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INTERNATIONAL OBSERVATORY  
OF LIVING WAGES

# Spain's Wage Gaps

*Wage rates for all employed in manufacturing*

2020 Report

Manufacturing wage gaps for Spain vis-à-vis  
selected developed and “emerging”  
economies, with available wage and PPP data  
(1996-2018)

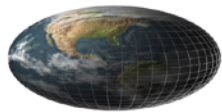
(see definitions and sources at the end of report)

Manufacturing wage gaps for Spain vis-à-vis selected developed and “emerging” economies, with available wage and PPP data (1996-2018).

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# The Argument for Wage Equalisation Using Purchasing Power Parities (PPPs)

## ■ Classic Problem Scenario

- With market liberalisation, MNCs sell their products in both the host countries and in all other markets where they are active, including their home country, at the same or at a very similar sales price,
- They achieve maximum profitability when the manufacturing process in their developing countries' operations is at par in quality and production efficiency with the standards used in their home operations but their cost of labour is dramatically lower—with respect to North-South relations—as the direct result of unequal exchange structures deliberately imposed on the periphery to maximise returns through the use of global labour arbitrage in the global South. (See: Claudio Jedlicki: *Unequal Exchange*, The Jus Semper Global Alliance, September 2007 and Intan Suwandi: *Return to Production*, The Jus Semper Global Alliance, October 2020).
- The MNCs' markets and their manufacturing and marketing operations are *globalised* but their labour costs remain strategically very low in order to achieve maximum competitiveness and shareholder value at the expense of the South's workers,
- The resulting situation is one where MNCs get all the benefit. Sometimes the salaries that they pay are higher than the legal minimum wage in the host country. Yet, these wages still keep workers in dire poverty. A minimum wage does not make a living wage even in the most developed economies,
- What has occurred, with market globalisation, is the dramatic widening of the gap between wages in the North and in the South,
- While the standard of living of a worker in the North provides the basic means to make a living and afford a basic standard of comfort, a worker working for the same company, doing the exact same job with the same level of quality and efficiency, lives in a shanty town in a cardboard house with no sewage, water and legal electricity,
- In this way, the huge differential in labour costs is added to the profit margin, keeping the part (the surplus value) that should have provided the worker with an equivalent standard of living to that enjoyed by the same workers in the North. This surplus value from the labour factor is the part rightfully belonging to workers, and that they should have received from inception, as their fair share of the income resulting from the economic activity.

# The Argument for Wage Equalisation Using Purchasing Power Parities (PPPs)

## ■ The Argument

- In true democracy the purpose of all governments is to procure the welfare of every rank of society, especially of the dispossessed, with the only end of all having access to a dignified life in an ethos where the end of democratic societies is the social good and not the market. The market is just one vehicle to generate material wellbeing,
- In this ethos, and with markets globalised, workers performing the same or an equivalent job for the same business entity, in the generation of products and services that this entity markets at global prices in the global market, must enjoy an equivalent remuneration,
- This equivalent remuneration is considered a living wage, which is a human right,
- A living wage provides workers in the South with the same ability to fulfil their needs, in terms of food, housing, clothing, healthcare, education, transportation, savings and even leisure, as that enjoyed by equivalent workers in the North, which we define in terms of the purchasing power parities (PPP) as defined by the World Bank and the OECD,
- The definition of a living wage of The Jus Semper Global Alliance is as follows: *A living wage is that which, using the same logic of ILO's Convention 100, awards “**equal pay for work of equal value**” between North and South in PPPs terms,*
- The premise is that workers must earn equal pay for equal work in terms of material quality of life for obvious reasons of social justice, but also, and equally important, for reasons of long-term global economic, environmental and social sustainability.

# The Argument for Wage Equalisation Using Purchasing Power Parities (PPPs)

## ■ The Argument

- The argument of an equivalent living wage is anchored on three criteria:
  - ➔ Article 23 of the UN Universal Declaration of Human Rights on the following points:
    - a. Everyone, without any discrimination, has the right to **equal pay for equal work**,
    - b. Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection.
  - ➔ Article 7 of the UN's International Covenant of Economic, Social and Cultural Rights of 1966: (i) Fair wages and **equal remuneration for work of equal value** without distinction of any kind, in particular women being guaranteed conditions of work not inferior to those enjoyed by men, with equal pay for equal work; (ii) A decent living for themselves and their families;
  - ➔ ILO's Convention 100 of "**equal pay for work of equal value**", which is applied for gender equality, but applied in this case to North-South equality, using PPPs as the mechanism,
- The proposal is to make workers in the South earn living wages at par with those of the First World in terms of PPPs in the course of a generation (thirty years),
- There will not be any real progress in the true sustainability of people and planet –reversing environmental degradation and significantly reducing poverty– if there is no sustained growth, in that period, in the South's quality of life, through the gradual closing of the North –South wage gap; attacking, in this way, one of the main causes of poverty, and pursuing concurrently sustainable development –rationally reducing consumption in the North and rationally increasing it to dignified levels in the South, thus reducing our ecological footprint on the planet,
- Just as the International Labour Organisation's Decent Work Agenda states, the decent work concept has led to an international consensus that productive employment and decent work are key elements to achieving poverty reduction,
- The material quality of life in Jus Semper's The Living Wages North and South Initiative (TLWNSI) is defined in terms of purchasing power, so that equal pay occurs when purchasing power is equal,
- Purchasing power is determined using purchasing power parities (PPPs),
- Purchasing power parities (PPPs) are the rates of currency conversion that eliminate the differences in price levels between countries.

# The Argument for Wage Equalisation Using Purchasing Power Parities (PPPs)

## ■ Concept of Living Wage Using PPPs

- The concept of a living wage using PPPs is straightforward. To determine real wages in terms of the purchasing power of any country in question, the PPPs of this country are applied to nominal wages. These are the real wages for each country,
- Purchasing power parities reflect the amount in dollars required in a given country to have the same purchasing power that \$1 U.S. has in the United States; e.g.: if the PPP index in one country is 69, then \$0,69 are required in that country to buy the same that \$1 buys in the U.S.; thus, the cost of living is lower. If the PPP were to be higher than 100, say 120, then \$1,20 is required in that country to buy the same that \$1 buys in the U.S.; the cost of living is, thus, higher,
- To calculate a living wage, the real wage of a specific category of U.S. workers is used as the benchmark, and the PPPs of a country in question are then applied to the U.S. wage,
- This provides the equivalent living wage that a worker in the country in question should be earning in order to be at par in terms of purchasing power to the material quality of life enjoyed by the equivalent U.S. worker. This is the equalised wage in terms of purchasing power,
- In this way, the comparison between the actual real wage of the country in question exposes the gap, in real terms, between the current real wage of the worker of the country in question and the living wage it should be earning, in order to be equally compensated in terms of PPPs,
- In practice, since the PPPs vary annually, due to the dynamics of economic forces, the pace of the gradual equalisation of wages, through small real-wage increases, needs to be reviewed annually.
- It must be pointed out that this rationale does not even take into consideration that the neoliberal paradigm of staunch support for supply-side economics has consistently depressed for three decades the purchasing power of real wages in the U.S., the benchmark country for wage equalisation. This has been attempted to be resolved by women joining the work force and, fictitiously, through over indebtedness, which eventually has brought us down to the great implosion of capitalism in 2008. In this way, this equalisation analysis is made in the context of a course set forth during three decades of global depression of real wages in favour of international financial capital.

# The Argument for Wage Equalisation Using Purchasing Power Parities (PPPs)

## A Classic Example in 2018

- Equivalent manufacturing workers in Spain and South Korea earn only 76% and 72%, respectively, of what they should be making in order to be compensated at par with their U.S. counterparts in terms of purchasing power,
- U.S. Workers earn \$40,07/hour whilst Spanish and South Korea workers earn only \$25,41/hour and \$26,02/hour, respectively,
- Since costs of living in PPP terms in Spain and South Korea are 84¢ and 90¢ respectively, for each \$1 U.S. dollar, equivalent Spanish and South Korea manufacturing workers should be earning instead \$33,55/hour and \$36,03/hour, respectively, in order to enjoy equal purchasing power compensation,
- The difference is the wage rate gap that employers perversely keep to increase profits,
- Germany, in contrast has a real wage rate competitive advantage over its U.S. counterparts, since its nominal wage rate (\$47,11) is 126% of the equivalent wage rate (\$37,43) needed to be at par, with a PPP of 93¢ per each \$1 U.S. dollar.

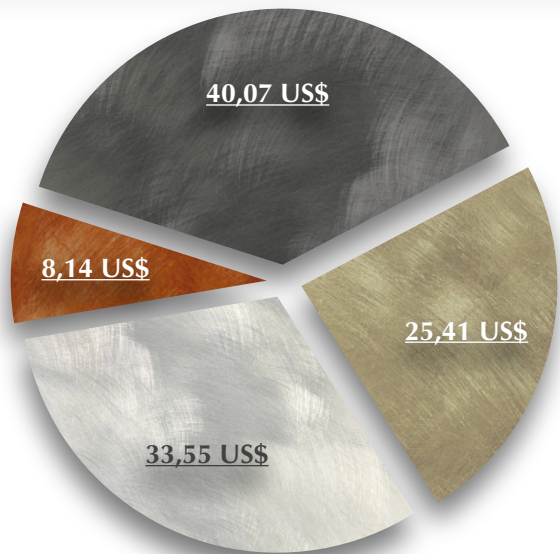
| Nominal, Real and Equalisation Wage Rate for All Employed<br>in Manufacturing by Using Purchase Power Parities (PPPs) Benchmark |                   |             |                  |                             |              |
|---|-------------------|-------------|------------------|-----------------------------|--------------|
|   | Nominal<br>Hourly | PPP         | PPP              | Equalised<br>Nominal Hourly | Equalisation |
| <b>2018</b>   | <u>Wage</u>       | <u>2015</u> | <u>Real Wage</u> | <u>Wage</u>                 | <u>Index</u> |
|   | United States     | 40,07 US\$  | 100              | 40,07 US\$                  | 100          |
| Germany   | 47,11 US\$        | 93          | 50,43 US\$       | 37,43 US\$                  | 126          |
|   | 118 %             |             | 126 %            | 93 %                        |              |
| Spain   | 25,41 US\$        | 84          | 30,36 US\$       | 33,54 US\$                  | 76           |
|   | 63 %              |             | 76 %             | 84 %                        |              |
| South Korea   | 26,02 US\$        | 90          | 28,93 US\$       | 36,03 US\$                  | 72           |
|   | 65 %              |             | 72 %             | 90 %                        |              |
| Sources:  |                   |             |                  |                             |              |
| The Conference Board, International Labor Comparisons program, December 2019.   |                   |             |                  |                             |              |
| Data base of World Bank's World Development Indicators, 1975-2019, (private consumption PPP indicator)                          |                   |             |                  |                             |              |



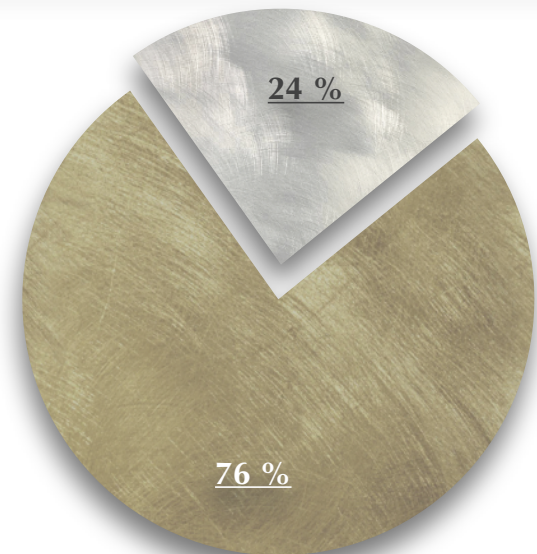
# The Argument for Wage Equalisation Using Purchasing Power Parities (PPPs)

## ■ A Classic Example in 2018

- From a graphic perspective, the first pie chart shows the US real wage rate for all employed in the manufacturing sector, which is always the benchmark. In the case of Spain, the pie chart exhibits the nominal wage rate earned, the nominal wage rate equalised with the US wage rate –always in purchasing power parity terms, and the difference retained inappropriately (deliberately).
- The nominal equalised wage rate of \$33,55 is what all-employed-in-manufacturing Spaniards should earn to be equally remunerated (in purchasing power terms) for performing an equivalent task. Yet, workers only earn \$25,41 instead of \$33,55; thus the employer deliberately retains \$8,14, which constitutes a part of the surplus value that legitimately belongs to Spanish workers, according to TLWNSI's concept.
- In this way, the second pie chart shows how the employer retains inappropriately 24% of labour's surplus value by only allocating to the worker 76% of what he/she is entitled to.



- Nominal wage rate earned
- Equalised nominal wage rate
- Difference inappropriately retained by the employer
- U.S. equivalent wage rate (benchmark for equalisation)



- Nominal wage rate earned
- Difference inappropriately retained by the employer

Sources: WB, U.S. BLS, TCB, IOLW

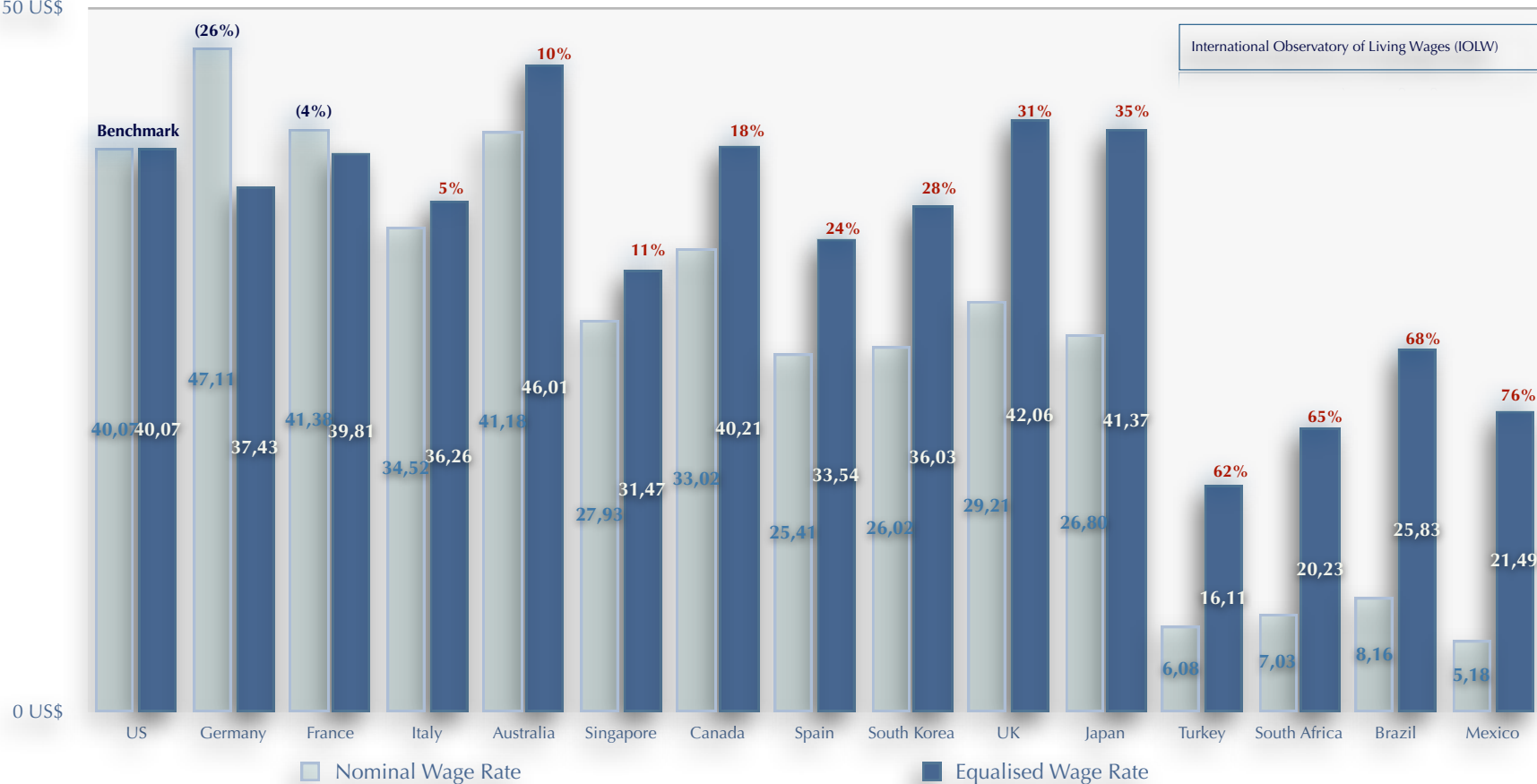
## Living wage rate gap comparisons for selected economies:

- **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, The United Kingdom, Spain and Turkey lost ground compared to their 2017 position** (for the complete detail, see [Table T5 starting on page 24](#)).
- 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 recored 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 and 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% in 2018, but experienced a 1,7% currency devaluation and an increase of 0,5% 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.
- Beyond the context of this analysis, we must realise that capitalism of any kind is incompatible with the purpose of a truly democratic ethos, which is the procurement of the welfare of all ranks of society and the sustainability of the planet. Thus, under the current system this purpose will never take place and, therefore, there is no reason to regard improvements in manufacturing wage rates or minimum wages as positive signs of what we can expect in the coming years. Unless people realise that we need to force a new radical social contract that wholly replaces the capitalist system, we will expect more inequality, environmental depredation and the unsustainability of life on our planet. We are running out of time globally, because the capitalist system is completely unsustainable and we are already on the brink of being unable to secure the survival of all living things. There is an enormous amount of scientific research that provides incontestable proof to this reality, including stark changes in the climate and pandemics such as the present COVID-19 that we are enduring. Given this ominous situation, demand-side and other socially oriented policies will lose any meaning as we reach a tipping point of no repentance and no return when future generations will no longer have a chance, as the planet increasingly reacts in ways that no longer provide the conditions indispensable for life as we know it. Unless we replace the current system, life in our planet will reach its demise as the result of the ecological rift produced by our anthropocentric era.

# 2018 gaps between nominal and equalised wage rates with US wage rates using PPPs for private consumption

(Total hourly manufacturing compensation costs in US dollars – US is benchmark)

50 US\$



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### Gap between Nominal and Equalised wages rates in terms of purchasing power parities

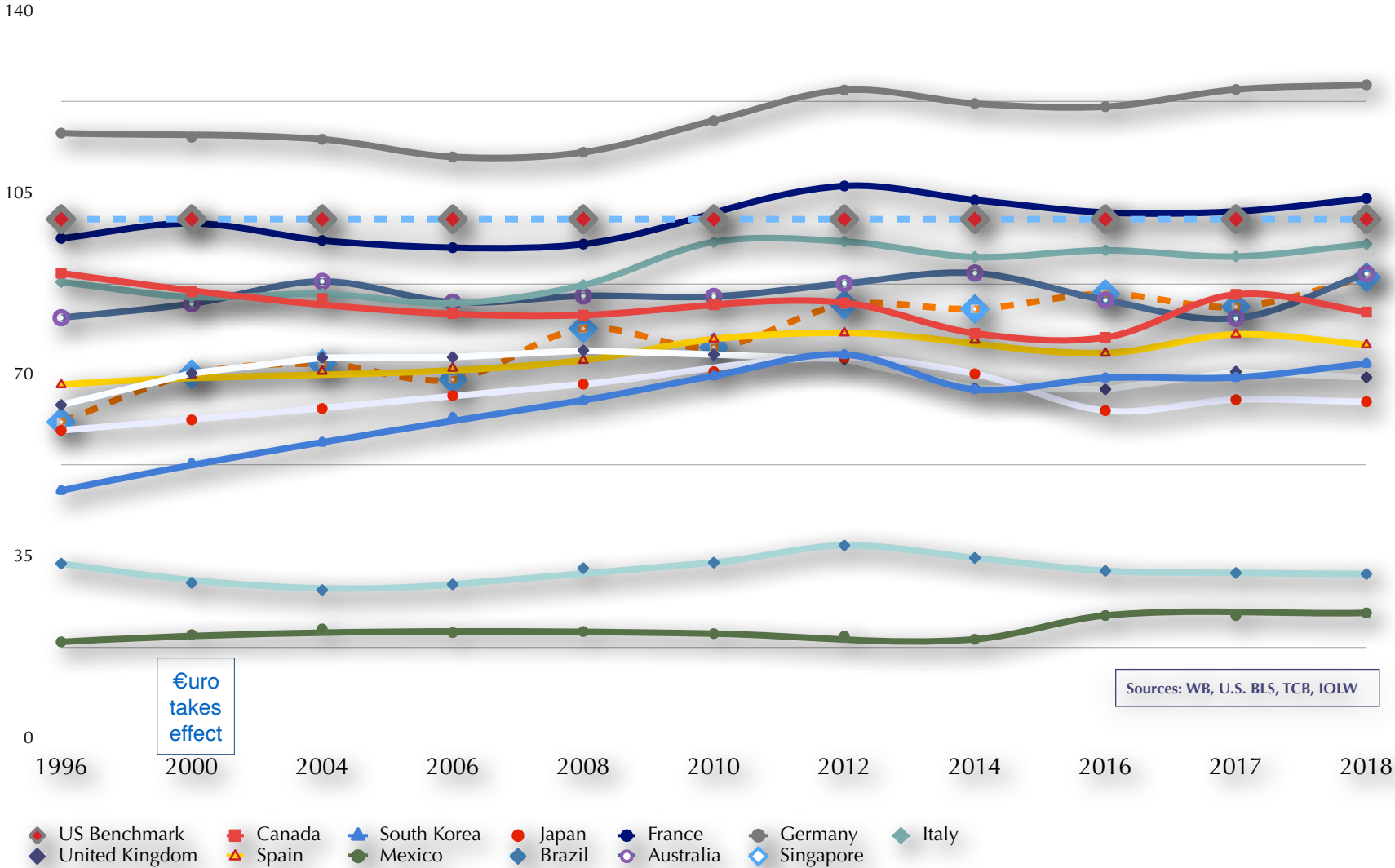
- 1) If lighter bar is greater than darker bar= Nominal wage rate is superior to rate required to be at par with U.S.
  - 2) If darker bar is greater than lighter bar= Nominal wage rate is less than wage required to be at par with U.S.
  - 3) If both bars are in equilibrium= Nominal wage is equivalent to nominal wage in U.S. in terms of purchasing power
- (The size of wage gap is expressed in percentages. If negative, there is a wage advantage instead of a wage gap for nominal wage rate is superior to rate required to be at par with U.S.. Comparisons are in terms of hourly compensation costs as explained in T5.)

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.
- × Database of World Bank's World Development Indicators, 1975-2019.
- × U.S. Bureau of Labor Statistics, August 2013 and The Conference Board (TCB), International Labor Comparisons Program - Manufacturing Hourly Compensation Costs, February 2018.
- × The Conference Board (TCB) — International Comparisons of Manufacturing Productivity and Unit Labor Costs 2018, December 2019
- Purchasing Power Parities and Real Expenditures of World Economies. Summary of Results and Findings of the 2011 International Comparison Program. World Bank 2014.

# Equalisation Index with US Manufacturing Real Hourly Wage Rates via PPPs

Of the twelve economies in this report with data since 1996, Germany continues to have the best position with an increasing equalisation advantage over the US in real PPP terms in its hourly wage rates, followed by France with a four-point advantage over US wage rates. All other countries continue to record wage gaps vis-à-vis equivalent manufacturing wage rates in the US. Six out of the twelve countries in this chart improved their position in 2018 vis-à-vis 2017 by increasing their advantage (Germany and France) or decreasing their wage gaps (Italy, Singapore, South Korea and Australia). Brazil and Mexico remained with the same gap since 2016. Only Canada, The United Kingdom, Spain and Turkey increased their gaps from the previous year. Mexico and Brazil continue reporting the greatest wage gaps.



Sources: WB, U.S. BLS, TCB, IOLW

# Main features of manufacturing and minimum wage rates in Spain

**In 2018 Spain widened the gap of its equalisation index (Eq-Idx) after a meaningful four-point gain in 2017. The increase in its gap was largely the result of the combined effect of a drop of its hourly rate in euros and a meaningful increase of its cost of living in purchasing power parity terms, with the latter being in turn a consequence of the revaluation of the euro for the most part, since consumer prices increased less than two percent (for full details, [see table T5 starting on page 24](#)).**

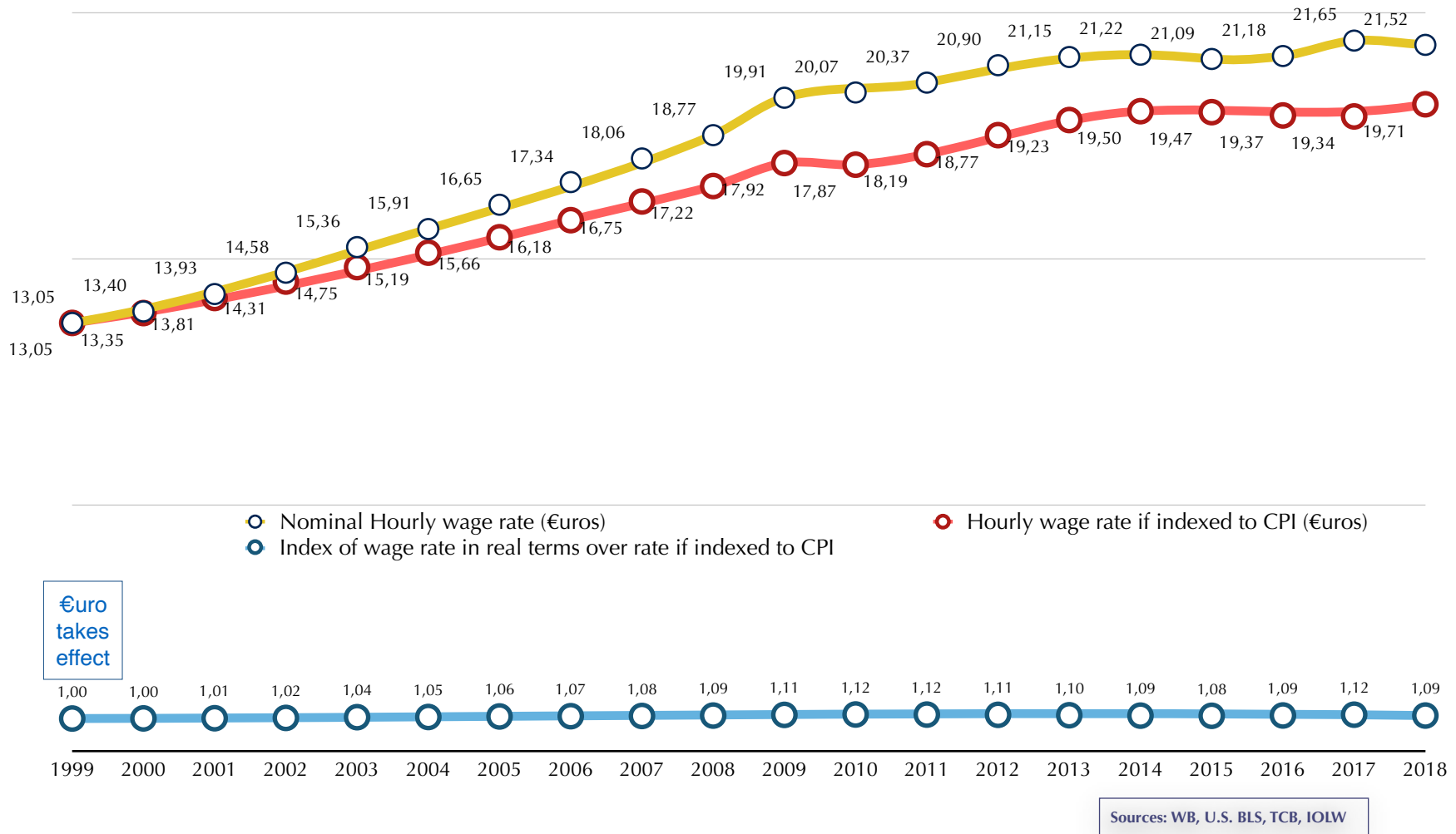
- **Manufacturing Wages 1996-2018:** Spain's Eq-Idx did not perform well in 2018 relative to the 28 European economies in our reports. Compared to 2017, sixteen European economies improved their position, whilst seven lost ground and five did not change. Spain is in the losing group, dropping from a 78 to a 76 Eq-Idx. Twenty four of the twenty eight European economies in our reports increased their wage rates in local currency, with twenty increasing it more than the 1,8% increase of the US wage rates in 2018. Only four economies, including Spain (-0,6%) decreased their rates in local currency. Among the sixteen euro area economies in our reports, nine improved their Eq-Idx, whilst only Spain and Lithuania lost ground. For further detail for Spain and the other 28 European economies, [see table T5 for Europe here](#).
- Spain had made great economic strides in its convergence with the major European economies in the last part of the twentieth century, but began to stall after 1996, during the rule of its conservative government. Spain's Eq-Idx for production-line workers in manufacturing rose powerfully from 52 in 1975 to 90 in 2007 ([see Table T4 for European economies here](#)), but for all employed in manufacturing its Eq-Idx is lower and has hovered in the mid 70s indices. In this way, the Eq-Idx—in purchasing power parity terms—of total hourly compensation costs for all employed in manufacturing has not reached an 80 index and has continued lingering, since joining the euro, between 70 in 1999 and 78 in 2012 and 2017. This is unambiguously the result of the supply-side economic policies that have been applied by both right and left of centre governments. Spain's economic policies no longer seek to put its labour compensations in manufacturing at par with the compensation rates of equivalent workers in the major economies of the euro area (Germany, France and Italy) under the principle of equal pay for equal work of equal value. The end result appears to be the deliberate decision to keep wages—in terms of living wage equalisation—at the same level they have recorded vis-à-vis the US, Germany, France and Italy, which are Spain's main economies of reference, since the entry into force of the euro.
- The above notwithstanding, manufacturing wage rates have slowly but consistently increased in real terms since Spain converted to the euro in 1999. As shown in the chart on page 15, Spain's hourly rates in euros have increased 9,2% in real terms between 1999 and 2018, with the hourly rate of €21,52 being 9,1% above the hourly rate of €19,71 if it had been increased only strictly in line with Spain's consumer price index (CPI). This of course has not been enough to close the gap with equivalent US wage rates, and explains why Spain's Eq-Idx remains in the mid 70s. In order for Spain to close its manufacturing wage rates gap with US equivalent wage rates, it would take greater and consistent annual increases, and all the more to close the gap with equivalent wages in Germany, which has a 26% advantage over comparative wages in the US, as shown on the table on [page 8](#).
- **Minimum Wages 1996-2020:** As shown in the chart on [page 16](#), minimum wages were kept slightly below or in line with inflation until 2005, when they slowly began to increase in real terms until growing nearly 14% above the CPI by 2017. The shift to increase the minimum wage in real terms in 2005 coincides with the change of government from a neoliberal conservative government to a less supply-side oriented government from the workers' party. This policy remains in place despite the deep global recession that began in 2008 until 2011, when the minimum wage was increased below the CPI for four consecutive years until 2015. Minimum wages then slowly resumed their growth in real terms to then go through hikes of 8% in 2017, and 4% in 2018, which are several points above the CPI of the preceding year. This changes clearly for the better as the result of the agreement of Spain's coalition government formed by Spain's Labour Party (PSOE) and the far more progressive Unidas Podemos. Hence the huge adjustment of 22,3% in 2019 and 5,56% in 2020 vis-à-vis CPIs of 1,68% in 2018 and 0,6% in 2019. In this way, the minimum wage is now clearly above the consumer price index, with a 46% gain in real terms since 1996, as also [shown on its index on page 16](#). The government's rationale behind these increases is to generate aggregate demand, encourage spending and hiring, and reduce the gap with the major economies of the Euro area (España experimenta con un aumento de salarios sin precedentes, Mundo, Agencia Bloomberg, 1/02/2019). This should exert a positive effect on manufacturing wages, once we get the rates for 2019 and 2020. Spain's government pushed to increase the minimum wage by 11,1%, but pressure from employers forced them to agree to only half of that for 2020. Nonetheless, the COVID-19 pandemic will bring havoc to all wage racks for the rest of 2020.

## Main features of manufacturing and minimum wage rates in Spain

- **Manufacturing wages relative to minimum wages:** Since Spain joined the Euro area, hourly manufacturing wage rates generally performed better than the minimum wage, with rates consistently moving above CPI inflation, whilst the minimum wage increased at lower rates and lost value in real terms between 2001 and 2004, as shown in the chart on page 17. It was only until 2017 and 2018 that the minimum wage outperformed manufacturing wages in real terms relative to CPI inflation, ending 16% above the CPI versus only 9% for the manufacturing hourly rate. Undoubtedly, Spain's minimum wage will greatly outperform manufacturing wages in 2019 and 2020. We will see to what extent manufacturing wages are influenced by the pressure exerted by the increases to the minimum wage when the hourly manufacturing rates become available. The government has pledged to push for powerful increases to the minimum wage in the next three years for a total increase of 26% by 2023. Yet mounting opposition from employers already forced them to increase the rate in 2020 at half of what they pretended. According to the government, the 2019 minimum wage of Spain was still below the average for the rest of Europe at 80,6% (El Gobierno aprueba la subida del salario mínimo a 900 euros y el aumento salarial de los funcionarios para 2019, *El Economista*: 21/12/2018). For now, inflation has not been impacted whatsoever by the unprecedented minimum wage increase, with merely a 0,7% increase of the consumer price index in 2019. As for unemployment, it continued to drop in 2019, from 26% in 2013 to 13,8% by the end of 2019. But, as could be expected, by second quarter 2020, it has climbed to 15,3% as a result of the COVID-19 pandemic. (INE: Encuesta de Población Activa (EPA) Cuarto trimestre de 2020, 28 de julio de 2020).
- **Labour's share of income:** The fact that Spain's Eq-Idx has not moved from the mid 70s since it joined the euro in 1999, is a direct reflection of the EU's deliberate policy of depressing the wage's share of income for the benefit of employers, their shareholders and financial investors across the EU area. This is consistent with the gradual drop globally of the wage share as a percent of GDP. Spain's highest adjusted wage share for the total economy—as a % of GDP at current prices—was 67,5% in 1976 and it is now down to 53,5% in 2019 (ILO: Adjusted wage share: total economy: as percentage of GDP at current prices (ILO: AMECO RESULTS: Compensation per employee as percentage of GDP at market prices per person employed.) (ALCD0) (Percentage of GDP: ). The clear cause is the ensuing effects of the systemic global capitalist crisis that has deliberately exerted a toll on real wages worldwide and in the entire Euro area since 2009. The recent positive increases to Spain's minimum wage and hourly wage rates in manufacturing are just a coincidental combination of factors that do not change the neoliberal structures that continue to benefit the less than one-percent of the global elite. Consistent with the neoliberal mantra that dominates the world, euro-area policies centred on the harsh reduction of public deficits and inflationary pressures are antithetical to the need to recover the labour's share of income of all capitalist economies and repair the damage inflicted by neoliberalism to welfare state systems. This will be further exacerbated, in line with market logic, by the growing robotisation and use of artificial intelligence in the workplace that will decrease demand for human labour and thus labour compensations.
- However, beyond this reality, we must take consciousness that capitalism of any kind—supply side or demand side—is incompatible with the purpose of a truly democratic ethos, which is the procurement of the welfare of all ranks of society and the sustainability of the planet. Hence, under the current system, the welfare of societies will never take place. The complete unsustainability of our Anthropocentric era anchored on an economic system that requires the infinite consumption of resources in a planet with finite resources is an axiomatic issue, demonstrated unrelentingly by both natural and social scientists across the world.
- Consequently, it is indispensable that the citizenry in Spain and elsewhere become fully aware about the need to permanently get involved in the public matter to make future governments work for the benefit of society and not for the owners of the market and their very private interests, as the vast majority of governments enthusiastically pursue today. Unless we force a radical paradigmatic shift to build economic and ecological systems for the welfare of people and planet and NOT the market, our mere existence is doomed.

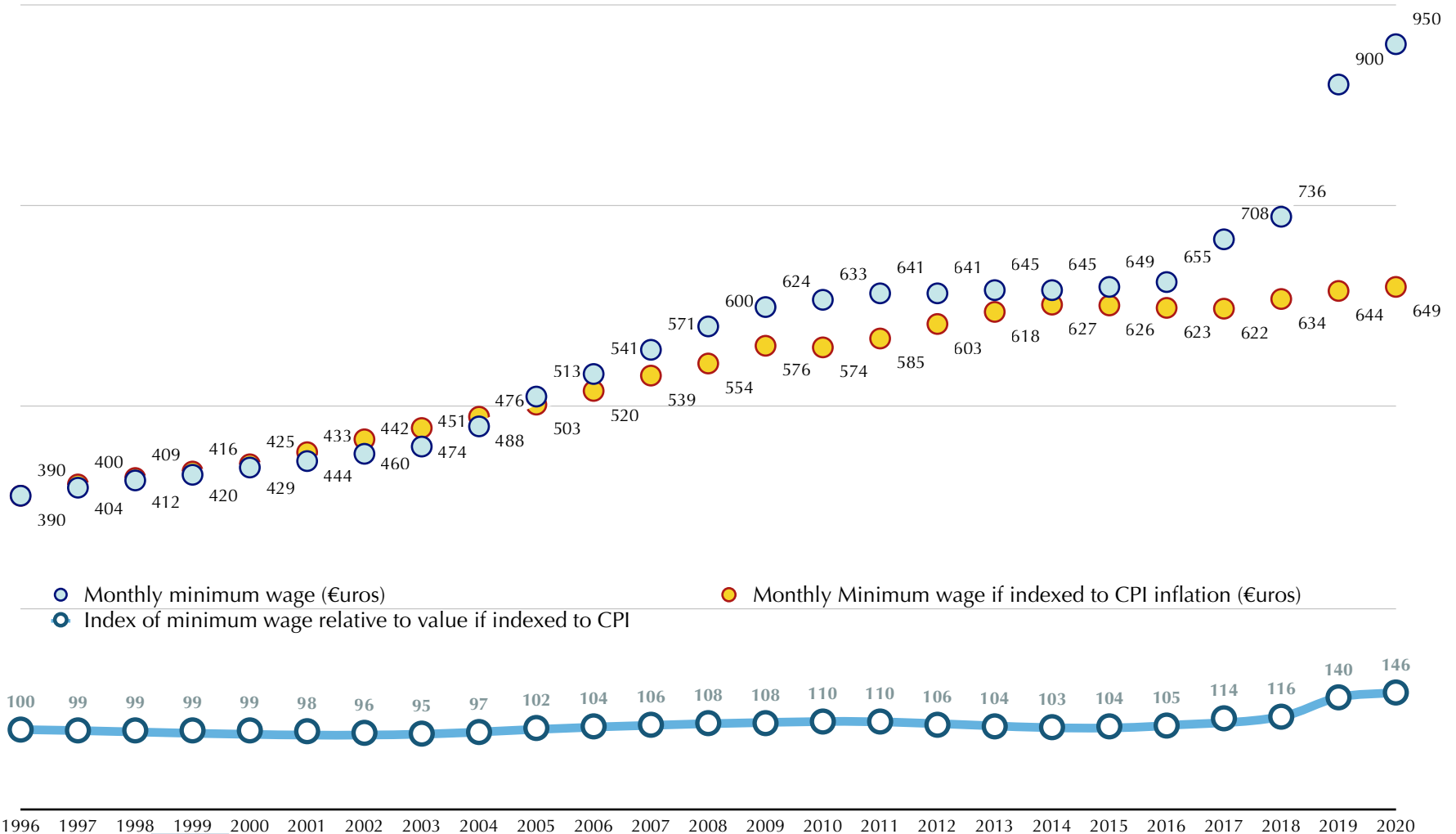
# Spain: nominal hourly manufacturing wage rate and hourly wage when only indexed to CPI

Spain's hourly wage rate in manufacturing consistently increased above inflation, reached its greater value in real terms in 2010 (12,3%) and it was 9,1% above inflation in 2018.



# Spain: nominal monthly minimum wage in real terms vis-à-vis CPI

Spain's minimum wage lost value in real terms until 2005, to then recover some ground until 2010, to then lose ground again, until the strong hikes of the 2017-2020 period, ending with a gain of 46% in real terms since 1996.



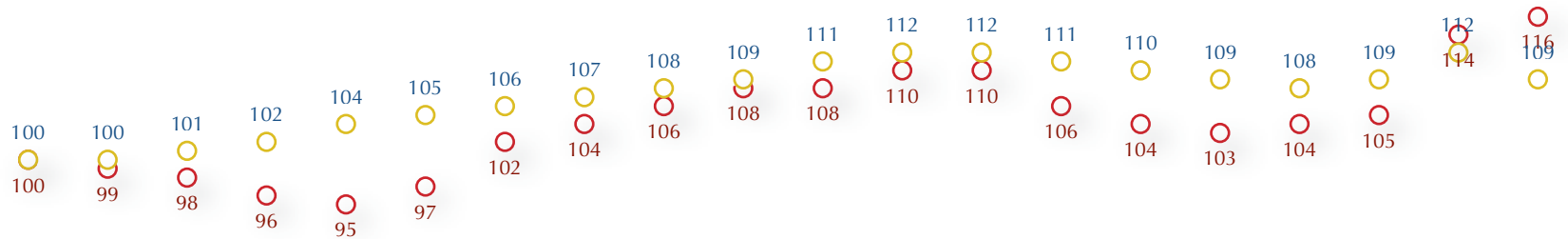
€uro takes effect

Sources: WB, U.S. BLS, TCB, IOLW



## Spain: indices for manufacturing wage rates and monthly minimum wage in real terms

Spain's manufacturing wage rates consistently recorded higher indices relative to the CPI than minimum wages until 2017, when the minimum wage surpasses the manufacturing wage index (114 vs 112) and also in 2018 (116 vs 109) after a 4% hike versus a -0,6% decrease for manufacturing wage rates.



- Spain's hourly manufacturing wage in real terms index vs CPI
- Spain's hourly monthly minimum wage in real terms index vs CPI

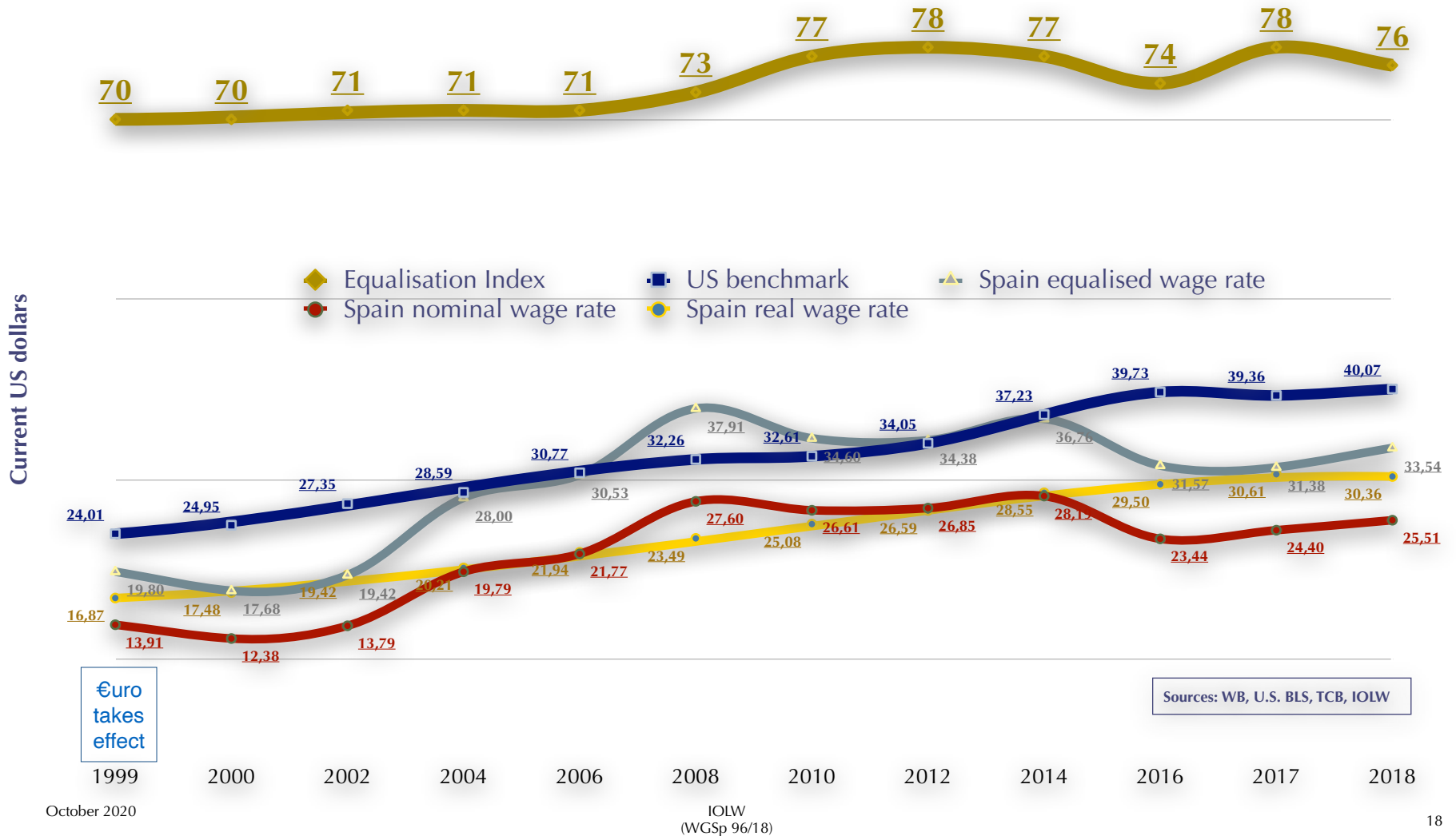
€uro  
takes  
effect

Sources: WB, U.S. BLS, TCB, IOLW

1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018

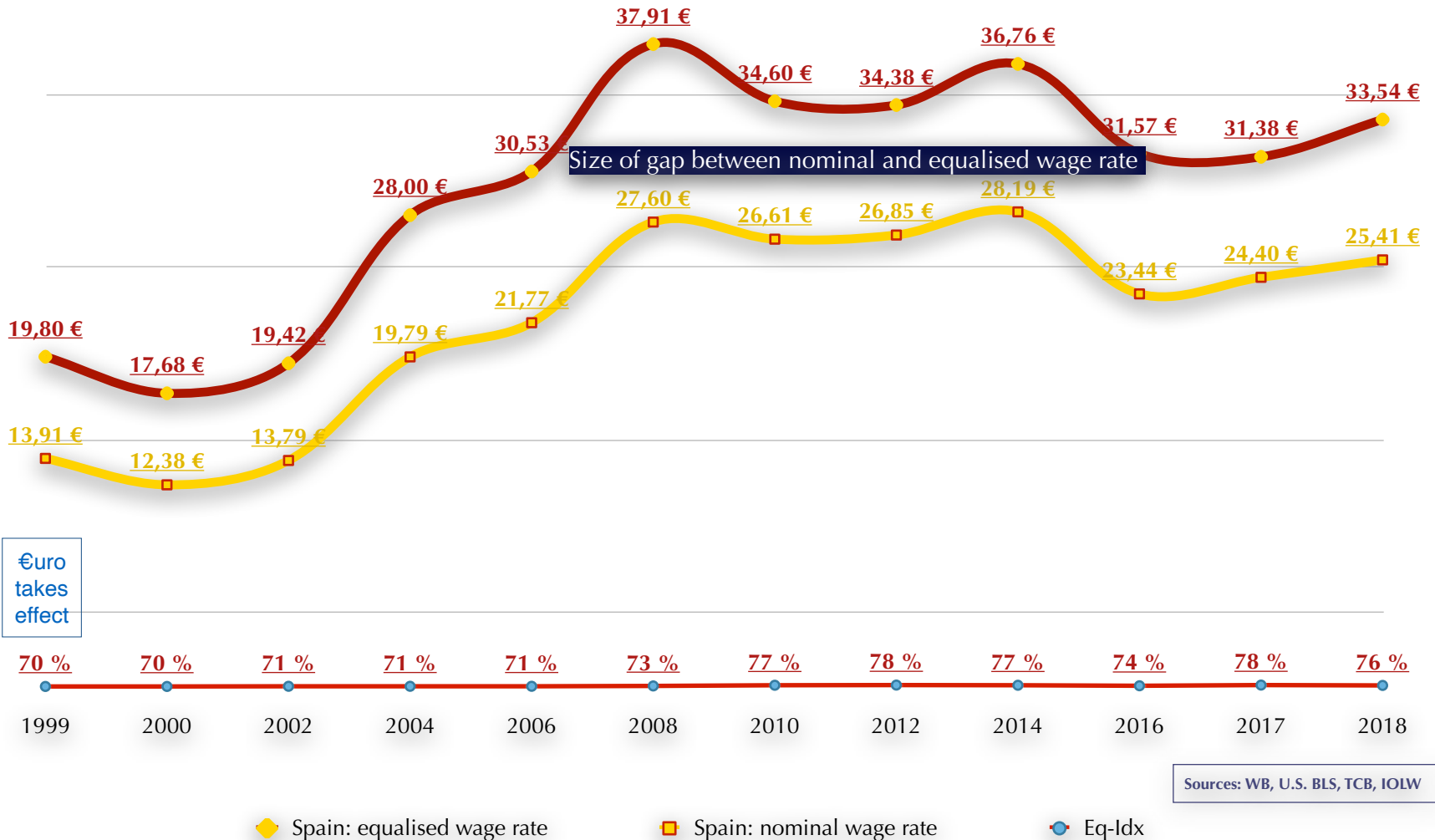
## Behaviour of all Spanish employed in manufacturing hourly wage rates, PPPs and equalisation index with equivalent US wage rates

The chart below provides a complete illustration of the behaviour of Spain's wage rates vis-à-vis US wage rates since 1999. Between 1999 and 2018, Spain's real wage rates and, consequently, their equalisation with equivalent US wage rates have not moved from the band of 70s index. Yet Spain's hourly wage rates for all employed in manufacturing increased 69,4% in real PPP terms while US wages increased 66,9%.

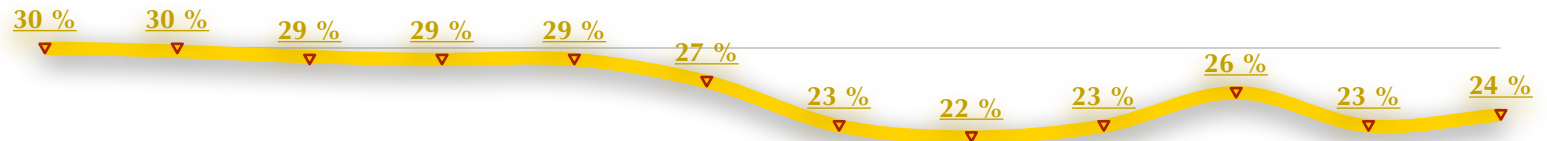
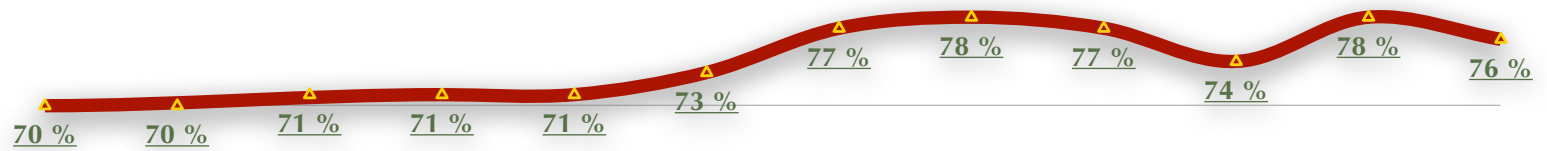


# Gap of hourly wage rate equalisation between hourly nominal and equalised wage rates in PPP terms for all employed in manufacturing with equivalent US real wage rate (current dollars)

Spain's two-point loss in its Eq-Idx, between 2017 and 2018, was due to the drop of its hourly manufacturing wage rate in local currency and the increase of its PPP cost of living, which in turn increased as the direct result of the 4,8% revaluation of the euro.



## Gap between Spain's equalisation index and size of hourly real wage rate gap for all employed in manufacturing vis-à-vis US real wage rate (100% and 0% = Perfect equalisation)



€uro takes effect

Sources: WB, U.S. BLS, TCB, IOLW

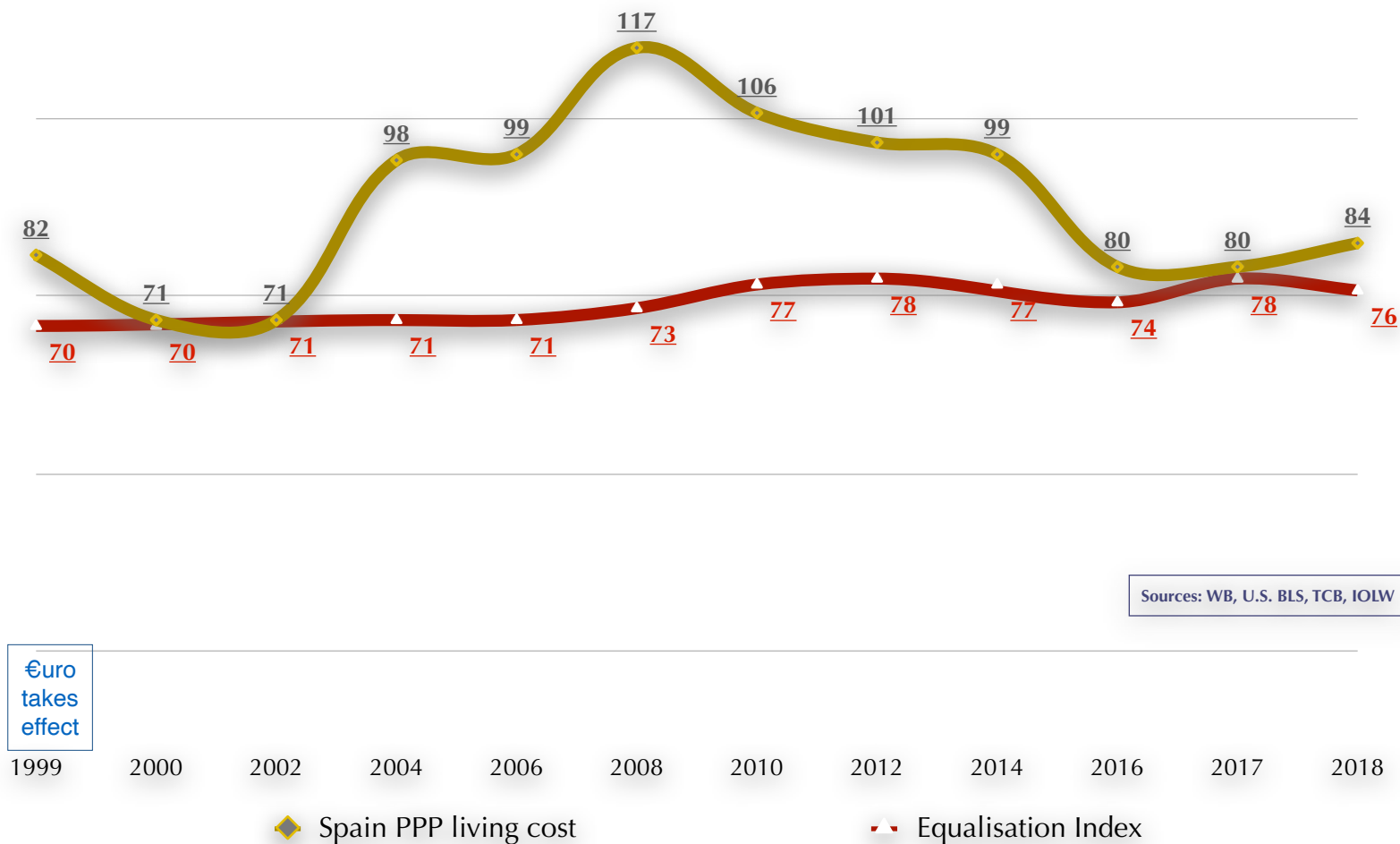
1999 2000 2002 2004 2006 2008 2010 2012 2014 2016 2017 2018

▽ Size of Gap

▲ Equalisation Index

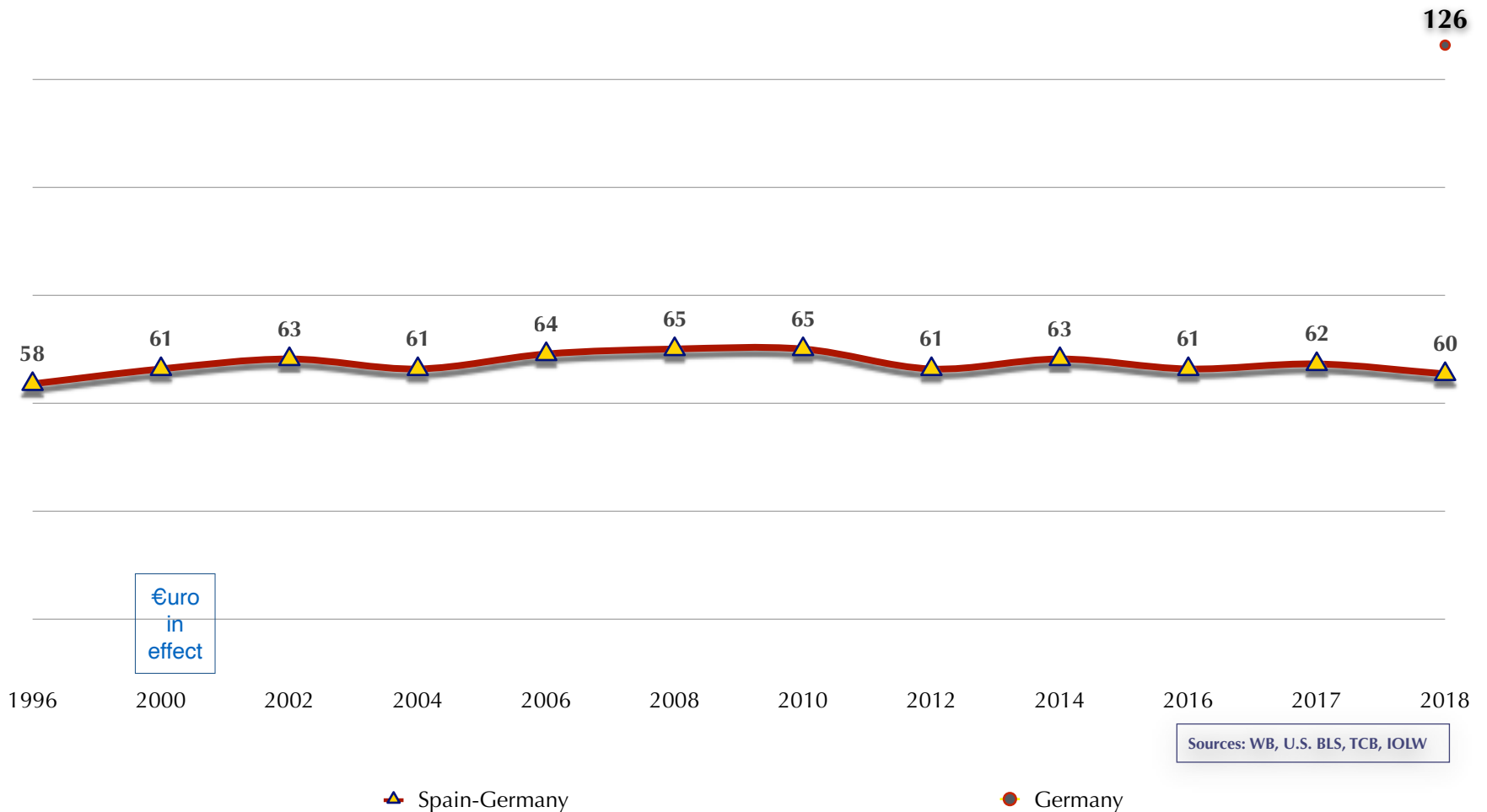
## Performance of equalisation indices of Spain's PPP hourly real wage rate for all employed in manufacturing vis-à-vis US counterparts and behaviour of Spain's purchasing power parity indices (cost of living in PPP terms – US = 100)

As a result of policy to contain manufacturing hourly wage rates, the Eq-Idx has hovered in the mid 70s band for nearly 20 years regardless of any changes in Spain's cost of living in PPP terms.



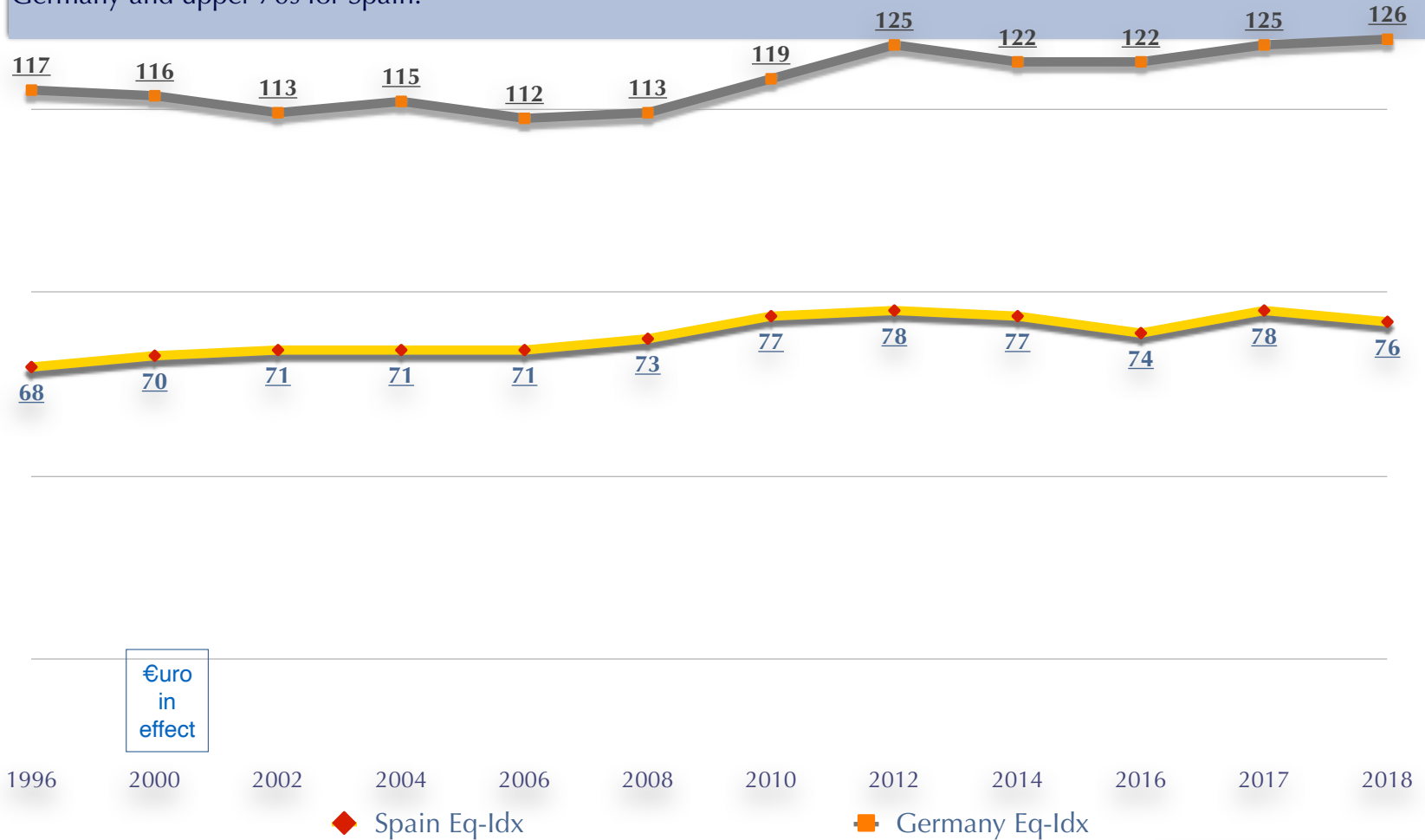
## Behaviour of comparative indices of Spain's manufacturing hourly real wage rate for all employed in manufacturing vis-à-vis equivalent German wage rate (Germany = 100 —and 126 over US rate)

When comparing Spain's all employed in manufacturing real wage rates with those of their German counterparts, the former has remained fairly stable, oscillating between index 58 and 65 of the German wage rate, which in 2018 recorded an index of 126 over the US.



## Spain and Germany's PPP equalisation indices of hourly real wage rates with equivalent U.S. wage rates for all employed in manufacturing

The comparison between the living wage equalisation trends of Spain and Germany with the equivalent wage rates of the US, shows a stable relationship until 2010, when the indices increased slightly for both, reaching the mid 120s for Germany and upper 70s for Spain.



Sources: WB, U.S. BLS, TCB, IOLW

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 Jus Semper’s methodology, following the principle of “Equal pay for equal work of equal value” of the UN and ILO’s international conventions).

|  | 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 \$       | US\$ 20,80  | US\$ 21,33  | US\$ 27,98  | US\$ 34,92  | US\$ 39,36  | US\$ 41,00  | US\$ 43,75  | US\$ 44,19  | US\$ 38,98  | US\$ 39,34  | US\$ 40,14  |
|  | 3. Actual PPP Real wage rate US \$             | US\$ 20,12  | US\$ 21,45  | US\$ 24,21  | US\$ 25,18  | US\$ 26,29  | US\$ 27,24  | US\$ 28,55  | US\$ 29,04  | US\$ 30,66  | US\$ 33,64  | US\$ 32,96  |
|  | 4. Actual Nominal wage rate US \$              | US\$ 18,63  | US\$ 18,34  | US\$ 23,69  | US\$ 28,58  | US\$ 32,08  | US\$ 34,25  | US\$ 36,69  | US\$ 34,47  | US\$ 30,08  | US\$ 33,63  | US\$ 33,02  |
|  | Compensation Deficit in US \$ (2 minus 4)      | US\$ 2,17   | US\$ 2,99   | US\$ 4,29   | US\$ 6,34   | US\$ 7,28   | US\$ 6,75   | US\$ 7,06   | US\$ 9,72   | US\$ 8,90   | US\$ 5,71   | US\$ 7,12   |
|  | Wage Equalisation index (4÷2 or 3÷1)           | 0,90        | 0,86        | 0,85        | 0,82        | 0,82        | 0,84        | 0,84        | 0,78        | 0,77        | 0,85        | 0,82        |
| <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 \$       | US\$ 21,05  | US\$ 14,49  | US\$ 13,42  | US\$ 20,25  | US\$ 25,83  | US\$ 29,61  | US\$ 28,99  | US\$ 30,08  | US\$ 25,59  | US\$ 28,70  | US\$ 25,83  |
|  | 3. Actual PPP Real wage rate US \$             | US\$ 7,54   | US\$ 7,47   | US\$ 8,14   | US\$ 9,10   | US\$ 10,54  | US\$ 11,01  | US\$ 12,62  | US\$ 12,91  | US\$ 12,78  | US\$ 12,52  | US\$ 12,66  |
|  | 4. Actual Nominal wage rate US \$              | US\$ 7,07   | US\$ 4,34   | US\$ 3,82   | US\$ 5,99   | US\$ 8,44   | US\$ 10,00  | US\$ 10,74  | US\$ 10,43  | US\$ 8,23   | US\$ 9,13   | US\$ 8,16   |
|  | Compensation Deficit in US \$ (2 minus 4)      | US\$ 13,98  | US\$ 10,15  | US\$ 9,60   | US\$ 14,26  | US\$ 17,39  | US\$ 19,61  | US\$ 18,25  | US\$ 19,65  | US\$ 17,36  | US\$ 19,57  | US\$ 17,67  |
|  | Wage Equalisation index (4÷2 or 3÷1)           | 0,34        | 0,30        | 0,28        | 0,30        | 0,33        | 0,34        | 0,37        | 0,35        | 0,32        | 0,32        | 0,32        |
| <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 \$       | US\$ 12,42  | US\$ 17,81  | US\$ 18,92  | US\$ 21,86  | US\$ 23,65  | US\$ 22,50  | US\$ 23,85  | US\$ 26,20  | US\$ 20,14  | US\$ 20,99  | US\$ 21,49  |
|  | 3. Actual PPP Real wage rate US \$             | US\$ 4,16   | US\$ 4,97   | US\$ 6,01   | US\$ 6,25   | US\$ 6,62   | US\$ 6,55   | US\$ 6,68   | US\$ 7,09   | US\$ 9,37   | US\$ 9,28   | US\$ 9,66   |
|  | 4. Actual Nominal wage rate US \$              | US\$ 2,30   | US\$ 3,55   | US\$ 3,98   | US\$ 4,44   | US\$ 4,85   | US\$ 4,52   | US\$ 4,68   | US\$ 4,99   | US\$ 4,75   | US\$ 4,95   | US\$ 5,18   |
|  | Compensation Deficit in US \$ (2 minus 4)      | US\$ 10,12  | US\$ 14,26  | US\$ 14,94  | US\$ 17,42  | US\$ 18,80  | US\$ 17,98  | US\$ 19,17  | US\$ 21,21  | US\$ 15,39  | US\$ 16,04  | US\$ 16,31  |
|  | Wage Equalisation index (4÷2 or 3÷1)           | 0,19        | 0,20        | 0,21        | 0,20        | 0,21        | 0,20        | 0,20        | 0,19        | 0,24        | 0,24        | 0,24        |
| <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 \$       | US\$ 28,88  | US\$ 21,51  | US\$ 33,49  | US\$ 35,81  | US\$ 43,72  | US\$ 38,78  | US\$ 38,78  | US\$ 42,45  | US\$ 37,23  | US\$ 37,38  | US\$ 39,81  |
|  | 3. Actual PPP Real wage rate US \$             | US\$ 21,63  | US\$ 24,74  | US\$ 27,42  | US\$ 29,08  | US\$ 30,72  | US\$ 32,83  | US\$ 36,22  | US\$ 38,61  | US\$ 40,25  | US\$ 39,96  | US\$ 41,65  |
|  | 4. Actual Nominal wage rate US \$              | US\$ 27,82  | US\$ 21,33  | US\$ 32,12  | US\$ 33,85  | US\$ 41,63  | US\$ 39,04  | US\$ 41,25  | US\$ 44,03  | US\$ 37,72  | US\$ 37,95  | US\$ 41,38  |
|  | Compensation Deficit in US \$ (2 minus 4)      | US\$ 1,06   | US\$ 0,18   | US\$ 1,37   | US\$ 1,96   | US\$ 2,09   | US\$ (0,26) | US\$ (2,47) | US\$ (1,58) | US\$ (0,49) | US\$ (0,57) | US\$ (1,57) |
|  | Wage Equalisation index (4÷2 or 3÷1)           | 0,96        | 0,99        | 0,96        | 0,95        | 0,95        | 1,01        | 1,06        | 1,04        | 1,01        | 1,02        | 1,04        |
| <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 \$       | US\$ 28,19  | US\$ 21,67  | US\$ 32,27  | US\$ 34,68  | US\$ 41,42  | US\$ 36,83  | US\$ 36,35  | US\$ 40,48  | US\$ 35,47  | US\$ 35,15  | US\$ 37,43  |
|  | 3. Actual PPP Real wage rate US \$             | US\$ 26,18  | US\$ 28,88  | US\$ 33,01  | US\$ 34,47  | US\$ 36,41  | US\$ 38,80  | US\$ 42,52  | US\$ 45,52  | US\$ 48,37  | US\$ 49,21  | US\$ 50,44  |
|  | 4. Actual Nominal wage rate US \$              | US\$ 32,86  | US\$ 25,09  | US\$ 37,25  | US\$ 38,85  | US\$ 46,75  | US\$ 43,82  | US\$ 45,40  | US\$ 49,50  | US\$ 43,18  | US\$ 43,95  | US\$ 47,11  |
|  | Compensation Deficit in US \$ (2 minus 4)      | US\$ (4,67) | US\$ (3,42) | US\$ (4,98) | US\$ (4,17) | US\$ (5,33) | US\$ (6,99) | US\$ (9,05) | US\$ (9,02) | US\$ (7,71) | US\$ (8,80) | US\$ (9,68) |
|  | Wage Equalisation index (4÷2 or 3÷1)           | 1,17        | 1,16        | 1,15        | 1,12        | 1,13        | 1,19        | 1,25        | 1,22        | 1,22        | 1,25        | 1,26        |



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 Jus Semper’s methodology, following the principle of “Equal pay for equal work of equal value” of the UN and ILO’s international conventions).

|                       |   | 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><br>(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>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 \$                                      | US\$ 23,90   | US\$ 19,53   | US\$ 31,61   | US\$ 33,99   | US\$ 40,03   | US\$ 35,37   | US\$ 36,28   | US\$ 40,77   | US\$ 34,56   | US\$ 34,28   | US\$ 36,26   |
|                       | 3. Actual PPP Real wage rate US \$  | US\$ 19,73   | US\$ 21,22   | US\$ 24,47   | US\$ 25,79   | US\$ 28,15   | US\$ 31,17   | US\$ 32,58   | US\$ 34,51   | US\$ 37,36   | US\$ 36,53   | US\$ 38,15   |
|                       | 4. Actual Nominal wage rate US \$   | US\$ 21,00   | US\$ 16,61   | US\$ 27,06   | US\$ 28,49   | US\$ 34,93   | US\$ 33,81   | US\$ 34,71   | US\$ 37,79   | US\$ 32,49   | US\$ 31,82   | US\$ 34,52   |
|                       | Compensation Deficit in US \$ (2 minus 4)                                     | US\$ 2,90    | US\$ 2,92    | US\$ 4,55    | US\$ 5,50    | US\$ 5,10    | US\$ 1,56    | US\$ 1,57    | US\$ 2,98    | US\$ 2,07    | US\$ 2,46    | US\$ 1,74    |
|                       | Wage Equalisation index (4÷2 or 3÷1)  | 0,88         | 0,85         | 0,86         | 0,84         | 0,87         | 0,96         | 0,96         | 0,93         | 0,94         | 0,93         | 0,95         |
| <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 \$                                      | US\$ 27,66   | US\$ 29,36   | US\$ 38,88   | US\$ 42,45   | US\$ 45,28   | US\$ 39,21   | US\$ 42,34   | US\$ 48,92   | US\$ 42,30   | US\$ 39,64   | US\$ 42,06   |
|                       | 3. Actual PPP Real wage rate US \$  | US\$ 14,43   | US\$ 17,53   | US\$ 20,95   | US\$ 22,58   | US\$ 24,11   | US\$ 24,10   | US\$ 24,86   | US\$ 25,10   | US\$ 26,68   | US\$ 27,79   | US\$ 27,83   |
|                       | 4. Actual Nominal wage rate US \$   | US\$ 17,77   | US\$ 20,63   | US\$ 28,49   | US\$ 31,15   | US\$ 33,84   | US\$ 28,98   | US\$ 30,91   | US\$ 32,98   | US\$ 28,41   | US\$ 27,99   | US\$ 29,21   |
|                       | Compensation Deficit in US \$ (2 minus 4)                                     | US\$ 9,89    | US\$ 8,73    | US\$ 10,39   | US\$ 11,30   | US\$ 11,44   | US\$ 10,23   | US\$ 11,43   | US\$ 15,94   | US\$ 13,89   | US\$ 11,65   | US\$ 12,85   |
|                       | Wage Equalisation index (4÷2 or 3÷1)  | 0,64         | 0,70         | 0,73         | 0,73         | 0,75         | 0,74         | 0,73         | 0,67         | 0,67         | 0,71         | 0,69         |
| <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 \$                                      | US\$ 22,73   | US\$ 17,68   | US\$ 28,00   | US\$ 30,53   | US\$ 37,91   | US\$ 34,60   | US\$ 34,38   | US\$ 36,76   | US\$ 31,57   | US\$ 31,38   | US\$ 33,54   |
|                       | 3. Actual PPP Real wage rate US \$  | US\$ 15,30   | US\$ 17,48   | US\$ 20,21   | US\$ 21,94   | US\$ 23,49   | US\$ 25,08   | US\$ 26,59   | US\$ 28,55   | US\$ 29,50   | US\$ 30,61   | US\$ 30,36   |
|                       | 4. Actual Nominal wage rate US \$   | US\$ 15,48   | US\$ 12,38   | US\$ 19,79   | US\$ 21,77   | US\$ 27,60   | US\$ 26,61   | US\$ 26,85   | US\$ 28,19   | US\$ 23,44   | US\$ 24,40   | US\$ 25,41   |
|                       | Compensation Deficit in US \$ (2 minus 4)                                     | US\$ 7,25    | US\$ 5,30    | US\$ 8,21    | US\$ 8,76    | US\$ 10,31   | US\$ 7,99    | US\$ 7,53    | US\$ 8,57    | US\$ 8,13    | US\$ 6,98    | US\$ 8,13    |
|                       | Wage Equalisation index (4÷2 or 3÷1)  | 0,68         | 0,70         | 0,71         | 0,71         | 0,73         | 0,77         | 0,78         | 0,77         | 0,74         | 0,78         | 0,76         |
| <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 \$                                      | —            | —            | US\$ 18,19   | US\$ 21,92   | US\$ 26,22   | US\$ 24,20   | US\$ 23,33   | US\$ 23,29   | US\$ 20,46   | US\$ 18,45   | US\$ 16,11   |
|                       | 3. Actual PPP Real wage rate US \$  | —            | —            | US\$ 6,62    | US\$ 7,00    | US\$ 7,92    | US\$ 8,48    | US\$ 8,79    | US\$ 9,93    | US\$ 11,83   | US\$ 15,17   | US\$ 15,12   |
|                       | 4. Actual Nominal wage rate US \$   | NA           | NA           | US\$ 4,21    | US\$ 4,99    | US\$ 6,44    | US\$ 6,29    | US\$ 6,02    | US\$ 6,21    | US\$ 6,09    | US\$ 7,11    | US\$ 6,08    |
|                       | Compensation Deficit in US \$ (2 minus 4)                                     | —            | —            | US\$ 13,98   | US\$ 16,93   | US\$ 19,78   | US\$ 17,91   | US\$ 17,31   | US\$ 17,08   | US\$ 14,37   | US\$ 11,34   | US\$ 10,03   |
|                       | Wage Equalisation index (4÷2 or 3÷1)  | —            | —            | 0,23         | 0,23         | 0,25         | 0,26         | 0,26         | 0,27         | 0,30         | 0,39         | 0,38         |
| <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 \$                                      | US\$ 39,93   | US\$ 40,86   | US\$ 39,79   | US\$ 36,38   | US\$ 40,28   | US\$ 44,96   | US\$ 48,08   | US\$ 38,37   | US\$ 41,96   | US\$ 40,10   | US\$ 41,37   |
|                       | 3. Actual PPP Real wage rate US \$  | US\$ 13,31   | US\$ 15,29   | US\$ 18,15   | US\$ 20,32   | US\$ 22,01   | US\$ 23,03   | US\$ 24,96   | US\$ 26,14   | US\$ 25,06   | US\$ 25,68   | US\$ 25,96   |
|                       | 4. Actual Nominal wage rate US \$   | US\$ 23,67   | US\$ 25,03   | US\$ 25,26   | US\$ 24,03   | US\$ 27,48   | US\$ 31,75   | US\$ 35,25   | US\$ 26,94   | US\$ 26,46   | US\$ 26,16   | US\$ 26,80   |
|                       | Compensation Deficit in US \$ (2 minus 4)                                     | US\$ 16,26   | US\$ 15,83   | US\$ 14,53   | US\$ 12,35   | US\$ 12,80   | US\$ 13,21   | US\$ 12,83   | US\$ 11,43   | US\$ 15,50   | US\$ 13,94   | US\$ 14,57   |
|                       | Wage Equalisation index (4÷2 or 3÷1)  | 0,59         | 0,61         | 0,63         | 0,66         | 0,68         | 0,71         | 0,73         | 0,70         | 0,63         | 0,65         | 0,65         |

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 Jus Semper’s methodology, following the principle of “Equal pay for equal work of equal value” of the UN and ILO’s international conventions).

|                     |   | 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><br>(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)<br>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)<br>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)<br>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)<br>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>       |                   |

## 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 Jus Semper’s methodology, following the principle of “Equal pay for equal work of equal value” of UN and ILO’s international conventions).

### \*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.

### Note regarding the new 2017 PPC round:

The 2017 results presented in this report are based exclusively on the prices and national accounts expenditures provided by the economies participating in the 2017 cycle of the International Comparison Program (ICP). Purchasing power parities (PPPs) and real expenditures were compiled in accordance with the established ICP methods and procedures. The International Comparison Program (ICP) released economic indicators and results for the reference year 2017 in May 2020. PPPs, PLIs and estimates of PPP-based GDP and its major expenditure components in aggregate and per capita terms were published for the 176 economies that participated in the program. Revised results for the preceding reference year 2011 and preliminary estimates of annual PPPs for 2012-2016 were also released. ICP 2017 Report: [Purchasing Power Parities and the Size of World Economies: Results from the 2017 International Comparison Program](#)

