

# **Government without Statistics: Policy-making in Hong Kong 1925-85, with special reference to Economic and Financial Management**

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## **Summary**

Until the 1970s, Hong Kong was a statistical wasteland. The Government claimed that with its firm commitment to small government and non-interventionism, statistical information would be of little use. This paper seeks to assess how far the ‘invisible hand’ was able to ensure that the consequences of this data deficit were benign for a *laissez-faire* economy.

The paper makes use of hitherto unpublished material from the Hong Kong Public Records Office to show that the reluctance to collect statistics was largely motivated by fears both of political interference from London and of political pressures locally if more economic and social data were available. Officials believed that a lack of data did not hamper policy-making, and they were convinced that increasing the supply of statistics would undermine the credibility of the colonial administration and reduce its autonomy.

With the aid of the official archives, statistical issues of special importance in Hong Kong’s development as a major industrial economy and its emergence as a financial centre are analysed. These include deliberate delays in taking post-war censuses; a failure to comply with international obligations to publish employment data; and a chronic shortage of adequate information to underpin social policies. The impact of these shortcomings on economic as well as social policy is discussed.

The paper recounts the protracted battles fought by Hong Kong officials against directives from London to supply basic banking data and balance of payments estimates. It demonstrates how the management of banking crises varied according to the quality of the statistical information collected by the regulatory authorities. It identifies errors in the Government’s economic and financial management that can be attributed to the absence of reliable national income estimates.

The paper assesses the relationship between the availability of statistical information and the wider policy-making process. It discusses the political costs incurred because Hong Kong did not publish the full range of official statistics taken for granted in most modern economies. It concludes that even in as *laissez-faire* an economy as Hong Kong, the comprehensive compilation of official statistics would have been an asset rather than a liability.