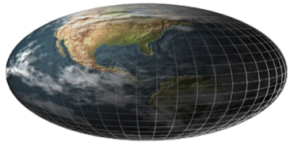




# I O L W

## INTERNATIONAL OBSERVATORY OF LIVING WAGES



The Jus Semper Global Alliance

A Collaborative Research Project



Table-T5: Living-Wage-Gap and Equalisation analysis (vis-à-vis the U.S.) for 14 Selected Economies – for all employed in the manufacturing sector– in PPP for private consumption terms 1996-2018, based on the methodology of Jus Semper’s “The Living Wages North and South Initiative (TLWNSI)”, following the principle of “Equal pay for equal work of equal value” of UN and ILO’s international conventions.

**Our 2018 assessment reports divergent outcomes among selected economies that were predominantly the result of a meaningful increase of hourly wages in local currency (or lack of it), exchange rates and changes in their PPP cost of living. Six economies improved their position, four lost ground and four did not change. France, Germany, Italy, South Korea, Singapore and Australia improved their equalisation index (Eq-Idx). Canada, United Kingdom, Spain and Turkey lost ground compared to their 2017 position, whilst Brazil, Mexico, Japan and South Africa experienced no change.**

- Among the six economies that improved their living-wage equalisation position, the main factors were the substantial increase of their hourly rates in local currency combined with a revaluation of their currency or a decrease in their cost of living in PPP terms for private consumption. In the case of the three euro-area countries (France, Germany and Italy), it was specifically the combination of the increase of their hourly wage rates with a 4,8% revaluation of the euro. This allowed France and Italy to increase their equalisation Eq-Idx two points (104 and 95 respectively) and Germany one point to 126. This combination served to offset their increase of their PPP cost of living, which averaged 4,3%, and increased their advantage over the 1,8% increase of the US hourly rates in real terms. A similar behaviour took place in the case of Singapore and South Korea, which averaged an increase of their hourly rates in local currency of 6,3%, revalued their currencies an average of 2,6% and increased their PPP cost of living by an average of only 1,6%. In this way, they clearly outperformed the 1,8% increase of the US hourly rate in manufacturing and thus increased their equalisation Eq-Idx by six and three points to 89 and 72 respectively in 2018. In fact, Singapore’s 89 Eq-Idx is its best recorded since 1996. Australia, in contrast, devalued its currency, but it achieved the highest improvement of its equalisation Eq-Idx among all 41 economies in our reports by increasing it nine points to a 90 Eq-Idx, which is equal to its best position previously achieved in 2014. This was the result of a strong increase (6,6%) of its hourly rate in local currency and a 2,5% currency devaluation, which contributed to a drop of its PPP cost of living of 2,9%.
- Among the four economies losing ground, Canada was the worst, losing 3 points (82 Eq-Idx), followed by the United Kingdom (69 Eq-Idx) and Spain (72 Eq-Idx), each losing 2 points and Turkey losing one point (38 Eq-Idx). Canada’s drop was the direct result of a rare drop of its hourly rate in manufacturing in local currency, with minimal change in its PPP cost of living and exchange rate. Spain lost two points also as a result of a 0,6% drop of its hourly rate in euros—the only country in the euro area recording a drop—and a meaningful increase of its PPP cost of living of 5,1%. The United Kingdom also lost two points due to an increase of only 0,6% of its hourly rate in local currency and a 4,2% increase of its PPP, despite a 3,7% revaluation of the pound. Lastly, Turkey also lost one point due to a very steep devaluation of the lira of 24,5%, despite a strong increase of its hourly rate in local currency of 13,2% and a strong drop of 14,2% of its PPP cost of living.
- Among the economies with no change in their Eq-Idx, Brazil managed to remain with an index of 32, the same since 2016, due to the strong devaluation of its currency by 12,7% and also a steep drop of its PPP cost of living of 11,6% and an increase of its hourly rate in local currency of 2,4%, which is slightly higher than the 1,8% increase of the US hourly rate. Mexico actually increased its Eq-Idx but not enough to gain one point, thus remaining at 24 points (in rounded numbers), which is the same as in 2016. Mexico increased its hourly rate in local currency by a meaningful 6,4%, but experienced a 1,6% currency devaluation and an increase of 0,6% in its PPP cost of living, actually moving from a 23,6 index to a 24,1 index. Although Mexico appears to be improving its index, it has gained only five points since 1996, which is barely meaningful relative to the 22-years period of assessment. Japan experienced no change in its Eq-Idx due to a PPP increase of 1,3%, little increase in local currency (0,9%) and a currency revaluation of 1,6%. Lastly, South Africa recorded no change in its Eq-Idx due to a PPP increase of 2,8%, which offset the increase in local currency (3,8%), and a minimal revaluation of only 0,8%. Although this allowed South Africa to remain at its highest recorded index since 1996, its improvement in equalisation has been of only five points since 2010.

	1996	2000	2004	2006	2008	2010	2012	2014	2016	2017	2018	
<b>(PPP conversion factor for private consumption)</b>												
<b>Benchmark</b>	<b>1. U.S. Hourly Manufacturing Wage Rate*</b>											
	<small>(Hourly compensation costs)</small>											
<b>Canada</b>	PPP conversion factor (in country currency)	1,263	1,270	1,273	1,287	1,302	1,295	1,284	1,311	1,300	1,297	1,300
	Exchange rate	1,3635	1,4854	1,3013	1,1343	1,0671	1,030	0,9994	1,105	1,326	1,298	1,298
	PPP conversion factor (in U.S. dollars)	US\$ 0,93	US\$ 0,85	US\$ 0,98	US\$ 1,13	US\$ 1,22	US\$ 1,26	US\$ 1,28	US\$ 1,19	US\$ 0,98	US\$ 1,00	US\$ 1,00
	2. Equalised PPP nominal wage rate US \$	<b>US\$ 20,80</b>	<b>US\$ 21,33</b>	<b>US\$ 27,98</b>	<b>US\$ 34,92</b>	<b>US\$ 39,36</b>	<b>US\$ 41,00</b>	<b>US\$ 43,75</b>	<b>US\$ 44,19</b>	<b>US\$ 38,98</b>	<b>US\$ 39,34</b>	<b>US\$ 40,14</b>
	3. Actual PPP Real wage rate US \$	<b>US\$ 20,12</b>	<b>US\$ 21,45</b>	<b>US\$ 24,21</b>	<b>US\$ 25,18</b>	<b>US\$ 26,29</b>	<b>US\$ 27,24</b>	<b>US\$ 28,55</b>	<b>US\$ 29,04</b>	<b>US\$ 30,66</b>	<b>US\$ 33,64</b>	<b>US\$ 32,96</b>
	4. Actual Nominal wage rate US \$	<b>US\$ 18,63</b>	<b>US\$ 18,34</b>	<b>US\$ 23,69</b>	<b>US\$ 28,58</b>	<b>US\$ 32,08</b>	<b>US\$ 34,25</b>	<b>US\$ 36,69</b>	<b>US\$ 34,47</b>	<b>US\$ 30,08</b>	<b>US\$ 33,63</b>	<b>US\$ 33,02</b>
	Compensation Deficit in US \$ (2 minus 4)	<b>US\$ 2,17</b>	<b>US\$ 2,99</b>	<b>US\$ 4,29</b>	<b>US\$ 6,34</b>	<b>US\$ 7,28</b>	<b>US\$ 6,75</b>	<b>US\$ 7,06</b>	<b>US\$ 9,72</b>	<b>US\$ 8,90</b>	<b>US\$ 5,71</b>	<b>US\$ 7,12</b>
	Wage Equalisation index (4÷2 or 3÷1)	<b>0,90</b>	<b>0,86</b>	<b>0,85</b>	<b>0,82</b>	<b>0,82</b>	<b>0,84</b>	<b>0,84</b>	<b>0,78</b>	<b>0,77</b>	<b>0,85</b>	<b>0,82</b>
<b>Brazil</b>	PPP conversion factor (in country currency)	0,942	1,063	1,373	1,432	1,468	1,597	1,663	1,901	2,249	2,327	2,355
	Exchange rate	1,0051	1,829	2,925	2,175	1,834	1,759	1,953	2,353	3,491	3,191	3,654
	PPP conversion factor (in U.S. dollars)	US\$ 0,94	US\$ 0,58	US\$ 0,47	US\$ 0,66	US\$ 0,80	US\$ 0,91	US\$ 0,85	US\$ 0,81	US\$ 0,64	US\$ 0,73	US\$ 0,64
	2. Equalised PPP nominal wage rate US \$	<b>US\$ 21,05</b>	<b>US\$ 14,49</b>	<b>US\$ 13,42</b>	<b>US\$ 20,25</b>	<b>US\$ 25,83</b>	<b>US\$ 29,61</b>	<b>US\$ 28,99</b>	<b>US\$ 30,08</b>	<b>US\$ 25,59</b>	<b>US\$ 28,70</b>	<b>US\$ 25,83</b>
	3. Actual PPP Real wage rate US \$	<b>US\$ 7,54</b>	<b>US\$ 7,47</b>	<b>US\$ 8,14</b>	<b>US\$ 9,10</b>	<b>US\$ 10,54</b>	<b>US\$ 11,01</b>	<b>US\$ 12,62</b>	<b>US\$ 12,91</b>	<b>US\$ 12,78</b>	<b>US\$ 12,52</b>	<b>US\$ 12,66</b>
	4. Actual Nominal wage rate US \$	<b>US\$ 7,07</b>	<b>US\$ 4,34</b>	<b>US\$ 3,82</b>	<b>US\$ 5,99</b>	<b>US\$ 8,44</b>	<b>US\$ 10,00</b>	<b>US\$ 10,74</b>	<b>US\$ 10,43</b>	<b>US\$ 8,23</b>	<b>US\$ 9,13</b>	<b>US\$ 8,16</b>
	Compensation Deficit in US \$ (2 minus 4)	<b>US\$ 13,98</b>	<b>US\$ 10,15</b>	<b>US\$ 9,60</b>	<b>US\$ 14,26</b>	<b>US\$ 17,39</b>	<b>US\$ 19,61</b>	<b>US\$ 18,25</b>	<b>US\$ 19,65</b>	<b>US\$ 17,36</b>	<b>US\$ 19,57</b>	<b>US\$ 17,67</b>
	Wage Equalisation index (4÷2 or 3÷1)	<b>0,34</b>	<b>0,30</b>	<b>0,28</b>	<b>0,30</b>	<b>0,33</b>	<b>0,34</b>	<b>0,37</b>	<b>0,35</b>	<b>0,32</b>	<b>0,32</b>	<b>0,32</b>
<b>Mexico</b>	PPP conversion factor (in country currency)	4,202	6,750	7,470	7,744	8,159	8,720	9,223	9,354	9,460	10,094	10,319
	Exchange rate	7,599	9,456	11,286	10,899	11,130	12,636	13,169	13,292	18,664	18,927	19,244
	PPP conversion factor (in U.S. dollars)	US\$ 0,55	US\$ 0,71	US\$ 0,66	US\$ 0,71	US\$ 0,73	US\$ 0,69	US\$ 0,70	US\$ 0,70	US\$ 0,51	US\$ 0,53	US\$ 0,54
	2. Equalised PPP nominal wage rate US \$	<b>US\$ 12,42</b>	<b>US\$ 17,81</b>	<b>US\$ 18,92</b>	<b>US\$ 21,86</b>	<b>US\$ 23,65</b>	<b>US\$ 22,50</b>	<b>US\$ 23,85</b>	<b>US\$ 26,20</b>	<b>US\$ 20,14</b>	<b>US\$ 20,99</b>	<b>US\$ 21,49</b>
	3. Actual PPP Real wage rate US \$	<b>US\$ 4,16</b>	<b>US\$ 4,97</b>	<b>US\$ 6,01</b>	<b>US\$ 6,25</b>	<b>US\$ 6,62</b>	<b>US\$ 6,55</b>	<b>US\$ 6,68</b>	<b>US\$ 7,09</b>	<b>US\$ 9,37</b>	<b>US\$ 9,28</b>	<b>US\$ 9,66</b>
	4. Actual Nominal wage rate US \$	<b>US\$ 2,30</b>	<b>US\$ 3,55</b>	<b>US\$ 3,98</b>	<b>US\$ 4,44</b>	<b>US\$ 4,85</b>	<b>US\$ 4,52</b>	<b>US\$ 4,68</b>	<b>US\$ 4,99</b>	<b>US\$ 4,75</b>	<b>US\$ 4,95</b>	<b>US\$ 5,18</b>
	Compensation Deficit in US \$ (2 minus 4)	<b>US\$ 10,12</b>	<b>US\$ 14,26</b>	<b>US\$ 14,94</b>	<b>US\$ 17,42</b>	<b>US\$ 18,80</b>	<b>US\$ 17,98</b>	<b>US\$ 19,17</b>	<b>US\$ 21,21</b>	<b>US\$ 15,39</b>	<b>US\$ 16,04</b>	<b>US\$ 16,31</b>
	Wage Equalisation index (4÷2 or 3÷1)	<b>0,19</b>	<b>0,20</b>	<b>0,21</b>	<b>0,20</b>	<b>0,21</b>	<b>0,20</b>	<b>0,20</b>	<b>0,19</b>	<b>0,24</b>	<b>0,24</b>	<b>0,24</b>
<b>France</b>	PPP conversion factor (in country currency)	6,579	0,936	0,943	0,928	0,925	0,898	0,886	0,859	0,847	0,843	0,841
	Exchange rate	5,1155	1,0854	0,8054	0,7971	0,6827	0,7550	0,7783	0,7537	0,9040	0,8874	0,8468
	PPP conversion factor (in U.S. dollars)	US\$ 1,29	US\$ 0,86	US\$ 1,17	US\$ 1,16	US\$ 1,36	US\$ 1,19	US\$ 1,14	US\$ 1,14	US\$ 0,94	US\$ 0,95	US\$ 0,99
	2. Equalised PPP nominal wage rate US \$	<b>US\$ 28,88</b>	<b>US\$ 21,51</b>	<b>US\$ 33,49</b>	<b>US\$ 35,81</b>	<b>US\$ 43,72</b>	<b>US\$ 38,78</b>	<b>US\$ 38,78</b>	<b>US\$ 42,45</b>	<b>US\$ 37,23</b>	<b>US\$ 37,38</b>	<b>US\$ 39,81</b>
	3. Actual PPP Real wage rate US \$	<b>US\$ 21,63</b>	<b>US\$ 24,74</b>	<b>US\$ 27,42</b>	<b>US\$ 29,08</b>	<b>US\$ 30,72</b>	<b>US\$ 32,83</b>	<b>US\$ 36,22</b>	<b>US\$ 38,61</b>	<b>US\$ 40,25</b>	<b>US\$ 39,96</b>	<b>US\$ 41,65</b>
	4. Actual Nominal wage rate US \$	<b>US\$ 27,82</b>	<b>US\$ 21,33</b>	<b>US\$ 32,12</b>	<b>US\$ 33,85</b>	<b>US\$ 41,63</b>	<b>US\$ 39,04</b>	<b>US\$ 41,25</b>	<b>US\$ 44,03</b>	<b>US\$ 37,72</b>	<b>US\$ 37,95</b>	<b>US\$ 41,38</b>
	Compensation Deficit in US \$ (2 minus 4)	<b>US\$ 1,06</b>	<b>US\$ 0,18</b>	<b>US\$ 1,37</b>	<b>US\$ 1,96</b>	<b>US\$ 2,09</b>	<b>US\$ (0,26)</b>	<b>US\$ (2,47)</b>	<b>US\$ (1,58)</b>	<b>US\$ (0,49)</b>	<b>US\$ (0,57)</b>	<b>US\$ (1,57)</b>
	Wage Equalisation index (4÷2 or 3÷1)	<b>0,96</b>	<b>0,99</b>	<b>0,96</b>	<b>0,95</b>	<b>0,95</b>	<b>1,01</b>	<b>1,06</b>	<b>1,04</b>	<b>1,01</b>	<b>1,02</b>	<b>1,04</b>
<b>Germany</b>	PPP conversion factor (in country currency)	1,889	0,943	0,909	0,898	0,876	0,853	0,831	0,820	0,807	0,793	0,791
	Exchange rate	1,5048	1,0854	0,8054	0,7971	0,6827	0,7550	0,7783	0,7537	0,9040	0,8874	0,8468
	PPP conversion factor (in U.S. dollars)	US\$ 1,26	US\$ 0,87	US\$ 1,13	US\$ 1,13	US\$ 1,28	US\$ 1,13	US\$ 1,07	US\$ 1,09	US\$ 0,89	US\$ 0,89	US\$ 0,93
	2. Equalised PPP nominal wage rate US \$	<b>US\$ 28,19</b>	<b>US\$ 21,67</b>	<b>US\$ 32,27</b>	<b>US\$ 34,68</b>	<b>US\$ 41,42</b>	<b>US\$ 36,83</b>	<b>US\$ 36,35</b>	<b>US\$ 40,48</b>	<b>US\$ 35,47</b>	<b>US\$ 35,15</b>	<b>US\$ 37,43</b>
	3. Actual PPP Real wage rate US \$	<b>US\$ 26,18</b>	<b>US\$ 28,88</b>	<b>US\$ 33,01</b>	<b>US\$ 34,47</b>	<b>US\$ 36,41</b>	<b>US\$ 38,80</b>	<b>US\$ 42,52</b>	<b>US\$ 45,52</b>	<b>US\$ 48,37</b>	<b>US\$ 49,21</b>	<b>US\$ 50,44</b>
	4. Actual Nominal wage rate US \$	<b>US\$ 32,86</b>	<b>US\$ 25,09</b>	<b>US\$ 37,25</b>	<b>US\$ 38,85</b>	<b>US\$ 46,75</b>	<b>US\$ 43,82</b>	<b>US\$ 45,40</b>	<b>US\$ 49,50</b>	<b>US\$ 43,18</b>	<b>US\$ 43,95</b>	<b>US\$ 47,11</b>
	Compensation Deficit in US \$ (2 minus 4)	<b>US\$ (4,67)</b>	<b>US\$ (3,42)</b>	<b>US\$ (4,98)</b>	<b>US\$ (4,17)</b>	<b>US\$ (5,33)</b>	<b>US\$ (6,99)</b>	<b>US\$ (9,05)</b>	<b>US\$ (9,02)</b>	<b>US\$ (7,71)</b>	<b>US\$ (8,80)</b>	<b>US\$ (9,68)</b>
	Wage Equalisation index (4÷2 or 3÷1)	<b>1,17</b>	<b>1,16</b>	<b>1,15</b>	<b>1,12</b>	<b>1,13</b>	<b>1,19</b>	<b>1,25</b>	<b>1,22</b>	<b>1,22</b>	<b>1,25</b>	<b>1,26</b>

		1996	2000	2004	2006	2008	2010	2012	2014	2016	2017	2018
	(PPP conversion factor for private consumption)											
<b>Benchmark</b>	<b>1. U.S. Hourly Manufacturing Wage Rate*</b>	<b>22,46</b>	<b>24,95</b>	<b>28,59</b>	<b>30,77</b>	<b>32,26</b>	<b>32,61</b>	<b>34,05</b>	<b>37,23</b>	<b>39,73</b>	<b>39,36</b>	<b>40,07</b>
	(Hourly compensation costs)											
<b>Italy</b>	PPP conversion factor (in country currency)	1641,957	0,850	0,890	0,881	0,847	0,819	0,829	0,825	0,786	0,773	0,766
	Exchange rate	1542,947	1,0854	0,8054	0,797	0,6827	0,7550	0,7783	0,7537	0,9040	0,8874	0,8468
	PPP conversion factor (in U.S. dollars)	US\$ 1,06	US\$ 0,78	US\$ 1,11	US\$ 1,10	US\$ 1,24	US\$ 1,08	US\$ 1,07	US\$ 1,10	US\$ 0,87	US\$ 0,87	US\$ 0,90
	2. Equalised PPP nominal wage rate US \$	<b>US\$ 23,90</b>	<b>US\$ 19,53</b>	<b>US\$ 31,61</b>	<b>US\$ 33,99</b>	<b>US\$ 40,03</b>	<b>US\$ 35,37</b>	<b>US\$ 36,28</b>	<b>US\$ 40,77</b>	<b>US\$ 34,56</b>	<b>US\$ 34,28</b>	<b>US\$ 36,26</b>
	3. Actual PPP Real wage rate US \$	<b>US\$ 19,73</b>	<b>US\$ 21,22</b>	<b>US\$ 24,47</b>	<b>US\$ 25,79</b>	<b>US\$ 28,15</b>	<b>US\$ 31,17</b>	<b>US\$ 32,58</b>	<b>US\$ 34,51</b>	<b>US\$ 37,36</b>	<b>US\$ 36,53</b>	<b>US\$ 38,15</b>
	4. Actual Nominal wage rate US \$	<b>US\$ 21,00</b>	<b>US\$ 16,61</b>	<b>US\$ 27,06</b>	<b>US\$ 28,49</b>	<b>US\$ 34,93</b>	<b>US\$ 33,81</b>	<b>US\$ 34,71</b>	<b>US\$ 37,79</b>	<b>US\$ 32,49</b>	<b>US\$ 31,82</b>	<b>US\$ 34,52</b>
	Compensation Deficit in US \$ (2 minus 4)	<b>US\$ 2,90</b>	<b>US\$ 2,92</b>	<b>US\$ 4,55</b>	<b>US\$ 5,50</b>	<b>US\$ 5,10</b>	<b>US\$ 1,56</b>	<b>US\$ 1,57</b>	<b>US\$ 2,98</b>	<b>US\$ 2,07</b>	<b>US\$ 2,46</b>	<b>US\$ 1,74</b>
	Wage Equalisation index (4÷2 or 3÷1)	<b>0,88</b>	<b>0,85</b>	<b>0,86</b>	<b>0,84</b>	<b>0,87</b>	<b>0,96</b>	<b>0,96</b>	<b>0,93</b>	<b>0,94</b>	<b>0,93</b>	<b>0,95</b>
<b>United Kingdom</b>	PPP conversion factor (in country currency)	0,789	0,778	0,743	0,750	0,763	0,778	0,787	0,799	0,789	0,783	0,787
	Exchange rate	0,6410	0,6609	0,5462	0,5435	0,5440	0,6472	0,6330	0,6077	0,7406	0,7770	0,7495
	PPP conversion factor (in U.S. dollars)	US\$ 1,23	US\$ 1,18	US\$ 1,36	US\$ 1,38	US\$ 1,40	US\$ 1,20	US\$ 1,24	US\$ 1,31	US\$ 1,06	US\$ 1,01	US\$ 1,05
	2. Equalised PPP nominal wage rate US \$	<b>US\$ 27,66</b>	<b>US\$ 29,36</b>	<b>US\$ 38,88</b>	<b>US\$ 42,45</b>	<b>US\$ 45,28</b>	<b>US\$ 39,21</b>	<b>US\$ 42,34</b>	<b>US\$ 48,92</b>	<b>US\$ 42,30</b>	<b>US\$ 39,64</b>	<b>US\$ 42,06</b>
	3. Actual PPP Real wage rate US \$	<b>US\$ 14,43</b>	<b>US\$ 17,53</b>	<b>US\$ 20,95</b>	<b>US\$ 22,58</b>	<b>US\$ 24,11</b>	<b>US\$ 24,10</b>	<b>US\$ 24,86</b>	<b>US\$ 25,10</b>	<b>US\$ 26,68</b>	<b>US\$ 27,79</b>	<b>US\$ 27,83</b>
	4. Actual Nominal wage rate US \$	<b>US\$ 17,77</b>	<b>US\$ 20,63</b>	<b>US\$ 28,49</b>	<b>US\$ 31,15</b>	<b>US\$ 33,84</b>	<b>US\$ 28,98</b>	<b>US\$ 30,91</b>	<b>US\$ 32,98</b>	<b>US\$ 28,41</b>	<b>US\$ 27,99</b>	<b>US\$ 29,21</b>
	Compensation Deficit in US \$ (2 minus 4)	<b>US\$ 9,89</b>	<b>US\$ 8,73</b>	<b>US\$ 10,39</b>	<b>US\$ 11,30</b>	<b>US\$ 11,44</b>	<b>US\$ 10,23</b>	<b>US\$ 11,43</b>	<b>US\$ 15,94</b>	<b>US\$ 13,89</b>	<b>US\$ 11,65</b>	<b>US\$ 12,85</b>
	Wage Equalisation index (4÷2 or 3÷1)	<b>0,64</b>	<b>0,70</b>	<b>0,73</b>	<b>0,73</b>	<b>0,75</b>	<b>0,74</b>	<b>0,73</b>	<b>0,67</b>	<b>0,67</b>	<b>0,71</b>	<b>0,69</b>
<b>Spain</b>	PPP conversion factor (in country currency)	128,188	0,769	0,789	0,791	0,802	0,801	0,786	0,744	0,718	0,707	0,709
	Exchange rate	126,66	1,0854	0,8054	0,7971	0,6827	0,7550	0,7783	0,7537	0,9040	0,8874	0,8468
	PPP conversion factor (in U.S. dollars)	US\$ 1,01	US\$ 0,71	US\$ 0,98	US\$ 0,99	US\$ 1,18	US\$ 1,06	US\$ 1,01	US\$ 0,99	US\$ 0,79	US\$ 0,80	US\$ 0,84
	2. Equalised PPP nominal wage rate US \$	<b>US\$ 22,73</b>	<b>US\$ 17,68</b>	<b>US\$ 28,00</b>	<b>US\$ 30,53</b>	<b>US\$ 37,91</b>	<b>US\$ 34,60</b>	<b>US\$ 34,38</b>	<b>US\$ 36,76</b>	<b>US\$ 31,57</b>	<b>US\$ 31,38</b>	<b>US\$ 33,54</b>
	3. Actual PPP Real wage rate US \$	<b>US\$ 15,30</b>	<b>US\$ 17,48</b>	<b>US\$ 20,21</b>	<b>US\$ 21,94</b>	<b>US\$ 23,49</b>	<b>US\$ 25,08</b>	<b>US\$ 26,59</b>	<b>US\$ 28,55</b>	<b>US\$ 29,50</b>	<b>US\$ 30,61</b>	<b>US\$ 30,36</b>
	4. Actual Nominal wage rate US \$	<b>US\$ 15,48</b>	<b>US\$ 12,38</b>	<b>US\$ 19,79</b>	<b>US\$ 21,77</b>	<b>US\$ 27,60</b>	<b>US\$ 26,61</b>	<b>US\$ 26,85</b>	<b>US\$ 28,19</b>	<b>US\$ 23,44</b>	<b>US\$ 24,40</b>	<b>US\$ 25,41</b>
	Compensation Deficit in US \$ (2 minus 4)	<b>US\$ 7,25</b>	<b>US\$ 5,30</b>	<b>US\$ 8,21</b>	<b>US\$ 8,76</b>	<b>US\$ 10,31</b>	<b>US\$ 7,99</b>	<b>US\$ 7,53</b>	<b>US\$ 8,57</b>	<b>US\$ 8,13</b>	<b>US\$ 6,98</b>	<b>US\$ 8,13</b>
	Wage Equalisation index (4÷2 or 3÷1)	<b>0,68</b>	<b>0,70</b>	<b>0,71</b>	<b>0,71</b>	<b>0,73</b>	<b>0,77</b>	<b>0,78</b>	<b>0,77</b>	<b>0,74</b>	<b>0,78</b>	<b>0,76</b>
<b>Turkey</b>	PPP conversion factor (in country currency)	—	—	0,907	1,018	1,058	1,115	1,230	1,369	1,555	1,710	1,941
	Exchange rate	—	—	1,426	1,428	1,302	1,503	1,796	2,1885	3,0201	3,6481	4,8284
	PPP conversion factor (in U.S. dollars)	—	—	US\$ 0,64	US\$ 0,71	US\$ 0,81	US\$ 0,74	US\$ 0,69	US\$ 0,63	US\$ 0,51	US\$ 0,47	US\$ 0,40
	2. Equalised PPP nominal wage rate US \$	—	—	<b>US\$ 18,19</b>	<b>US\$ 21,92</b>	<b>US\$ 26,22</b>	<b>US\$ 24,20</b>	<b>US\$ 23,33</b>	<b>US\$ 23,29</b>	<b>US\$ 20,46</b>	<b>US\$ 18,45</b>	<b>US\$ 16,11</b>
	3. Actual PPP Real wage rate US \$	—	—	<b>US\$ 6,62</b>	<b>US\$ 7,00</b>	<b>US\$ 7,92</b>	<b>US\$ 8,48</b>	<b>US\$ 8,79</b>	<b>US\$ 9,93</b>	<b>US\$ 11,83</b>	<b>US\$ 15,17</b>	<b>US\$ 15,12</b>
	4. Actual Nominal wage rate US \$	<b>NA</b>	<b>NA</b>	<b>US\$ 4,21</b>	<b>US\$ 4,99</b>	<b>US\$ 6,44</b>	<b>US\$ 6,29</b>	<b>US\$ 6,02</b>	<b>US\$ 6,21</b>	<b>US\$ 6,09</b>	<b>US\$ 7,11</b>	<b>US\$ 6,08</b>
	Compensation Deficit in US \$ (2 minus 4)	—	—	<b>US\$ 13,98</b>	<b>US\$ 16,93</b>	<b>US\$ 19,78</b>	<b>US\$ 17,91</b>	<b>US\$ 17,31</b>	<b>US\$ 17,08</b>	<b>US\$ 14,37</b>	<b>US\$ 11,34</b>	<b>US\$ 10,03</b>
	Wage Equalisation index (4÷2 or 3÷1)	—	—	<b>0,23</b>	<b>0,23</b>	<b>0,25</b>	<b>0,26</b>	<b>0,26</b>	<b>0,27</b>	<b>0,30</b>	<b>0,39</b>	<b>0,38</b>
<b>Japan</b>	PPP conversion factor (in country currency)	193,385	176,466	150,594	137,513	129,061	121,030	112,664	109,182	114,890	114,268	113,996
	Exchange rate	108,78	107,77	108,19	116,30	103,36	87,78	79,79	105,94	108,79	112,17	110,42
	PPP conversion factor (in U.S. dollars)	US\$ 1,78	US\$ 1,64	US\$ 1,39	US\$ 1,18	US\$ 1,25	US\$ 1,38	US\$ 1,41	US\$ 1,03	US\$ 1,06	US\$ 1,02	US\$ 1,03
	2. Equalised PPP nominal wage rate US \$	<b>US\$ 39,93</b>	<b>US\$ 40,86</b>	<b>US\$ 39,79</b>	<b>US\$ 36,38</b>	<b>US\$ 40,28</b>	<b>US\$ 44,96</b>	<b>US\$ 48,08</b>	<b>US\$ 38,37</b>	<b>US\$ 41,96</b>	<b>US\$ 40,10</b>	<b>US\$ 41,37</b>
	3. Actual PPP Real wage rate US \$	<b>US\$ 13,31</b>	<b>US\$ 15,29</b>	<b>US\$ 18,15</b>	<b>US\$ 20,32</b>	<b>US\$ 22,01</b>	<b>US\$ 23,03</b>	<b>US\$ 24,96</b>	<b>US\$ 26,14</b>	<b>US\$ 25,06</b>	<b>US\$ 25,68</b>	<b>US\$ 25,96</b>
	4. Actual Nominal wage rate US \$	<b>US\$ 23,67</b>	<b>US\$ 25,03</b>	<b>US\$ 25,26</b>	<b>US\$ 24,03</b>	<b>US\$ 27,48</b>	<b>US\$ 31,75</b>	<b>US\$ 35,25</b>	<b>US\$ 26,94</b>	<b>US\$ 26,46</b>	<b>US\$ 26,16</b>	<b>US\$ 26,80</b>
	Compensation Deficit in US \$ (2 minus 4)	<b>US\$ 16,26</b>	<b>US\$ 15,83</b>	<b>US\$ 14,53</b>	<b>US\$ 12,35</b>	<b>US\$ 12,80</b>	<b>US\$ 13,21</b>	<b>US\$ 12,83</b>	<b>US\$ 11,43</b>	<b>US\$ 15,50</b>	<b>US\$ 13,94</b>	<b>US\$ 14,57</b>
	Wage Equalisation index (4÷2 or 3÷1)	<b>0,59</b>	<b>0,61</b>	<b>0,63</b>	<b>0,66</b>	<b>0,68</b>	<b>0,71</b>	<b>0,73</b>	<b>0,70</b>	<b>0,63</b>	<b>0,65</b>	<b>0,65</b>

		1996	2000	2004	2006	2008	2010	2012	2014	2016	2017	2018
<b>Benchmark</b>	(PPP conversion factor for private consumption)											
	<b>1. U.S. Hourly Manufacturing Wage Rate*</b> (Hourly compensation costs)	<b>22,46</b>	<b>24,95</b>	<b>28,59</b>	<b>30,77</b>	<b>32,26</b>	<b>32,61</b>	<b>34,05</b>	<b>37,23</b>	<b>39,73</b>	<b>39,36</b>	<b>40,07</b>
<b>South Korea</b>	PPP conversion factor (in country currency)	716,616	823,900	887,224	871,617	882,091	907,525	914,934	994,758	967,255	988,505	989,661
	Exchange rate	804,45	1130,96	1145,32	954,79	1102,05	1156,06	1126,47	1052,96	1160,43	1130,42	1100,50
	PPP conversion factor (in U.S. dollars)	US\$ 0,89	US\$ 0,73	US\$ 0,77	US\$ 0,91	US\$ 0,80	US\$ 0,79	US\$ 0,81	US\$ 0,94	US\$ 0,83	US\$ 0,87	US\$ 0,90
	2. Equalised PPP nominal wage rate US \$	<b>US\$ 20,01</b>	<b>US\$ 18,18</b>	<b>US\$ 22,15</b>	<b>US\$ 28,09</b>	<b>US\$ 25,82</b>	<b>US\$ 25,60</b>	<b>US\$ 27,66</b>	<b>US\$ 35,17</b>	<b>US\$ 33,12</b>	<b>US\$ 34,42</b>	<b>US\$ 36,03</b>
	3. Actual PPP Real wage rate US \$	<b>US\$ 10,72</b>	<b>US\$ 13,21</b>	<b>US\$ 16,30</b>	<b>US\$ 19,02</b>	<b>US\$ 20,99</b>	<b>US\$ 22,78</b>	<b>US\$ 25,17</b>	<b>US\$ 25,01</b>	<b>US\$ 27,57</b>	<b>US\$ 27,34</b>	<b>US\$ 28,93</b>
	4. Actual Nominal wage rate US \$	<b>US\$ 9,55</b>	<b>US\$ 9,62</b>	<b>US\$ 12,63</b>	<b>US\$ 17,36</b>	<b>US\$ 16,80</b>	<b>US\$ 17,88</b>	<b>US\$ 20,44</b>	<b>US\$ 23,63</b>	<b>US\$ 22,98</b>	<b>US\$ 23,91</b>	<b>US\$ 26,02</b>
	Compensation Deficit in US \$ (2 minus 4) Wage Equalisation index (4÷2 or 3÷1)	<b>US\$ 10,46</b>	<b>US\$ 8,56</b>	<b>US\$ 9,52</b>	<b>US\$ 10,73</b>	<b>US\$ 9,02</b>	<b>US\$ 7,72</b>	<b>US\$ 7,22</b>	<b>US\$ 11,54</b>	<b>US\$ 10,14</b>	<b>US\$ 10,51</b>	<b>US\$ 10,01</b>
	<b>0,48</b>	<b>0,53</b>	<b>0,57</b>	<b>0,62</b>	<b>0,65</b>	<b>0,70</b>	<b>0,74</b>	<b>0,67</b>	<b>0,69</b>	<b>0,69</b>	<b>0,72</b>	
<b>Singapore</b>	PPP conversion factor (in country currency)	1,230	1,155	1,082	1,028	1,048	1,071	1,073	1,104	1,087	1,080	1,059
	Exchange rate	1,4100	1,7240	1,6902	1,5889	1,4149	1,3635	1,2497	1,267	1,382	1,382	1,349
	PPP conversion factor (in U.S. dollars)	US\$ 0,87	US\$ 0,67	US\$ 0,64	US\$ 0,65	US\$ 0,74	US\$ 0,79	US\$ 0,86	US\$ 0,87	US\$ 0,79	US\$ 0,78	US\$ 0,79
	2. Equalised PPP nominal wage rate US \$	<b>US\$ 19,59</b>	<b>US\$ 16,72</b>	<b>US\$ 18,31</b>	<b>US\$ 19,91</b>	<b>US\$ 23,90</b>	<b>US\$ 25,60</b>	<b>US\$ 29,25</b>	<b>US\$ 32,43</b>	<b>US\$ 31,26</b>	<b>US\$ 30,78</b>	<b>US\$ 31,47</b>
	3. Actual PPP Real wage rate US \$	<b>US\$ 13,68</b>	<b>US\$ 17,49</b>	<b>US\$ 20,61</b>	<b>US\$ 21,26</b>	<b>US\$ 25,46</b>	<b>US\$ 24,57</b>	<b>US\$ 28,43</b>	<b>US\$ 30,79</b>	<b>US\$ 34,00</b>	<b>US\$ 32,71</b>	<b>US\$ 35,56</b>
	4. Actual Nominal wage rate US \$	<b>US\$ 11,93</b>	<b>US\$ 11,72</b>	<b>US\$ 13,20</b>	<b>US\$ 13,76</b>	<b>US\$ 18,86</b>	<b>US\$ 19,29</b>	<b>US\$ 24,42</b>	<b>US\$ 26,82</b>	<b>US\$ 26,75</b>	<b>US\$ 25,58</b>	<b>US\$ 27,93</b>
	Compensation Deficit in US \$ (2 minus 4) Wage Equalisation index (4÷2 or 3÷1)	<b>US\$ 7,66</b>	<b>US\$ 5,00</b>	<b>US\$ 5,11</b>	<b>US\$ 6,15</b>	<b>US\$ 5,04</b>	<b>US\$ 6,31</b>	<b>US\$ 4,83</b>	<b>US\$ 5,61</b>	<b>US\$ 4,51</b>	<b>US\$ 5,20</b>	<b>US\$ 3,54</b>
	<b>0,61</b>	<b>0,70</b>	<b>0,72</b>	<b>0,69</b>	<b>0,79</b>	<b>0,75</b>	<b>0,83</b>	<b>0,83</b>	<b>0,86</b>	<b>0,83</b>	<b>0,89</b>	
<b>South Africa</b>	PPP conversion factor (in country currency)	—	—	4,151	4,098	4,484	4,942	5,122	5,769	6,313	6,549	6,681
	Exchange rate	—	—	6,460	6,772	8,261	7,321	8,210	10,853	14,710	13,334	13,234
	PPP conversion factor (in U.S. dollars)	—	—	US\$ 0,64	US\$ 0,61	US\$ 0,54	US\$ 0,68	US\$ 0,62	US\$ 0,53	US\$ 0,43	US\$ 0,49	US\$ 0,50
	2. Equalised PPP nominal wage rate US \$	—	—	<b>US\$ 18,37</b>	<b>US\$ 18,62</b>	<b>US\$ 17,51</b>	<b>US\$ 22,01</b>	<b>US\$ 21,24</b>	<b>US\$ 19,79</b>	<b>US\$ 17,05</b>	<b>US\$ 19,33</b>	<b>US\$ 20,23</b>
	3. Actual PPP Real wage rate US \$	—	—	<b>US\$ 6,05</b>	<b>US\$ 7,02</b>	<b>US\$ 8,42</b>	<b>US\$ 10,24</b>	<b>US\$ 11,59</b>	<b>US\$ 12,68</b>	<b>US\$ 13,93</b>	<b>US\$ 13,68</b>	<b>US\$ 13,92</b>
	4. Actual Nominal wage rate US \$	NA	NA	<b>US\$ 3,89</b>	<b>US\$ 4,25</b>	<b>US\$ 4,57</b>	<b>US\$ 6,91</b>	<b>US\$ 7,23</b>	<b>US\$ 6,74</b>	<b>US\$ 5,98</b>	<b>US\$ 6,72</b>	<b>US\$ 7,03</b>
	Compensation Deficit in US \$ (2 minus 4) Wage Equalisation index (4÷2 or 3÷1)	—	—	<b>US\$ 14,48</b>	<b>US\$ 14,37</b>	<b>US\$ 12,94</b>	<b>US\$ 15,10</b>	<b>US\$ 14,01</b>	<b>US\$ 13,05</b>	<b>US\$ 11,07</b>	<b>US\$ 12,61</b>	<b>US\$ 13,20</b>
	—	—	<b>0,21</b>	<b>0,23</b>	<b>0,26</b>	<b>0,31</b>	<b>0,34</b>	<b>0,34</b>	<b>0,35</b>	<b>0,35</b>	<b>0,35</b>	
<b>Australia</b>	PPP conversion factor (in country currency)	1,375	1,384	1,444	1,498	1,531	1,554	1,546	1,530	1,533	1,543	1,537
	Exchange rate	1,278	1,725	1,360	1,328	1,192	1,090	0,966	1,109	1,345	1,305	1,338
	PPP conversion factor (in U.S. dollars)	US\$ 1,08	US\$ 0,80	US\$ 1,06	US\$ 1,13	US\$ 1,28	US\$ 1,43	US\$ 1,60	US\$ 1,38	US\$ 1,14	US\$ 1,18	US\$ 1,15
	2. Equalised PPP nominal wage rate US \$	<b>US\$ 24,16</b>	<b>US\$ 20,02</b>	<b>US\$ 30,36</b>	<b>US\$ 34,71</b>	<b>US\$ 41,42</b>	<b>US\$ 46,48</b>	<b>US\$ 54,51</b>	<b>US\$ 51,35</b>	<b>US\$ 45,27</b>	<b>US\$ 46,56</b>	<b>US\$ 46,01</b>
	3. Actual PPP Real wage rate US \$	<b>US\$ 18,20</b>	<b>US\$ 20,87</b>	<b>US\$ 25,16</b>	<b>US\$ 25,84</b>	<b>US\$ 27,48</b>	<b>US\$ 27,75</b>	<b>US\$ 29,82</b>	<b>US\$ 33,36</b>	<b>US\$ 33,52</b>	<b>US\$ 31,83</b>	<b>US\$ 35,86</b>
	4. Actual Nominal wage rate US \$	<b>US\$ 19,58</b>	<b>US\$ 16,75</b>	<b>US\$ 26,72</b>	<b>US\$ 29,15</b>	<b>US\$ 35,28</b>	<b>US\$ 39,55</b>	<b>US\$ 47,74</b>	<b>US\$ 46,01</b>	<b>US\$ 38,19</b>	<b>US\$ 37,65</b>	<b>US\$ 41,18</b>
	Compensation Deficit in US \$ (2 minus 4) Wage Equalisation index (4÷2 or 3÷1)	<b>US\$ 4,58</b>	<b>US\$ 3,27</b>	<b>US\$ 3,64</b>	<b>US\$ 5,56</b>	<b>US\$ 6,14</b>	<b>US\$ 6,93</b>	<b>US\$ 6,77</b>	<b>US\$ 5,34</b>	<b>US\$ 7,08</b>	<b>US\$ 8,91</b>	<b>US\$ 4,83</b>
	<b>0,81</b>	<b>0,84</b>	<b>0,88</b>	<b>0,84</b>	<b>0,85</b>	<b>0,85</b>	<b>0,88</b>	<b>0,90</b>	<b>0,84</b>	<b>0,81</b>	<b>0,90</b>	

**\*Definitions:**

- PPPs stands for Purchasing-Power Parities, which reflect the currency units in a given currency that are required to buy the same goods and services that can be purchased in the base country with one currency unit. This analysis uses the U.S. and the U.S. dollar as the benchmark and assumes that the U.S. wage is a living wage.
- The hourly manufacturing wage rate is the "hourly compensation cost" as defined by the U.S. Department of Labour, Bureau of Labour Statistics: 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.
- PPP conversion factor, (private consumption) in country currency express the number of country currency units required to buy the same goods and services a U.S. dollar can buy in the U.S.
- Exchange rate is nominal exchange rate.
- PPP conversion factor, private consumption in U.S. dollars expresses the U.S. dollar units required in a given country to buy the same goods and services a U.S. dollar can buy in the U.S. If the PPP is less than 1, a U.S. dollar can buy more in the country in question because the cost of living is lower, and viceversa.
- The PPP for private consumption, expressed in national currency, reflects the exchange rate in comparison with the market exchange rate, which does not reflect the ratio of prices.
- Equalised PPP nominal wage rate is the hourly U.S. dollar nominal rate required to equally compensate a worker in a country, in purchasing power terms, for equal work rendered, as the equivalent U.S. worker is compensated. This analysis assumes the U.S. wage to be a living-wage. A living wage is a human right in accordance with Article 23 of the UN Universal Declaration of Human Rights. ILO's Convention 100 of "equal pay for equal work", for men and women is hereby applied in a global context.
- Actual PPP Real wage rate is the hourly wage paid in a given country in purchasing power terms.
- Actual Nominal wage rate is the nominal hourly wage paid in a given country.
- Compensation deficit expresses the wage gap between the hourly nominal wage rate paid (4) and the equalised PPP hourly rate that should be paid for equal work (2).
- Compensation equalisation index expresses the ratio of actual nominal pay to equalised PPP hourly pay (4 between 2): or the ratio of actual real pay (3) to the hourly nominal pay benchmark (1) (3 between 1).
- \*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. For further reference on the description of each country see TCB's [Country Notes](#)
- Note: Variations in previous years are due to revisions made by the sources, including the World Bank's new 2011 PPP benchmarks, which replaced the previous 2005 benchmarks.
- Since 2010 the international comparison of hourly compensation costs (hourly wage rates) between the U.S. and selected developed and "emerging" markets refers to all employed in the manufacturing sector and no longer will be available for production workers only. Production-line wage rates are on average 20% below wage rates for all employed in manufacturing, including production workers, for the 1996-2009 period, for all countries included in the assessment. For further reference see wage-gap assessment of trends and differences between production-line and all employed in manufacturing in compensation cost terms here: [<Wage Gap Analysis of PLW versus All employed 1996-2009>](#)

**Sources: The Jus Semper Global Alliance analysis using the sources below. (Sources with X indicate that some of their data is directly incorporated in the table:)**

- The Jus Semper Global Alliance: Living Wage Gaps Analysis in the manufacturing sector using:
- The Living Wages North and South Initiative ([TLWNSI](#)) using "Equal Pay for Work of Equal Value" Methodology.
- x Database of World Bank's World Development Indicators, 1975-2019.
- x U.S. Bureau of Labor Statistics, August 2013 and The Conference Board (TCB), International Labor Comparisons Program - Manufacturing Hourly Compensation Costs 2016, April 2018.
- x For all Countries except those listed below: The Conference Board (TCB) — International Comparisons of Manufacturing Productivity and Unit Labor Costs 2018, December 2019
  - For all countries: Purchasing Power Parities and the Size of World Economies. Results from the 2017 International Comparison Program. World Bank 2020,
- Direct government sources for:
  - Argentina: (1) Ministerio de Producción y Trabajo, Observatorio de Empleo y Dinámica Empresarial: Boletín de Remuneraciones de los Trabajadores Registrados — serie Anual 2018; (2) (INDEC): Índice de precios al consumidor con cobertura nacional. Resultados por región, Julio 2020;
  - Brazil (IBGE): Pesquisa Industrial Anual Empresa, Custos e Despesas, Ano 2018.
  - Mexico (INEGI): EMIM (Encuesta Mensual de la Industrial Manufacturera. Principales características, datos mensuales. 2007-2019. por Variable, Tipo dato, Código SCIAN (2007), Año y Mes, Mayo 2019,
  - New Zealand Government: Stats NZ: Labour cost index (salary and wage rates): June 2020 quarter;
  - Philippines: Philippines Statistics Authority: 2018 Compilation of Industry Statistics on Labor and Employment,
  - United States: Employer Costs for Employee Compensation — Historical Listing — National Compensation Survey — March 2004 – March 2020.