours of work or family role. Other studies, on the other hand, attempt to assess the impact of workplace characteristics on such pay difference, e.g. hiring practices, employment breaks, employer preferences and salary negotiation tactics etc.

Chart 1: Monthly wage differentials for male and female employees during 2011-2014



Note: Figures in brackets, computed based on unrounded median monthly wages, denote the differences between the median monthly wages of male and female employees as percentage of the median monthly wages of male employees.

Source: AEHS, C&SD.

As there is no regular official survey to study workplace characteristics in Hong Kong, this article will explore to what extent socio-economic characteristics help explain the gender wage gap observed. The focus will be put on low-paid employees since, as discussed below, male and female low-paid employees resemble each other closely in terms of demographic and employment profiles. For the sake of discussion, low-paid employees are defined as employees<sup>(2)</sup> with hourly wages within the lowest 10% of the overall hourly wage distribution. In 2014, there were 277 300 low-paid employees<sup>(3)</sup>, earning less than \$34.5 per hour.

(1) The survey reference period of AEHS since 2011 is May to June.

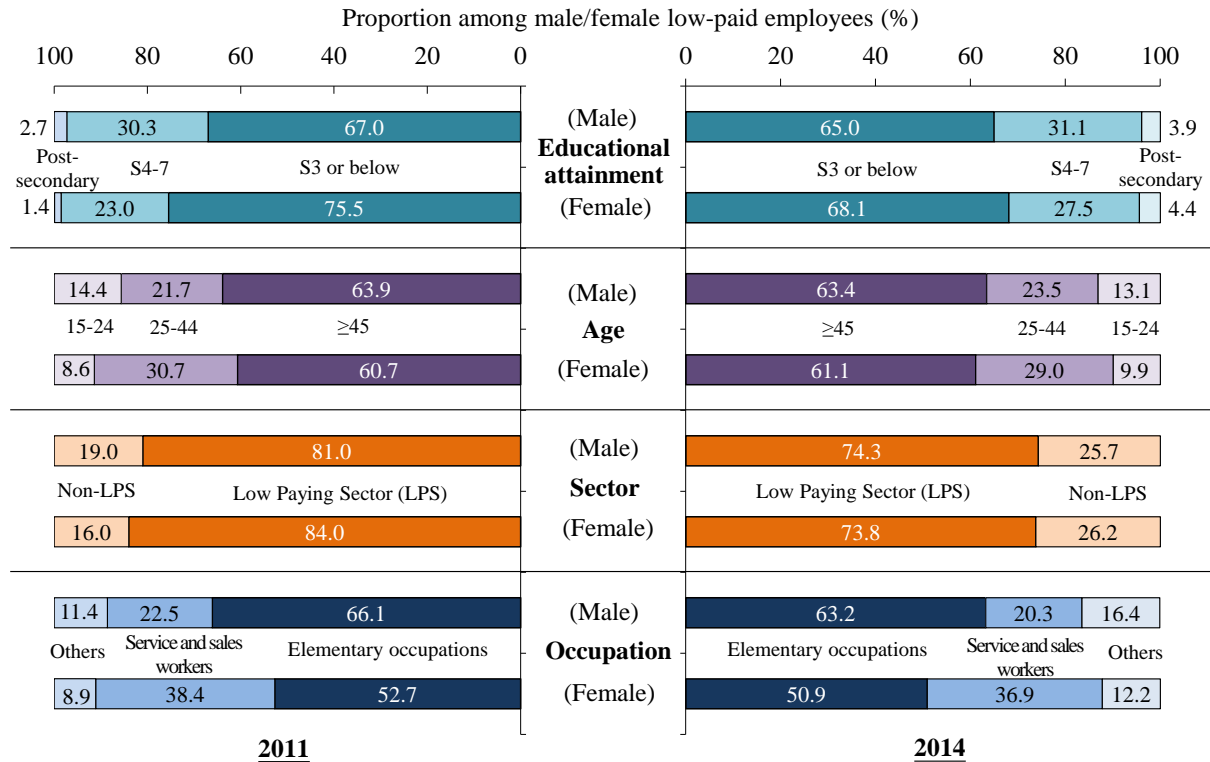
(2) AEHS covers all employees under the coverage of the Minimum Wage Ordinance, which does not apply to student interns or work experience students, live-in domestic workers and Government employees.

(3) In 2014, there were 112 400 males and 164 900 females classified as low-paid employees.

**Box 5.1 (Cont'd)**

As shown in *Chart 2*, among both male and female low-paid employees in 2014, around two-thirds had educational attainment of lower secondary and below, over 60% were middle-aged/older (aged 45 and above) workers, over 70% of them worked in the low paying sectors<sup>(4)</sup> and over 80% were engaged either in elementary occupations or as service and sales workers. When compared to 2011, the socio-economic attributes of low-paid employees for both genders were largely similar.

**Chart 2: Characteristics of male and female low-paid employees in 2011 and 2014**



Note: Percentages may not add up to 100% due to rounding.  
 Source: AEHS, C&SD.

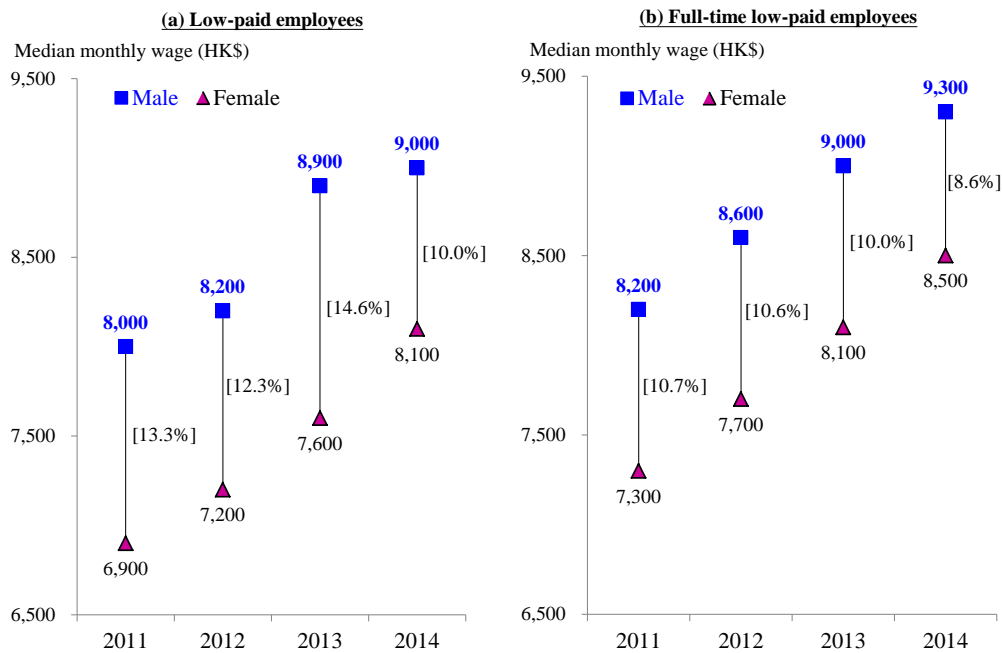
Despite the similar attributes of both male and female low-paid employees, a wage difference of some 10% was still seen between them in 2014 (*Chart 3a*). The wage gap was conceivably due in part to the different proportion of part-timers among male and female employees. In fact, 17.7% of female low-paid employees were part-timers, as against only 10.6% of their male counterparts. However, even when the comparison was confined to full-timers<sup>(5)</sup> only, the gender wage gap, albeit slightly smaller than that for all low-paid employees and narrowing down continuously in the last four years, still existed (*Chart 3b*).

(4) The low paying sectors as identified by the Minimum Wage Commission include retail, restaurants, estate management, security and cleaning services, and other low paying sectors (including elderly homes, laundry and dry cleaning services, hairdressing and other personal services, local courier services, and food processing and production).

(5) In AEHS, full-time employees refer to employees who cannot be classified as part-time employees. Part-time employees fulfill one of the following conditions: (i) the number of usual days of work per week is less than 5 (for a person with a fixed number of working days per week); or (ii) the number of usual hours of work per working day is less than 6 (for a person with a fixed number of working days per week); or (iii) the number of usual hours of work per week is less than 30 (for a person without a fixed number of working days per week). However, persons who usually work 24 hours per shift are excluded, regardless of the number of usual days of work per week.

Box 5.1 (Cont'd)

Chart 3: Monthly wage differentials for male and female low-paid employees during 2011-2014

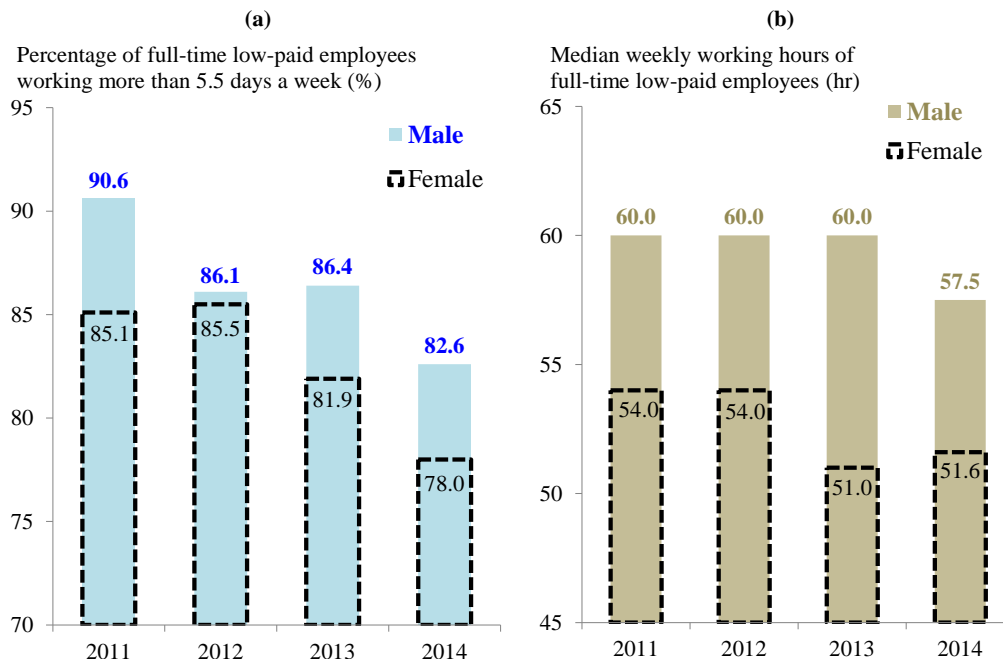


Note: Figures in brackets, computed based on unrounded median monthly wages, denote the differences between the median monthly wages of male and female low-paid employees as percentage of the median monthly wages of male low-paid employees.

Source: AEHS, C&SD.

Further analysing the work pattern of low-paid full-timers probably helped shed some light on the remaining gender wage gap. In overall terms, the median weekly working hours for male full-time employees were generally longer than their female counterparts, at 47.1 and 44.3 hours respectively in 2014. The contrast was even starker among full-time low-paid employees. Between-gender comparison showed that 82.6% of full-time low-paid males worked more than 5.5 days per week in 2014, compared with 78.0% of their female counterparts only (*Chart 4a*). In terms of median weekly working hours, full-time low-paid males worked 57.5 hours per week, roughly 6 hours (equivalent to around 11%) more than the corresponding female group in 2014 (*Chart 4b*).

Chart 4: Days and hours of work per week for full-time low-paid employees during 2011-2014



Source: AEHS, C&SD.

**Box 5.1 (Cont'd)****Table 1: Median hourly wage differentials for full-time low-paid employees during 2011-2014**

	Full-time low-paid employees		
	Male	Female	Percentage difference*
	Median hourly wage (HK\$)		
2011	28.0	28.0	-
2012	29.0	28.9	+0.4%
2013	30.9	31.0	-0.2%
2014	32.0	32.0	-

Notes: (\*) Percentage difference, computed based on unrounded median hourly wages, denotes the difference between the median hourly wages of male and female full-time low-paid employees over the median hourly wages of male full-time low-paid employees.

(-) Less than 0.05%.

Source: AEHS, C&SD

Hence, after taking into account the difference in working hours between genders, the median hourly wages of the male and female full-time low-paid employees actually had insignificant differences (*Table 1*). While the implementation of Statutory Minimum Wage since 2011 could have played some role in narrowing gender wage gaps at the lower end of the income spectrum, the above statistics had yet to demonstrate any conclusive evidence. After all, as the policy has only been in place for merely four years or so, further investigation into the changes in hourly wage statistics is deemed necessary in this regard when more data become available.