



Press Release

The Centre for the Study of Living Standards (CSLS), a national, independent, not-for-profit, economic research organization, has released the Spring 2011 issue of the *International Productivity Monitor*. Highlights of the articles are provided below.

- Productivity growth has been weak in Europe in recent years, in contrast to the much stronger productivity growth experienced in the United States. In the lead article, Marcel Timmer and Robert Inklaar from the University of Groningen, Mary O'Mahony from the University of Birmingham and Bart van Ark from the Conference Board analyze the factors behind this situation. Two findings are particularly noteworthy: contributions to productivity growth from the knowledge economy fell off in Europe after 1995, but increased in the United States; and market services have contributed much less to productivity growth in Europe than in the United States.
- The transportation equipment industry has experienced much slower productivity growth in Canada since 2000 and has contributed significantly to the post-2000 productivity growth slowdown. Kelvin Chan and Jianmin Tang from Industry Canada and Wulong Gu from Statistics Canada provide a detailed analysis of productivity developments in this sector. They conclude that the fall in capacity utilization, reflecting weak demand conditions, has been the driving force behind the decline in both output and productivity growth.
- There have been significant differences in the productivity performance of the Canadian provinces in recent years. Ricardo de Avillez and Christopher Ross from the Centre for the Study of Living Standards provide a detailed examination of this performance on a province-by-province basis over the 1997-2007 period. They find that developments in the mining and oil and gas sector explain both Newfoundland and Labrador's rapid productivity growth and Alberta's weak performance.
- Like Canada, Latin America has experienced a growing gap in its productivity performance with the United States. Someshwar Rao from S. Rao Consulting reviews a research volume dissecting the region's

productivity performance and offers a number of parallels between the factors behind Latin America's poor performance and those identified as impeding productivity growth in Canada, namely low business sector R&D intensity and large differences in productivity levels between firms in the same sector.

- It is often asserted that older workers are less productive than younger workers and that consequently the ageing of the workforce will be a drag on productivity growth. Andrew Sharpe from the Centre for the Study of Living Standards reviews a research volume on this topic and finds that the aggregate effect of ageing on productivity is small. He argues that this finding provides support for efforts to boost the employment rate of older persons, both to benefit the individuals themselves given the strong relationship between work and well-being and to increase government revenues to meet the costs associated with the growing 65 and over population.

The table of contents of this issue, with links to the articles, is posted below.

International Productivity Monitor

Number 21, Spring 2011

Masthead

Editor's Overview

Marcel P. Timmer, Robert Inklaar, Mary O'Mahony, and Bart van Ark
[Productivity and Economic Growth in Europe: A Comparative Industry Perspective](#)

Kelvin Chan, Jianmin Tang, and Wulong Gu
[Industry Mix, Plant Turnover and Productivity Growth: A Case Study of the Transportation Equipment Industry in Canada](#)

Ricardo de Avillez and Christopher Ross
[A Portrait of the Productivity Performance of the Canadian Provinces, 1997-2007](#)
The appendix mentioned in the article is available [here](#).

Someshwar Rao
[Insights from Latin America for Canada: A Review Article on *The Age of Productivity: Transforming Economies from the Bottom Up*](#)

Andrew Sharpe
[Is Ageing a Drag on Productivity Growth? A Review Article on *Ageing, Health and Productivity: The Economics of Increased Life Expectancy*](#)
The appendix mentioned in the article is available [here](#).

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