

# CWI

Contingent Workforce Index

## 2014 Global Analysis

HARNESSING THE WINDS OF CHANGE IS HUMANLY POSSIBLE

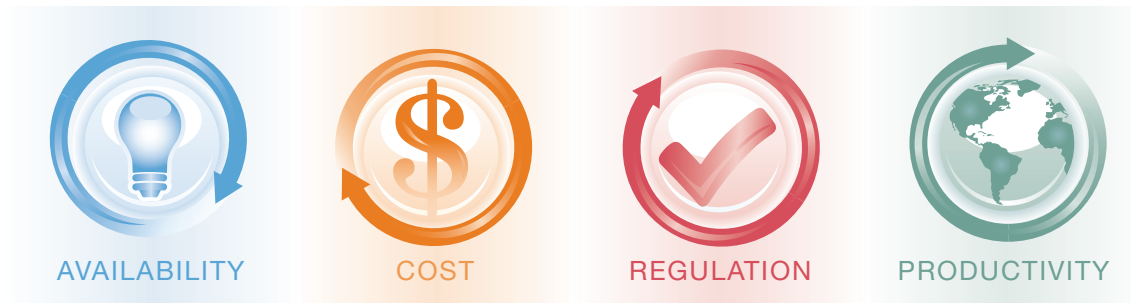


ManpowerGroup™

# INTRODUCTION

## ABOUT THE CONTINGENT WORKFORCE INDEX (CWI)

The Contingent Workforce Index (CWI) measures the relative ease of sourcing, hiring and retaining a contingent workforce in competing labour markets around the world. The CWI compiles over 50 key data points around the availability, cost, regulation and productivity of each country's contingent workforce. Then, using a proprietary formula, it assigns a numerical value to each country, comparing the relative difficulty of entering one labour market versus another.



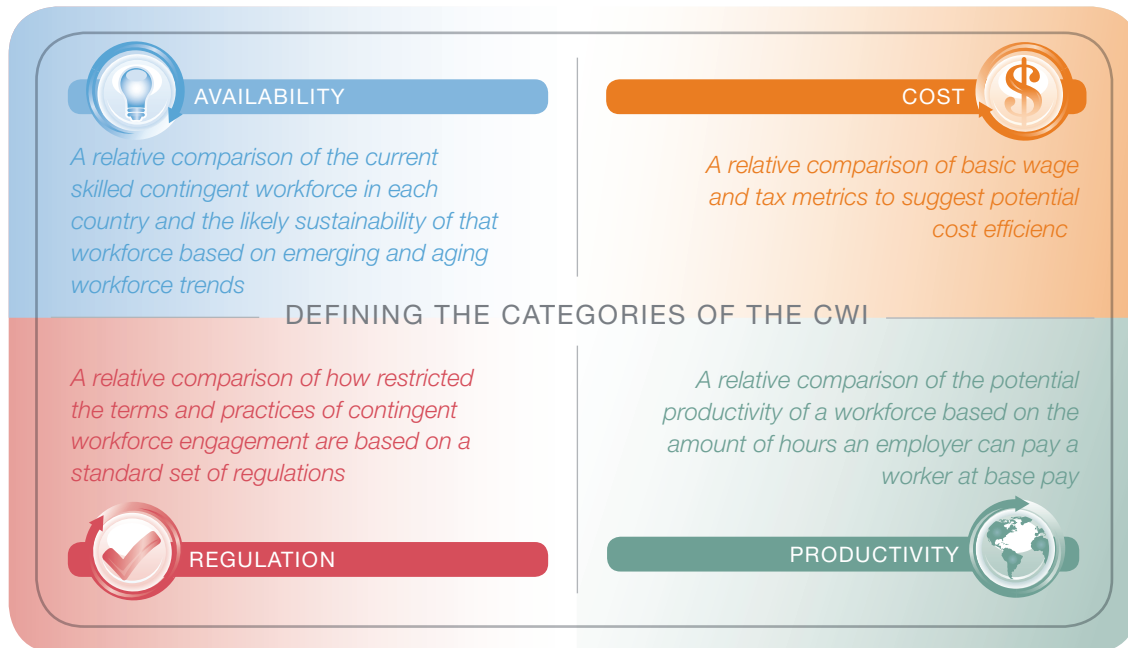
Just as a country's GDP can be used as an economic indicator; the CWI can be used as an indicator of contingent workforce availability. The CWI rankings provide perspective and insight that can impact short- and long-term strategies involving contingent workforce procurement which include:

- Capacity planning
- Recruitment strategies
- Program expansion
- Budget and forecasting
- Cost-savings initiatives
- Restructuring
- Merger & acquisition

A higher CWI ranking indicates countries that are likely to support higher volumes of contingent hiring with greater cost efficiency based on quality and productivity.

# METHODOLOGY OF THE CWI

The CWI is comprised of more than 50 weighted statistical data points, grouped into the categories of availability, cost, regulation and productivity. These four main categories can be weighted differently depending on an organisation's strategic priorities (for example, if cost is a more critical factor than regulation). For the purpose of this summary, we have assumed equal weighting for each of the four categories. Custom analysis of specific characteristics can be procured through your TAPFIN representative.



NOTE: See page 27 for a detailed definition of measurement factors

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## EXPLANATION OF COUNTRIES INCLUDED

The CWI analyses most countries where ManpowerGroup currently operates with the exclusion of Monaco and New Caledonia, due to inconsistent comparative data tracking sources

## DEFINITION OF CONTINGENT WORKER

All non-traditional worker categories are included in the assessment for the CWI report. These include any population of part-time, temporary or contract labour and exclude all permanent staff.

## GEO-POLITICAL CONSIDERATIONS

Political and economic conditions are assessed when evaluating countries for the CWI report. Political unrest, among other factors, tends to create increased risk for employers. Therefore, countries that face economic or political risk are ranked accordingly. This does not mean that a country with a seemingly high level of risk would not be a good country in which to operate; however, it may be ranked lower on the CWI due to these factors.

## LABOUR MARKET EFFICIENCY

A country's labour market efficiency is also taken into account in the CWI report assessment. This allows clients to determine which countries are the least expensive to operate in, not only in terms of the hourly cost per an employee, but also in terms of the approximate number of hours it would take to complete a project. This gives a more accurate assessment of the overall working cost in a particular country rather than relying solely on hourly wage comparisons, which can often be less accurate predictors of cost.

## INTERPRETING THE CWI

The CWI assesses the extent to which a country and its contingent workforce may meet the needs of an employer. It includes a comprehensive analysis of workforce statistics, economic factors, labour regulations, cost considerations and growth trends.

Organisations can use the CWI to determine:

- Locations and availability of skilled and professional workers
- Costs of engaging with contingent workers in different countries and regions
- Productivity of contingent workers regionally and nationally
- Markets with reduced geopolitical risk

A higher CWI ranking indicates countries that are likely to support higher volumes of contingent hiring with greater cost efficiency, based on quality and productivity.

## DOES YOUR ORGANISATION HAVE SPECIFIC PRIORITIES?

*The CWI report utilises a proprietary weighting system to rank 75 countries. However, this report can be customised to reflect your organisation's prospective labour markets and workforce priorities. Talk to your TAPFIN representative today to learn how your organisation can receive a custom workshop and assessment.*

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# CHANGES TO 2014 CWI

TAPFIN has improved and refined our reporting for the 2014 CWI report. This has allowed us to provide you with the most robust analysis to date. Below, you will find an explanation of the overall changes to the CWI report. Regional and country-based explanations are included at the start of each section.

## REPORTING CHANGES

Our consultants utilise the CWI methodology, as well as additional labour statistics, when advising clients on their contingent workforce planning and approach. The following metrics have been added in order to ensure the CWI analysis and results reflect the constantly evolving world of work trends.

The following data points were added to 2014 CWI (as compared to the 2013 report):

- English proficiency
- Secondary educational enrollment
- Financial risk
- Foreign business regulation
- Labour market efficiency
- Technical readiness
- Infrastructure
- Average monthly wage

## CHANGES TO RANKINGS

In 2014, we place greater emphasis on the size of a country's contingent workforce than we did in 2013. This has led to a jump in the rankings for countries with large populations and pools of contingent labour, such as China and India. Likewise, countries with smaller pools of available contingent labour have moved down in the rankings, such as the Dominican Republic and Denmark.

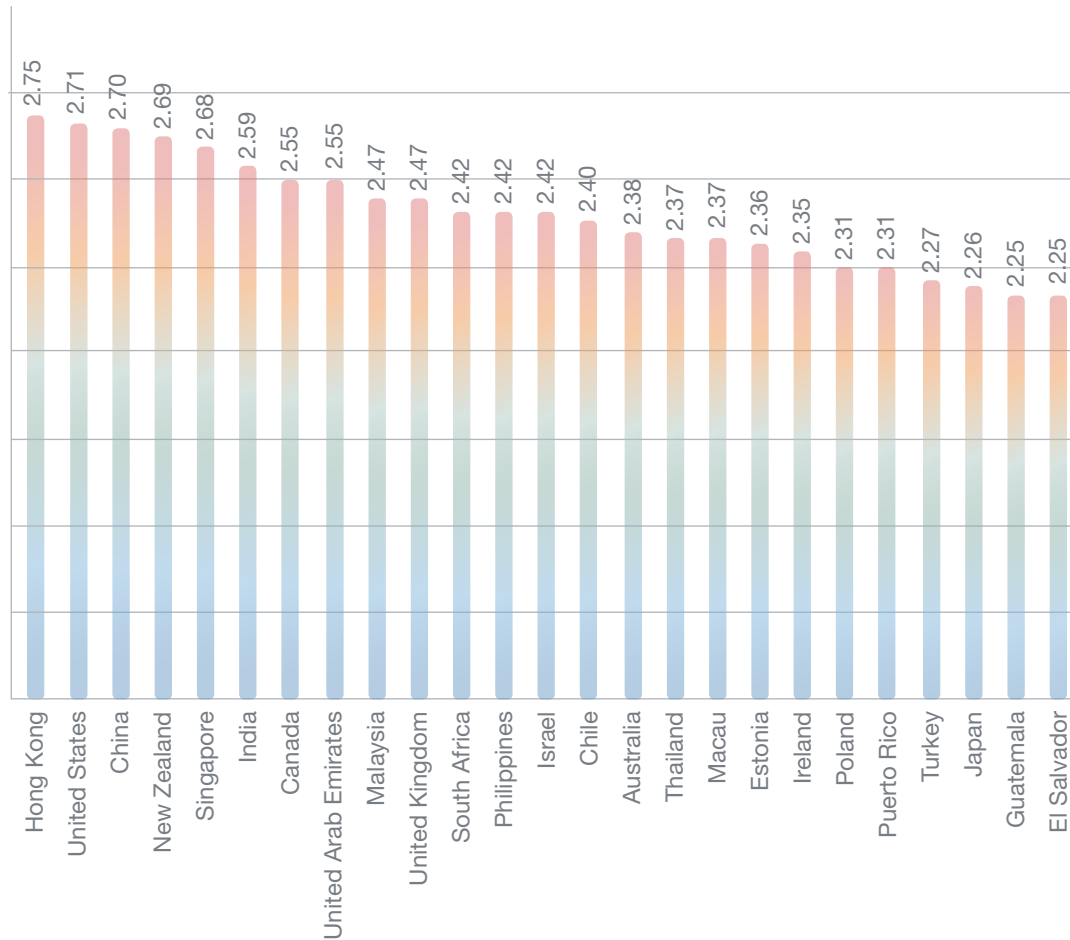
Additionally, we have increased the emphasis on productivity in order to more accurately reflect the cost of working in a particular country. Therefore, countries with higher levels of contingent workforce productivity, such as Macau and the United Kingdom, have moved up in the rankings.



# 2014 CWI RANKINGS

## TOP 25 MARKETS FOR CONTINGENT WORKFORCE ENGAGEMENT

Hong Kong is the highest ranked for contingent workforce engagement, followed closely by the United States and China. Hong Kong and the United States are both cost effective markets, but Hong Kong has the added benefit of higher productivity than the United States. While China is both less productive and cost effective than Hong Kong, and has increasingly complex regulations, it has the highest availability of talent of any market.



## CHANGES FROM 2013 RANKINGS

Hong Kong has remained the highest ranked country for contingent workforce operations in 2014. This is primarily due to its extremely favorable regulatory environment mixed with a low cost of manufacturing labour (USD \$7.64 per hour) and relatively high productivity due to no overtime, eight hour workdays and six day workweeks. Though availability of talent is lower in Hong Kong than other highly ranked countries on the Index, like China, it remains at levels similar to that of the United States, New Zealand and Singapore.

Interestingly, China has moved from the 16th highest ranked country on the Index in 2013 to the third highest. This ranking was impacted by weighting adjustments that emphasise workforce availability. However, the primary reason for the change is China's well balanced mix of relatively high workforce availability, favorable wages, with an hourly manufacturing wage of USD \$3.27 per hour, the current regulatory environment and medium productivity. It is important to note that over the next two years, as the use of contractors is restricted and enforced based on recent regulatory changes, that China's ranking will likely decrease.

Australia fell from fourth place in the 2013 rankings to 15th in the 2014 rankings. Though Australia continues to have one of the more favorable regulatory environments for contingent engagements, it has a reduced cost favorability, with manufacturing wage rising to USD \$38.29 per hour and a reduced workforce availability.



# COMPLETE CWI RANKINGS

Below is a list of the countries included in the CWI report in alphabetical order and their overall Index ranking based on availability, productivity, cost and regulation.

The lowest ranked country for contingent workforce engagement is Venezuela. This is primarily due to high regulations within the country and the fact that Venezuela, like Bolivia, does not allow for redundancy dismissal.

COUNTRY	RANKING	COUNTRY	RANKING	COUNTRY	RANKING
Argentina	1.78	Guatemala	2.25	Philippines	2.42
Australia	2.38	Honduras	1.74	Poland	2.31
Austria	2.06	Hong Kong	2.75	Portugal	1.97
Bahrain	2.20	Hungary	2.05	Puerto Rico	2.31
Belarus	2.13	India	2.59	Romania	2.03
Belgium	2.00	Ireland	2.35	Russia	1.93
Bolivia	1.59	Israel	2.42	Serbia	2.04
Brazil	1.85	Italy	1.75	Singapore	2.68
Bulgaria	2.05	Japan	2.26	Slovakia	1.99
Canada	2.55	Kazakhstan	2.23	Slovenia	2.01
Chile	2.40	Korea	2.09	South Africa	2.42
China	2.70	Latvia	2.23	Spain	1.88
Colombia	2.07	Lithuania	2.14	Sweden	1.90
Costa Rica	2.05	Luxembourg	1.70	Switzerland	2.13
Croatia	2.08	Macau	2.37	Taiwan	2.06
Czech Republic	2.15	Malaysia	2.47	Thailand	2.37
Denmark	2.16	Mexico	2.17	Tunisia	2.05
Dominican Republic	2.19	Morocco	1.92	Turkey	2.27
Ecuador	1.78	Netherlands	2.15	Ukraine	2.14
El Salvador	2.25	New Zealand	2.69	United Arab Emirates	2.55
Estonia	2.36	Nicaragua	2.11	United Kingdom	2.47
Finland	2.07	Norway	1.96	United States	2.71
France	1.72	Panama	2.09	Uruguay	2.22
Germany	1.87	Paraguay	2.02	Venezuela	1.38
Greece	1.85	Peru	2.12	Vietnam	2.17



## AVAILABILITY OVERVIEW

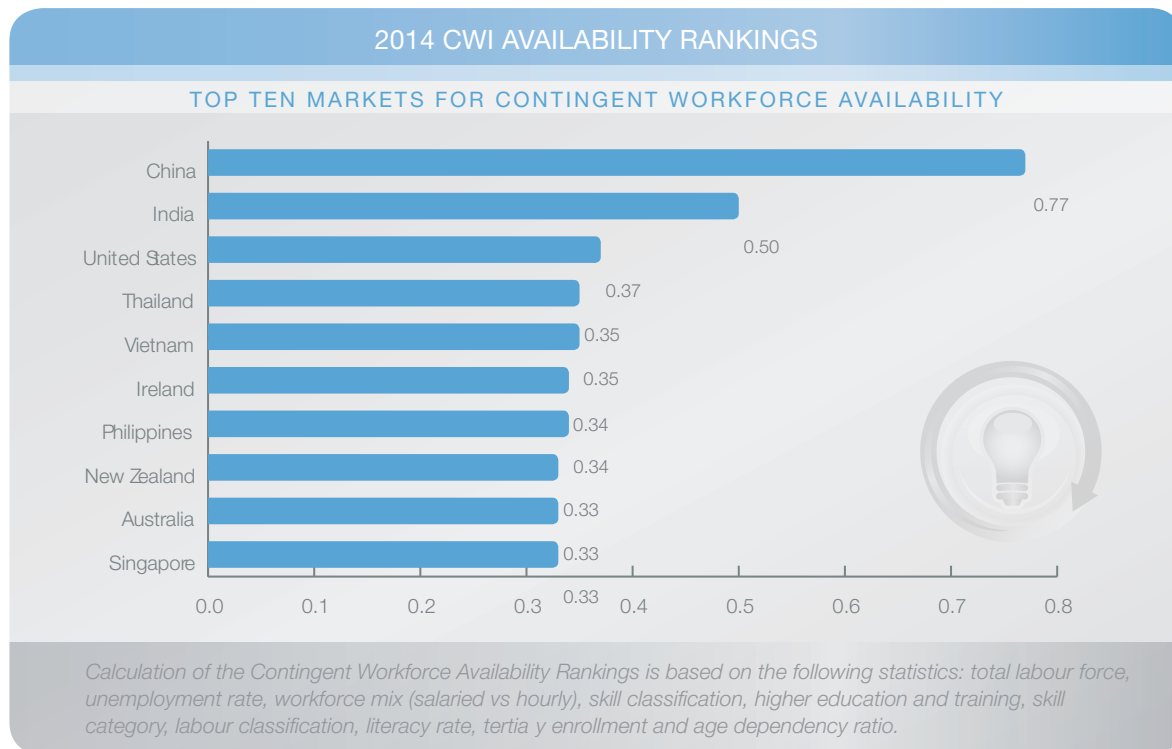
Because the size of the contingent workforce is the single largest variable accounted for in the CWI report, the total number of workers has substantial impact on overall CWI rankings, resulting in a number of similarities in the list of top performers – most notably, China and India.

While removing salaried employees from markets with large populations substantially levels the playing field in comparing their workforces to those of other countries, the sheer volume of workers allows these countries to maintain an advantage in contingent workforce availability.

### CHANGES FROM 2013 RANKINGS

China remains the country with the highest workforce availability. Although its contingent workforce availability ranking has decreased from 0.84 in 2013 to 0.77 in 2014, it still far exceeds the contingent workforce availability of its closest runner up, India, whose availability hovers around 0.50.

Brazil, Hong Kong, Korea, Russia and Mexico have all dropped from the rankings as the top ten markets for contingent workforce availability. This is primarily due to the inclusion of English language proficiency in calculating out workforce availability, which negatively impacted the noted markets despite the size of their workforces.



### PRIMARY INFLUENCING FACTORS ON WORKFORCE AVAILABILITY RANKING:

- Size of local contingent workforce
- Gap between age dependency and emerging workforce
- Gap between age dependency and tertiary enrollment
- Level of English proficiency



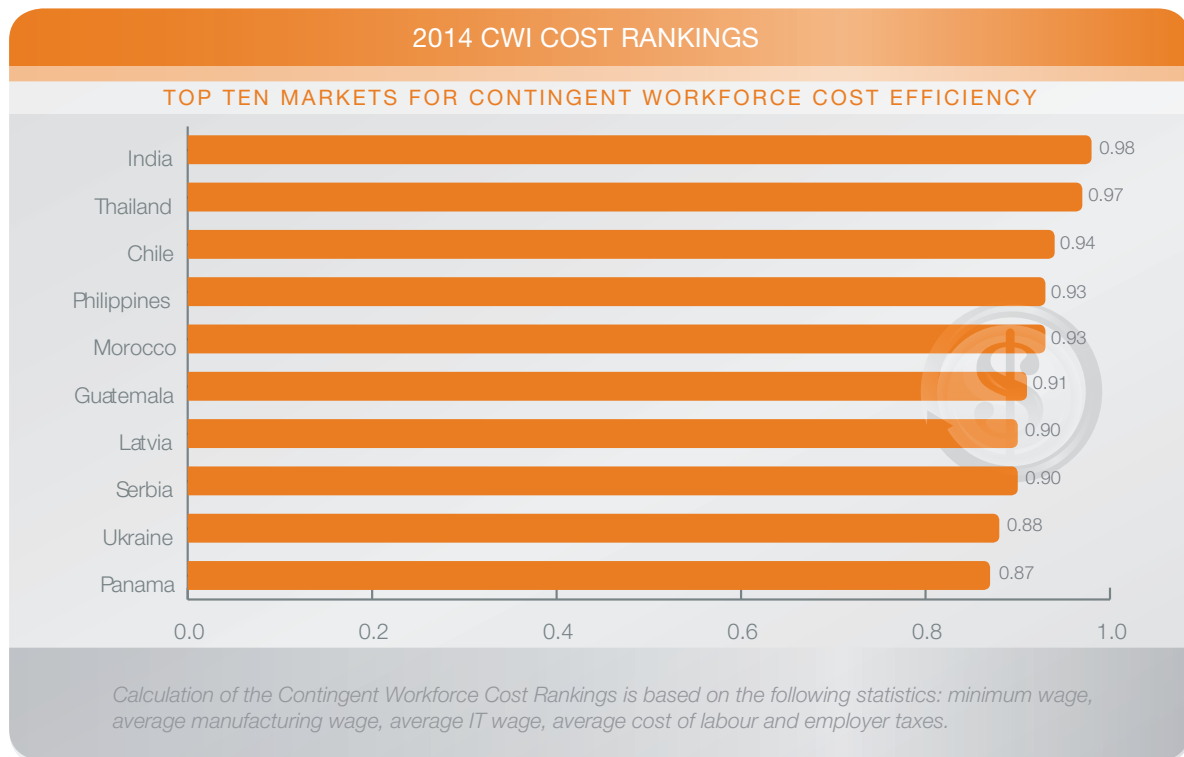
## COST EFFICIENCY OVERVIEW

The relative cost of contingent labour is based on the varying wage rates paid to workers in each country. Consequently, countries with the lowest wage thresholds rank the highest on the CWI for cost efficiency.

Because the Index does not account for various rate computation requirements, there are a number of variables that can impact the relative cost efficiency in any given market. This is particularly the case in Asia, where a number of other factors can influence hourly rates, including local regulatory or economic environment.

### CHANGES FROM 2013 RANKINGS

India, which did not appear in the top ten rankings for 2013 contingent workforce cost efficiency, is now ranked the most cost efficient. This is primarily due to the reporting adjustments that removed average IT wage and average cost of labour, and added average monthly wage as a metric. India's average monthly wages for contingent labour are significantly lower than many competing countries (USD \$121.37 per month). At just USD \$0.68 per hour, average wages for contingent manufacturing labour in India are particularly favorable compared to other countries, which is the reason for its increased ranking in 2014.



### MAIN FACTORS INFLUENCING WORKFORCE COST RANKING:

- Countries below average minimum wage (<USD \$5.50/hour) had substantially lower employer taxes and average hourly labour costs
- Countries with no minimum wage were found to have higher costs in almost every aspect of contingent workforce engagement

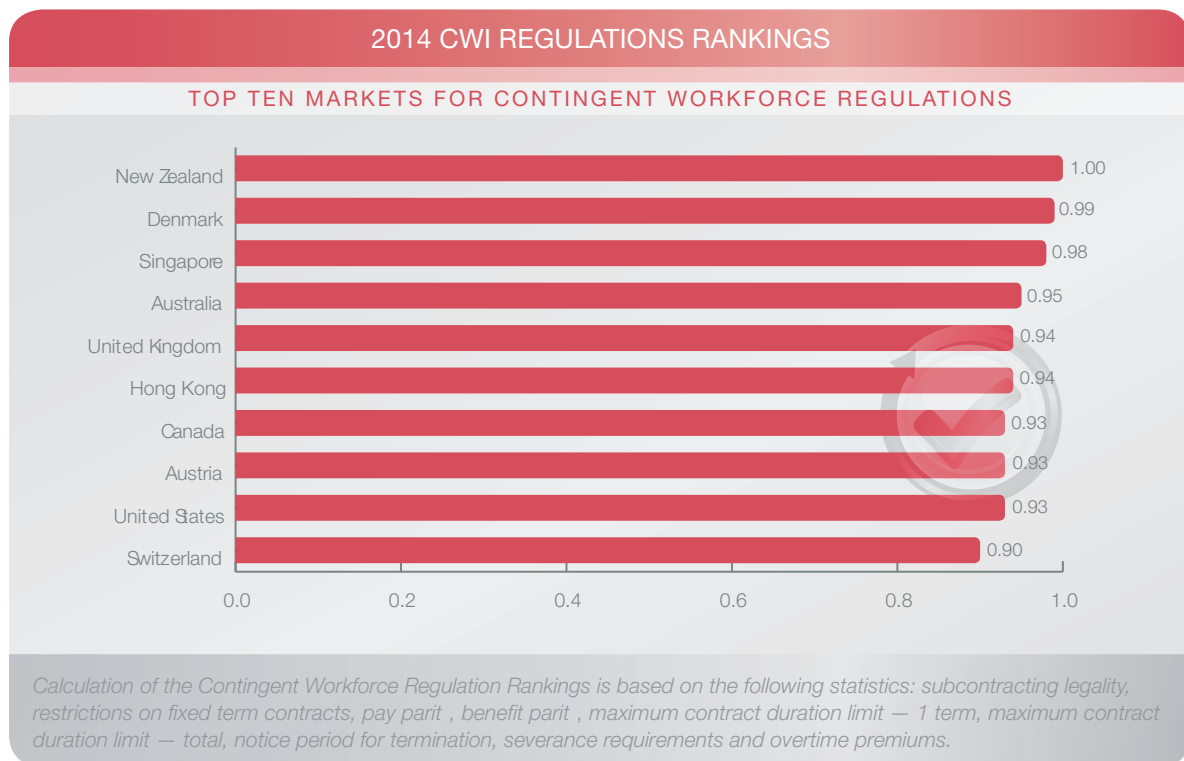


## REGULATIONS OVERVIEW

The CWI analyses the extent to which each country's legal and regulatory climate impacts the cost and process of engaging local workers. Pay parity, contract duration limits, notice periods and severance requirements restrict the use and increase the cost of contingent workforce more than any other regulations. Countries with the highest rankings offer the most workforce flexibility for contingent lab ur.

### CHANGES FROM 2013 RANKINGS

New Zealand's ranking for most favorable regulatory environment has risen from the fifth in 2013 to the first in 2014. This is primarily due to the addition of geopolitical considerations to the 2014 Index, along with New Zealand's lack of restrictions in the regulations tracked by the Index. New Zealand's favorable regulatory and geopolitical conditions in 2013 also contributed to its increased overall ranking in this year's report. The addition of geopolitical considerations is the reason behind Guatemala, Malaysia and India falling from the rankings in 2014, and being replaced by Switzerland, Singapore, and the United Kingdom. Additional factors impacting this ranking are that Singapore and the United Kingdom do not have maximum contract requirements, and Singapore, Switzerland, and the United Kingdom do not have any severance requirements.



### MAIN FACTORS INFLUENCING WORKFORCE REGULATIONS RANKING:

- Lack of contract duration limits
- Severance and/or notice periods



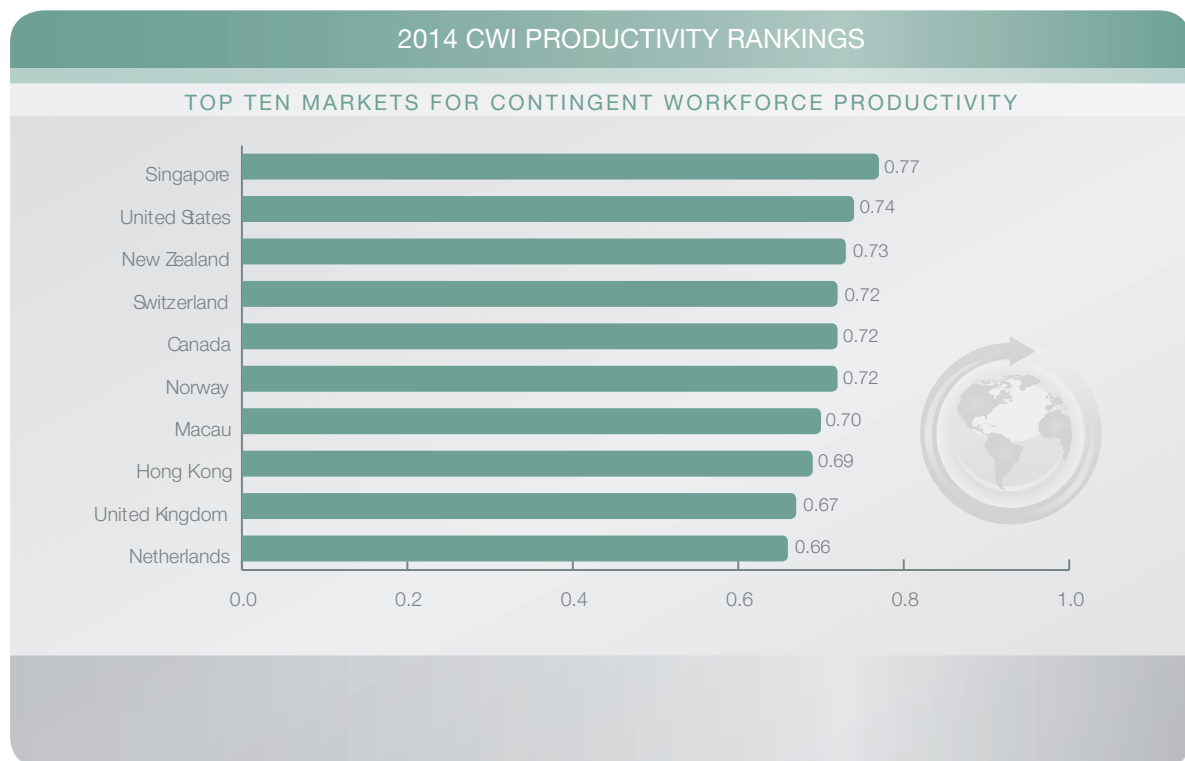
# PRODUCTIVITY OVERVIEW

Workforce productivity accounts for the ability to leverage a worker within each country over the length of a contract. The CWI includes the productivity output of a worker as well as the number of hours in a workday, days in a workweek, permitted overtime and paid time off. Countries that restrict the hours in a workday or workweek, and limit annual overtime have the most inhibitive productivity measures.

## CHANGES FROM 2013 RANKINGS

This year's increased weighting on the productivity of contingent and skilled workforce boosts Singapore to the top position for productivity in 2014. Even though it did not appear on the 2013 list, Singapore's skilled contingent workforce accounts for 28 percent of its working population. Additionally, Singapore's productivity benefits from a six day workweek and an eight hour workday, as well as relatively low (18 days/year) number of holiday and leave days.

Due to this weighting adjustment, outside of Singapore, most of the countries, including Switzerland, Canada, Norway, Macau, the United Kingdom and the Netherlands are new on the list. For the most part, they have replaced countries with lower productivity, including Puerto Rico, Australia, Peru, El Salvador, the Philippines, Chile and South Africa.



## MAIN FACTORS INFLUENCING WORKFORCE PRODUCTIVITY RANKING:

- Hours/days per workweek
- Paid leave
- Public holidays

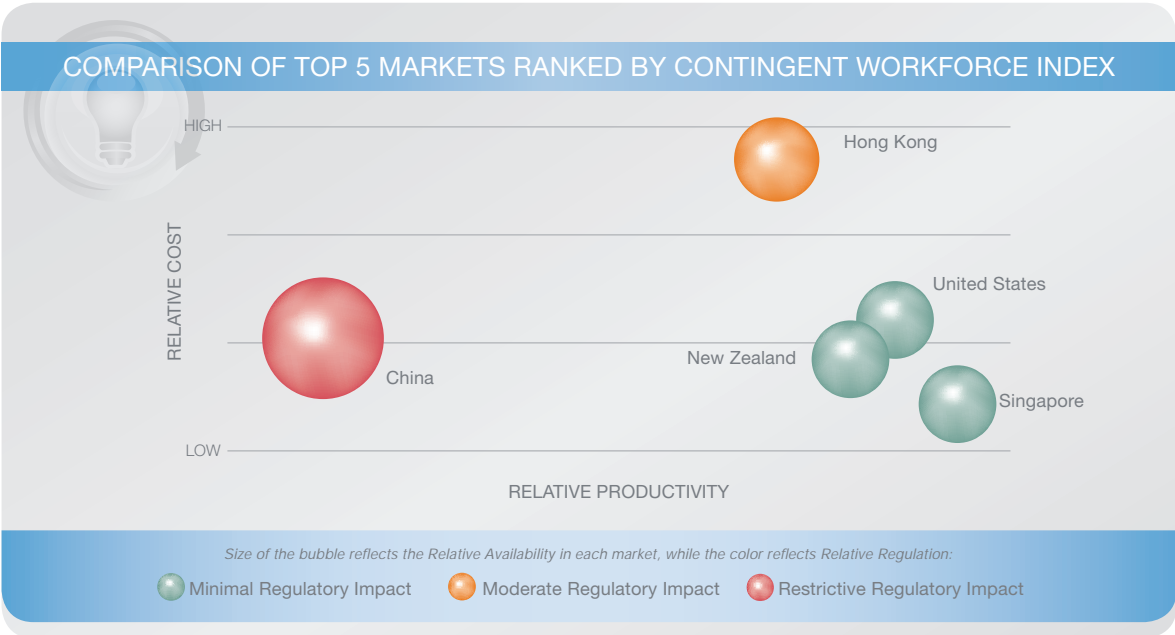
# COMPARISON OF TOP FIVE MARKETS

## OVERVIEW

The top five markets for contingent workforce engagement are Hong Kong, China, the United States, New Zealand and Singapore. For the most part, these markets are well balanced in terms of their workforce availability, cost efficiency, regulations, and productivity. However, China, with a total workforce of more than 816.5 million people, has a comparatively large pool of available contingent workers of more than 156.7 million. This offsets its lower cost efficiency compared to the other top five markets.

## CHANGES FROM 2013 RANKINGS

The top five markets for contingent workforce engagement in 2013 were Hong Kong, New Zealand, the United States, Australia, and Singapore. The rankings for these markets has changed in 2014, with Australia dropping off the top five list, and China now being included. This is primarily due to China's large contingent workforce, which accounts for nearly 20 percent of its total workforce, and the higher weighting given to contingent workforce availability in the CWI.



NOTE: The size of each bubble in each chart is relative to the markets depicted in each view and cannot be compared to other comparative views.



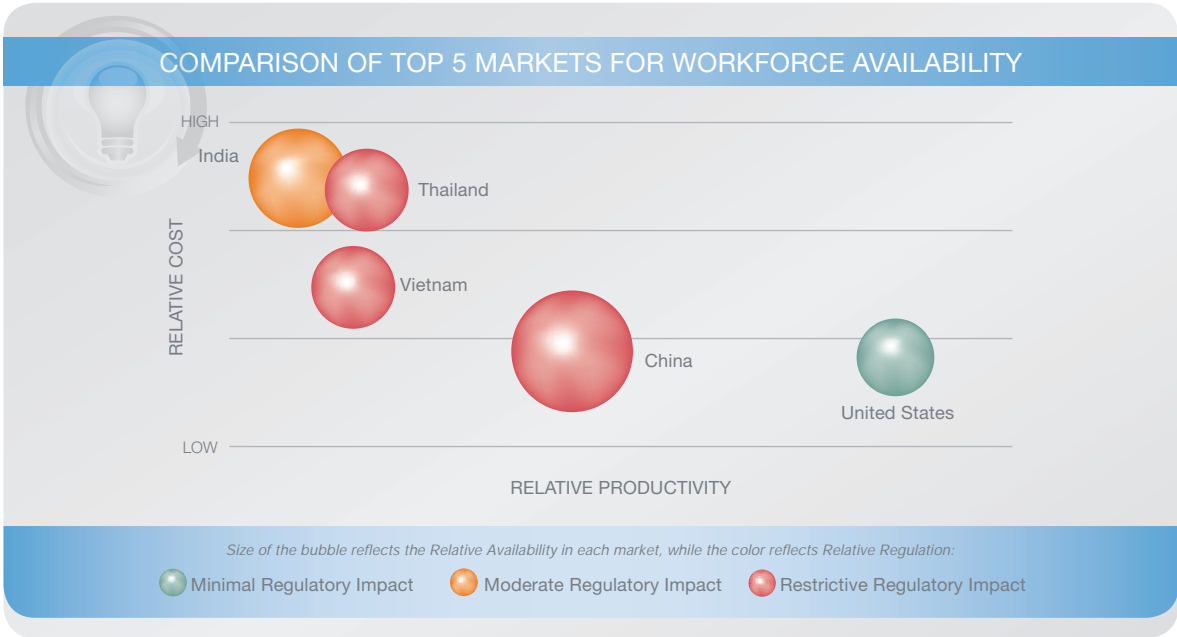
# TOP FIVE AVAILABILITY COMPARISON

Four of the top five markets for contingent workforce availability are in the Asia Pacific region. These countries, with the exception of the United States, generally have lower labour costs paired with a greater availability of contingent workers. However, they tend to have more restrictive labour regulations and lower productivity.

Although the United States has a large available contingent workforce and minimal regulation, it is less cost efficient than many of the top performing markets on the Index, with average monthly wages of USD \$4,587.31 and an average hourly manufacturing wage of USD \$27.15 which is far more than an average manufacturing wage of USD \$3.27 per hour in China, for example.

## CHANGES FROM 2013 RANKINGS

The top five markets for workforce availability in 2013 were Vietnam, Korea, India, China and the United States. Thailand has taken the place of Korea in the 2014 Index as one of the top five markets for contingent workforce availability. One reason for this is that Thailand has more favorable immigration laws than Korea. In fact, Korea's strict immigration laws tightened its contingent workforce market.



# TOP FIVE COST EFFICIENCY COMPARISON

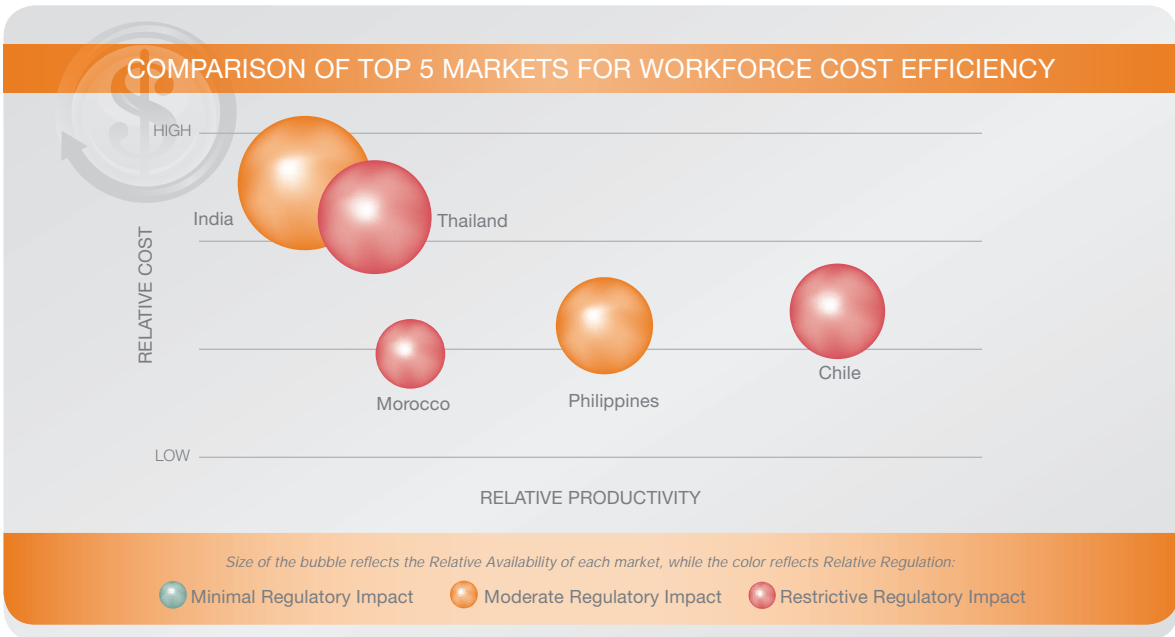
## THREE OF THE TOP FIVE MARKETS FOR CONTINGENT WORKFORCE COST EFFICIENCY ARE IN THE ASIA PACIFIC REGION

India and Thailand are the most cost efficient countries for contingent workforce engagement. Morocco, the Philippines and Chile rank below. The parity of the average hourly manufacturing wages in these countries: USD \$2.06 in Chile, USD \$2.13 in Morocco, and USD \$1.92 in the Philippines correlates to their similar cost efficiency rankings. There are notable differences in productivity, however, with Chile far exceeding other countries, due to its relatively low number of holidays and long standard workday of nine hours.

Conversely, while still among the most cost-efficient countries, Morocco has lower workforce availability, with a total contingent workforce of more than 5.8 million, low productivity, and a highly regulated contingent workforce environment.

### CHANGES FROM 2013 RANKINGS

The top five markets for cost efficiency in 2013 were Thailand, Kazakhstan, Guatemala, Honduras and the Philippines. There have been a lot of changes to these rankings primarily due to reporting changes: removing IT labour and adding average monthly wage. India has been added to the top five due to its favorable contingent wages, which are very low compared to other countries, particularly in manufacturing, where they are the equivalent of USD \$0.68 per hour. Kazakhstan, Guatemala and Honduras have been removed due to slightly higher wages and high overtime premium requirements.



Sources: The primary data sources for this index are all based on December 2013 statistics from the Ministries of Labour for the 75 countries within the scope, the Central Intelligence Agency (U.S.), World Data Bank, Trading Economics, and internal data collected as part of ManpowerGroup global reporting efforts (Annual Data Survey, Manpower Employment Outlook Survey, Talent Shortage Survey).

# APAC OVERVIEW

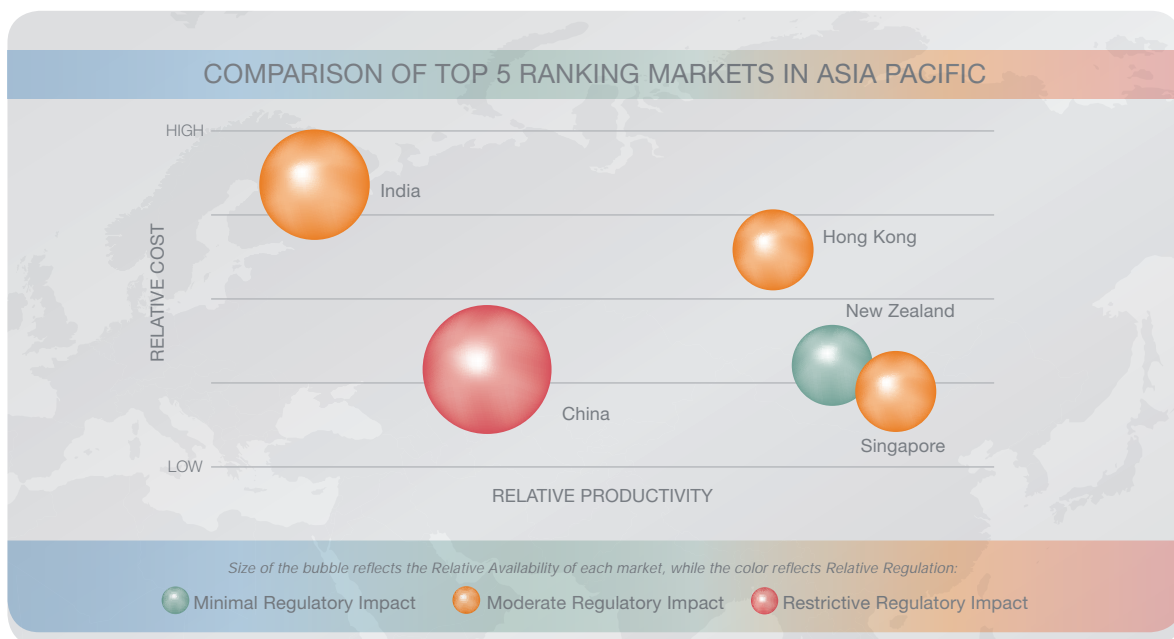
## EVOLVING REGULATIONS AND INCREASED PRODUCTIVITY IN THE ASIA PACIFIC

The top five markets for contingent workforce engagement in the Asia Pacific are India, China, Hong Kong, New Zealand and Singapore. China has the largest contingent workforce of the top five countries, with more than 156 million people in its contingent workforce. However, its restrictive regulations, including restrictions around maximum contract limits have a significant negative impact on cost efficiency and productivity within the country. India has the second largest contingent workforce in the region, though much smaller than China, with more than 82 million workers. India also has the lowest productivity of all leading countries in the region, primarily due to the number of total days of leave permitted. However, India also benefits from being the most cost efficient country, with the lowest manufacturing wages of any country in this study. Hong Kong, New Zealand, and Singapore all have small pools of contingent workforce availability, but they benefit from low regulations and high productivity.

The most cost efficient and productive markets in the Asia Pacific region are smaller in size. However, the region's overall performance for workforce availability remains quite high due to China and India representing slightly more than 50 percent of the global workforce.

## CHANGES FROM 2013 RANKINGS

The top five Asian markets in 2013 were China, India, the Philippines, Hong Kong, and New Zealand. Singapore has taken the place of the Philippines largely due to its highly productive market and few days of annual leave, and an increased emphasis placed on productivity in the 2014 CWI report.



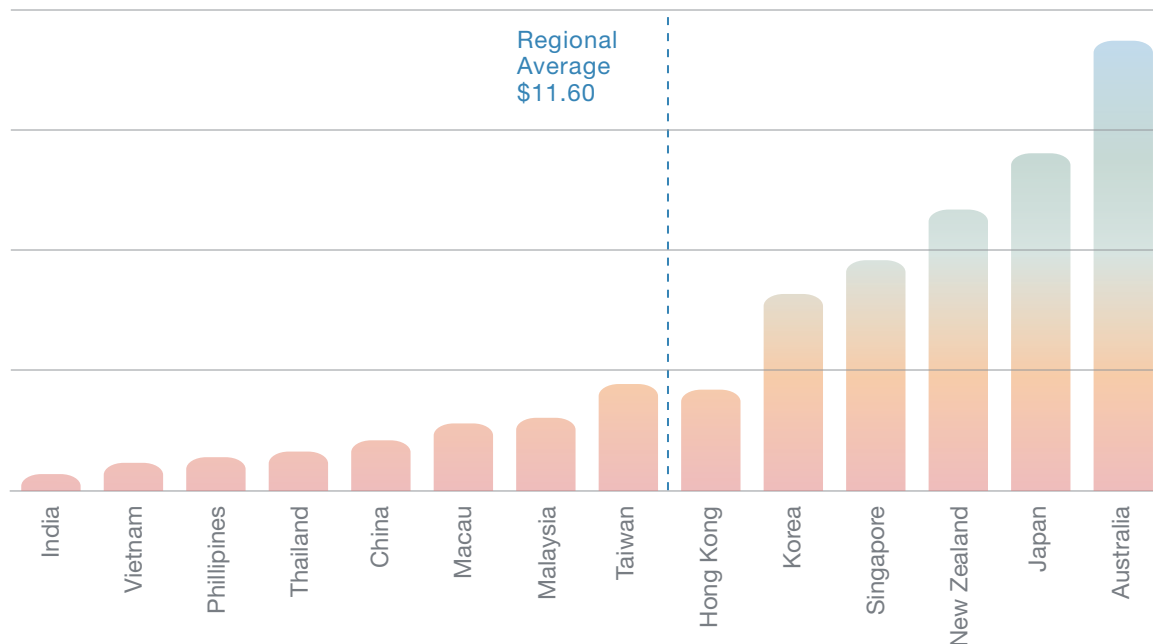
# APAC REGIONAL BREAKDOWN

The APAC region has substantial variance in the regulatory dynamics of manufacturing wages, aggregated tax ranges, and average monthly wages. Most notably, Australia has a higher manufacturing wage compared to other countries in the region at USD \$38.29 per hour and China has a much higher comparative tax burden at 49.6 percent, which distinguishes these countries from the general cost trends in the region.

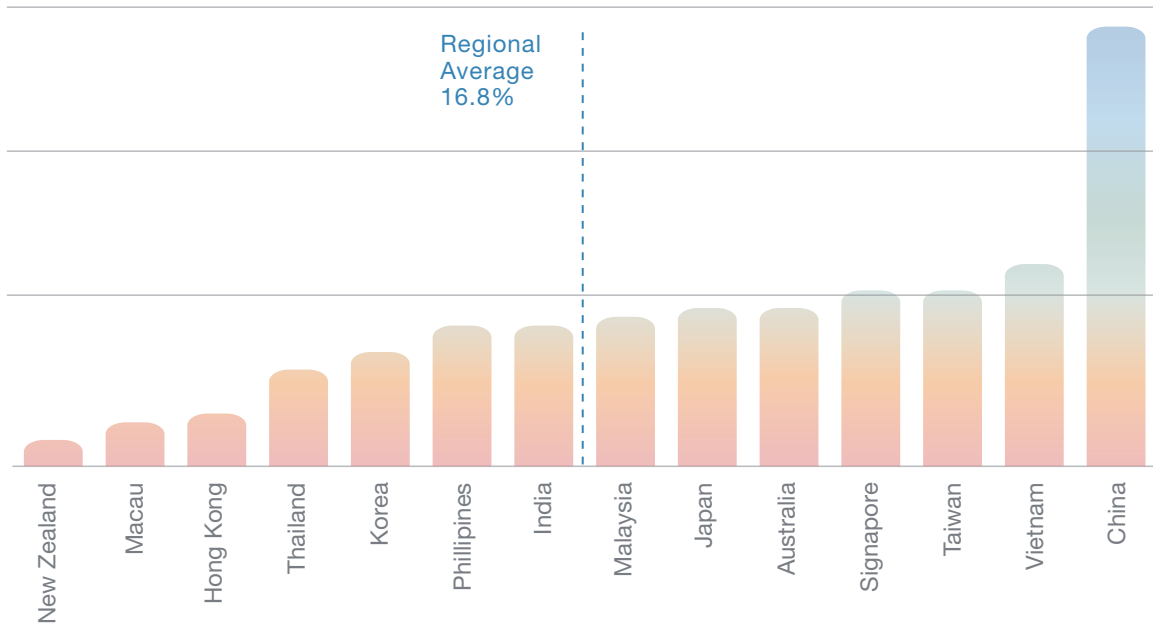
## CHANGES FROM 2013 RANKINGS

The average manufacturing wage of the region has increased by USD \$0.50 since 2013. This is a result of increasing wages in Japan, New Zealand, Singapore and Korea. Consistent with 2013, Australia has the highest average manufacturing wages in the region. The regional average aggregated tax range has remained unchanged from 2013 to 2014. China's taxes have remained much higher than regional average. The average monthly wage is a new addition to the 2014 CWI. India has the lowest monthly wage, which is on average USD \$121.38. Australia and Singapore have the highest average monthly wages in the region, at USD \$3,993.66 and USD \$3,945.71 respectively.

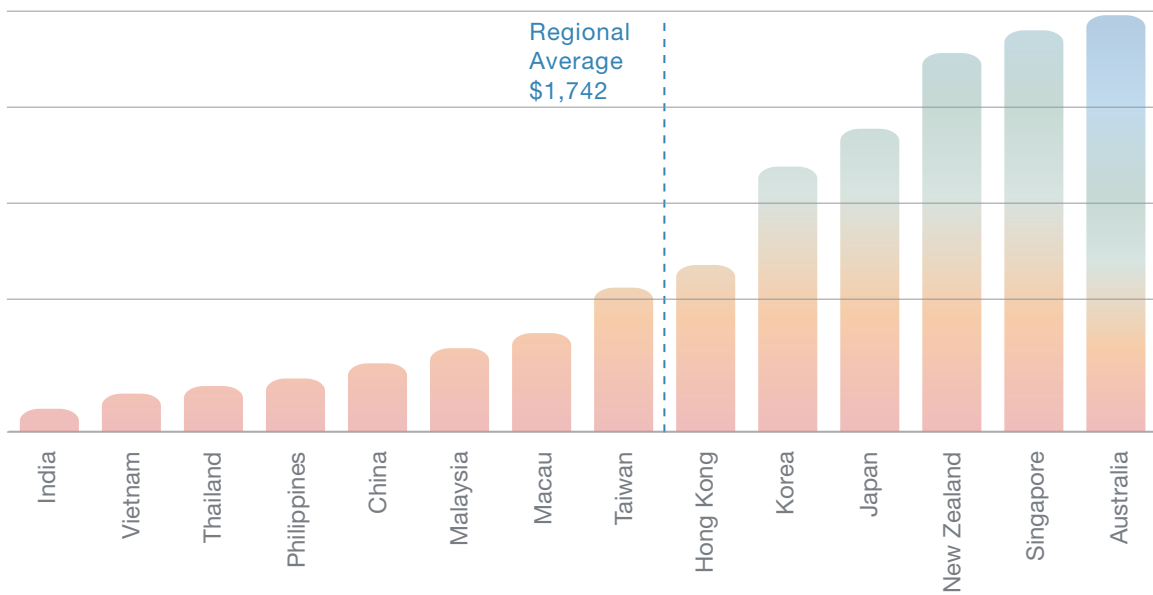
## REGIONAL OVERVIEW OF MANUFACTURING WAGES



## REGIONAL OVERVIEW OF AGGREGATED TAX RANGES



## REGIONAL OVERVIEW OF AVERAGE MONTHLY LABOUR COST



## AMERICAS OVERVIEW

### THE REGION PROVIDES A MIXED BAG OF CONTINGENT WORKFORCE MARKETS

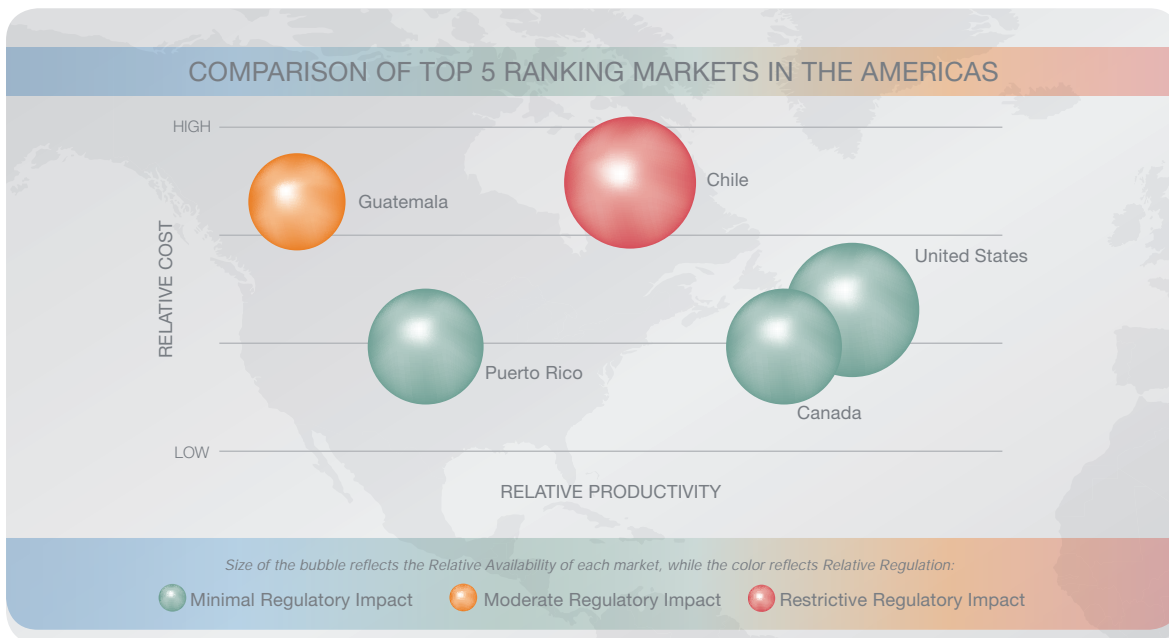
Countries in the Americas with the top five contingent workforce markets are Guatemala, Puerto Rico, Chile, the United States and Canada. The United States and Canada stand out for having substantially large contingent workforces for the region, at more than nine million people and 2.5 million people respectively, minimal regulatory impact, and high productivity. While Chile has a large contingent workforce (>2.3 million workers) and favorable cost factors (average monthly wage of just USD \$1,318.33 compared to the United States' USD \$4,587.31), it is also encumbered by restrictive regulations and lower productivity. Puerto Rico has a small contingent workforce (156,048 workers) and lower costs than the United States and Canada (USD \$2,223.00 on average per month). Puerto Rico also has lower productivity than the United States and Canada and a moderate regulatory environment.

Guatemala has a large contingent workforce compared to its population, at more than three million workers. However, Guatemala has the lowest productivity of the top five Americas markets, though it does offer favorable cost, with an average monthly wage of just USD \$333.92. It is worth noting that, while moderate compared to other countries, the local regulations in Latin America are often complex, particularly when it comes to worker classification and engagement parameters.



## CHANGES FROM 2013 RANKINGS

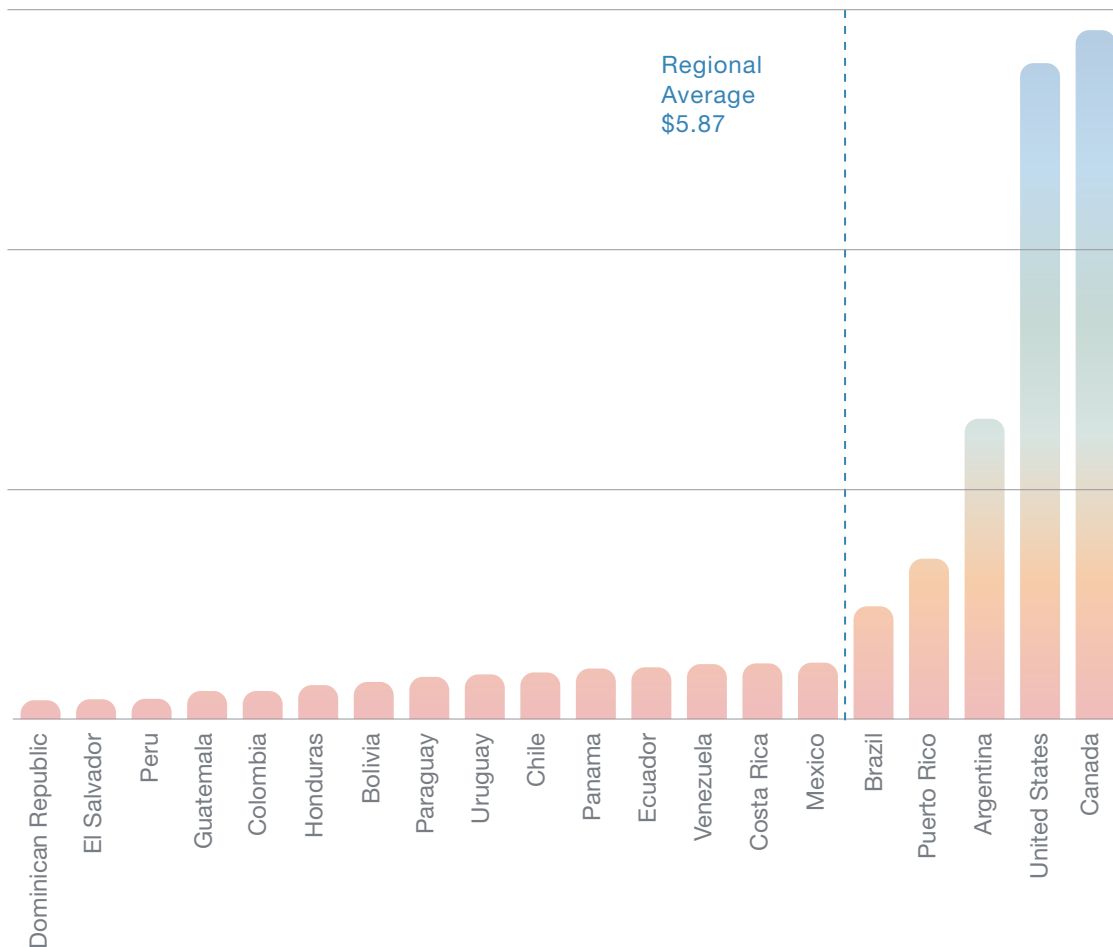
The top five markets in the Americas for 2013 were the Dominican Republic, Uruguay, El Salvador, the United States and Puerto Rico. There have been many changes in the Americas region since 2013 primarily due to reporting changes in the 2014 report, especially due to the addition of geopolitical considerations and an increased emphasis on productivity.



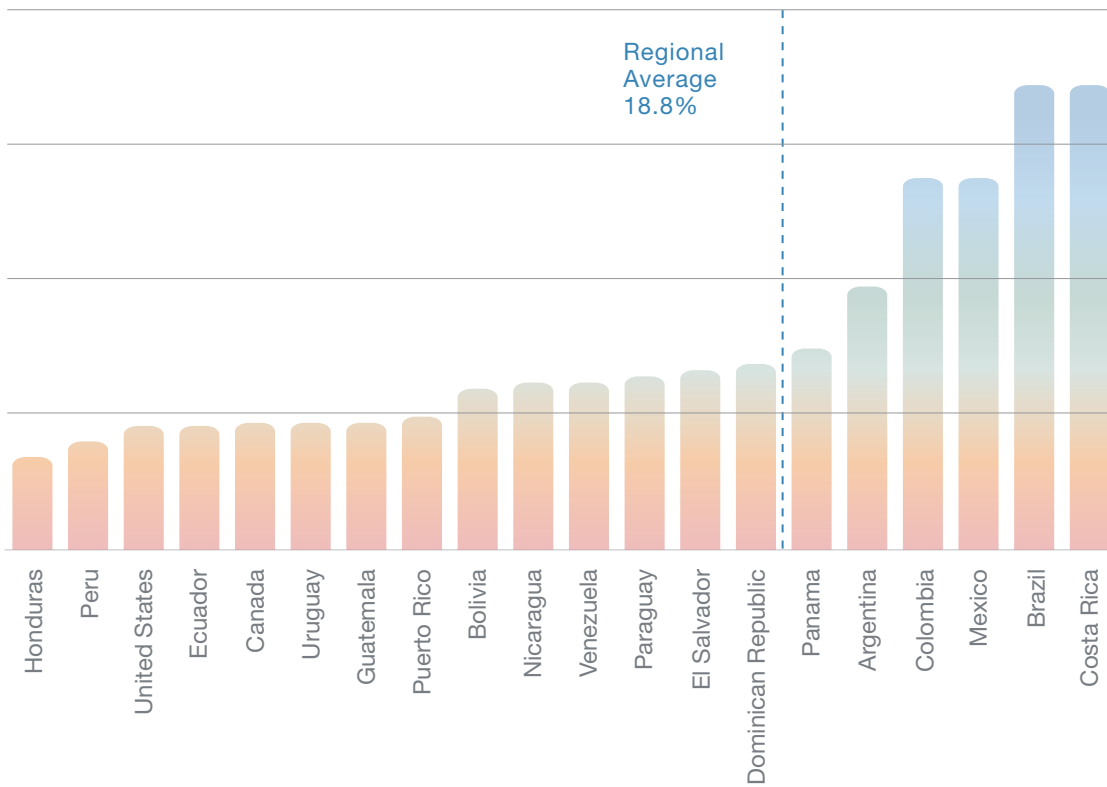
# AMERICAS REGIONAL BREAKDOWN

The average manufacturing wage in the Americas region has increased from USD \$5.38 in 2013 to USD \$5.87 in 2014. Canada and the United States still command the highest manufacturing wages, with Canadians making an average of USD \$29.30 an hour and Americans making an average of USD \$27.15 an hour. Aggregated tax ranges and average monthly wage are both additions to the Americas section for the 2014 CWI. The regional aggregated tax range is 18.8 percent, with countries distributing rather evenly. Costa Rica has the highest aggregated tax of 41.2 percent with Brazil falling just shy of this with taxes at 40.9 percent. Honduras has the lowest tax burden, at just 7.0 percent. The average monthly wage in the region is USD \$1,015. The United States, Canada and Puerto Rico command much higher wages than the rest of the region, with monthly wages of USD \$4,587.31, USD \$4,370.14, and USD \$2,223.00 respectively. The Dominican Republic has the lowest monthly wages of the region at just USD \$254.63.

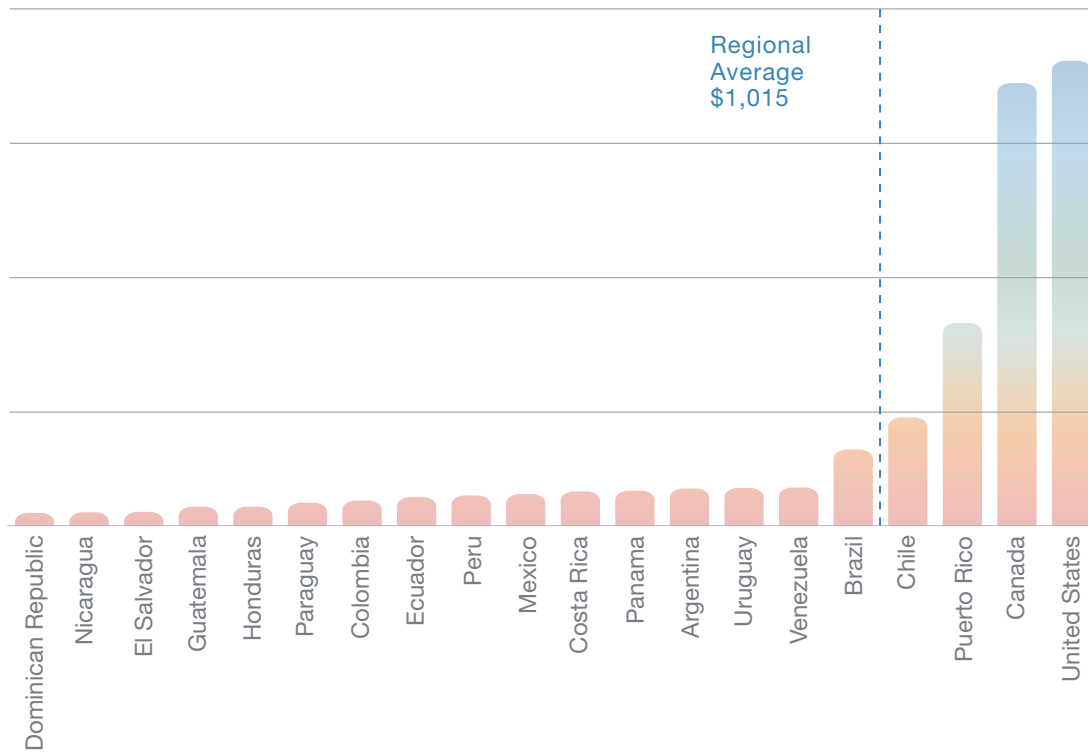
## REGIONAL OVERVIEW OF HOURLY MANUFACTURING WAGES



## REGIONAL OVERVIEW OF AGGREGATED TAX RANGES



## REGIONAL OVERVIEW AVERAGE MONTHLY WAGE



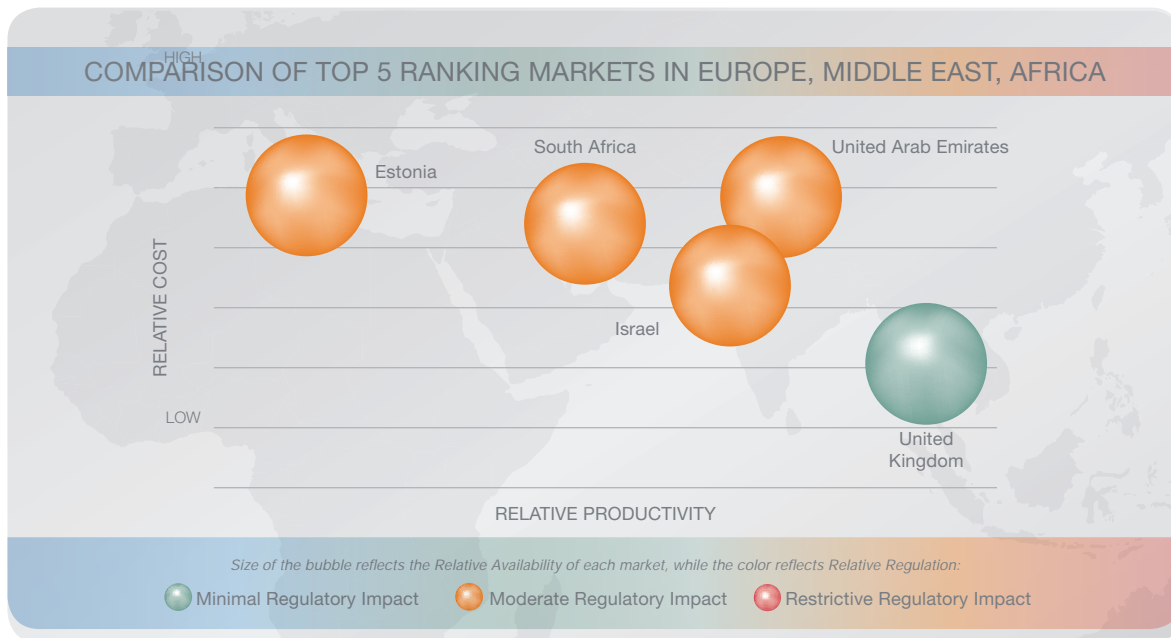
# EMEA OVERVIEW

## LOW COST AND SIMILAR WORKFORCE POOLS IN EUROPE, THE MIDDLE EAST AND AFRICA

The top five markets in the EMEA region are Estonia, South Africa, the United Arab Emirates, Israel and the United Kingdom. Each of these markets has a similar volume of workers in each country, and all but the United Kingdom have relatively favorable cost efficiency. While the United Kingdom is more expensive to operate in than the other top markets in the region, primarily due to high average monthly wage of USD \$4,439.82 – it benefits from favorable regulations and high productivity. Even though there are many standard regulations as a result of common legislation in the European Union, each country maintains unique labour laws that mandate how contingent workers are to be engaged. It is important to note that while many countries in Central and Eastern Europe represent substantial opportunity for cost savings, there are a number of constraints related to geopolitical conditions and the availability of skilled workers that impact these markets' relative rankings.

### CHANGES FROM 2013 RANKINGS

The top five markets in the EMEA region from 2013 were Bahrain, the United Arab Emirates, Israel, South Africa and Turkey. There have been many changes in the EMEA region in the 2014 index primarily due to reporting changes in the 2014 report, especially due to the addition of geopolitical considerations and an increased emphasis on productivity.

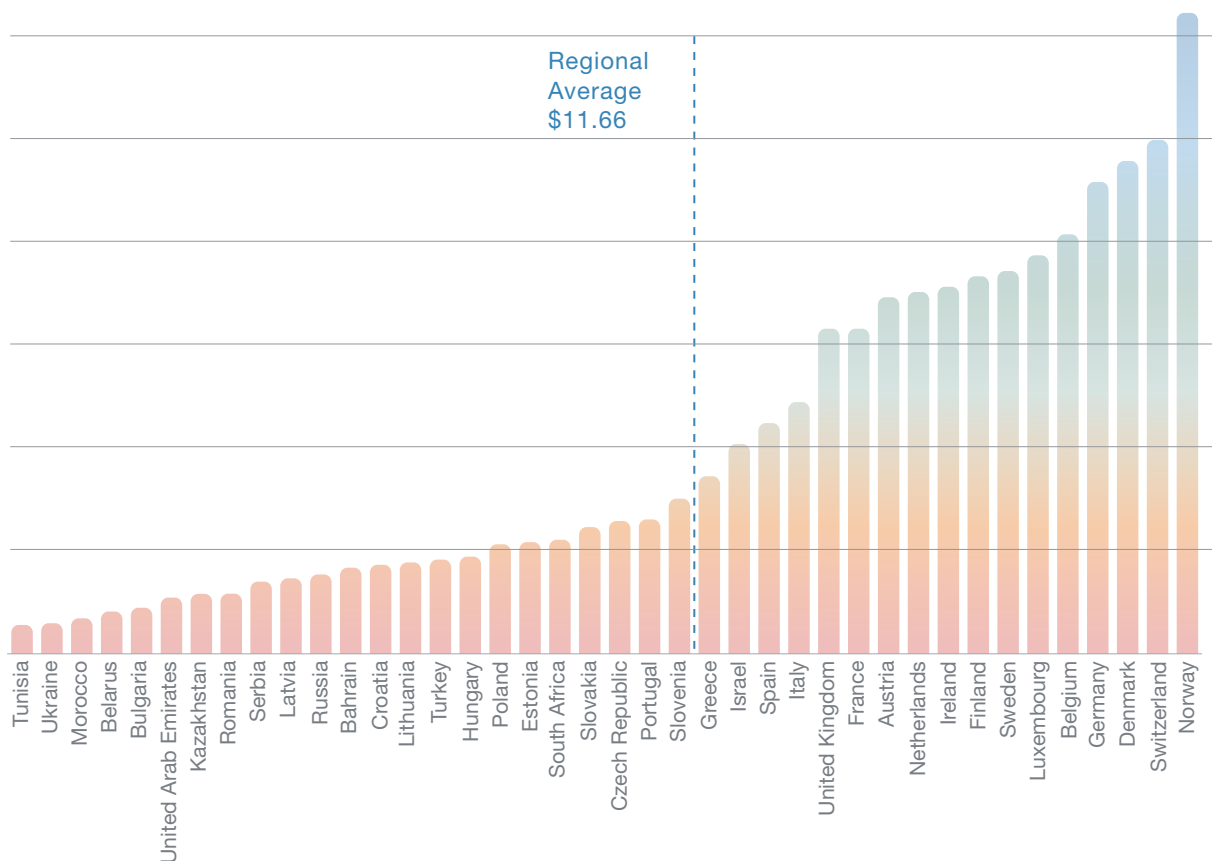


# EMEA REGIONAL BREAKDOWN

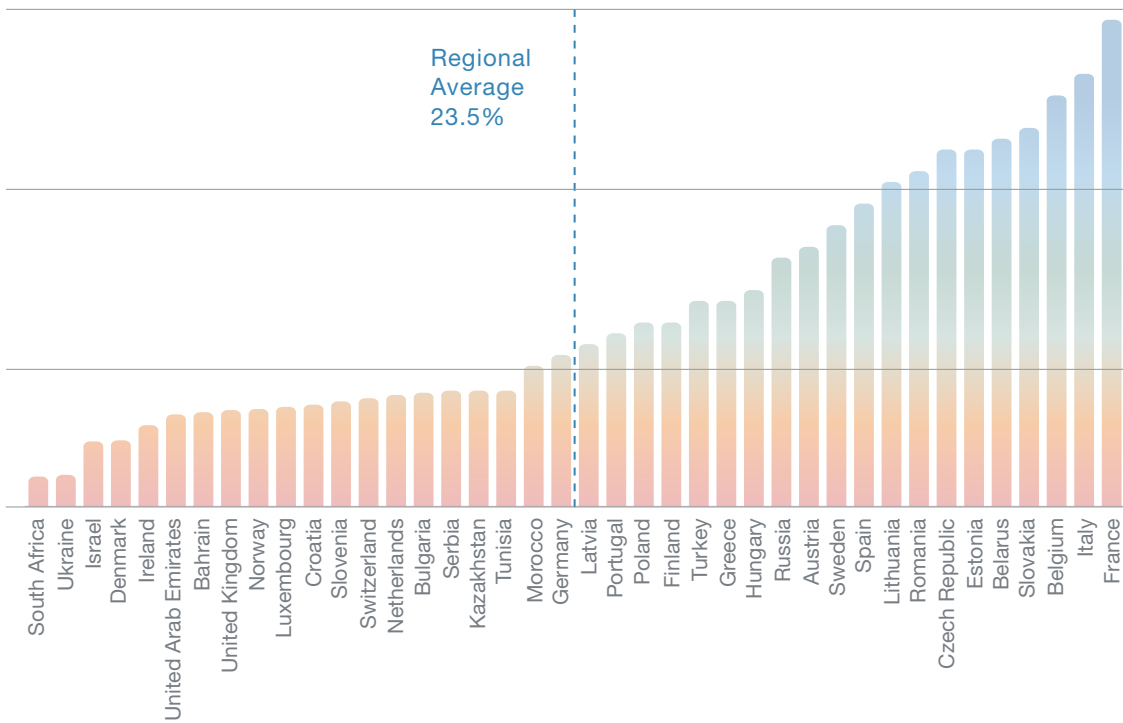
EMEA constitutes a diverse economic and geographic region, and the metrics on manufacturing wages, monthly wages, and aggregated tax ranges reflect this diversity. The regional average of manufacturing costs in the EMEA has decreased from USD \$17.37 in 2013 to USD \$11.66 in 2014. Notably, Norway's manufacturing wages have decreased to be more in line with those of Denmark and Switzerland. These countries still command staggeringly high wages, with an average hourly manufacturing wage of USD \$52.03 in Norway, USD \$43.80 in Denmark and USD \$48.95 in Switzerland. Tunisia commands the lowest manufacturing wage in the region, at just USD \$0.91 per hour.

Average aggregated taxes and average monthly wages are new additions to the EMEA section for the 2014 CWI. The regional average tax is 23.5 percent, with France commanding the highest tax burden among all EMEA countries at 51.7 percent. South Africa has the lowest tax burden at just 3.0 percent. The average monthly wage in the region is USD \$2,587.00. Switzerland has the highest monthly wage compared to all other countries in the region, at USD \$7,876.77. This is far more than in Norway, where workers' average monthly take home pay is USD \$6,405.56, second highest in the region. Tunisians take in the lowest monthly salary, at just USD \$220.50.

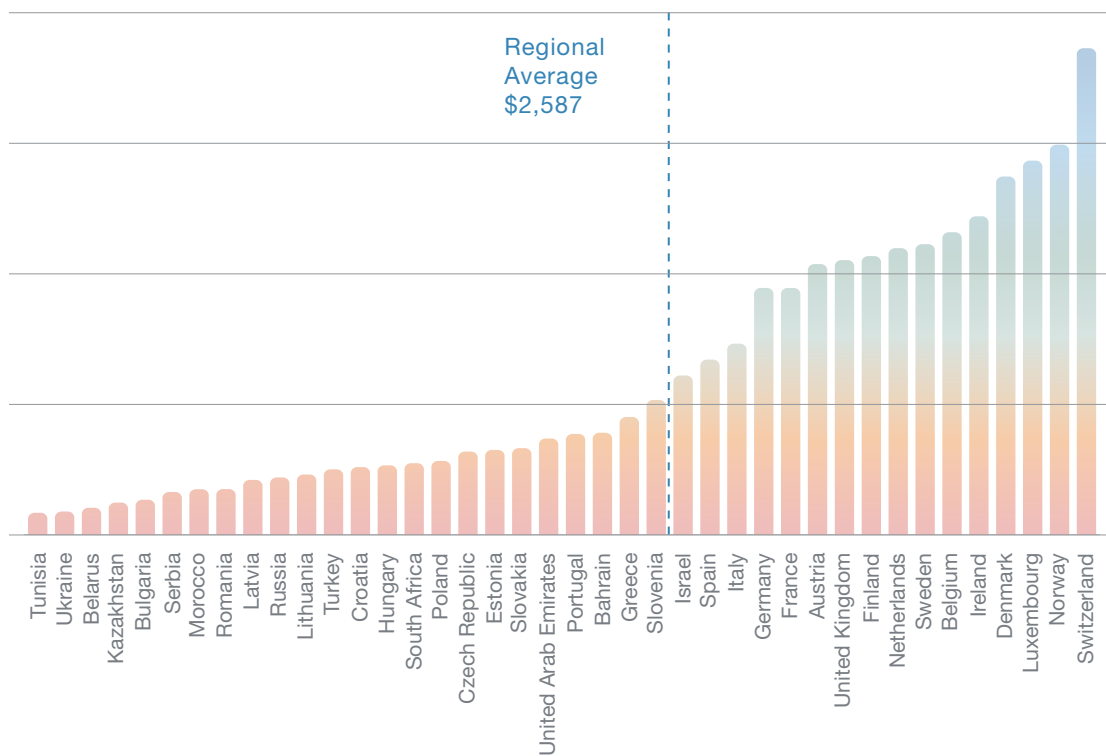
## REGIONAL OVERVIEW OF MANUFACTURING WAGES



## REGIONAL OVERVIEW OF AGGREGATED TAX RANGES



## REGIONAL OVERVIEW OF AVERAGE MONTHLY LABOUR COST





# CONTINGENT WORKFORCE INDEX— DEFINITION OF MEASUREMENT FACTORS

In the CWI, a number of measurement factors are used to determine the numerical value in each category. The factors are:



## AVAILABILITY

*A relative comparison of the current skilled contingent workforce in each country and the likely sustainability of that workforce based on emerging and aging workforce trends*

- Size of CW
- Skill of CW
- Industry of CW
- Literacy rate
- English proficiency
- Secondary enrollment
- Tertiary enrollment
- Aging workforce dependency
- Availability of skilled workers
- Contingent workforce size



## COST

*A relative comparison of basic wage and tax metrics to suggest potential cost efficiency*

- Manufacturing hourly wage
- Minimum wage
- Average monthly wage
- Overtime premiums
- Employer taxes
- Parity requirements



## REGULATION

*A relative comparison of how restricted the terms and practices of contingent workforce engagement are based on a standard set of regulations*

- Subcontracting restrictions
- Fixed term contract restrictions
- Contract duration limits
- Notice period
- Severance period
- Geopolitical constraints



## PRODUCTIVITY

*A relative comparison of the potential productivity of a workforce based on the amount of hours an employer can pay a worker at base pay*

- Public holidays
- Paid leave
- Overtime restrictions
- Days per week
- Hours per day
- Labour market efficiency
- Technical readiness efficiency
- Institutional effectiveness indicator
- Infrastructure efficiency

Each data point is derived from an authoritative source, and then calculated and weighted using proprietary formulas. As new statistics become available and prove to have correlative relationships with the global contingent workforce, they are either added to the Index or replace data points with less significant relevance.



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