



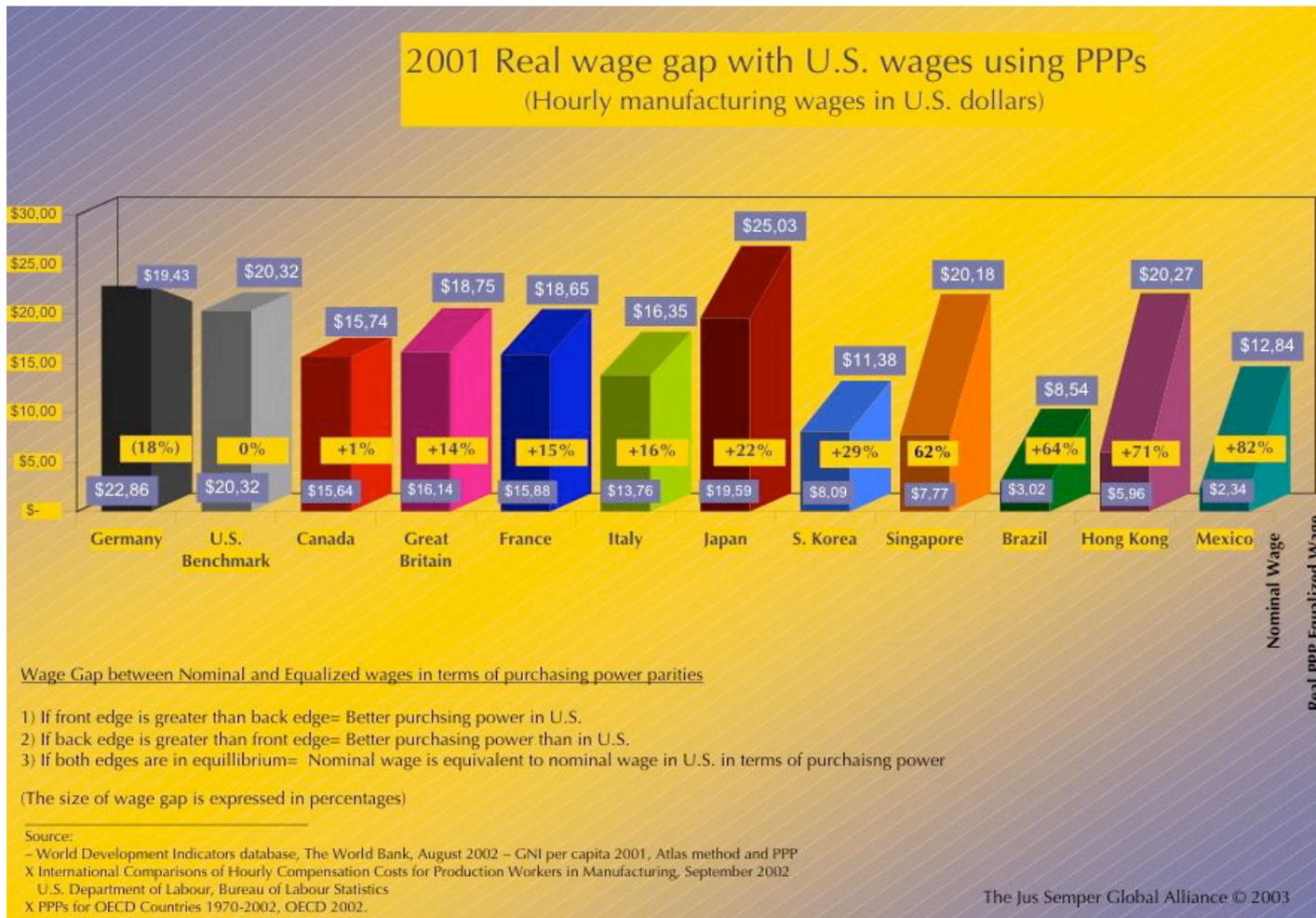
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Living Wages North and South

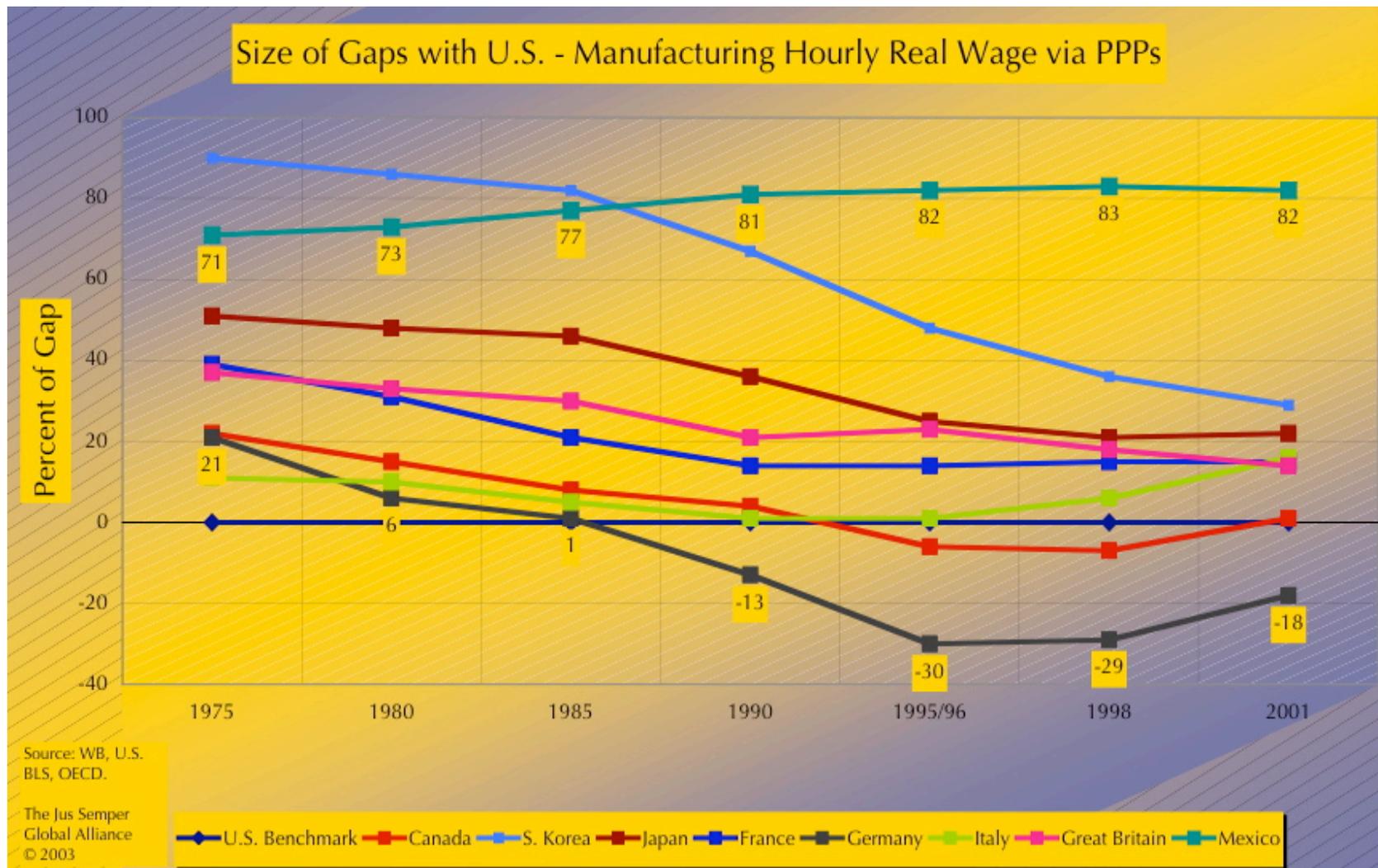
Wage Gap Charts

Wage gap charts for Group of Seven (G7)
largest economies and selected "emerging"
economies with available wage and PPP data
(1975-2001)

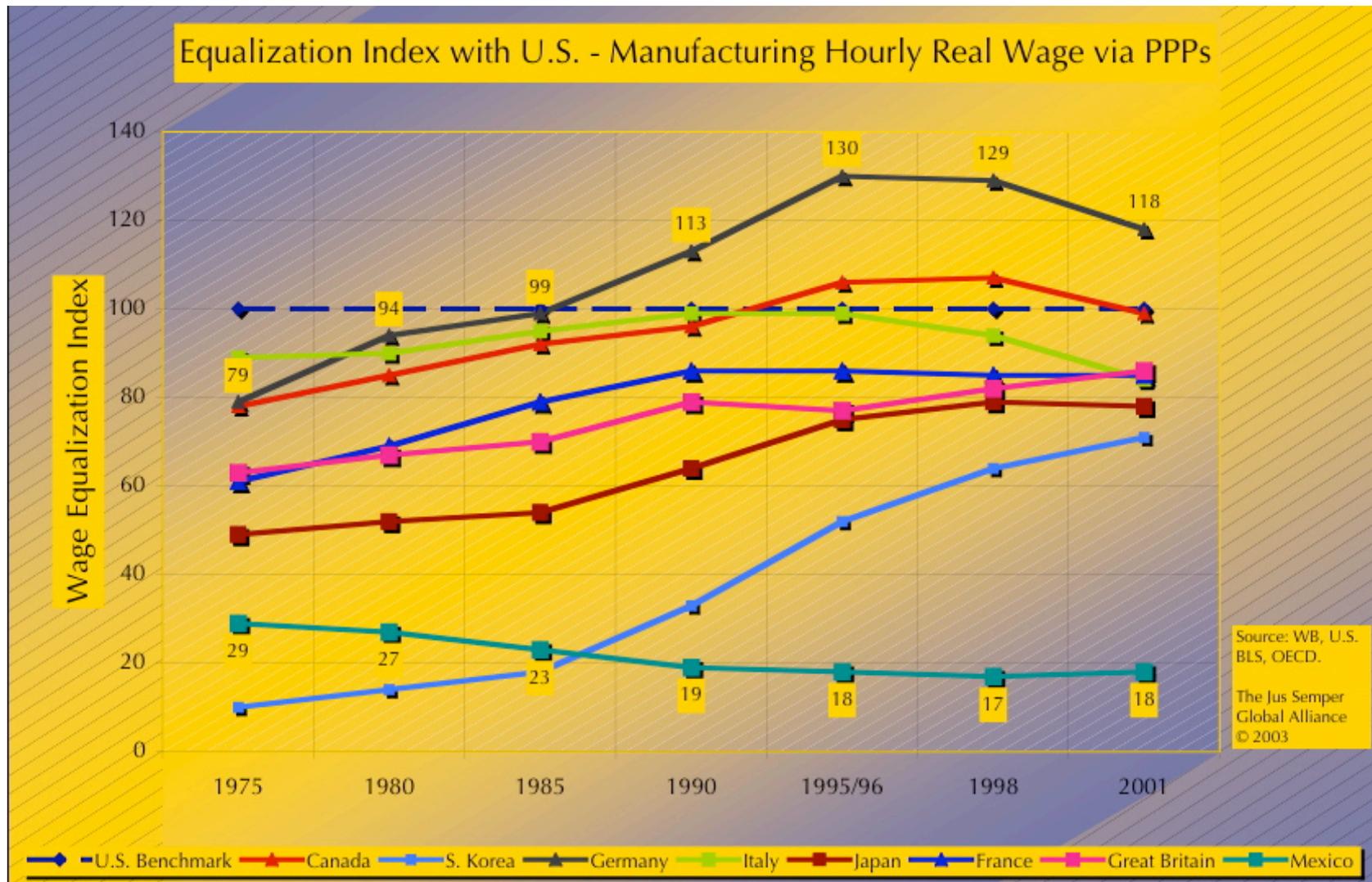
- Among the G7 and some of the so-called "emerging" markets, Mexico has the lowest nominal wage as well as the worst real purchasing power parities (PPPs) wage in 2001, for it has the greatest equalized wage gap with the U.S. (82%).
- In other words, a Mexican worker earns only 18% of the purchasing power (material quality of life) enjoyed by the equivalent U.S. counterpart.
- Even in Brazil's case –the most similar economy with available data– the nominal wage and the wage gap are clearly less poor than in the Mexican case.
- Among Asian economies, all show higher nominal wages and smaller wage gaps than Mexico. South Korea, in particular, is practically at the same level than that of the G7 with a gap of only 29% in 2001.



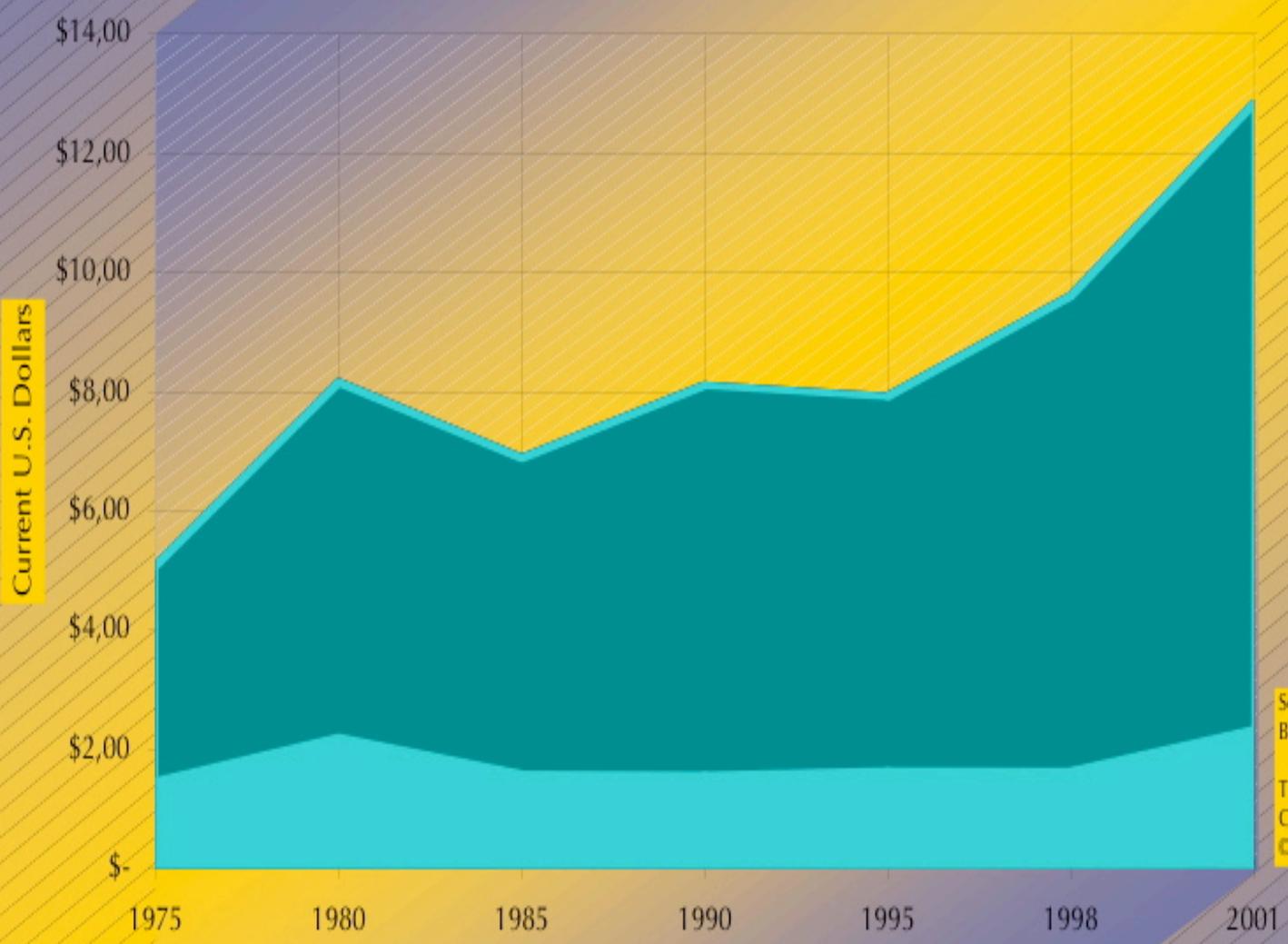
- In the last 26 years, all the G7 nations and South Korea experienced a significant reduction of their PPP wage gaps equalized with equivalent U.S. jobs, whilst Mexico moved in the opposite direction. This is, Mexico increased its equalization gap with the U.S. to a dramatic 82%.
- South Korea, with a much lower development than Mexico 26 years ago, dramatically reduced its wage gap, whilst Mexico increased the exclusion of a great part of its population by maintaining a labour market with hunger wages and, in consequence, the generation of aggregate demand completely depressed. Indeed, while México increased its gap by more than one-sixth in over a quarter of a century, South Korea instead reduced it from 90% to only 29% during the same period.



- Not only did Mexico not reduce the gap, but it widened it to truly dramatic levels, since its equalization index went from 29 in 1975 to a mere 18 in 2001.
- In great contrast, South Korea dramatically improved its equalization index from a bleak 10 to a respectable 71, just seven points below Japan, a G7 power.



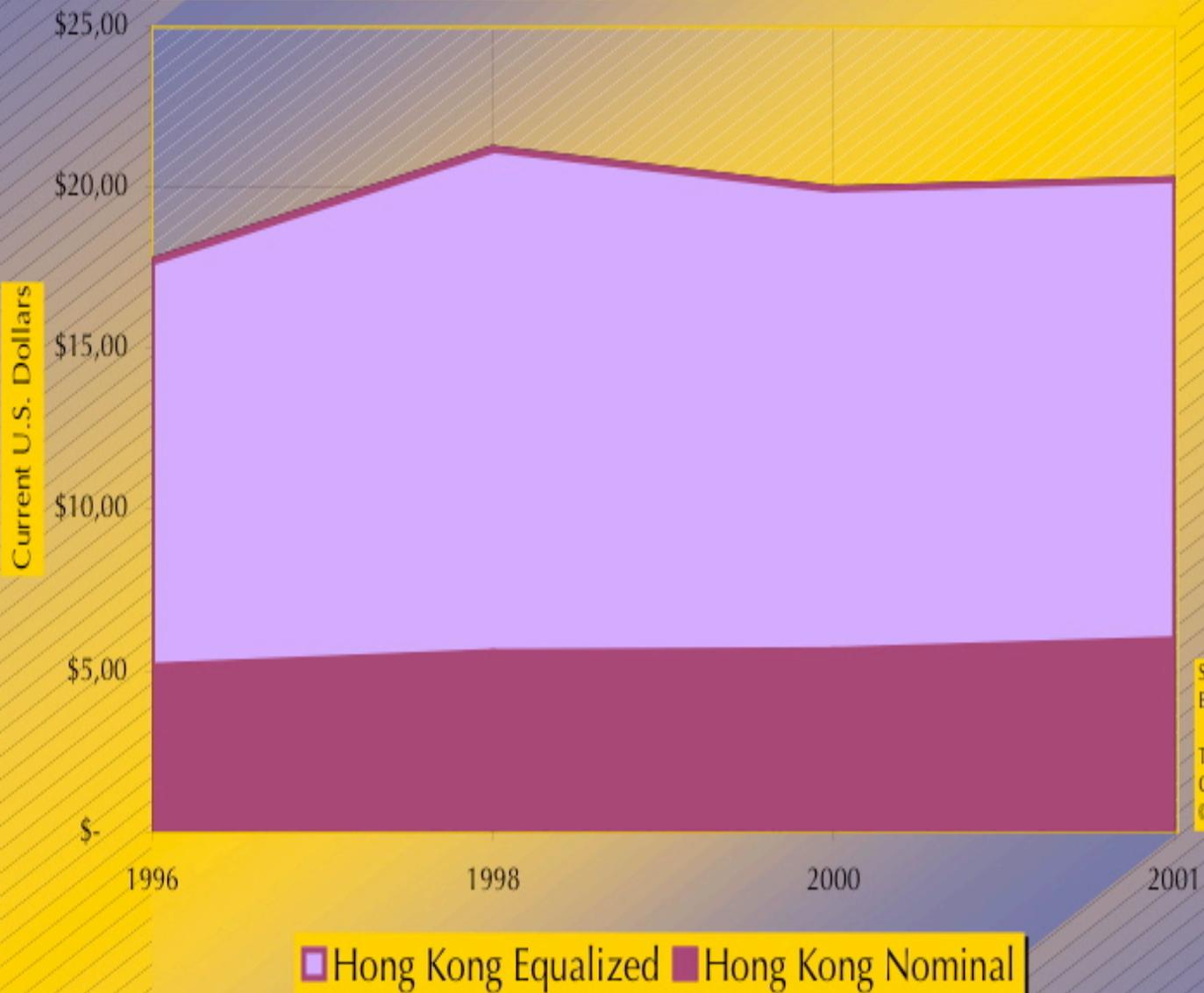
Gap Between Nominal Manufacturing Hourly Wage and PPPs Equalization to Real Wage with U.S.



Source: WB, U.S.
BLS, OECD.
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■ Mexico Equalized ■ Mexico Nominal

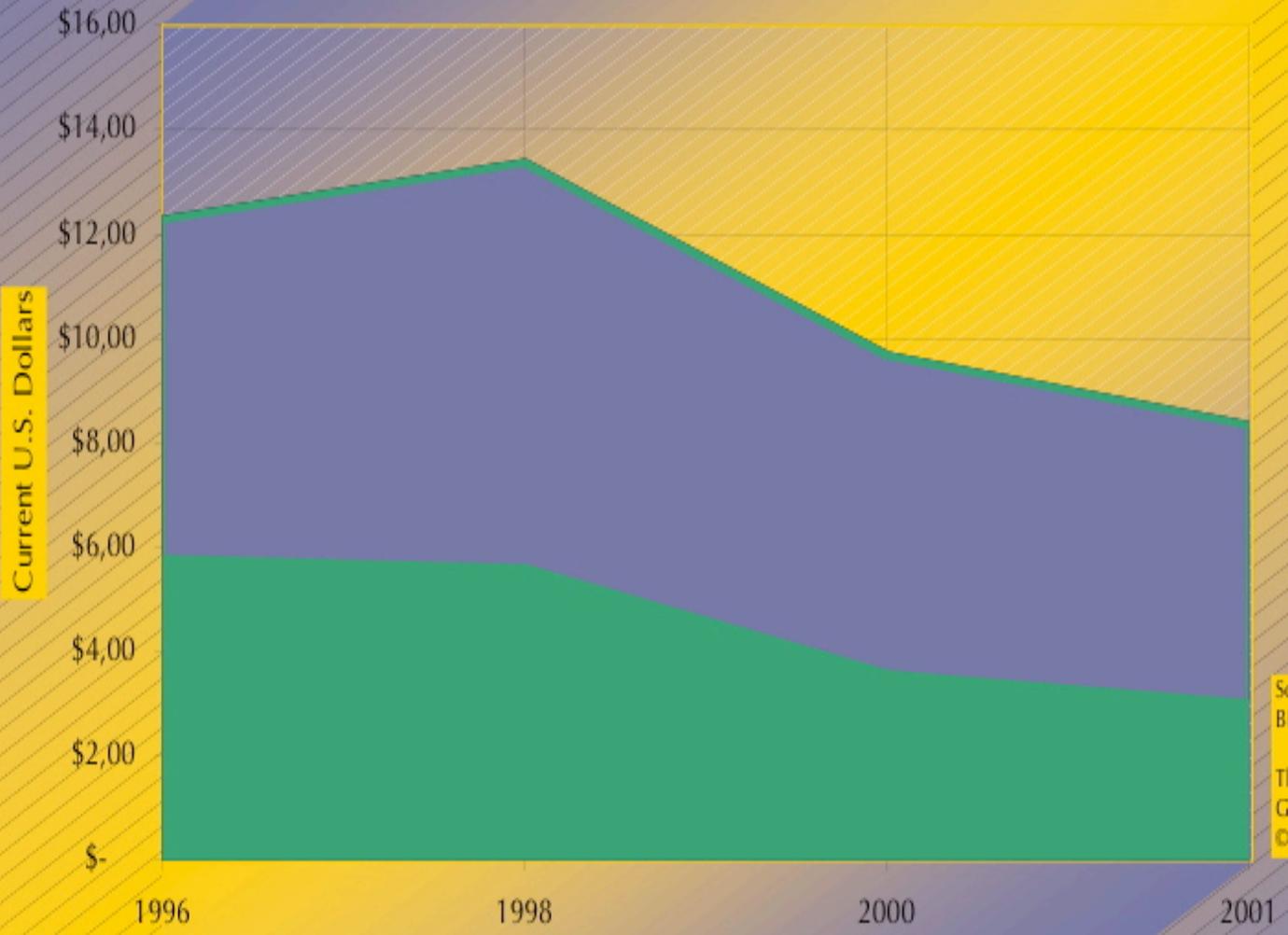
Gap Between Nominal Manufacturing Hourly Wage and PPPs Equalization to Real Wage with U.S.



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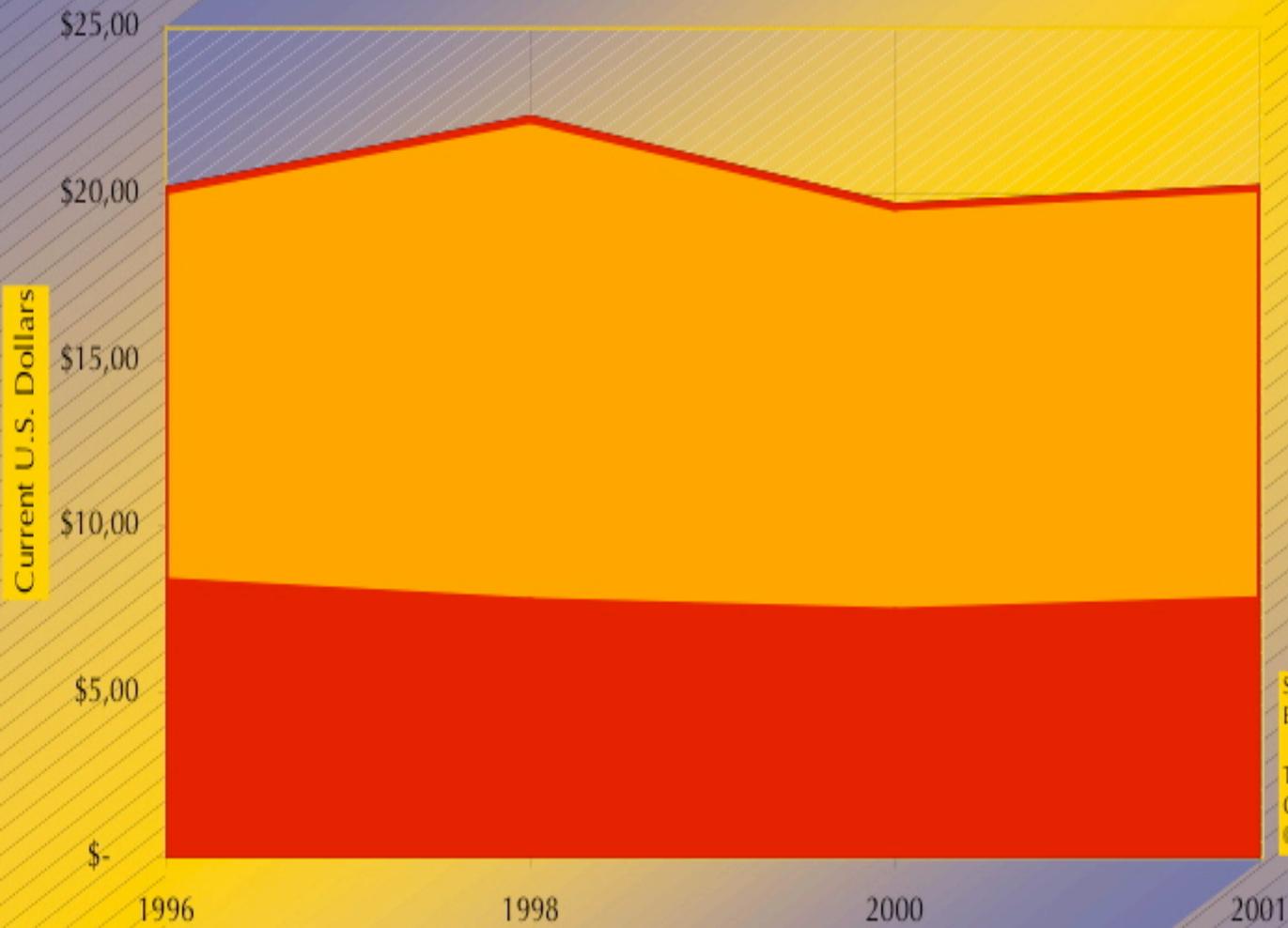
Gap Between Nominal Manufacturing Hourly Wage and PPPs Equalization to Real Wage with U.S.



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■ Brazil Equalized ■ Brazil Nominal

Gap Between Nominal Manufacturing Hourly Wage and PPPs Equalization to Real Wage with U.S.

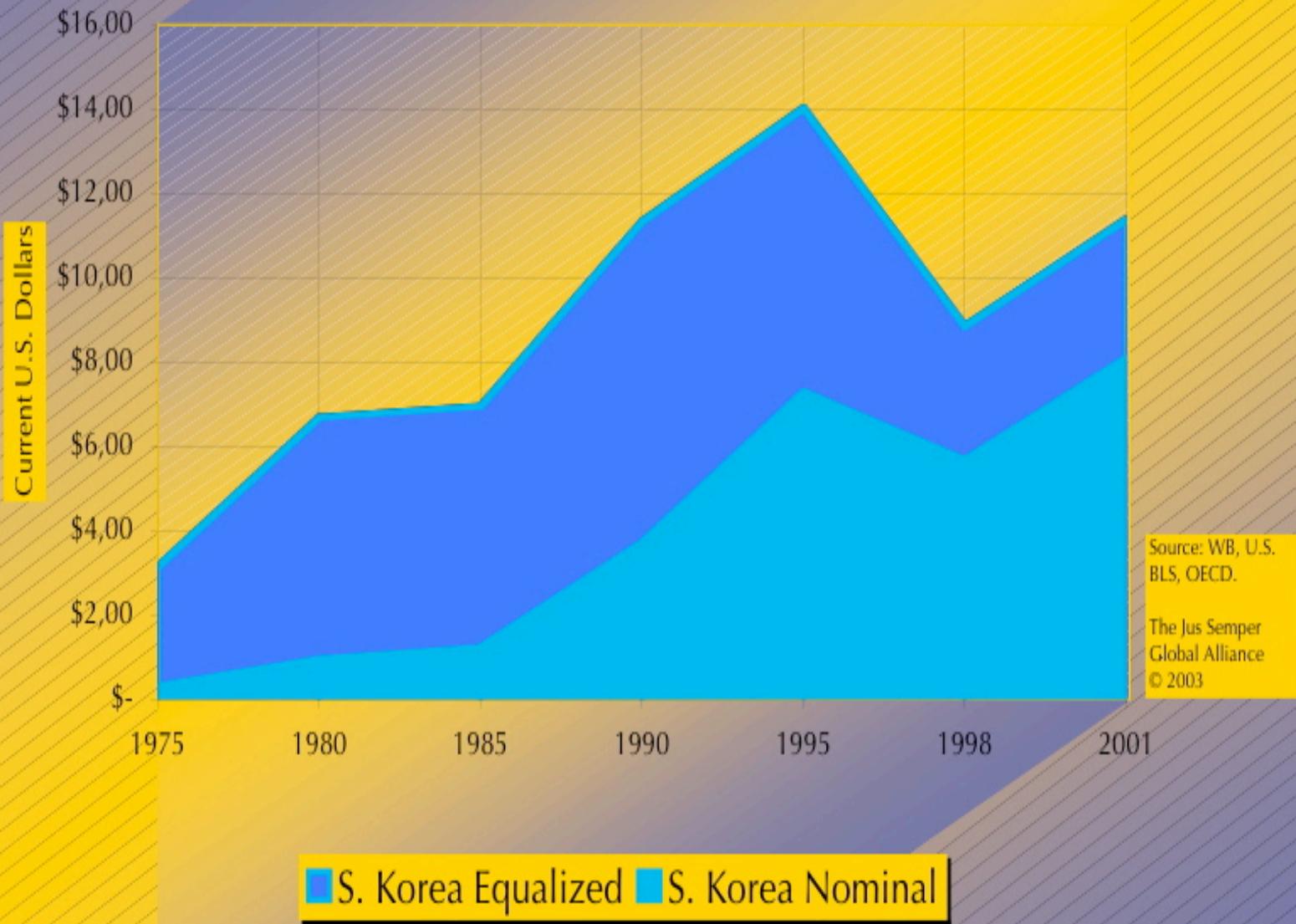


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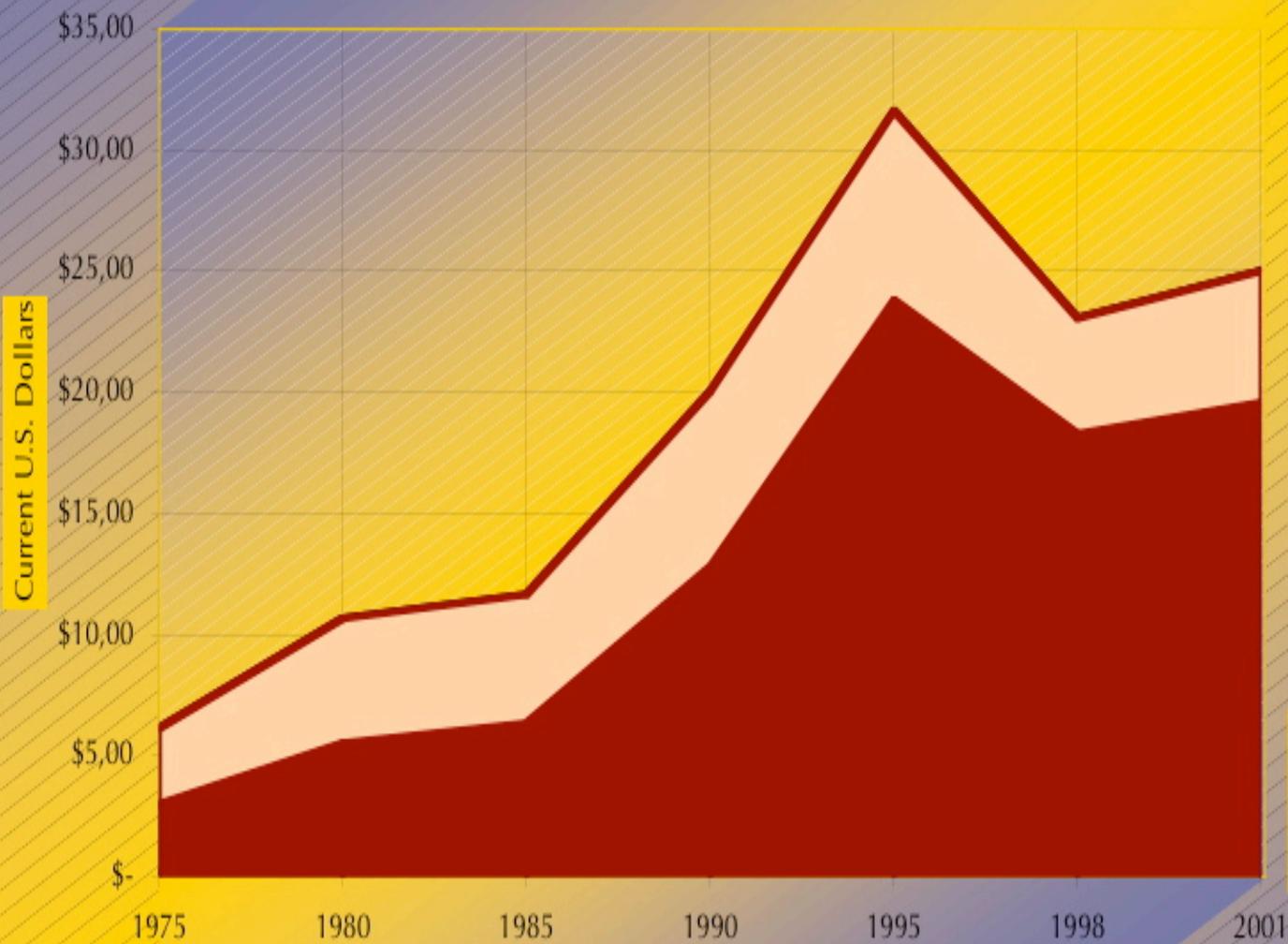
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□ Singapore Equalized ■ Singapore Nominal

Gap Between Nominal Manufacturing Hourly Wage and PPPs Equalization to Real with U.S.



Gap Between Nominal Manufacturing Hourly Wage and PPPs Equalization to Real Wage with U.S.

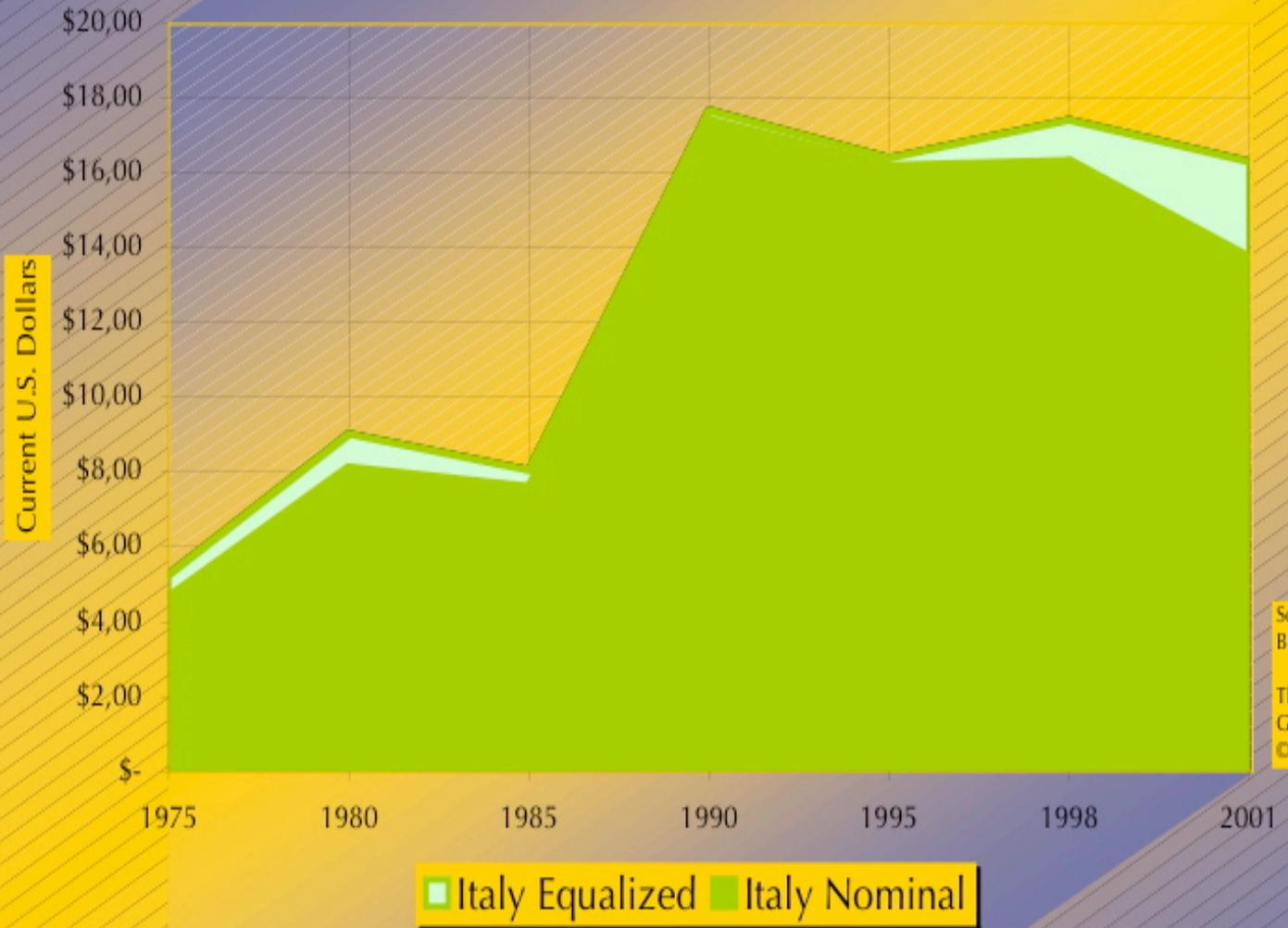


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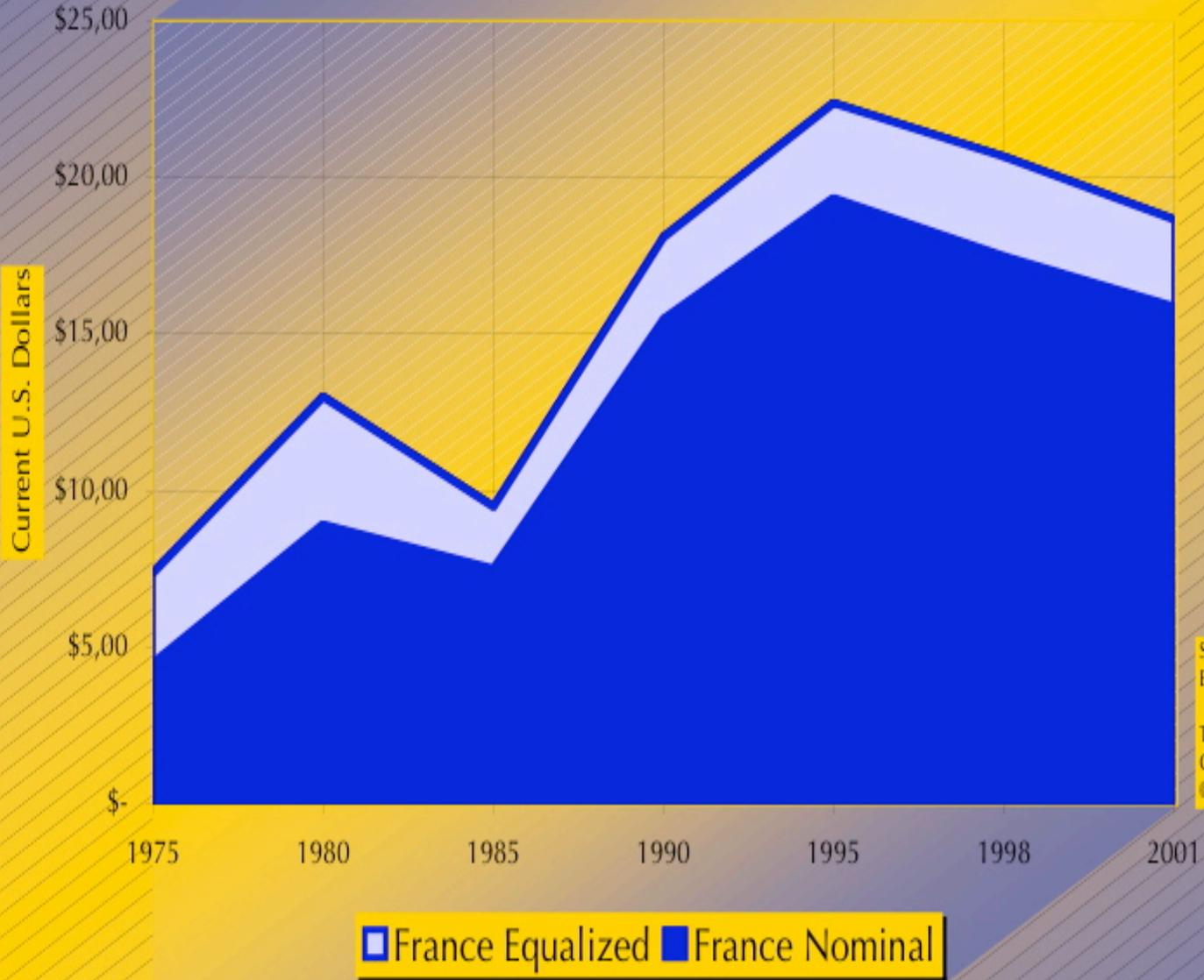
□ Japan Equalized ■ Japan Nominal

Gap Between Nominal Manufacturing Hourly Wage and PPPs Equalization to Real Wage with U.S.

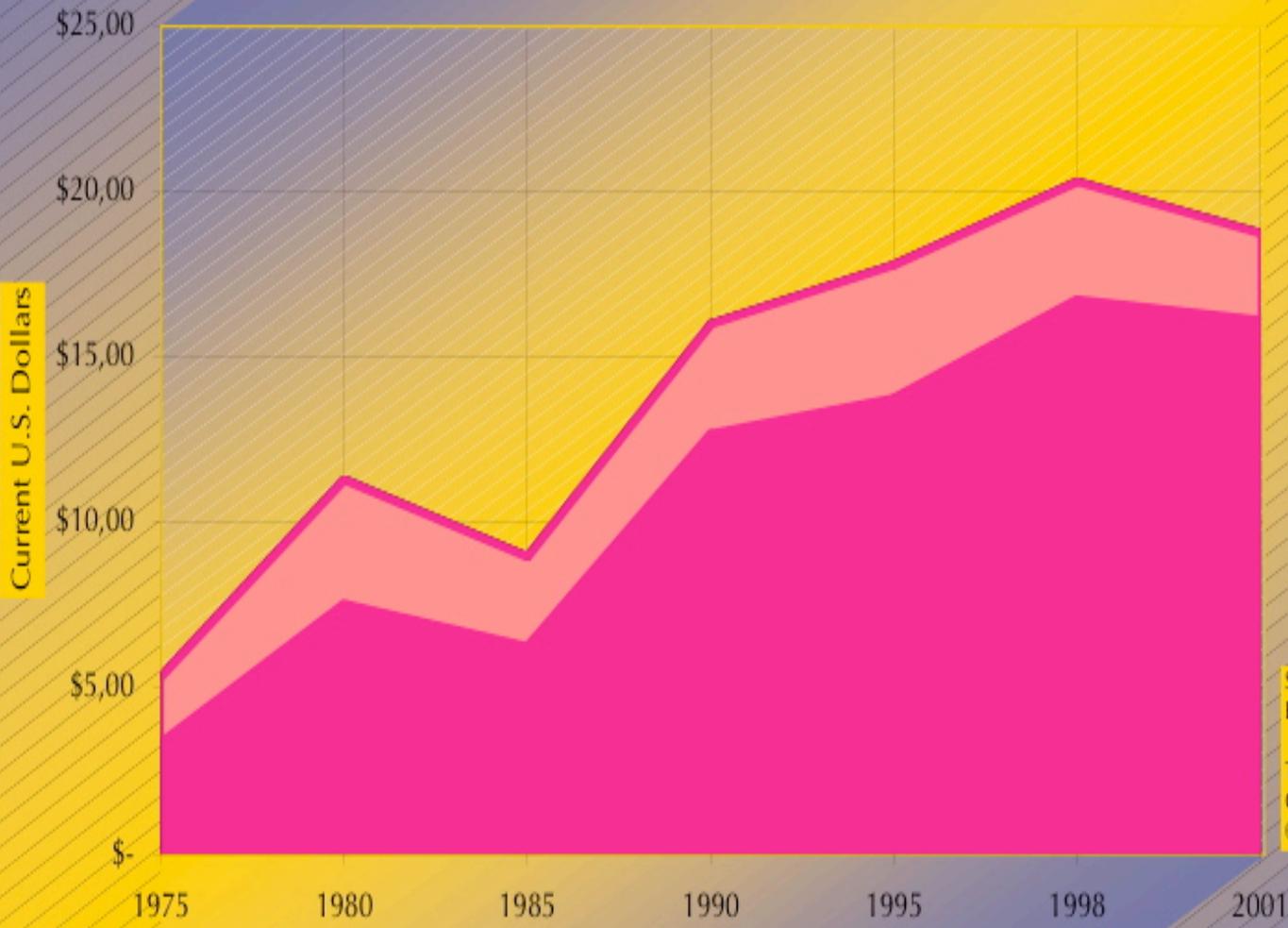


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Gap Between Nominal Manufacturing Hourly Wage and PPPs Equalization to Real Wage with U.S.



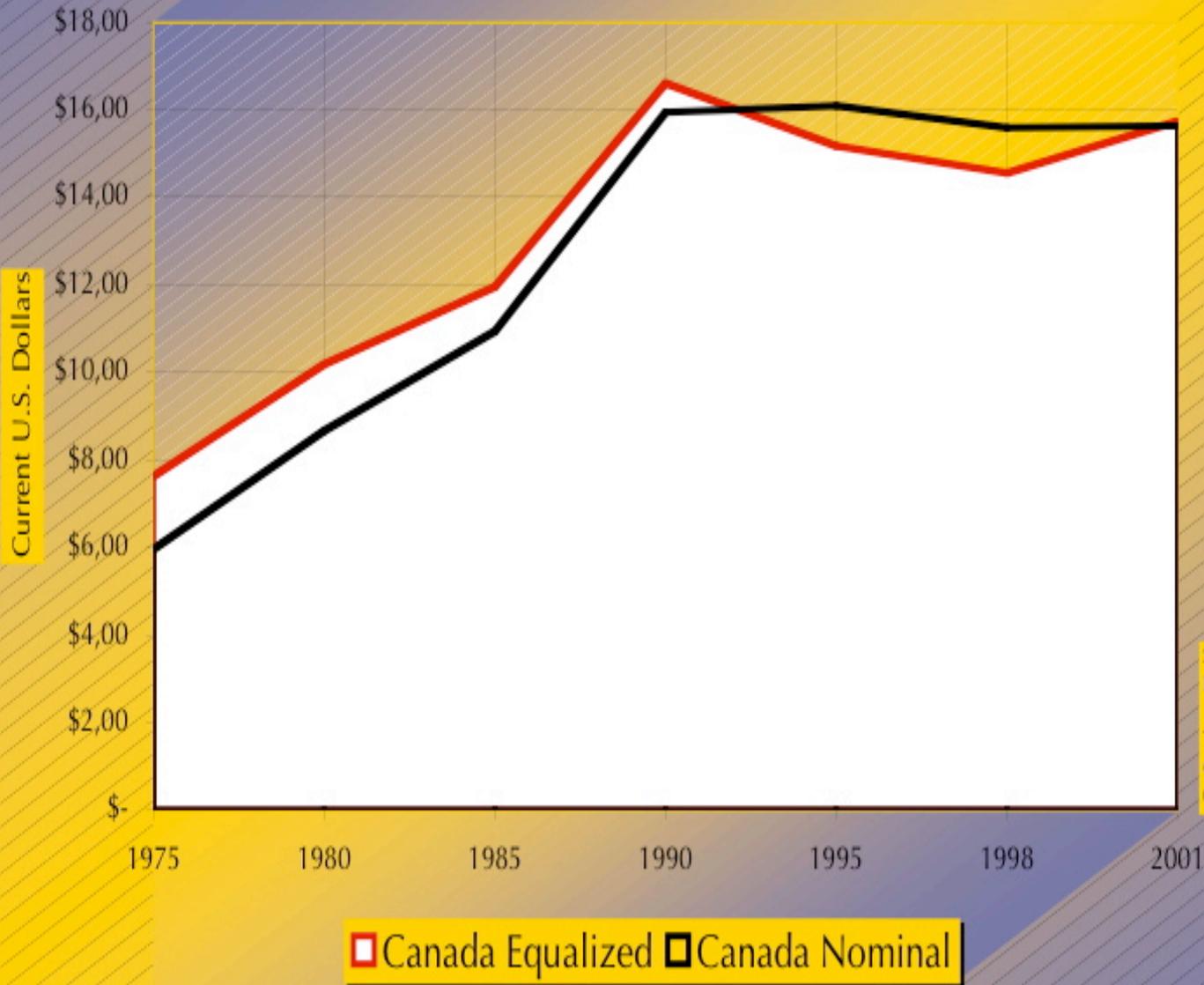
Gap Between Nominal Manufacturing Hourly Wage and PPPs Equalization to Real Wage with U.S.



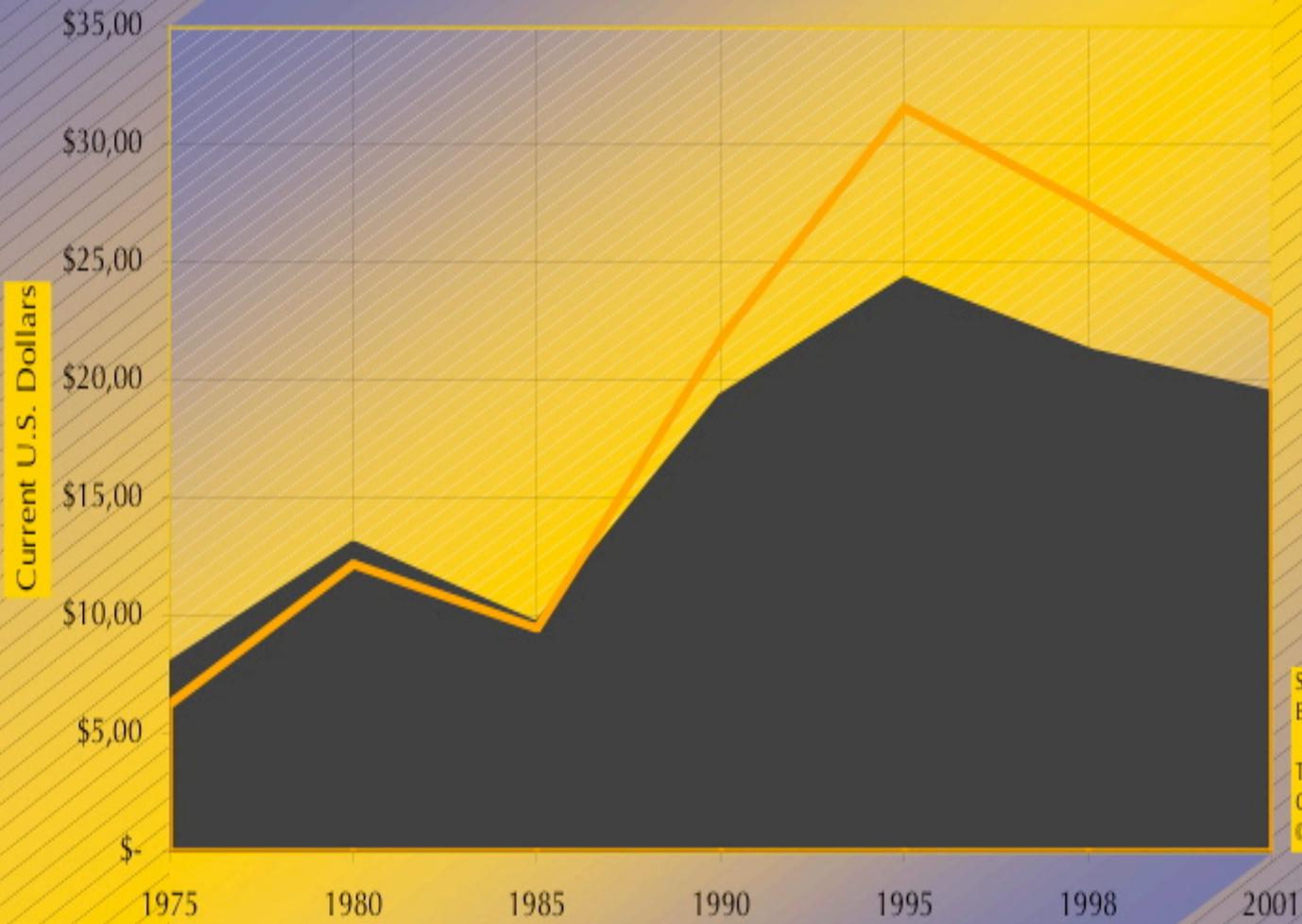
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Great Britain Equalized Great Britain Nominal

Gap Between Nominal Manufacturing Hourly Wage and PPPs Equalization to Real Wage with U.S.



Gap Between Nominal Manufacturing Hourly Wage and PPPs Equalization to Real Wage with U.S.



Source: WB, U.S.
BLS, OECD.

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■ Germany Equalized ■ Germany Nominal