

The Jus Semper Global Alliance – Living-Wage-Gap and Equalisation analysis (vis-à-vis the U.S.) for PL manufacturing workers in purchasing power parity terms 1975-2008

In 2008, the international comparison of hourly compensation costs for production-line (PL) workers between the U.S. and selected developed and "emerging" markets, maintains a consistent trend towards surpassing or nearly equalising real wages in the euro area countries. Japan reverses a negative trend, whilst the UK and South Korea experience drastic increases in their wage gaps. Canada, Mexico, Brazil, Hong Kong and Singapore experience stagnation or little change in their equalisation positions.

In 2008 the shock of the greatest global depression since 1929, does not have a bearing yet in the real wages of PL manufacturing workers vis-à-vis their equalisation with the real wages of their U.S. counterparts, which grow 2,1%. This will occur beginning with the data for 2009. Real wages in the euro area keep their incremental trend, whilst –barring Japan the UK and South Korea– the remaining economies report no meaningful changes.

- In the four euro-area economies (France, Germany, Italy and Spain) the cost of living –in purchasing power parity terms– kept increasing as well as the strong appreciation trend of the euro, which increased 7,4% only in 2008 –increasing by 60% since it became the official currency in 2001. Nonetheless, real wages continued their ascending trend above the growth of equivalent wages in the U.S. This is reflected in the growth of the indices above wage equalisation in Germany and Italy (1,18 and 1,06 respectively), the near wage equalisation in France (98) and the continuity of the equalisation trend in Spain (89). In contrast, real wages in the UK endured a drastic drop of 10%, thus their equalisation index dropped from 97 to 85.
- In Asia, Japan reverts a trend that was dragging since 2001, which had stagnated its equalisation index at around 70 and allowed South Korea to surpass it in 2005. Therefore, in 2008, Japan's PL real wages experienced a rather strong increase of 17,5%, thus driving its equalisation index from 72 to 83, its best ever. In contrast, South Korea, which had experienced a consistent trend towards equalisation since 1975 –which reached an 85 index in 2007– suffered a strong devaluation of 18,3% and a drop of real wages of 13,9% in dollar terms. In this way, nominal wages dropped 16,2% in dollars and even 1% in local currency, thus driving down its index from 85 to 72. In the case of Hong Kong, real wages do not report any meaningful change in 2008 and maintain the same equalisation level reached in 2007 (32). Singapore experienced some improvement vis-à-vis the drop suffered in 2007, increasing its equalisation index to 53, albeit still below its best index of 55 reached in 2006. Since 1995, when it recorded a 51 index, Singapore has not experienced any consistent upwardly trend.
- In the Americas, Brazil's wage recovery –relative to its U.S. counterparts– remained stalled in 2008, with the same 2007 index (37). In 2009, Brazil instituted an annual increment of its minimum wages –starting in 2010– directly linked to the sum of the inflation index and the growth of GDP. This should reflect, beginning in 2010, a strong appreciation of manufacturing wages. Canada keeps a small surplus in wage equalisation with the U.S. of 103 for its PL workers. Mexico maintains its rigid and deliberate pauperisation policy, which in 2008 records a slight drop to 17; a position which has not changed since 2000 with minimum variations. Worst of all is that, beginning in 2009, with an economy completely dependent on the health of the U.S. economy, real wages are expected to deteriorate further, to the level recorded in 1995 or even worse. The subjection of Mexican wages to modern-slave work conditions, instead of bringing them closer to the U.S. benchmark, is driving them to the wage standards of China and India, which, due to their huge labour supply, are the benchmark for the worst exploitative wage indices.

		1975	1980	1985	1990	1995	2000	2005	2006	2007	2008
Benchmark	U.S. Hourly Production-line Rate	6,19	9,67	12,76	14,88	17,24	19,73	23,6	23,94	25,13	25,65
Canada	GNI PPPs in country currency*	1,222	1,055	1,233	1,180	1,270	1,190	1,167	1,146	1,198	1,202
	Exchange rate	1,017	1,169	1,366	1,167	1,373	1,486	1,212	1,134	1,073	1,066
	GNI PPPs in US Dollars	US\$ 1,20	US\$ 0,902	US\$ 0,90	US\$ 1,01	US\$ 0,92	US\$ 0,80	US\$ 0,96	US\$ 1,01	US\$ 1,12	US\$ 1,13
	2. Equalised PPP nominal compensation US \$	US\$ 7,44	US\$ 8,73	US\$ 11,52	US\$ 15,05	US\$ 15,95	US\$ 15,80	US\$ 22,72	US\$ 24,19	US\$ 28,07	US\$ 28,92
	3. Actual Real compensation US \$	US\$ 5,33	US\$ 10,00	US\$ 12,62	US\$ 16,44	US\$ 18,16	US\$ 20,95	US\$ 25,23	US\$ 25,85	US\$ 26,04	US\$ 26,41
	4. Actual Nominal compensation US \$	US\$ 6,40	US\$ 9,02	US\$ 11,39	US\$ 16,62	US\$ 16,80	US\$ 16,78	US\$ 24,29	US\$ 26,12	US\$ 29,08	US\$ 29,78
	Compensation Deficit in US \$ (2 minus 4)	US\$ 1,04	US\$ (0,29)	US\$ 0,13	US\$ (1,57)	US\$ (0,85)	US\$ (0,98)	US\$ (1,57)	US\$ (1,93)	US\$ (1,01)	US\$ (0,86)
	Wage Equalisation index (4÷2 or 3÷1)	0,86	1,03	0,99	1,10	1,05	1,06	1,07	1,08	1,04	1,03
South Korea	GNI PPPs in country currency*	238,9	363,5	449,5	489,2	649,4	650,0	760,4	734,5	737,7	849,8
	Exchange rate	484	607,4	870	707,8	771,3	1131	1024	954,3	929,0	1099
	GNI PPPs in US Dollars	US\$ 0,49	US\$ 0,60	US\$ 0,52	US\$ 0,69	US\$ 0,84	US\$ 0,57	US\$ 0,74	US\$ 0,77	US\$ 0,79	US\$ 0,77
	2. Equalised PPP nominal compensation US \$	US\$ 3,06	US\$ 5,79	US\$ 6,59	US\$ 10,28	US\$ 14,52	US\$ 11,34	US\$ 17,52	US\$ 18,42	US\$ 19,96	US\$ 19,83
	3. Actual Real compensation US \$	US\$ 0,67	US\$ 1,64	US\$ 2,63	US\$ 5,50	US\$ 8,97	US\$ 14,86	US\$ 17,78	US\$ 19,91	US\$ 21,34	US\$ 18,37
	4. Actual Nominal compensation US \$	US\$ 0,33	US\$ 0,98	US\$ 1,36	US\$ 3,80	US\$ 7,55	US\$ 8,54	US\$ 13,20	US\$ 15,32	US\$ 16,95	US\$ 14,20
	Compensation Deficit in US \$ (2 minus 4)	US\$ 2,73	US\$ 4,81	US\$ 5,23	US\$ 6,48	US\$ 6,97	US\$ 2,80	US\$ 4,32	US\$ 3,10	US\$ 3,01	US\$ 5,63
	Wage Equalisation index (4÷2 or 3÷1)	0,11	0,17	0,21	0,37	0,52	0,75	0,75	0,83	0,85	0,72

		1975	1980	1985	1990	1995	2000	2005	2006	2007	2008
Benchmark	U.S. Hourly Production-line Rate	6,19	9,67	12,76	14,88	17,24	19,73	23,6	23,94	25,13	25,65
Japan	GNI PPPs in country currency*	286	225,9	199,7	194,4	167,4	144,0	138,2	136,8	128,1	112,0
	Exchange rate	296,7	225,7	238,5	145,0	94,0	107,8	110,1	116,3	117,8	103,4
	GNI PPPs in US Dollars	US\$ 0,96	US\$ 1,00	US\$ 0,84	US\$ 1,34	US\$ 1,78	US\$ 1,34	US\$ 1,26	US\$ 1,18	US\$ 1,09	US\$ 1,08
	2. Equalised PPP nominal compensation US \$	US\$ 5,97	US\$ 9,68	US\$ 10,69	US\$ 19,95	US\$ 30,72	US\$ 26,36	US\$ 29,62	US\$ 28,16	US\$ 27,33	US\$ 27,79
	3. Actual Real compensation US \$	US\$ 3,06	US\$ 5,43	US\$ 7,45	US\$ 9,34	US\$ 13,10	US\$ 16,24	US\$ 16,98	US\$ 17,00	US\$ 18,18	US\$ 21,37
	4. Actual Nominal compensation US \$	US\$ 2,95	US\$ 5,43	US\$ 6,24	US\$ 12,52	US\$ 23,34	US\$ 21,69	US\$ 21,31	US\$ 19,99	US\$ 19,77	US\$ 23,15
	Compensation Deficit in US \$ (2 minus 4)	US\$ 3,02	US\$ 4,25	US\$ 4,45	US\$ 7,43	US\$ 7,38	US\$ 4,67	US\$ 8,31	US\$ 8,17	US\$ 7,56	US\$ 4,64
	Wage Equalisation index (4÷2 or 3÷1)	0,49	0,56	0,58	0,63	0,76	0,82	0,72	0,71	0,72	0,83
France	GNI PPPs in country currency*	4,978	4,815	6,689	6,003	6,186	1,033	0,935	0,930	0,861	0,857
	Exchange rate	4,282	4,22	8,98	5,447	4,986	1,083	0,803	0,796	0,7293	0,679
	GNI PPPs in US Dollars	US\$ 1,16	US\$ 1,14	US\$ 0,74	US\$ 1,10	US\$ 1,24	US\$ 0,95	US\$ 1,16	US\$ 1,17	US\$ 1,18	US\$ 1,26
	2. Equalised PPP nominal compensation US \$	US\$ 7,20	US\$ 11,03	US\$ 9,50	US\$ 16,40	US\$ 21,39	US\$ 18,81	US\$ 27,48	US\$ 27,96	US\$ 29,68	US\$ 32,37
	3. Actual Real compensation US \$	US\$ 4,02	US\$ 8,11	US\$ 10,43	US\$ 14,49	US\$ 15,93	US\$ 16,53	US\$ 21,16	US\$ 21,81	US\$ 24,16	US\$ 25,05
	4. Actual Nominal compensation US \$	US\$ 4,67	US\$ 9,25	US\$ 7,77	US\$ 15,97	US\$ 19,77	US\$ 15,76	US\$ 24,64	US\$ 25,48	US\$ 28,53	US\$ 31,61
	Compensation Deficit in US \$ (2 minus 4)	US\$ 2,53	US\$ 1,78	US\$ 1,73	US\$ 0,43	US\$ 1,62	US\$ 3,05	US\$ 2,84	US\$ 2,48	US\$ 1,15	US\$ 0,76
	Wage Equalisation index (4÷2 or 3÷1)	0,65	0,84	0,82	0,97	0,92	0,84	0,90	0,91	0,96	0,98
Germany	GNI PPPs in country currency*	3,062	1,986	2,039	1,692	1,832	1,076	0,887	0,897	0,831	0,807
	Exchange rate	2,455	1,815	2,942	1,617	1,432	1,083	0,803	0,796	0,7293	0,679
	GNI PPPs in US Dollars	US\$ 1,25	US\$ 1,09	US\$ 0,69	US\$ 1,05	US\$ 1,28	US\$ 0,99	US\$ 1,10	US\$ 1,13	US\$ 1,14	US\$ 1,19
	2. Equalised PPP nominal compensation US \$	US\$ 7,72	US\$ 10,58	US\$ 8,84	US\$ 15,57	US\$ 22,06	US\$ 19,60	US\$ 26,06	US\$ 26,97	US\$ 28,64	US\$ 30,47
	3. Actual Real compensation US \$	US\$ 5,02	US\$ 11,11	US\$ 13,65	US\$ 20,74	US\$ 20,45	US\$ 19,75	US\$ 25,93	US\$ 26,37	US\$ 28,82	US\$ 30,36
	4. Actual Nominal compensation US \$	US\$ 6,26	US\$ 12,16	US\$ 9,46	US\$ 21,71	US\$ 26,17	US\$ 19,62	US\$ 28,64	US\$ 29,70	US\$ 32,85	US\$ 36,07
	Compensation Deficit in US \$ (2 minus 4)	US\$ 1,46	US\$ (1,58)	US\$ (0,62)	US\$ (6,14)	US\$ (4,11)	US\$ (0,02)	US\$ (2,58)	US\$ (2,73)	US\$ (4,21)	US\$ (5,60)
	Wage Equalisation index (4÷2 or 3÷1)	0,81	1,15	1,07	1,39	1,19	1,00	1,10	1,10	1,15	1,18
Italy	GNI PPPs in country currency*	539,5	636,1	1149,4	1166,2	1544,5	0,892	0,875	0,879	0,809	0,782
	Exchange rate	652,4	855,1	1909	1198	1629	1,083	0,803	0,796	0,7293	0,679
	GNI PPPs in US Dollars	US\$ 0,83	US\$ 0,74	US\$ 0,60	US\$ 0,97	US\$ 0,95	US\$ 0,82	US\$ 1,09	US\$ 1,10	US\$ 1,11	US\$ 1,15
	2. Equalised PPP nominal compensation US \$	US\$ 5,12	US\$ 7,19	US\$ 7,68	US\$ 14,49	US\$ 16,35	US\$ 16,24	US\$ 25,70	US\$ 26,43	US\$ 27,87	US\$ 29,53
	3. Actual Real compensation US \$	US\$ 5,68	US\$ 11,04	US\$ 12,74	US\$ 18,50	US\$ 17,62	US\$ 17,65	US\$ 22,36	US\$ 22,81	US\$ 25,47	US\$ 27,25
	4. Actual Nominal compensation US \$	US\$ 4,70	US\$ 8,21	US\$ 7,67	US\$ 18,01	US\$ 16,71	US\$ 14,53	US\$ 24,35	US\$ 25,19	US\$ 28,25	US\$ 31,37
	Compensation Deficit in US \$ (2 minus 4)	US\$ 0,42	US\$ (1,02)	US\$ 0,01	US\$ (3,52)	US\$ (0,36)	US\$ 1,71	US\$ 1,35	US\$ 1,24	US\$ (0,38)	US\$ (1,84)
	Wage Equalisation index (4÷2 or 3÷1)	0,92	1,14	1,00	1,24	1,02	0,89	0,95	0,95	1,01	1,06
United Kingdom	GNI PPPs in country currency*	0,3802	0,372	0,535	0,547	0,634	0,657	0,640	0,653	0,596	0,685
	Exchange rate	0,4501	0,43	0,7708	0,5605	0,6335	0,6598	0,549	0,5420	0,4995	0,5392
	GNI PPPs in US Dollars	US\$ 0,84	US\$ 0,86	US\$ 0,69	US\$ 0,98	US\$ 1,00	US\$ 1,00	US\$ 1,17	US\$ 1,21	US\$ 1,19	US\$ 1,27
	2. Equalised PPP nominal compensation US \$	US\$ 5,23	US\$ 8,36	US\$ 8,86	US\$ 14,53	US\$ 17,26	US\$ 19,65	US\$ 27,53	US\$ 28,86	US\$ 30,01	US\$ 32,59
	3. Actual Real compensation US \$	US\$ 3,88	US\$ 8,50	US\$ 8,76	US\$ 12,48	US\$ 13,54	US\$ 16,75	US\$ 21,17	US\$ 21,24	US\$ 24,36	US\$ 21,93
	4. Actual Nominal compensation US \$	US\$ 3,28	US\$ 7,35	US\$ 6,08	US\$ 12,18	US\$ 13,55	US\$ 16,68	US\$ 24,70	US\$ 25,60	US\$ 29,09	US\$ 27,86
	Compensation Deficit in US \$ (2 minus 4)	US\$ 1,95	US\$ 1,01	US\$ 2,78	US\$ 2,35	US\$ 3,71	US\$ 2,97	US\$ 2,83	US\$ 3,26	US\$ 0,92	US\$ 4,73
	Wage Equalisation index (4÷2 or 3÷1)	0,63	0,88	0,69	0,84	0,79	0,85	0,90	0,89	0,97	0,85

	1975	1980	1985	1990	1995	2000	2005	2006	2007	2008
Benchmark	U.S. Hourly Production-line Rate									
	6,19	9,67	12,76	14,88	17,24	19,73	23,6	23,94	25,13	25,65
Spain	GNI PPPs in country currency*									
	44,83	54,308	82,781	86,358	113,841	0,791	0,758	0,772	0,695	0,703
	Exchange rate									
	57,39	71,64	170	102	124,6	1,083	0,803	0,796	0,7293	0,679
	GNI PPPs in US Dollars									
	US\$ 0,78	US\$ 0,76	US\$ 0,49	US\$ 0,85	US\$ 0,91	US\$ 0,73	US\$ 0,94	US\$ 0,97	US\$ 0,95	US\$ 1,04
	2. Equalised PPP nominal compensation US \$									
	US\$ 4,84	US\$ 7,33	US\$ 6,21	US\$ 12,60	US\$ 15,75	US\$ 14,41	US\$ 22,26	US\$ 23,21	US\$ 23,94	US\$ 26,57
	3. Actual Real compensation US \$									
	US\$ 3,16	US\$ 7,59	US\$ 9,34	US\$ 13,11	US\$ 13,65	US\$ 14,32	US\$ 18,61	US\$ 19,06	US\$ 21,98	US\$ 22,85
	4. Actual Nominal compensation US \$									
	US\$ 2,47	US\$ 5,75	US\$ 4,55	US\$ 11,10	US\$ 12,47	US\$ 10,46	US\$ 17,56	US\$ 18,48	US\$ 20,94	US\$ 23,67
	Compensation Deficit in US \$ (2 minus 4)									
	US\$ 2,37	US\$ 1,58	US\$ 1,66	US\$ 1,50	US\$ 3,28	US\$ 3,95	US\$ 4,70	US\$ 4,73	US\$ 3,00	US\$ 2,90
	Wage Equalisation index (4÷2 or 3÷1)									
	0,51	0,78	0,73	0,88	0,79	0,73	0,79	0,80	0,87	0,89
Mexico	GNI PPPs in country currency*									
	9,80	12,83	117,4	1254,0	3,717	5,402	7,122	7,124	7,385	7,759
	Exchange rate									
	12,5	22,97	256,9	2813	6,419	9,459	10,89	10,91	10,93	11,14
	GNI PPPs in US Dollars									
	US\$ 0,78	US\$ 0,56	US\$ 0,46	US\$ 0,45	US\$ 0,58	US\$ 0,57	US\$ 0,65	US\$ 0,65	US\$ 0,68	US\$ 0,70
	2. Equalised PPP nominal compensation US \$									
	US\$ 4,85	US\$ 5,40	US\$ 5,83	US\$ 6,63	US\$ 9,98	US\$ 11,27	US\$ 15,43	US\$ 15,63	US\$ 16,98	US\$ 17,86
	3. Actual Real compensation US \$									
	US\$ 1,82	US\$ 3,87	US\$ 3,39	US\$ 3,45	US\$ 2,47	US\$ 3,78	US\$ 4,05	US\$ 4,32	US\$ 4,43	US\$ 4,48
	4. Actual Nominal compensation US \$									
	US\$ 1,43	US\$ 2,16	US\$ 1,55	US\$ 1,54	US\$ 1,43	US\$ 2,16	US\$ 2,65	US\$ 2,82	US\$ 2,99	US\$ 3,12
	Compensation Deficit in US \$ (2 minus 4)									
	US\$ 3,42	US\$ 3,24	US\$ 4,28	US\$ 5,09	US\$ 8,55	US\$ 9,11	US\$ 12,78	US\$ 12,81	US\$ 13,99	US\$ 14,74
	Wage Equalisation index (4÷2 or 3÷1)									
	0,29	0,40	0,27	0,23	0,14	0,19	0,17	0,18	0,18	0,17

	1996	1998	2000	2002	2004	2005	2006	2007	2008
Benchmark	U.S. Hourly Production-line Rate								
	17,82	18,59	19,73	21,42	22,92	23,6	23,94	25,13	25,65
Brazil	GNI PPPs in country currency*								
	0,706	0,870	1,039	1,252	1,237	1,328	1,178	1,230	1,329
	Exchange rate								
	1,005	1,161	1,830	2,921	2,926	2,435	2,174	1,946	1,833
	GNI PPPs in US Dollars								
	US\$ 0,70	US\$ 0,75	US\$ 0,57	US\$ 0,43	US\$ 0,42	US\$ 0,55	US\$ 0,54	US\$ 0,63	US\$ 0,72
	2. Equalised PPP nominal compensation US \$								
	US\$ 12,52	US\$ 13,94	US\$ 11,20	US\$ 9,18	US\$ 9,69	US\$ 12,87	US\$ 12,97	US\$ 15,88	US\$ 18,59
	3. Actual Real compensation US \$								
	US\$ 8,20	US\$ 7,32	US\$ 6,17	US\$ 6,00	US\$ 7,43	US\$ 7,63	US\$ 9,23	US\$ 9,42	US\$ 9,56
	4. Actual Nominal compensation US \$								
	US\$ 5,76	US\$ 5,49	US\$ 3,50	US\$ 2,57	US\$ 3,14	US\$ 4,16	US\$ 5,00	US\$ 5,95	US\$ 6,93
	Compensation Deficit in US \$ (2 minus 4)								
	US\$ 6,76	US\$ 8,45	US\$ 7,70	US\$ 6,61	US\$ 6,55	US\$ 8,71	US\$ 7,97	US\$ 9,93	US\$ 11,66
	Wage Equalisation index (4÷2 or 3÷1)								
	0,46	0,39	0,31	0,28	0,32	0,32	0,39	0,37	0,37

		1980	1985	1990	1995	2000	2005	2006	2007	2008
Benchmark	U.S. Hourly Production-line Rate	9,67	12,76	14,88	17,24	19,73	23,6	23,94	25,13	25,65
Hong Kong	GNI PPPs in country currency*	4,24	4,61	5,59	7,81	7,80	6,14	5,754	5,605	5,565
	Exchange rate	4,976	7,791	7,790	7,736	7,792	7,788	7,768	7,802	7,786
	GNI PPPs in US Dollars	US\$ 0,85	US\$ 0,59	US\$ 0,72	US\$ 1,01	US\$ 1,00	US\$ 0,79	US\$ 0,74	US\$ 0,72	US\$ 0,71
	2. Equalised PPP nominal compensation US \$	US\$ 8,25	US\$ 7,55	US\$ 10,68	US\$ 17,40	US\$ 19,76	US\$ 18,60	US\$ 17,73	US\$ 18,05	US\$ 18,33
	3. Actual Real compensation US \$	US\$ 1,76	US\$ 2,92	US\$ 4,48	US\$ 4,77	US\$ 5,44	US\$ 7,17	US\$ 7,80	US\$ 8,05	US\$ 8,27
	4. Actual Nominal compensation US \$	US\$ 1,50	US\$ 1,73	US\$ 3,22	US\$ 4,81	US\$ 5,45	US\$ 5,65	US\$ 5,78	US\$ 5,78	US\$ 5,91
	Compensation Deficit in US \$ (2 minus 4)	US\$ 6,75	US\$ 5,82	US\$ 7,46	US\$ 12,59	US\$ 14,31	US\$ 12,95	US\$ 11,95	US\$ 12,27	US\$ 12,42
	Wage Equalisation index (4÷2 or 3÷1)	0,18	0,23	0,30	0,28	0,28	0,30	0,33	0,32	0,32
Singapore	GNI PPPs in country currency*	1,31	1,35	1,148	1,25	1,20	1,10	1,054	1,017	1,025
	Exchange rate	2,141	2,200	1,813	1,417	1,725	1,664	1,588	1,507	1,414
	GNI PPPs in US Dollars	US\$ 0,61	US\$ 0,61	US\$ 0,63	US\$ 0,88	US\$ 0,70	US\$ 0,66	US\$ 0,66	US\$ 0,67	US\$ 0,73
	2. Equalised PPP nominal compensation US \$	US\$ 5,94	US\$ 7,82	US\$ 9,42	US\$ 15,23	US\$ 13,78	US\$ 15,66	US\$ 15,89	US\$ 16,95	US\$ 18,60
	3. Actual Real compensation US \$	US\$ 2,54	US\$ 4,21	US\$ 6,05	US\$ 8,76	US\$ 10,51	US\$ 11,14	US\$ 13,17	US\$ 12,60	US\$ 13,56
	4. Actual Nominal compensation US \$	US\$ 1,56	US\$ 2,58	US\$ 3,83	US\$ 7,74	US\$ 7,34	US\$ 7,39	US\$ 8,74	US\$ 8,50	US\$ 9,83
	Compensation Deficit in US \$ (2 minus 4)	US\$ 4,38	US\$ 5,24	US\$ 5,59	US\$ 7,49	US\$ 6,44	US\$ 8,27	US\$ 7,15	US\$ 8,45	US\$ 8,77
	Wage Equalisation index (4÷2 or 3÷1)	0,26	0,33	0,41	0,51	0,53	0,47	0,55	0,50	0,53

***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 production-line 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):

- Data base of World Bank's World Development Indicators, 1975-2008, (GNI & GNI PPP, Atlas method)
- X Hourly Compensation Costs for Production Workers in Manufacturing (34 Country Tables), updated on August 2010. U.S. Dept. of Labour, Bureau of Labour Statistics.
- International Comparison of Manufacturing Productivity and Unit Labour Cost trends. U.S. Department of Labour, Bureau of Labour Statistics, October 2009.
- X Comparative Real GDP per Capita and per Employed Person, Fourteen Countries 1960-2008, July 2009. U.S. Department 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 Koehlin, OECD Statistical briefs, March 2002.