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Centre d'étude des niveaux de vie*

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Release of Spring 2016 Issue of the International Productivity Monitor

The Centre for the Study of Living Standards (CSLS) today released the Spring 2016 of the International Productivity Monitor. The table of contents of the issue and links to the articles are found below. The key findings of the articles are highlighted below:

- The emergence of disruptive technologies associated with digitalization raises the question of whether the conceptual basis and compilation methods of GDP are adequate to capture the output of the new forms and modes of production. Nadim Ahmad and Paul Schreyer from the OECD address these statistical challenges and conclude that on balance the GDP accounting framework is up to the task posed by digitalization, but that practical measurement remains a challenge in such areas as the cross-border flows of intellectual property within firms and e-commerce transactions.
- Mexico's productivity performance has been very poor in recent decades. José Ernesto López Córdova and Juan Rebolledo Márquez Padilla from the Ministry of Finance and Public Credit of Mexico provide a diagnosis of this performance identifying the misallocation of both labour and capital as the main reason for this situation, with a large proportion of workers in low-productivity informal activities and a financially-underserved private sector. The Government of Mexico recognizes this problem and has consequently placed productivity at the heart of its policy agenda.
- Canada and Australia have much in common, but one major difference in recent years has been their productivity performance. Evan Capeluck provides a detailed comparison of labour productivity performance in the two countries. In terms of lessons from the Australian productivity experience, Canada needs to pay greater attention to emerging markets as a source of export growth, to examine, and adopt where appropriate, the policies that Australia has implemented to boost BERD intensity to a level well above that of Canada, and to consider establishing an institution similar to the Australian Productivity Commission to address the nation's productivity woes.

- Productivity growth varies greatly across sectors, with agriculture traditionally having enjoyed particularly impressive growth rates. Eldon Ball, Richard Nehring, and Sun Ling Wang from the U.S. Department of Agriculture confirm this finding for the United States through a comprehensive analysis of the sources of growth in agriculture in that country. They estimate that total factor productivity grew at a 1.47 per cent average annual rate from 1948 to 2013, accounting for 97 per cent of output growth of 1.52 per cent.
- Economists increasingly recognize the insights that firm-level data can bring to productivity analysis. James Uguccioni uses company data to compare the productivity performance of Canadian National (CN) and Canadian Pacific (CP). From 1986 to 2009 output per worker advanced at a very robust 6.5 per cent average annual rate at CN and 4.8 per cent at CP. The higher growth at CN meant that its labour productivity level rose from 78 per cent of that of CP in 1986 to 113 per cent in 2009. Uguccioni attributes CN's stronger productivity performance to the elimination of operating inefficiencies.

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The Centre for the Study of Living Standards (CSLS) is a national, independent, Ottawa-based not-for-profit research organization. Its primary objective is to contribute to a better understanding of trends and determinants of productivity, living standards, and economic well-being in Canada through research.

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