



The Jus Semper Global Alliance



# IOLW

INTERNATIONAL OBSERVATORY  
OF LIVING WAGES

A Collaborative Research Project



## Aequus Index<sup>®</sup>

Living Wage Equalisation Index

1996-2018

2018 ranking of living-wage equalisation in purchasing power parity terms (PPP for private consumption) – 41 countries – for all employed in manufacturing, based on total hourly compensation costs\*

		Hourly manufacturing nominal wage		Real wage PPP equalisation		Hourly manufacturing nominal wage		Real wage PPP equalisation	
		Year	index	Aequus index	Year	index	Aequus index	Year	Aequus index
<b>United States (benchmark)</b>			<b>100</b>	<b>100</b>		<b>100</b>	<b>100</b>		<b>100</b>
1	Belgium	1996	146	<b>153</b>	2018	132	<b>132</b>		
2	Germany	1996	146	<b>117</b>	2018	132	<b>126</b>		
3	Austria	1996	125	<b>132</b>	2018	113	<b>115</b>		
5	Norway	1997	114	<b>83</b>	2018	140	<b>106</b>		
7	Sweden	1996	121	<b>84</b>	2018	112	<b>104</b>		
8	France	1996	124	<b>96</b>	2018	103	<b>104</b>		
4	Switzerland	1996	158	<b>102</b>	2018	140	<b>103</b>		
9	Denmark	1997	105	<b>76</b>	2018	126	<b>102</b>		
10	Netherlands	1997	100	<b>108</b>	2018	101	<b>100</b>		
11	Italy	1996	93	<b>88</b>	2018	86	<b>95</b>		
12	Finlandia	1996	111	<b>102</b>	2018	101	<b>92</b>		
6	Ireland	1996	79	<b>88</b>	2018	104	<b>90</b>		
14	Australia	1996	87	<b>81</b>	2018	103	<b>90</b>		
15	Singapore	1996	53	<b>57</b>	2018	70	<b>89</b>		
13	Canada	1996	83	<b>90</b>	2018	82	<b>82</b>		
16	Spain	1996	69	<b>68</b>	2018	63	<b>76</b>		
17	South Korea	1996	43	<b>48</b>	2018	65	<b>72</b>		
18	United Kingdom	1996	79	<b>64</b>	2018	73	<b>69</b>		
20	Slovenia	1996	38	<b>82</b>	2018	52	<b>68</b>		
19	Japan	1996	105	<b>59</b>	2018	67	<b>65</b>		
21	New Zealand	1996	54	<b>53</b>	2018	60	<b>56</b>		
22	Greece	1996	56	<b>84</b>	2018	40	<b>53</b>		
25	Czech Republic	1996	15	<b>30</b>	2018	34	<b>53</b>		
23	Slovakia	1996	12	<b>26</b>	2018	36	<b>52</b>		
28	Poland	1996	15	<b>28</b>	2018	26	<b>50</b>		
27	Estonia	2000	7	<b>20</b>	2018	35	<b>49</b>		
26	Hungary	1996	14	<b>27</b>	2018	25	<b>44</b>		
29	Lithuania	1996	7	<b>15</b>	2018	26	<b>44</b>		
24	Argentina	1996	33	<b>32</b>	2018	36	<b>42</b>		
30	Turkey	2004	15	<b>23</b>	2018	15	<b>38</b>		
31	Croatia	1996	15	<b>21</b>	2018	23	<b>38</b>		
32	Portugal	1996	32	<b>47</b>	2018	30	<b>38</b>		
34	Latvia	1996	8	<b>21</b>	2018	24	<b>36</b>		
33	South Africa	2004	14	<b>21</b>	2018	18	<b>35</b>		
35	Brazil	1996	31	<b>33</b>	2018	20	<b>32</b>		

2018 ranking of living-wage equalisation in purchasing power parity terms (PPP for private consumption) – 41 countries – for all employed in manufacturing, based on total hourly compensation costs\*

		Hourly manufacturing nominal wage	Real wage PPP equalisation			Hourly manufacturing nominal wage	Real wage PPP equalisation
		index	Aequus index	Year			Year
		index	Aequus index	Year			Year
<b>United States (benchmark)</b>		<b>100</b>	<b>100</b>			<b>100</b>	<b>100</b>
36	Romania	5	<b>12</b>	1996	2018	15	<b>32</b>
37	Bulgaria	3	<b>12</b>	1996	2018	13	<b>28</b>
38	Mexico	10	<b>19</b>	1996	2018	13	<b>24</b>
39	China <sup>a</sup>	2	<b>5</b>	2002	2018	11	<b>18</b>
40	India <sup>a</sup>	3	<b>13</b>	2000	2018	4	<b>14</b>
41	Philippines	6	<b>12</b>	1996	2018	NA	<b>NA</b>

Source: The Jus Semper Global Alliance analysis using the sources below.\*\*

– Database of World Bank's World Development Indicators, 1975-2018, (PPP for private consumption)

– U.S. Bureau of Labor Statistics (BLS), August 2013 and The Conference Board (TCB), International Labor Comparisons program, December 2019.

– Purchasing Power Parities and the Size of World Economies. Results from the 2017 International Comparison Program. World Bank 2020.

– Purchasing Power parities – Measurement and Uses by Paul Schreyer and Francette Koechlin, OECD Statistical briefs, March 2002.

\* The hourly manufacturing nominal wage is the "hourly compensation cost" as defined by the BLS: This includes (1) hourly direct pay and (2) employer social insurance expenditures and other labour taxes. Hourly direct pay includes all payments made directly to the worker, before payroll deductions of any kind, consisting of pay for time worked and other direct pay. Social insurance expenditures and other labour taxes refers to the value of social contributions incurred by employers in order to secure entitlement to social benefits for their employees.

<sup>a</sup> India and China data gathered by the BLS and TCB are not fully comparable to the rest of countries due to some inconsistencies in methodology. However, given that in both cases the BLS argues that this work does not substantially affect the hourly compensation estimates, rough comparisons can still be made.

\*\* Analysis in accordance with The Living Wages North and South Initiative (TLWNSI) Concept of "Equal Pay for Equal Work of Equal Value": [http://www.jussempere.org/TLWNSI/Resources/TLWNSI\\_WDRAFT\\_2011.pdf](http://www.jussempere.org/TLWNSI/Resources/TLWNSI_WDRAFT_2011.pdf)