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## **The Impact of the Pandemic on Productivity Growth in Canada**

**Press Release – Ottawa, December 16, 2020**

The Centre for the Study of Living Standards (CSLS) today released the latest issue of its flagship publication, the *International Productivity Monitor*. The table of contents of the issue with links to the articles is below. Three articles may be of particular interest to media.

- **Joel Blit** and **Mikal Skuterud**, both from the University of Waterloo, and **Michael R. Veall** from McMaster University examine short-run changes in output, hours worked, and output per hour in 87 Canadian industries. They report that in April 2020 output per hour was up 20.1 per cent over that of April 2018 as the fall in hour worked greatly exceeded that of real output. By August 2020 output per hour was up only 6.0 per cent over that of August 2018 as by then firms had been able to adjust labour requirements with demand for their output. The authors examine the role of three industry characteristics (proportion of employed who work from home, the health risk, and proportion of workers facing customers) in explaining industry productivity developments. Perhaps surprisingly, they find no evidence of association between these characteristics and productivity changes.
- **Jianmin Tang** from Innovation, Science and Economic Development Canada and **Weimin Wang** from Statistics Canada find that in 2011-2015, Canada enjoyed the second fastest business sector labour and multifactor productivity growth among G7 countries and experienced the largest acceleration in productivity growth compared to 2000-2010.

Manufacturing had made a very large negative contribution to aggregate productivity growth in Canada in 2000-2010, due to the declining relative prices of manufactured goods and the fall in the size of the sector. These negative contributions were much less or reversed in 2011-2015, making manufacturing the driving force for the improvement in Canada's aggregate productivity performance after the financial crisis.

- **Bart van Ark**, Managing Director at the UK Productivity Institute and Professor at the University of Manchester and **Tony Venables**, Research Director at the Institute and Professor at the University of Oxford provide an overview of the new UK Productivity Institute, recently established by the UK government to address the country's slow productivity growth. Given that Canada faces the same challenge of weak economic and productivity growth in Canada, this UK experience in creating a policy-oriented research-organization dedicated to developing policies to foster economic growth is particularly relevant.

## **International Productivity Monitor**

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**Andrew Sharpe**

[Editor's Overview](#) 

**Bart van Ark and Anthony J. Venables**

[A Concerted Effort to Tackle the UK Productivity Puzzle](#) 

**Joel Blit, Mikal Skuterud and Michael R. Veall**

[The Pandemic and Short-Run Changes in Output, Hours Worked and Labour Productivity: Canadian Evidence by Industry](#) 

**Jianmin Tang and Weimin Wang**

[Industry Productivity Performance in G7 Countries After the Global Financial Crisis: A Canadian Perspective](#) 

**Daniel Lind**

[A Vertically Integrated Perspective on Nordic Manufacturing Productivity](#) 

**Gilbert Cette**

[What Do We Know About Economic and Productivity Growth? A Review Article on \*Measuring Economic Growth and Productivity: Foundations, KLEMS Production Models, and Extensions\*](#) 

**Eric Santor**

[The Impact of Digitalization on the Economy: A Review Article on the NBER Volume \*Economics of Artificial Intelligence: An Agenda\*](#) 