

Table-T4: Living-Wage-Gap and Equalisation analysis (vis-à-vis the U.S.) for Europe –for production workers in manufacturing– in PPP terms 1975-2009 (last year of publication)*

In assessing the competitiveness in the equalisation of European countries' manufacturing wages (total hourly compensation costs) for production line (PL) workers –in purchasing power parity (PPP) terms– with equivalent U.S. wages, most countries lost ground in 2009 relative to their 2007 position. Only Switzerland was able to increase its advantage while Italy and Austria were able to sustain it. Most Euro countries lost some ground, despite a small currency revaluation, for nominal wages grew less than their PPPs. Other countries, prominently the UK, Sweden and Norway suffered a large devaluation, which provoked a dramatic drop in their wage equalisation indices, with the UK recording the worst performance.

In comparing 2009 with 2007 living-wage equalisations, there are four distinct groups defined by the behaviour of the key elements in wage equalisation: 1) those enjoying a considerable currency revaluation; 2) those with nominal wage increases –in local currency– marginally greater than the growth of their PPP cost of living and with small currency revaluations; 3) those with nominal wage increases –in domestic currency– smaller than the growth of their PPP cost of living and with small currency revaluations and 4) those with large currency devaluations.

- Between 2007 and 2009, Switzerland increased the value of its currency by 10,3%. Thus, despite nominal wages in Swiss francs growing less than its PPPs (3,6% vs 6,1%) real wages in U.S. dollars grew 7,7% versus 4,2% in the U.S. This allowed the equalisation index advantage of the wages of Swiss production workers to increase from a 101 to 104.
- When nominal wages in domestic currency increase at a marginally higher rate than PPPs and currencies also increase their value marginally, countries are generally able to marginally increase, sustain or, at the very least, lose little ground against U.S. wages, for real wages in U.S. dollars tend to increase at a similar rate as U.S. equivalent wages. This is the case of several euro area countries where the euro increased its value 1,6% and real wages in domestic currency –after adjusting for PPPs– increased an average of 1,9% which made real wages in U.S. dollars grow on average 3,4% versus 4,2% for U.S. wages. In this way, Italy and Austria sustained their indices, whilst Spain, Finland and Portugal's equalisation indices dropped by only 1 or 2 points. Additionally, Denmark also increased real wages in local currency 0,9% and the krone's value by 1,6%, which, caused wages in U.S. dollars to grow slightly less than U.S. wages (2,5% vs. 4,2%) and, consequently, its equalisation index to lose only 2 points (115 vs. 113).
- In contrast, countries increasing nominal wages –in domestic currency– below their cost of living in PPP terms experienced a clear drop in their equalisation indices with U.S. wages, even if their currencies gained some value. Germany, France, Netherlands, Belgium and Ireland averaged a loss of 1,3% in their euro wages in real terms –after adjusting for PPP cost of living. Thus, real wages in U.S. dollars barely grew –averaging 0,4% versus the U.S. 4,2%. Czech's hourly wages behaved in a similar way. Nominal wages in national currency grew below their PPPs, hence a drop of 5,4% in real terms. Thus, despite a 6% revaluation of the koruna, real wages in U.S. dollars grew less than 1%. As a whole, the country's in this group lost an average of almost 4 points in their equalisation index.
- The U.K, Sweden, Norway, Poland and Hungary suffered substantial currency devaluations, with the UK and Sweden losing the most (22,1% and 11,8% respectively). The UK's devaluation was so steep that its PPP cost of living dropped 5,4%. Thus, despite an 8,8% increase in real wages in British pounds, real wages in U.S. dollars dropped 15%. This caused the UK's index to drop dramatically, by 18,4% (from 95 to 77), the worst performance of all European countries. In Sweden nominal wages barely grew –after accounting for PPPs. Thus, its large currency devaluation made its index drop 14,8% and lose its previous compensation advantage (95 vs 111). In the remaining countries, a drop in real wages in local currency and currency devaluations averaging 9,1%, caused their equalisation indices to drop an average of more than 12%.

		1975	1980	1985	1990	1995	2000	2005	2007	2009
Benchmark	1. U.S. Hourly Production-line Rate	6,19	9,67	12,76	14,88	17,24	19,73	23,60	25,13	26,19
Germany	GNI PPPs in country currency*	3,062	2,330	2,042	1,795	1,831	1,075	0,888	0,794	0,826
	Exchange rate	2,4553	1,8175	2,9419	1,6166	1,4321	1,0832	0,8033	0,7293	0,7176
	GNI PPPs in US Dollars	\$ 1,25	\$ 1,28	\$ 0,69	\$ 1,11	\$ 1,28	\$ 0,99	\$ 1,11	\$ 1,09	\$ 1,15
	2. Equalised PPP nominal compensation US \$	\$ 7,72	\$ 12,39	\$ 8,86	\$ 16,52	\$ 22,04	\$ 19,58	\$ 26,08	\$ 27,35	\$ 30,16
	3. Actual Real compensation US \$	\$ 4,14	\$ 7,84	\$ 11,31	\$ 16,26	\$ 20,47	\$ 19,77	\$ 25,91	\$ 30,19	\$ 30,22
	4. Actual Nominal compensation US \$	\$ 5,16	\$ 10,05	\$ 7,85	\$ 18,05	\$ 26,17	\$ 19,62	\$ 28,64	\$ 32,85	\$ 34,80
	Compensation Deficit in US \$ (2 minus 4)	\$ 2,56	\$ 2,34	\$ 1,01	\$ (1,53)	\$ (4,13)	\$ (0,04)	\$ (2,56)	\$ (5,50)	\$ (4,64)
	Wage Equalisation index (4÷2 or 3÷1)	0,67	0,81	0,89	1,09	1,19	1,00	1,10	1,20	1,15
United Kingdom	GNI PPPs in country currency*	0,380	0,444	0,541	0,583	0,636	0,658	0,643	0,609	0,740
	Exchange rate	0,452	0,43	0,779	0,563	0,634	0,661	0,55	0,50	0,642
	GNI PPPs in US Dollars	\$ 0,84	\$ 1,03	\$ 0,69	\$ 1,04	\$ 1,00	\$ 1,00	\$ 1,17	\$ 1,22	\$ 1,15
	2. Equalised PPP nominal compensation US \$	\$ 5,21	\$ 9,97	\$ 8,86	\$ 15,41	\$ 17,29	\$ 19,65	\$ 27,57	\$ 30,60	\$ 30,19
	3. Actual Real compensation US \$	\$ 3,86	\$ 7,07	\$ 8,71	\$ 11,69	\$ 13,35	\$ 16,67	\$ 21,03	\$ 23,83	\$ 20,26
	4. Actual Nominal compensation US \$	\$ 3,25	\$ 7,29	\$ 6,05	\$ 12,11	\$ 13,39	\$ 16,60	\$ 24,57	\$ 29,01	\$ 23,35
	Compensation Deficit in US \$ (2 minus 4)	\$ 1,96	\$ 2,68	\$ 2,81	\$ 3,30	\$ 3,90	\$ 3,05	\$ 3,00	\$ 1,59	\$ 6,84
	Wage Equalisation index (4÷2 or 3÷1)	0,62	0,73	0,68	0,79	0,77	0,84	0,89	0,95	0,77

		1975	1980	1985	1990	1995	2000	2005	2007	2009
Benchmark	1. U.S. Hourly Production-line Rate	6,19	9,67	12,76	14,88	17,24	19,73	23,60	25,13	26,19
France	GNI PPPs in country currency*	4,978	5,714	6,716	6,366	6,212	1,030	0,936	0,874	0,901
	Exchange rate	4,29	4,23	8,99	5,450	4,990	1,0832	0,8033	0,7293	0,7176
	GNI PPPs in US Dollars	\$ 1,16 \$	1,35 \$	0,75 \$	1,17 \$	1,24 \$	0,95 \$	1,17 \$	1,20 \$	1,26
	2. Equalised PPP nominal compensation US \$	\$ 7,18 \$	13,06 \$	9,53 \$	17,38 \$	21,46 \$	18,77 \$	27,50 \$	30,10 \$	32,88
	3. Actual Real compensation US \$	\$ 4,07 \$	6,91 \$	10,51 \$	13,84 \$	16,08 \$	16,78 \$	21,42 \$	24,16 \$	24,23
	4. Actual Nominal compensation US \$	\$ 4,72 \$	9,33 \$	7,85 \$	16,17 \$	20,02 \$	15,96 \$	24,96 \$	28,94 \$	30,42
	Compensation Deficit in US \$ (2 minus 4)	\$ 2,46 \$	3,73 \$	1,68 \$	1,21 \$	1,44 \$	2,81 \$	2,54 \$	1,16 \$	2,46
	Wage Equalisation index (4÷2 or 3÷1)	0,66	0,71	0,82	0,93	0,93	0,85	0,91	0,96	0,93
Italy	GNI PPPs in country currency*	539,500	751,484	1151,038	1238,936	1548,189	0,891	0,875	0,773	0,790
	Exchange rate	652,85	856,45	1909,440	1198,1	1628,930	1,0832	0,8033	0,7293	0,7176
	GNI PPPs in US Dollars	\$ 0,83 \$	0,88 \$	0,60 \$	1,03 \$	0,95 \$	0,82 \$	1,09 \$	1,06 \$	1,10
	2. Equalised PPP nominal compensation US \$	\$ 5,12 \$	8,48 \$	7,69 \$	15,39 \$	16,39 \$	16,23 \$	25,69 \$	26,64 \$	28,81
	3. Actual Real compensation US \$	\$ 5,69 \$	9,35 \$	12,72 \$	17,42 \$	17,58 \$	17,67 \$	22,37 \$	26,65 \$	27,88
	4. Actual Nominal compensation US \$	\$ 4,70 \$	8,20 \$	7,67 \$	18,01 \$	16,71 \$	14,53 \$	24,35 \$	28,25 \$	30,67
	Compensation Deficit in US \$ (2 minus 4)	\$ 0,42 \$	0,28 \$	0,02 \$	(2,62) \$	(0,32) \$	1,70 \$	1,34 \$	(1,61) \$	(1,86)
	Wage Equalisation index (4÷2 or 3÷1)	0,92	0,97	1,00	1,17	1,02	0,90	0,95	1,06	1,06
Spain	GNI PPPs in country currency*	44,830	64,181	82,874	91,745	114,175	0,790	0,757	0,681	0,730
	Exchange rate	57,41	71,70	170,04	101,930	124,69	1,0832	0,8033	0,7293	0,7176
	GNI PPPs in US Dollars	\$ 0,78 \$	0,90 \$	0,49 \$	0,90 \$	0,92 \$	0,73 \$	0,94 \$	0,93 \$	1,02
	2. Equalised PPP nominal compensation US \$	\$ 4,83 \$	8,66 \$	6,22 \$	13,39 \$	15,79 \$	14,39 \$	22,25 \$	23,45 \$	26,64
	3. Actual Real compensation US \$	\$ 3,19 \$	6,47 \$	9,42 \$	12,48 \$	13,76 \$	14,49 \$	18,73 \$	22,61 \$	23,30
	4. Actual Nominal compensation US \$	\$ 2,49 \$	5,79 \$	4,59 \$	11,23 \$	12,60 \$	10,57 \$	17,66 \$	21,10 \$	23,70
	Compensation Deficit in US \$ (2 minus 4)	\$ 2,34 \$	2,87 \$	1,63 \$	2,16 \$	3,19 \$	3,82 \$	4,59 \$	2,35 \$	2,94
	Wage Equalisation index (4÷2 or 3÷1)	0,52	0,67	0,74	0,84	0,80	0,73	0,79	0,90	0,89
Netherlands	GNI PPPs in country currency*	3,0608	2,781	2,428	1,960	1,881	0,959	0,908	0,816	0,875
	Exchange rate	2,523	1,988	3,318	1,822	1,604	1,0832	0,8033	0,7293	0,7176
	GNI PPPs in US Dollars	\$ 1,21 \$	1,40 \$	0,73 \$	1,08 \$	1,17 \$	0,89 \$	1,13 \$	1,12 \$	1,22
	2. Equalised PPP nominal compensation US \$	\$ 7,51 \$	13,53 \$	9,34 \$	16,00 \$	20,21 \$	17,46 \$	26,68 \$	28,10 \$	31,92
	3. Actual Real compensation US \$	\$ 5,42 \$	8,60 \$	11,93 \$	16,73 \$	20,49 \$	21,09 \$	27,63 \$	31,86 \$	31,99
	4. Actual Nominal compensation US \$	\$ 6,57 \$	12,03 \$	8,73 \$	17,99 \$	24,02 \$	18,67 \$	31,24 \$	35,63 \$	38,99
	Compensation Deficit in US \$ (2 minus 4)	\$ 0,94 \$	1,50 \$	0,61 \$	(1,99) \$	(3,81) \$	(1,21) \$	(4,56) \$	(7,53) \$	(7,07)
	Wage Equalisation index (4÷2 or 3÷1)	0,87	0,89	0,94	1,12	1,19	1,07	1,17	1,27	1,22
Belgium	GNI PPPs in country currency*	44,808	39,383	37,303	33,976	34,317	0,974	0,907	0,839	0,887
	Exchange rate	36,69	29,2	59,34	33,42	29,47	1,0832	0,8033	0,7293	0,7176
	GNI PPPs in US Dollars	\$ 1,22 \$	1,35 \$	0,63 \$	1,02 \$	1,16 \$	0,90 \$	1,13 \$	1,15 \$	1,24
	2. Equalised PPP nominal compensation US \$	\$ 7,56 \$	13,04 \$	8,02 \$	15,13 \$	20,08 \$	17,75 \$	26,66 \$	28,92 \$	32,37
	3. Actual Real compensation US \$	\$ 5,19 \$	9,56 \$	14,35 \$	19,30 \$	24,34 \$	24,82 \$	30,23 \$	34,19 \$	34,63
	4. Actual Nominal compensation US \$	\$ 6,34 \$	12,89 \$	9,02 \$	19,62 \$	28,34 \$	22,32 \$	34,15 \$	39,35 \$	42,80
	Compensation Deficit in US \$ (2 minus 4)	\$ 1,22 \$	0,15 \$	(1,00) \$	(4,49) \$	(8,26) \$	(4,57) \$	(7,49) \$	(10,43) \$	(10,43)
	Wage Equalisation index (4÷2 or 3÷1)	0,84	0,99	1,12	1,30	1,41	1,26	1,28	1,36	1,32

		1975	1980	1985	1990	1995	2000	2005	2007	2009
Benchmark	1. U.S. Hourly Production-line Rate	6,19	9,67	12,76	14,88	17,24	19,73	23,60	25,13	26,19
Sweden	GNI PPPs in country currency*	6,30	6,529	7,238	8,192	8,955	9,763	9,735	8,392	9,831
	Exchange rate	4,142	4,2309	8,603	5,923	7,141	9,174	7,471	6,755	7,654
	GNI PPPs in US Dollars	\$ 1,52 \$	1,54 \$	0,84 \$	1,38 \$	1,25 \$	1,06 \$	1,30 \$	1,24 \$	1,28
	2. Equalised PPP nominal compensation US \$	\$ 9,42 \$	14,92 \$	10,73 \$	20,58 \$	21,62 \$	21,00 \$	30,75 \$	31,22 \$	33,64
	3. Actual Real compensation US \$	\$ 4,67 \$	8,02 \$	11,36 \$	14,97 \$	17,11 \$	19,03 \$	22,52 \$	27,90 \$	24,77
	4. Actual Nominal compensation US \$	\$ 7,10 \$	12,37 \$	9,56 \$	20,71 \$	21,45 \$	20,25 \$	29,34 \$	34,66 \$	31,82
	Compensation Deficit in US \$ (2 minus 4)	\$ 2,32 \$	2,55 \$	1,17 \$	(0,13) \$	0,17 \$	0,75 \$	1,41 \$	(3,44) \$	1,82
	Wage Equalisation index (4÷2 or 3÷1)	0,75	0,83	0,89	1,01	0,99	0,96	0,95	1,11	0,95
Switzerland	GNI PPPs in country currency*	3,166	2,351	2,065	1,879	1,805	1,998	1,808	1,571	1,511
	Exchange rate	2,581	1,675	2,455	1,390	1,181	1,690	1,245	1,200	1,088
	GNI PPPs in US Dollars	\$ 1,23 \$	1,40 \$	0,84 \$	1,35 \$	1,53 \$	1,18 \$	1,45 \$	1,31 \$	1,39
	2. Equalised PPP nominal compensation US \$	\$ 7,59 \$	13,57 \$	10,73 \$	20,12 \$	26,35 \$	23,33 \$	34,27 \$	32,90 \$	36,37
	3. Actual Real compensation US \$	\$ 5,01 \$	7,96 \$	11,58 \$	15,55 \$	19,25 \$	18,01 \$	21,30 \$	25,40 \$	27,36
	4. Actual Nominal compensation US \$	\$ 6,14 \$	11,17 \$	9,74 \$	21,02 \$	29,43 \$	21,29 \$	30,93 \$	33,25 \$	37,99
	Compensation Deficit in US \$ (2 minus 4)	\$ 1,45 \$	2,40 \$	0,99 \$	(0,90) \$	(3,08) \$	2,04 \$	3,34 \$	(0,35) \$	(1,62)
	Wage Equalisation index (4÷2 or 3÷1)	0,81	0,82	0,91	1,04	1,12	0,91	0,90	1,01	1,04
Norway	GNI PPPs in country currency*	8,36	8,234	9,437	9,365	8,714	8,867	8,426	8,137	9,604
	Exchange rate	5,214	4,938	8,593	6,254	6,336	8,813	6,441	5,856	6,2908
	GNI PPPs in US Dollars	\$ 1,60 \$	1,67 \$	1,10 \$	1,50 \$	1,38 \$	1,01 \$	1,31 \$	1,39 \$	1,53
	2. Equalised PPP nominal compensation US \$	\$ 9,93 \$	16,12 \$	14,01 \$	22,28 \$	23,71 \$	19,85 \$	30,87 \$	34,92 \$	39,98
	3. Actual Real compensation US \$	\$ 4,37 \$	7,12 \$	9,57 \$	14,48 \$	17,99 \$	22,03 \$	28,44 \$	33,08 \$	29,80
	4. Actual Nominal compensation US \$	\$ 7,01 \$	11,88 \$	10,51 \$	21,68 \$	24,74 \$	22,17 \$	37,21 \$	45,97 \$	45,50
	Compensation Deficit in US \$ (2 minus 4)	\$ 2,92 \$	4,24 \$	3,50 \$	0,60 \$	(1,03) \$	(2,32) \$	(6,34) \$	(11,05) \$	(5,52)
	Wage Equalisation index (4÷2 or 3÷1)	0,71	0,74	0,75	0,97	1,04	1,12	1,21	1,32	1,14
Austria	GNI PPPs in country currency*	17,80	13,934	13,129	11,831	11,990	0,990	0,897	0,824	0,867
	Exchange rate	17,4	12,93	20,68	11,33	10,08	1,0832	0,8033	0,7293	0,7176
	GNI PPPs in US Dollars	\$ 1,02 \$	1,08 \$	0,63 \$	1,04 \$	1,19 \$	0,91 \$	1,12 \$	1,13 \$	1,21
	2. Equalised PPP nominal compensation US \$	\$ 6,33 \$	10,42 \$	8,10 \$	15,54 \$	20,51 \$	18,03 \$	26,36 \$	28,39 \$	31,65
	3. Actual Real compensation US \$	\$ 4,45 \$	8,31 \$	12,07 \$	17,16 \$	21,44 \$	21,89 \$	26,86 \$	31,15 \$	32,38
	4. Actual Nominal compensation US \$	\$ 4,55 \$	8,96 \$	7,66 \$	17,92 \$	25,50 \$	20,00 \$	30,00 \$	35,19 \$	39,14
	Compensation Deficit in US \$ (2 minus 4)	\$ 1,78 \$	1,46 \$	0,44 \$	(2,38) \$	(4,99) \$	(1,97) \$	(3,64) \$	(6,80) \$	(7,49)
	Wage Equalisation index (4÷2 or 3÷1)	0,72	0,86	0,95	1,15	1,24	1,11	1,14	1,24	1,24
Denmark	GNI PPPs in country currency*	8,02	8,515	8,672	8,304	7,953	9,136	8,654	7,805	8,152
	Exchange rate	5,735	5,629	10,6	6,190	5,60	8,095	5,995	5,441	5,357
	GNI PPPs in US Dollars	\$ 1,40 \$	1,51 \$	0,82 \$	1,34 \$	1,42 \$	1,13 \$	1,44 \$	1,43 \$	1,52
	2. Equalised PPP nominal compensation US \$	\$ 8,65 \$	14,63 \$	10,44 \$	19,96 \$	24,48 \$	22,27 \$	34,07 \$	36,05 \$	39,85
	3. Actual Real compensation US \$	\$ 4,46 \$	7,15 \$	9,82 \$	13,63 \$	17,51 \$	19,01 \$	24,06 \$	28,85 \$	29,57
	4. Actual Nominal compensation US \$	\$ 6,23 \$	10,82 \$	8,03 \$	18,29 \$	24,87 \$	21,45 \$	34,73 \$	41,39 \$	44,99
	Compensation Deficit in US \$ (2 minus 4)	\$ 2,42 \$	3,81 \$	2,41 \$	1,67 \$	(0,39) \$	0,82 \$	(0,66) \$	(5,34) \$	(5,14)
	Wage Equalisation index (4÷2 or 3÷1)	0,72	0,74	0,77	0,92	1,02	0,96	1,02	1,15	1,13

		1975	1980	1985	1990	1995	2000	2005	2007	2009
Benchmark	1. U.S. Hourly Production-line Rate	6,19	9,67	12,76	14,88	17,24	19,73	23,60	25,13	26,19
Finland	GNI PPPs in country currency*	4,62	4,689	5,277	5,653	5,132	1,082	1,004	0,891	0,933
	Exchange rate	3,679	3,73	6,197	3,830	4,367	1,0832	0,8033	0,7293	0,7176
	GNI PPPs in US Dollars	\$ 1,25 \$	1,26 \$	0,85 \$	1,48 \$	1,18 \$	1,00 \$	1,25 \$	1,22 \$	1,30
	2. Equalised PPP nominal compensation US \$	\$ 7,77 \$	12,16 \$	10,87 \$	21,96 \$	20,26 \$	19,71 \$	29,49 \$	30,69 \$	34,04
	3. Actual Real compensation US \$	\$ 3,98 \$	6,76 \$	9,65 \$	14,01 \$	19,34 \$	17,75 \$	22,96 \$	27,55 \$	28,38
	4. Actual Nominal compensation US \$	\$ 4,99 \$	8,50 \$	8,22 \$	20,68 \$	22,73 \$	17,73 \$	28,69 \$	33,64 \$	36,88
	Compensation Deficit in US \$ (2 minus 4)	\$ 2,78 \$	3,66 \$	2,65 \$	1,28 \$	(2,47) \$	1,98 \$	0,80 \$	(2,95) \$	(2,84)
	Wage Equalisation index (4÷2 or 3÷1)	0,64	0,70	0,76	0,94	1,12	0,90	0,97	1,10	1,08
Ireland	GNI PPPs in country currency*	0,405	0,483	0,630	0,610	0,626	1,018	1,019	0,910	0,968
	Exchange rate	0,4500	0,4860	0,9384	0,6030	0,6235	1,0832	0,8033	0,7293	0,7176
	GNI PPPs in US Dollars	\$ 0,90 \$	0,99 \$	0,67 \$	1,01 \$	1,00 \$	0,94 \$	1,27 \$	1,25 \$	1,35
	2. Equalised PPP nominal compensation US \$	\$ 5,57 \$	9,61 \$	8,57 \$	15,04 \$	17,31 \$	18,55 \$	29,94 \$	31,37 \$	35,32
	3. Actual Real compensation US \$	\$ 4,12 \$	6,84 \$	9,74 \$	12,64 \$	14,77 \$	14,39 \$	19,29 \$	23,07 \$	23,06
	4. Actual Nominal compensation US \$	\$ 3,71 \$	6,80 \$	6,54 \$	12,78 \$	14,83 \$	13,53 \$	24,47 \$	28,80 \$	31,09
	Compensation Deficit in US \$ (2 minus 4)	\$ 1,86 \$	2,81 \$	2,03 \$	2,26 \$	2,48 \$	5,02 \$	5,47 \$	2,57 \$	4,23
	Wage Equalisation index (4÷2 or 3÷1)	0,67	0,71	0,76	0,85	0,86	0,73	0,82	0,92	0,88
Portugal	GNI PPPs in country currency*	18,43	31,020	63,703	91,126	122,030	0,752	0,689	0,620	0,651
	Exchange rate	25,45	50,05	172,1	142,7	149,9	1,0832	0,8033	0,7293	0,7176
	GNI PPPs in US Dollars	\$ 0,72 \$	0,62 \$	0,37 \$	0,64 \$	0,81 \$	0,69 \$	0,86 \$	0,85 \$	0,91
	2. Equalised PPP nominal compensation US \$	\$ 4,48 \$	5,99 \$	4,72 \$	9,50 \$	14,03 \$	13,70 \$	20,24 \$	21,36 \$	23,77
	3. Actual Real compensation US \$	\$ 2,47 \$	3,76 \$	4,67 \$	6,62 \$	7,20 \$	7,21 \$	8,70 \$	10,33 \$	10,58
	4. Actual Nominal compensation US \$	\$ 1,79 \$	2,33 \$	1,73 \$	4,23 \$	5,86 \$	5,01 \$	7,46 \$	8,78 \$	9,60
	Compensation Deficit in US \$ (2 minus 4)	\$ 2,69 \$	3,66 \$	2,99 \$	5,27 \$	8,17 \$	8,69 \$	12,78 \$	12,58 \$	14,17
	Wage Equalisation index (4÷2 or 3÷1)	0,40	0,39	0,37	0,45	0,42	0,37	0,37	0,41	0,40

	1995	2000	2005	2007	2009
Benchmark	17,24	19,73	23,60	25,13	26,19
1. U.S. Hourly Production-line Rate					
Poland					
GNI PPPs in country currency*	1,572	1,907	1,745	1,683	2,090
Exchange rate	3,28	4,350	3,236	2,768	3,12
GNI PPPs in US Dollars	\$ 0,48	\$ 0,44	\$ 0,54	\$ 0,61	\$ 0,67
2. Equalised PPP nominal compensation US \$	\$ 8,76	\$ 8,65	\$ 12,73	\$ 15,28	\$ 17,54
3. Actual Real compensation US \$	\$ 5,63	\$ 6,27	\$ 8,12	\$ 9,89	\$ 9,17
4. Actual Nominal compensation US \$ (wage for 1995 is for 1997)	\$ 2,70	\$ 2,75	\$ 4,38	\$ 6,01	\$ 6,14
Compensation Deficit in US \$ (2 minus 4)	\$ 6,06	\$ 5,90	\$ 8,35	\$ 9,27	\$ 11,40
Wage Equalisation index (4÷2 or 3÷1)	0,31	0,32	0,34	0,39	0,35
Czech Rep.					
GNI PPPs in country currency*	9,283	15,282	13,957	12,931	14,016
Exchange rate	26,54	38,60	23,960	20,53	19,373
GNI PPPs in US Dollars	\$ 0,35	\$ 0,40	\$ 0,58	\$ 0,63	\$ 0,72
2. Equalised PPP nominal compensation US \$	\$ 6,03	\$ 7,81	\$ 13,75	\$ 15,83	\$ 18,95
3. Actual Real compensation US \$	\$ 7,26	\$ 7,20	\$ 10,42	\$ 13,02	\$ 13,14
4. Actual Nominal compensation US \$	\$ 2,54	\$ 2,85	\$ 6,07	\$ 8,20	\$ 9,51
Compensation Deficit in US \$ (2 minus 4)	\$ 3,49	\$ 4,96	\$ 7,68	\$ 7,63	\$ 9,44
Wage Equalisation index (4÷2 or 3÷1)	0,42	0,36	0,44	0,52	0,50
Hungary					
GNI PPPs in country currency*	60,985	112,968	127,503	118,239	137,415
Exchange rate	125,68	282,18	199,58	183,63	202,34
GNI PPPs in US Dollars	\$ 0,49	\$ 0,40	\$ 0,64	\$ 0,64	\$ 0,68
2. Equalised PPP nominal compensation US \$	\$ 8,37	\$ 7,90	\$ 15,08	\$ 16,18	\$ 17,79
3. Actual Real compensation US \$	\$ 5,28	\$ 5,89	\$ 8,11	\$ 10,41	\$ 9,48
4. Actual Nominal compensation US \$	\$ 2,56	\$ 2,36	\$ 5,18	\$ 6,70	\$ 6,44
Compensation Deficit in US \$ (2 minus 4)	\$ 5,81	\$ 5,54	\$ 9,90	\$ 9,48	\$ 11,35
Wage Equalisation index (4÷2 or 3÷1)	0,31	0,30	0,34	0,41	0,36

* This will be the last report for production workers. Beginning with 2010, the data will report labour costs for all manufacturing employees, including production workers.

*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 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.
- GNI (Gross National Income) PPPs 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.
- GNI PPPs 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 GNI PPP, 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 compensation 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 Real Compensation is the hourly wage paid in a given country in purchasing power terms.
- Actual Nominal Compensation is the nominal hourly wage paid in a given country.
- Compensation deficit expresses the wage gap between the hourly nominal 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 equivalent PPP hourly pay (4 between 2): or the ratio of actual real pay (3) to the hourly nominal pay benchmark (1) (3 between 1).
- Note: Variations in previous years are due to revisions made by the sources, including the World Bank's new 2005 PPP benchmarks, which replaced the previous 1993 benchmarks.
- According to the World Bank, the 2005 PPPs are the most comprehensive for developing countries since 1993, and reveal that the size of their economies were often overestimated.

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)

- Database of World Bank's World Development Indicators, 1975-2010, (GNI & GNI PPP, Atlas method)
- X Hourly Compensation Costs for Production Workers in Manufacturing (34 Country Tables), updated on March 2011. U.S. Dept. of Labour, Bureau of Labour Statistics.
- Global Purchasing Power Parities and Real Expenditures. 2005 International Comparison Program. World Bank 2008.
- X PPPs for OECD Countries 1970-2002, OECD 2002 and GDP PPPs historical series 1970-1999.
- Purchasing Power parities – Measurement and Uses by Paul Schreyer and Francette Koechlin, OECD Statistical briefs, March 2002.