

3.4.3 Data Support Systems -

The Economic Council of Canada (ECC) is developing a highly detailed database for inter-country productivity comparisons. There are some time lags in this activity and there is a need to ensure that it is kept up to date over time.

The ECC is also working on technology adoption and research and development issues. Part of the activity is the development of a patent database.

Statistics Canada produces measures of labour productivity and provides the necessary data for compilations at a fairly detailed level within manufacturing. It has been announced that more elaborate productivity measures, including total factor productivity, will be produced, starting in 1990.

3.4.4 Recommended Indicators And Approaches -

Both the ECC and Statistics Canada should be encouraged to expand their work in productivity measurement, including the publication on a regular basis of trends in Canada, the U.S., and other countries with substantial industrial disaggregation.

Labour productivity and total factor productivity for at least the 20 sub-industries in manufacturing should be analyzed after data for several years (1989 through 1991) become available to determine if there are noticeable shifts occurring when comparing the period before 1989 and afterwards.

3.5 Employment Changes

3.5.1 Expected Effects -

The overall employment effects from the FTA were generally modest, with most of the net gains induced by higher incomes and occurring throughout the economy. Manufacturing was expected to show either no net gains, or some in the early years as investment occurred, and less longer term as the productivity gains set in. Within manufacturing, the variations ranged from minus eight per cent to plus five per cent after ten years. But these changes may not be visible against the backdrop of other employment changes due to "normal" expansion, restructuring in response to other causes, demand shifts, etc.

The employment effects of most concern will be those that are covered under the rubric of "adjustment"; essentially movements of people from one job to another. There are substantial flows from one job to another every year, for many reasons. The analytical difficulty will be in identifying those that are FTA-related from others.