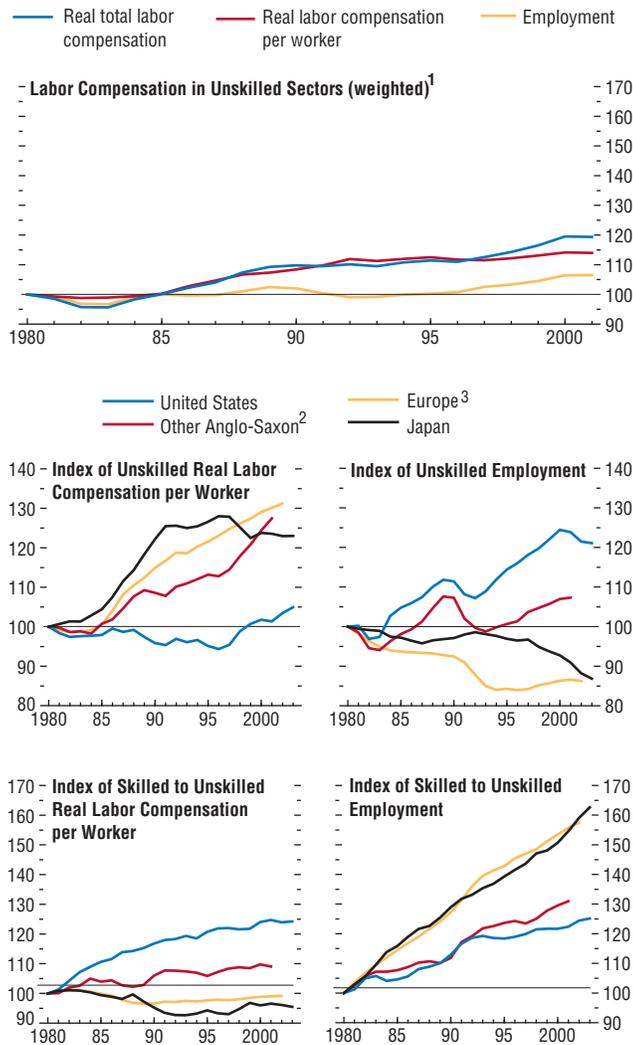


Figure 5.9. Advanced Economies: Labor Compensation and Employment in Skilled and Unskilled Sectors

(Index, 1980 = 100)

Despite strong growth of labor compensation overall, the growth in labor compensation of unskilled sectors has been very slow. In the United States, the earnings gap between skilled and unskilled workers has widened by about 25 percent since 1980, while in Europe, employment in unskilled sectors has contracted.



Sources: Haver Analytics; International Labor Organization, Labor Statistics Database; OECD, Employment and Labour Market Statistics, National Accounts Statistics, and STAN Industrial Database; United Nations, *National Accounts Statistics* (2004); and IMF staff calculations.

¹For analysis by skill level, advanced economies include Austria, Belgium, Canada, Denmark, Finland, France, Germany, Italy, Japan, Norway, Portugal, Sweden, the United Kingdom, and the United States; weighted using series on GDP in U.S. dollars from the World Economic Outlook database.

²For analysis by skill level, Anglo-Saxon economies include Canada and the United Kingdom.

³For analysis by skill level, Europe includes Austria, Belgium, Denmark, Finland, France, Germany, Italy, Norway, Portugal, and Sweden.