

**Table-T5 – Living-Wage Gap and Equalisation analysis (vis-à-vis the U.S.) for all employed in the manufacturing sector in PPP for private consumption terms 1996-2015 for twelve selected economies**

Beginning with 2012 the purchasing power parities (PPPs) used in the living-wage gap assessments refer to private consumption (i.e., household final consumption expenditures), as opposed to the PPPs for Gross Domestic Product previously applied. The PPP for GDP includes prices for the entire economy and not just for the private consumption of consumer households. This change enables Jus Semper to deliver a more accurate metric of all the indicators that we used in our methodology to assess the wage gaps between actual and equalised wage rates. The PPPs for private consumption have been therefore revised for all years beginning in 1996.

Although many nominal wage rates increased in 2014, they all devalued in 2015, averaging a drop of 12,6% in dollar value. Yet, of the 12 economies in this assessment, only half recorded a drop in their equalisation rates in 2015 vis-à-vis 2014, five were able to experience no change and one improved its position. This makes evident that manufacturing wage rates in local currencies increased enough to compensate for the drop in value in U.S. dollars and, more importantly, to compensate for fluctuations in purchasing power parity rates for private consumption. Nonetheless, equalisation trends for most economies have been stalled since 2010. Only Singapore has been able to sustain a growing trend. In contrast, the UK equalisation index has been dropping since 2006 and it is at its lowest level since 1996.

- Among East Asian countries, South Korea has not been able to sustain its growing trend and instead declined in 2014 and then stalled. Japan shows a similar equalisation trend and has been declining since 2014 as well. After strong gains since 1996, particularly for South Korea, both reached their best position in 2012 or 2013, but in 2015 both dropped back to the levels recorded in 2010 for South Korea and 2006 for Japan, with Eq-Idx of 66 and 67 respectively. Singapore in contrast has been able to sustain a growing Eq-Idx, and despite a drop in 2013, it has now been able to recover and reach its best position ever, with a 78 index in 2015.
- In line with the current trend, Australia reached its best equalisation in 2013 (88) and then stalled in 2014 and 2015. The Australian dollar devalued 6,3% in 2014 and almost 16,7% in 2015 for a total devaluation of almost 22% for the period. Yet, a drop of 20% in the PPP cost of living in U.S. dollar terms, enabled Australia's manufacturing wages to only drop from an EQ-Idx of 88 in 2013 to 87 in 2014 and 2015. The UK has lost another two points since 2013, and it is now 18 points behind its best Eq-Idx of 2006, by producing legions of cheap workers, or, as Guy Standing would say: "the Precariat". Canada continued at its lowest level since 1996 with a 79 Eq-Idx.
- Due to the devaluation of the euro against the dollar, France, Italy and Spain have reached a plateau at their highest or close to a highest Eq-Idx since 2012. Germany has also stalled, but unlike the other economies, it has done it ten points below its highest level, recorded in 2000 (131). Despite the stagnation trend, France was able to remain at its highest Eq-Idx level in 2015.
- Brazil has no longer sustained its Eq-Idx due to the deep recession that has ensued in the last years. This has devalued the Real since 2010 by 47,2% against the dollar. Brazil's government has continued complying with its minimum wage appreciation law, which increased its nominal value 72,5% since 2010 vis-à-vis a 38,4% increase of its consumer price index. The increase of the minimum wage has had a direct effect on manufacturing wages and the Real's devaluation has lowered the PPP 32,7% since 2010. This has allowed Brazil to record an Eq-Idx increase in 2014 and then only a slight drop of two points to and Eq-Idx of 34 in 2015, despite the recession.
- There is nothing new in Mexico's performance. Mexico's track record since 1996 (and since 1985 if we look back at production-line hourly wages) exposes a deliberate State policy of maintaining real wages at the level of modern-slave-work wages. This can be observed by comparing its 26 Eq-Idx in 2015 with its lowest and highest indices (25 and 27 respectively) since 1996. There has been virtually no change in equalisation terms for the entire nineteen-year period. This makes Mexico, barring the Philippines, the country with the worst living-wage equalisation position of the 33 countries in the three regions of our living-wage gap assessments.

	1996	2000	2002	2004	2006	2008	2010	2012	2014	2015
<b>(PPP conversion factor for private consumption)</b>										
<b>Benchmark</b>	<b>1. U.S. Hourly Manufacturing Wage Rate*</b>									
	22,47	24,96	27,36	29,31	30,48	32,78	34,75	35,64	37,04	37,71
	<small>(Hourly compensation costs)</small>									
<b>Canada</b>	PPP conversion factor (in country currency)									
	1,259	1,271	1,287	1,272	1,288	1,302	1,296	1,294	1,293	1,326
	Exchange rate									
	1,3638	1,4855	1,5704	1,3017	1,1340	1,0660	1,030	0,9995	1,106	1,279
	PPP conversion factor (in U.S. dollars)									
	\$ 0,92	\$ 0,86	\$ 0,82	\$ 0,98	\$ 1,14	\$ 1,22	\$ 1,26	\$ 1,29	\$ 1,17	\$ 1,04
	2. Equalised PPP nominal wage rate US \$									
	\$ 20,74	\$ 21,36	\$ 22,42	\$ 28,65	\$ 34,62	\$ 40,03	\$ 43,74	\$ 46,15	\$ 43,28	\$ 39,09
	3. Actual PPP Real wage rate US \$									
	\$ 20,18	\$ 21,42	\$ 22,02	\$ 24,22	\$ 25,16	\$ 26,25	\$ 27,30	\$ 28,25	\$ 29,57	\$ 29,85
	4. Actual Nominal wage rate US \$									
	\$ 18,62	\$ 18,33	\$ 18,05	\$ 23,67	\$ 28,58	\$ 32,06	\$ 34,36	\$ 36,58	\$ 34,56	\$ 30,94
	Compensation Deficit in US \$ (2 minus 4)									
	\$ 2,12	\$ 3,03	\$ 4,37	\$ 4,98	\$ 6,04	\$ 7,97	\$ 9,38	\$ 9,57	\$ 8,72	\$ 8,15
	Wage Equalisation index (4÷2 or 3÷1)									
	0,90	0,86	0,80	0,83	0,83	0,80	0,79	0,79	0,80	0,79
<b>Brazil</b>	PPP conversion factor (in country currency)									
	0,946	1,068	1,184	1,379	1,439	1,475	1,605	1,713	1,876	2,043
	Exchange rate									
	1,0051	1,830	2,9213	2,9262	2,1738	1,8326	1,760	1,953	2,353	3,328
	PPP conversion factor (in U.S. dollars)									
	\$ 0,94	\$ 0,58	\$ 0,41	\$ 0,47	\$ 0,66	\$ 0,80	\$ 0,91	\$ 0,88	\$ 0,80	\$ 0,61
	2. Equalised PPP nominal wage rate US \$									
	\$ 21,16	\$ 14,56	\$ 11,09	\$ 13,81	\$ 20,17	\$ 26,39	\$ 31,68	\$ 31,26	\$ 29,53	\$ 23,15
	3. Actual PPP Real wage rate US \$									
	\$ 7,51	\$ 7,44	\$ 7,60	\$ 8,11	\$ 9,05	\$ 10,49	\$ 10,97	\$ 12,36	\$ 13,22	\$ 12,98
	4. Actual Nominal wage rate US \$									
	\$ 7,07	\$ 4,34	\$ 3,08	\$ 3,82	\$ 5,99	\$ 8,44	\$ 10,00	\$ 10,84	\$ 10,54	\$ 7,97
	Compensation Deficit in US \$ (2 minus 4)									
	\$ 14,09	\$ 10,22	\$ 8,01	\$ 9,99	\$ 14,18	\$ 17,95	\$ 21,68	\$ 20,42	\$ 18,99	\$ 15,18
	Wage Equalisation index (4÷2 or 3÷1)									
	0,33	0,30	0,28	0,28	0,30	0,32	0,32	0,35	0,36	0,34

	1996	2000	2002	2004	2006	2008	2010	2012	2014	2015	
<b>(PPP conversion factor for private consumption)</b>											
<b>Benchmark</b>	<b>1. U.S. Hourly Manufacturing Wage Rate*</b>										
	<b>(Hourly compensation costs)</b>										
	<b>22,47</b>	<b>24,96</b>	<b>27,36</b>	<b>29,31</b>	<b>30,48</b>	<b>32,78</b>	<b>34,75</b>	<b>35,64</b>	<b>37,04</b>	<b>37,71</b>	
<b>Mexico</b>	PPP conversion factor (in country currency)	4,046	6,664	7,238	7,758	7,741	8,158	8,895	9,221	9,101	9,491
	Exchange rate	7,600	9,459	9,663	11,290	10,906	11,143	12,624	13,170	13,293	15,848
	PPP conversion factor (in U.S. dollars)	\$ 0,53	\$ 0,70	\$ 0,75	\$ 0,69	\$ 0,71	\$ 0,73	\$ 0,70	\$ 0,70	\$ 0,68	\$ 0,60
	2. Equalised PPP nominal wage rate US \$	\$ <b>11,96</b>	\$ <b>17,58</b>	\$ <b>20,49</b>	\$ <b>20,14</b>	\$ <b>21,63</b>	\$ <b>24,00</b>	\$ <b>24,49</b>	\$ <b>24,95</b>	\$ <b>25,36</b>	\$ <b>22,58</b>
	3. Actual PPP Real wage rate US \$	\$ <b>5,73</b>	\$ <b>6,67</b>	\$ <b>7,46</b>	\$ <b>7,65</b>	\$ <b>8,28</b>	\$ <b>8,84</b>	\$ <b>8,71</b>	\$ <b>9,07</b>	\$ <b>9,87</b>	\$ <b>9,85</b>
	4. Actual Nominal wage rate US \$	\$ <b>3,05</b>	\$ <b>4,70</b>	\$ <b>5,59</b>	\$ <b>5,26</b>	\$ <b>5,88</b>	\$ <b>6,47</b>	\$ <b>6,14</b>	\$ <b>6,35</b>	\$ <b>6,76</b>	\$ <b>5,90</b>
	Compensation Deficit in US \$ (2 minus 4)	\$ <b>8,91</b>	\$ <b>12,88</b>	\$ <b>14,90</b>	\$ <b>14,88</b>	\$ <b>15,75</b>	\$ <b>17,53</b>	\$ <b>18,35</b>	\$ <b>18,60</b>	\$ <b>18,60</b>	\$ <b>16,68</b>
	Wage Equalisation index (4÷2 or 3÷1)	<b>0,25</b>	<b>0,27</b>	<b>0,27</b>	<b>0,26</b>	<b>0,27</b>	<b>0,27</b>	<b>0,25</b>	<b>0,25</b>	<b>0,27</b>	<b>0,26</b>
<b>France</b>	PPP conversion factor (in country currency)	6,624	0,947	0,914	0,953	0,932	0,920	0,894	0,884	0,881	0,885
	Exchange rate	5,1158	1,0832	1,0578	0,8040	0,7960	0,6791	0,7541	0,7777	0,7537	0,9017
	PPP conversion factor (in U.S. dollars)	\$ 1,29	\$ 0,87	\$ 0,86	\$ 1,19	\$ 1,17	\$ 1,35	\$ 1,19	\$ 1,14	\$ 1,17	\$ 0,98
	2. Equalised PPP nominal wage rate US \$	\$ <b>29,10</b>	\$ <b>21,81</b>	\$ <b>23,65</b>	\$ <b>34,74</b>	\$ <b>35,67</b>	\$ <b>44,41</b>	\$ <b>41,21</b>	\$ <b>40,50</b>	\$ <b>43,30</b>	\$ <b>36,99</b>
	3. Actual PPP Real wage rate US \$	\$ <b>21,48</b>	\$ <b>24,45</b>	\$ <b>26,66</b>	\$ <b>27,09</b>	\$ <b>27,92</b>	\$ <b>30,82</b>	\$ <b>32,92</b>	\$ <b>35,79</b>	\$ <b>37,79</b>	\$ <b>38,32</b>
	4. Actual Nominal wage rate US \$	\$ <b>27,82</b>	\$ <b>21,37</b>	\$ <b>23,04</b>	\$ <b>32,11</b>	\$ <b>32,67</b>	\$ <b>41,76</b>	\$ <b>39,04</b>	\$ <b>40,67</b>	\$ <b>44,18</b>	\$ <b>37,59</b>
	Compensation Deficit in US \$ (2 minus 4)	\$ <b>1,28</b>	\$ <b>0,44</b>	\$ <b>0,61</b>	\$ <b>2,63</b>	\$ <b>3,00</b>	\$ <b>2,65</b>	\$ <b>2,17</b>	\$ <b>(0,17)</b>	\$ <b>(0,88)</b>	\$ <b>(0,60)</b>
	Wage Equalisation index (4÷2 or 3÷1)	<b>0,96</b>	<b>0,98</b>	<b>0,97</b>	<b>0,92</b>	<b>0,92</b>	<b>0,94</b>	<b>0,95</b>	<b>1,00</b>	<b>1,02</b>	<b>1,02</b>
<b>Germany</b>	PPP conversion factor (in country currency)	1,722	0,841	0,822	0,907	0,882	0,860	0,850	0,826	0,830	0,837
	Exchange rate	1,5049	1,0832	1,0578	0,8040	0,7960	0,6791	0,7541	0,7777	0,7537	0,9017
	PPP conversion factor (in U.S. dollars)	\$ 1,14	\$ 0,78	\$ 0,78	\$ 1,13	\$ 1,11	\$ 1,27	\$ 1,13	\$ 1,06	\$ 1,10	\$ 0,93
	2. Equalised PPP nominal wage rate US \$	\$ <b>25,72</b>	\$ <b>19,37</b>	\$ <b>21,25</b>	\$ <b>33,08</b>	\$ <b>33,78</b>	\$ <b>41,53</b>	\$ <b>39,19</b>	\$ <b>37,87</b>	\$ <b>40,81</b>	\$ <b>35,01</b>
	3. Actual PPP Real wage rate US \$	\$ <b>29,02</b>	\$ <b>32,74</b>	\$ <b>35,30</b>	\$ <b>33,38</b>	\$ <b>35,47</b>	\$ <b>37,32</b>	\$ <b>39,24</b>	\$ <b>43,19</b>	\$ <b>44,90</b>	\$ <b>45,69</b>
	4. Actual Nominal wage rate US \$	\$ <b>33,22</b>	\$ <b>25,41</b>	\$ <b>27,42</b>	\$ <b>37,67</b>	\$ <b>39,31</b>	\$ <b>47,27</b>	\$ <b>44,25</b>	\$ <b>45,89</b>	\$ <b>49,47</b>	\$ <b>42,42</b>
	Compensation Deficit in US \$ (2 minus 4)	\$ <b>(7,50)</b>	\$ <b>(6,04)</b>	\$ <b>(6,17)</b>	\$ <b>(4,59)</b>	\$ <b>(5,53)</b>	\$ <b>(5,74)</b>	\$ <b>(5,06)</b>	\$ <b>(8,02)</b>	\$ <b>(8,66)</b>	\$ <b>(7,41)</b>
	Wage Equalisation index (4÷2 or 3÷1)	<b>1,29</b>	<b>1,31</b>	<b>1,29</b>	<b>1,14</b>	<b>1,16</b>	<b>1,14</b>	<b>1,13</b>	<b>1,21</b>	<b>1,21</b>	<b>1,21</b>
<b>Italy</b>	PPP conversion factor (in country currency)	1712,166	0,872	0,907	0,909	0,894	0,851	0,822	0,838	0,842	0,846
	Exchange rate	1542,760	1,0832	1,0578	0,8040	0,796	0,6791	0,7541	0,7777	0,7537	0,9017
	PPP conversion factor (in U.S. dollars)	\$ 1,11	\$ 0,80	\$ 0,86	\$ 1,13	\$ 1,12	\$ 1,25	\$ 1,09	\$ 1,08	\$ 1,12	\$ 0,94
	2. Equalised PPP nominal wage rate US \$	\$ <b>24,94</b>	\$ <b>20,09</b>	\$ <b>23,47</b>	\$ <b>33,13</b>	\$ <b>34,25</b>	\$ <b>41,09</b>	\$ <b>37,88</b>	\$ <b>38,42</b>	\$ <b>41,39</b>	\$ <b>35,39</b>
	3. Actual PPP Real wage rate US \$	\$ <b>18,92</b>	\$ <b>20,67</b>	\$ <b>21,60</b>	\$ <b>23,94</b>	\$ <b>25,36</b>	\$ <b>27,86</b>	\$ <b>31,02</b>	\$ <b>32,20</b>	\$ <b>33,44</b>	\$ <b>33,54</b>
	4. Actual Nominal wage rate US \$	\$ <b>21,00</b>	\$ <b>16,64</b>	\$ <b>18,53</b>	\$ <b>27,06</b>	\$ <b>28,49</b>	\$ <b>34,93</b>	\$ <b>33,81</b>	\$ <b>34,71</b>	\$ <b>37,37</b>	\$ <b>31,48</b>
	Compensation Deficit in US \$ (2 minus 4)	\$ <b>3,94</b>	\$ <b>3,45</b>	\$ <b>4,94</b>	\$ <b>6,07</b>	\$ <b>5,76</b>	\$ <b>6,16</b>	\$ <b>4,07</b>	\$ <b>3,71</b>	\$ <b>4,02</b>	\$ <b>3,91</b>
	Wage Equalisation index (4÷2 or 3÷1)	<b>0,84</b>	<b>0,83</b>	<b>0,79</b>	<b>0,82</b>	<b>0,83</b>	<b>0,85</b>	<b>0,89</b>	<b>0,90</b>	<b>0,90</b>	<b>0,89</b>
<b>United Kingdom</b>	PPP conversion factor (in country currency)	0,657	0,654	0,650	0,638	0,647	0,681	0,751	0,773	0,801	0,800
	Exchange rate	0,6407	0,6598	0,666	0,5456	0,5425	0,5392	0,6472	0,6308	0,6077	0,6545
	PPP conversion factor (in U.S. dollars)	\$ 1,03	\$ 0,99	\$ 0,98	\$ 1,17	\$ 1,19	\$ 1,26	\$ 1,16	\$ 1,23	\$ 1,32	\$ 1,22
	2. Equalised PPP nominal wage rate US \$	\$ <b>23,04</b>	\$ <b>24,74</b>	\$ <b>26,72</b>	\$ <b>34,27</b>	\$ <b>36,35</b>	\$ <b>41,41</b>	\$ <b>40,32</b>	\$ <b>43,66</b>	\$ <b>48,84</b>	\$ <b>46,09</b>
	3. Actual PPP Real wage rate US \$	\$ <b>17,34</b>	\$ <b>20,85</b>	\$ <b>22,56</b>	\$ <b>24,35</b>	\$ <b>26,13</b>	\$ <b>26,84</b>	\$ <b>24,99</b>	\$ <b>25,20</b>	\$ <b>25,03</b>	\$ <b>25,73</b>
	4. Actual Nominal wage rate US \$	\$ <b>17,78</b>	\$ <b>20,67</b>	\$ <b>22,03</b>	\$ <b>28,47</b>	\$ <b>31,17</b>	\$ <b>33,91</b>	\$ <b>28,99</b>	\$ <b>30,87</b>	\$ <b>33,01</b>	\$ <b>31,44</b>
	Compensation Deficit in US \$ (2 minus 4)	\$ <b>5,26</b>	\$ <b>4,07</b>	\$ <b>4,69</b>	\$ <b>5,80</b>	\$ <b>5,18</b>	\$ <b>7,50</b>	\$ <b>11,33</b>	\$ <b>12,79</b>	\$ <b>15,83</b>	\$ <b>14,65</b>
	Wage Equalisation index (4÷2 or 3÷1)	<b>0,77</b>	<b>0,84</b>	<b>0,82</b>	<b>0,83</b>	<b>0,86</b>	<b>0,82</b>	<b>0,72</b>	<b>0,71</b>	<b>0,68</b>	<b>0,68</b>

	1996	2000	2002	2004	2006	2008	2010	2012	2014	2015	
<b>(PPP conversion factor for private consumption)</b>											
<b>Benchmark</b>	<b>1. U.S. Hourly Manufacturing Wage Rate*</b>										
	<b>22,47</b>	<b>24,96</b>	<b>27,36</b>	<b>29,31</b>	<b>30,48</b>	<b>32,78</b>	<b>34,75</b>	<b>35,64</b>	<b>37,04</b>	<b>37,71</b>	
<b>(Hourly compensation costs)</b>											
<b>Spain</b>	PPP conversion factor (in country currency)	131,052	0,784	0,772	0,788	0,789	0,790	0,790	0,777	0,755	0,756
	Exchange rate	126,68	1,0832	1,0578	0,8040	0,7960	0,6791	0,7541	0,7770	0,7537	0,9017
	PPP conversion factor (in U.S. dollars)	\$ 1,03	\$ 0,72	\$ 0,73	\$ 0,98	\$ 0,99	\$ 1,16	\$ 1,05	\$ 1,00	\$ 1,00	\$ 0,84
	2. Equalised PPP nominal wage rate US \$	\$ 23,25	\$ 18,07	\$ 19,97	\$ 28,72	\$ 30,21	\$ 38,12	\$ 36,39	\$ 35,63	\$ 37,12	\$ 31,64
	3. Actual PPP Real wage rate US \$	\$ 14,96	\$ 17,13	\$ 18,90	\$ 20,19	\$ 21,96	\$ 23,73	\$ 25,41	\$ 26,86	\$ 28,13	\$ 28,19
	4. Actual Nominal wage rate US \$	\$ 15,48	\$ 12,40	\$ 13,79	\$ 19,79	\$ 21,77	\$ 27,60	\$ 26,61	\$ 26,85	\$ 28,19	\$ 23,65
	Compensation Deficit in US \$ (2 minus 4)	\$ 7,77	\$ 5,67	\$ 6,18	\$ 8,93	\$ 8,44	\$ 10,52	\$ 9,78	\$ 8,78	\$ 8,93	\$ 7,99
	Wage Equalisation index (4÷2 or 3÷1)	0,67	0,69	0,69	0,69	0,72	0,72	0,73	0,75	0,76	0,75
<b>Japan</b>	PPP conversion factor (in country currency)	193,386	176,749	163,075	150,624	137,868	129,061	120,841	113,216	111,339	113,471
	Exchange rate	108,78	107,80	125,22	108,15	116,31	103,39	87,78	79,79	105,94	121,04
	PPP conversion factor (in U.S. dollars)	\$ 1,78	\$ 1,64	\$ 1,30	\$ 1,39	\$ 1,19	\$ 1,25	\$ 1,38	\$ 1,42	\$ 1,05	\$ 0,94
	2. Equalised PPP nominal wage rate US \$	\$ 39,95	\$ 40,92	\$ 35,63	\$ 40,82	\$ 36,13	\$ 40,92	\$ 47,84	\$ 50,57	\$ 38,93	\$ 35,35
	3. Actual PPP Real wage rate US \$	\$ 13,31	\$ 15,26	\$ 16,49	\$ 18,14	\$ 20,27	\$ 22,01	\$ 23,06	\$ 24,91	\$ 25,63	\$ 25,17
	4. Actual Nominal wage rate US \$	\$ 23,67	\$ 25,02	\$ 21,48	\$ 25,27	\$ 24,03	\$ 27,48	\$ 31,75	\$ 35,35	\$ 26,94	\$ 23,60
	Compensation Deficit in US \$ (2 minus 4)	\$ 16,28	\$ 15,90	\$ 14,15	\$ 15,55	\$ 12,10	\$ 13,44	\$ 16,09	\$ 15,22	\$ 11,99	\$ 11,75
	Wage Equalisation index (4÷2 or 3÷1)	0,59	0,61	0,60	0,62	0,67	0,67	0,66	0,70	0,69	0,67
<b>South Korea</b>	PPP conversion factor (in country currency)	714,594	824,323	871,607	886,638	871,769	882,087	906,972	913,804	1016,711	1024,191
	Exchange rate	805,00	1130,90	1250,31	1145,24	954,32	1098,71	1155,74	1126,47	1052,96	1131,16
	PPP conversion factor (in U.S. dollars)	\$ 0,89	\$ 0,73	\$ 0,70	\$ 0,77	\$ 0,91	\$ 0,80	\$ 0,78	\$ 0,81	\$ 0,97	\$ 0,91
	2. Equalised PPP nominal wage rate US \$	\$ 19,95	\$ 18,19	\$ 19,07	\$ 22,69	\$ 27,84	\$ 26,32	\$ 27,27	\$ 28,91	\$ 35,76	\$ 34,14
	3. Actual Real wage rate US \$	\$ 10,75	\$ 13,20	\$ 14,70	\$ 16,31	\$ 19,01	\$ 20,93	\$ 22,78	\$ 25,20	\$ 24,62	\$ 25,05
	4. Actual Nominal wage rate US \$	\$ 9,54	\$ 9,62	\$ 10,25	\$ 12,63	\$ 17,37	\$ 16,80	\$ 17,88	\$ 20,44	\$ 23,77	\$ 22,68
	Compensation Deficit in US \$ (2 minus 4)	\$ 10,41	\$ 8,57	\$ 8,82	\$ 10,06	\$ 10,47	\$ 9,52	\$ 9,39	\$ 8,47	\$ 11,99	\$ 11,46
	Wage Equalisation index (4÷2 or 3÷1)	0,48	0,53	0,54	0,56	0,62	0,64	0,66	0,71	0,66	0,66
<b>Singapore</b>	PPP conversion factor (in country currency)	1,319	1,239	1,193	1,161	1,104	1,124	1,148	1,199	1,203	1,195
	Exchange rate	1,410	1,725	1,791	1,690	1,588	1,414	1,363	1,249	1,267	1,375
	PPP conversion factor (in U.S. dollars)	\$ 0,94	\$ 0,72	\$ 0,67	\$ 0,69	\$ 0,70	\$ 0,79	\$ 0,84	\$ 0,96	\$ 0,95	\$ 0,87
	2. Equalised PPP nominal wage rate US \$	\$ 21,02	\$ 17,93	\$ 18,23	\$ 20,14	\$ 21,19	\$ 26,05	\$ 29,26	\$ 34,22	\$ 35,16	\$ 32,79
	3. Actual PPP Real wage rate US \$	\$ 12,75	\$ 16,30	\$ 18,22	\$ 19,21	\$ 19,81	\$ 23,74	\$ 23,06	\$ 25,16	\$ 28,26	\$ 29,23
	4. Actual Nominal wage rate US \$	\$ 11,93	\$ 11,71	\$ 12,14	\$ 13,20	\$ 13,77	\$ 18,87	\$ 19,42	\$ 24,16	\$ 26,82	\$ 25,41
	Compensation Deficit in US \$ (2 minus 4)	\$ 9,09	\$ 6,22	\$ 6,09	\$ 6,94	\$ 7,42	\$ 7,18	\$ 9,84	\$ 10,06	\$ 8,34	\$ 7,38
	Wage Equalisation index (4÷2 or 3÷1)	0,57	0,65	0,67	0,66	0,65	0,72	0,66	0,71	0,76	0,78
<b>Australia</b>	PPP conversion factor (in country currency)	1,376	1,384	1,423	1,444	1,498	1,531	1,552	1,535	1,587	1,576
	Exchange rate	1,2775	1,7197	1,84	1,3578	1,3271	1,1714	1,087	0,9653	1,1094	1,3311
	PPP conversion factor (in U.S. dollars)	\$ 1,08	\$ 0,80	\$ 0,77	\$ 1,06	\$ 1,13	\$ 1,31	\$ 1,43	\$ 1,59	\$ 1,43	\$ 1,18
	2. Equalised PPP nominal wage rate US \$	\$ 24,21	\$ 20,09	\$ 21,17	\$ 31,17	\$ 34,40	\$ 42,83	\$ 49,62	\$ 56,67	\$ 53,00	\$ 44,66
	3. Actual PPP Real wage rate US \$	\$ 17,80	\$ 20,44	\$ 22,52	\$ 25,15	\$ 25,84	\$ 27,00	\$ 27,71	\$ 30,01	\$ 32,20	\$ 32,72
	4. Actual Nominal wage rate US \$	\$ 19,17	\$ 16,45	\$ 17,42	\$ 26,75	\$ 29,17	\$ 35,28	\$ 39,56	\$ 47,72	\$ 46,07	\$ 38,75
	Compensation Deficit in US \$ (2 minus 4)	\$ 5,04	\$ 3,64	\$ 3,75	\$ 4,42	\$ 5,23	\$ 7,55	\$ 10,06	\$ 8,95	\$ 6,93	\$ 5,91
	Wage Equalisation index (4÷2 or 3÷1)	0,79	0,82	0,82	0,86	0,85	0,82	0,80	0,84	0,87	0,87

#### \*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: [http://www.jussempere.org/Resources/Labour%20Resources/Resources/PLWVsAEM\\_wage\\_rates96-09.pdf](http://www.jussempere.org/Resources/Labour%20Resources/Resources/PLWVsAEM_wage_rates96-09.pdf)

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, 1975-2015.
- X U.S. Bureau of Labor Statistics, August 2013 and The Conference Board, International Labor Comparisons program, May 2016.
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- Purchasing Power parities – Measurement and Uses by Paul Schreyer and Francette Koechlin, OECD Statistical briefs, March 2002.