The Daily

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Releases

Relative productivity levels in Canada and the United States

1994 to 2003

Labour productivity was lower in Canada than in the United States during the late 1990s and early 2000s, largely because of differences in multifactor productivity.

From 1994 to 2003, the aggregate level of labour productivity in Canada not only lagged that of the United States, but the gap widened in the early 2000s.

In 1994, the aggregate level of labour productivity in Canada was about 89% of the US level. By 2003, this proportion had edged down to 87%.

Labour productivity is defined as real gross domestic product (GDP) per hour worked. Differences in labour productivity can be attributed either to differences in capital intensity or to differences in multifactor productivity. The relative levels of multifactor productivity measure the difference in the overall efficiency of an economy that arises from the use of more efficient production techniques, technology, firm innovation, firm organization, and firm scale.

Lower labour productivity in Canada over this period was due to the lower levels of multifactor productivity. Capital intensity in Canada was higher than that in the United States over the same period.

There were considerable differences in Canada's capital intensity across asset classes, however, with Canada exhibiting considerably less intensity in machinery and equipment but about the same in buildings, and considerably more in engineering construction.

Labour productivity in Canada lower in most industries

Canada's labour productivity was lower in all industries of the business sector, except in industries with engineering assets.

In 2003, in the goods sector (agriculture and manufacturing), the level of labour productivity in

Note to readers

A plethora of data are used to examine multifactor productivity levels for Canada and the United States. Considerable effort has been made by the statistical agency to standardize the data used in order to draw appropriate conclusions.

This release is based on a research paper titled "Relative multifactor productivity levels in Canada and the United States: A sectoral analysis," available today.

This paper has two main objectives. First, it examines the differences in levels of labour productivity between Canada and the United states from 1994 to 2003. Second, it examines the contribution of two main components of this labour productivity level gap in the two countries.

The gap originates from differences in capital intensity (the amount of capital per hour worked) in the two countries and from differences in multifactor productivity level, which is everything that cannot be accounted for by differences in capital intensity.

Canada was about 72% of that in the United States; in the services sector, it was about 74%; in the engineering sector (transportation, communications, energy and construction) it was about 95%.

The entire decline in Canadian productivity level over this period occurred in the goods sector, which fell from 86% of the US level to 72%. The services and engineering sectors were virtually unchanged over the period.

The research paper, "Relative multifactor productivity levels in Canada and the United States: A sectoral analysis" is now available as part of *The Canadian Productivity Review* (15-206-XIE2008019, free) from the *Analytical studies* module of our website.

More studies related to productivity are available free of charge from the *Economic Analysis* page of our website.

For more information, or to enquire about the concepts, methods or data quality of this release, contact John Baldwin (613-951-8588) or Wulong Gu (613-951-0754), Micro-economic Analysis Division.

Youth custody and community services 2005/2006

Fewer young people aged 12 to 17 are being admitted to youth corrections since the enactment of the *Youth Criminal Justice Act* (YCJA), and the characteristics of those being admitted to sentenced custody have changed.

According to data from 11 reporting jurisdictions, 63% fewer youth were admitted to sentenced custody in 2005/2006 than in 2001/2002, the earliest comparable trend year prior to the enactment of the YCJA.

In 2005/2006, the number of youth placed in remand, which is detention while awaiting trial or sentencing, was 27% lower than in 2001/2002. Over three-quarters of youth admitted to custody in 2005/2006 were admitted to remand.

Decreased admissions are consistent with the objectives of the YCJA, which was designed to respond to concerns about the over-use of custody, and to divert youth who have committed minor offences away from the formal criminal justice system.

Decreases also coincide with declines in the number of youth formally charged by police, and the number appearing in youth court.

The mix of the youth being admitted to sentenced custody also changed over the five-year period.

Older youth made up a greater proportion of those admitted to sentenced custody in 2005/2006 than in 2001/2002. In 2005/2006, 16- and 17-year-olds accounted for 69% of youth admissions compared with 53% in 2001/2002. Studies have shown that older youth tend to commit more serious crimes and generally have more previous contacts with the criminal justice system than younger youth.

Young offenders convicted of property offences no longer account for the largest share of admissions

to sentenced custody, according to data from six jurisdictions. These youth accounted for 26% of admissions in 2005/2006, compared with 36% in 2001/2002.

The proportion of youth admitted to sentenced custody for violent offences has changed little between 2001/2002 and 2005/2006, accounting for about one in five youth admissions. Youth admitted for other *Criminal Code* offences, such as mischief and offences against the administration of justice, has grown from 13% to 20%.

Note: Not all jurisdictions were able to provide all data points over time. As a result, the analysis controls for reporting jurisdictions which may vary depending on the data element being examined. For full information on coverage, please refer to the most recent edition of *Juristat*.

Available on CANSIM: tables 251-0009 and 251-0017.

Definitions, data sources and methods: survey number 3323.

The *Juristat*: "Youth custody and community services in Canada, 2005/2006," Vol. 28, no. 8 (85-002-XIE, free) is now available. From the *Publications* module of our website, choose *Free Internet publications*, then *Crime and justice*. A paper version (85-002-XPE, \$11/\$100) is also available. See *How to order products*.

For standard tables or further information on the concepts, methods or data quality of this release, contact Information and Client Services (613-951-9023; toll-free 1-800-387-2231), Canadian Centre for Justice Statistics.

Number of admissions of youth to sentenced custody, pre-trial detention and probation, 2001/2002 and 2005/2006

Jurisdiction	Sentenced custody		Pre-trial detention		Probation	
	2001/2002	2005/2006	2001/2002	2005/2006	2001/2002	2005/2006
Newfoundland and Labrador	320	97	224	151	590	296
Prince Edward Island	73		54		134	
Nova Scotia	317	146	388	227	1,151	
New Brunswick	401	241	195	305	797	494
Quebec	1,944	1,307	3,832	1,975	8,556	3,631
Ontario ¹	8,362	1,778	6,554	8,472	17,909	7,604
Manitoba	433	366	1,602	1,714	1,316	936
Saskatchewan	586	276			1,640	1,215
Alberta	1,407	731	2,353	1,716	2,954	1,684
British Columbia	1,004	502	1,610	1,290	3,171	1,520
Yukon	33	9	43	33	43	16
Northwest Territories	116	53	39	41		126
Nunavut	91	32	85	27		

[.] not available for a specific reference period

Large urban transit

May 2008 (preliminary)

Combined ridership on 10 large urban transit systems in Canada was 1.1% higher in May than it was for the same month in 2007.

Approximately 116.8 million passenger trips were taken on these transit systems in May. These systems account for about 80% of total urban transit in Canada.

The trips generated \$195.4 million in revenue in May (excluding subsidies), a 7.8% increase over May 2007.

Available on CANSIM: table 408-0004.

Definitions, data sources and methods: survey number 2745.

For more information, or to enquire about the concepts, methods or data quality of this release, contact the Dissemination Unit (toll-free 1-866-500-8400; fax: 613-951-0009; transportationstatistics@statcan.ca), Transportation Division.

Multifactor productivity growth estimates 2007

Multifactor productivity growth estimates in 2007 are now available for the Canadian business sector and its major sub-sectors. The data includes multifactor productivity, value-added, capital input and labour input in the aggregate business sector and major sub-sectors.

These data reflect revisions of investment and gross domestic product from 2004 to 2007, published in *The Latest Developments in the Canadian Economic Accounts*: "2004 to 2007 revisions of the Income and Expenditure Accounts," Vol. 8, no. 1 (13-605-XIE, free) on May 30, 2008, and revisions of hours worked for the last four years, published in *The Daily* on June 13, 2008.

Note: Multifactor productivity measures at Statistics Canada are derived from a growth accounting framework that allows analysts to isolate the effects on labour productivity growth of increases in capital intensity and skills upgrading.

The residual portion of labour productivity growth that is not accounted for by increased capital intensity and skills upgrading is called "growth in multifactor productivity." It measures the efficiency with which capital and labour are used in production. Growth in this area is often associated with technological change, organizational change or economies of scale.

^{1.} The number of admissions to pre-trial detention in 2001/2002 are for 16- to 17-year-olds only and therefore comparisons should not be made with 2005/2006.

Available on CANSIM: table 383-0021.

Definitions, data sources and methods: survey number 1402.

A description of the method used to derive productivity measures can be found in "User guide for Statistics Canada's annual multifactor productivity program," as part of *The Canadian Productivity*

Review (15-206-XIE2007014, free) series, and in The Latest Developments in the Canadian Economic Accounts: Industry Productivity Database, Vol. 7, no. 5 (13-605-XIE, free), from the Analytical studies module of our website.

For more information, or to enquire about the concepts, methods or data quality of this release, contact Wulong Gu (613-951-0754), Micro-economic Analysis Division.

New products

The Canadian Productivity Review: "Relative multifactor productivity levels in Canada and the United States: A sectoral analysis", no. 19 Catalogue number 15-206-XIE2008019 (free).

Wholesale Trade, May 2008, Vol. 71, no. 5 Catalogue number 63-008-XWE (free).

Juristat, Vol. 28, no. 8 Catalogue number 85-002-XIE (free).

Juristat, Vol. 28, no. 8 Catalogue number 85-002-XPE (\$11/\$100).

International Adult Literacy Survey (Series): "Literacy and the labour market: Cognitive skills and immigrant earnings", 2003, no. 20 Catalogue number 89-552-MWE2008020 (free).

All prices are in Canadian dollars and exclude sales tax. Additional shipping charges apply for delivery outside Canada.

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