

是时候打破玻璃了：解决加拿大的生产力问题

卡洛琳·罗杰斯

介绍

早上好。加拿大的经济是由贸易和移民建立起来的。哈利法克斯不仅是重要的港口，也是无数新加拿大人的登陆点。所以我很高兴来到这里，向哈利法克斯伙伴关系这样的团体发表讲话，该组织致力于帮助加拿大企业成长和繁荣。

我们刚刚度过了新冠疫情爆发四周年。这是艰难的四年。除了造成人员伤亡外，这场疫情还颠覆了世界各地的经济，引发了几十年来最大的全球通胀事件。这导致包括加拿大银行在内的各国央行大幅加息，以控制通胀。

在过去两年左右的时间里，央行理事会一直致力于恢复价格稳定。这几乎就是我们在演讲中谈论的全部内容。我们直接听取了那些饱受通货膨胀之苦、感受到加息影响的加拿大人的心声。

好消息是货币政策正在发挥作用，通货膨胀率已大幅下降。我们还没有完全回到目标水平，我们知道我们需要完成这项工作。但我们已经取得了很大进展。因此，现在是反思加拿大和世界各地的经济如何变化以及思考这些变化对未来意味着什么的好时机。

展望未来，我们可以看到，通货膨胀的威胁可能比过去几十年更大。我们知道，过去许多有助于创造良性通货膨胀环境的力量，如全球化，将逐渐消失，甚至出现逆转。我们知道，人口结构的变化和气候变化的经济影响将给价格带来上行压力。持续的全球贸易紧张局势也增加了未来通货膨胀的风险。

因此，在加拿大银行，我们不仅在演讲中，也在思考这个未来。今天，我想谈谈一个对于我们能否驾驭更容易发生通货膨胀的未来至关重要的话题：生产力。

生产力是预防通货膨胀的一种方式。生产力低下的经济体在通货膨胀来临之前只能快速增长。但生产力强的经济体可以实现更快的增长、更多的就业和更高的工资，同时降低通货

膨胀的风险。这就是为什么我想谈谈加拿大长期以来糟糕的生产力记录，并向你们展示这个问题有多严重。你们已经看到了那些标语，上面写着“紧急情况下，打破玻璃”。好吧，是时候打破玻璃了。

加拿大统计局的数据显示，去年年底加拿大的劳动生产率勉强取得了小幅增长。但在此之前，生产率已连续六个季度下降。当然，疫情是经济的一大干扰因素。在疫情期间，加拿大商界领袖的足智多谋和聪明才智得到了充分发挥。企业调整了商业模式和工作方式。考虑到企业的灵活性，我们认为，随着企业站稳脚跟、工人得到培训，生产率将在疫情结束后有所提高。我们在美国经济中看到过这种情况，但这里没有。事实上，加拿大商业部门的生产率水平与七年前相比几乎没有变化。

人们一直在敲响警钟，但对于生产力这样的抽象概念，人们可能很难产生紧迫感。大多数人在听到我们需要提高生产力时，都认为他们被告知必须更加努力地工作或延长工作时间才能产出更多，或者可能减少休息时间。

事实并非如此。劳动生产率衡量的是经济每小时生产多少。提高生产率意味着找到让人们在工作期间创造更多价值的方法。这是一个值得追求的目标，而不是令人恐惧的事情。当一家公司提高生产率时，这意味着更多的收入，这使得公司能够向员工支付更高的工资而不必提高价格。最终，更高的生产率有助于经济为每个人创造更多财富。最重要的是，无论你扮演什么角色，提高生产率都会带来好处：对工人、对企业，当然，对央行行长也是如此。我稍后会回到这一点。

首先，今天我将花一些时间阐述决定生产力的因素。我将回顾加拿大的记录，寻找改进的线索，并讨论我们可以采取哪些措施来提高加拿大的生产力，使我们的经济更具弹性。

生产力的要素以及加拿大的记录

经济学家会告诉你，三个因素决定了一个经济体的劳动力生产率：资本密集度、劳动力结构和多要素生产率。这些词经常导致非经济学家不予理睬。但它们很重要，而且一旦你理解了这些术语，它们就没那么复杂了。那么，让我们逐一看看。

资本密集度是指为工人配备更好的工具。如果您经营一家扫雪公司，如果您的工人拥有坚固且不易损坏的铲子，他们将能够清理更多的车道。当然，给他们一台吹雪机，他们将能够清理比仅使用铲子更多的车道。投资购买带犁的皮卡车，他们可以做更多的事情。

考虑资本密集度最自然的方式是从机械等物理角度考虑，但当然，生产力的一些最大进步来自计算能力以及使用和移动信息能力的提高。你口袋里的智能手机比首次将人类送上月球的宇宙飞船拥有更强的计算能力。这些进步继续赋予员工更多能力，使他们能够在各行各业（无论是商品还是服务）提高生产力。

一个经济体的劳动力结构衡量的是劳动力的技能水平和他们接受的培训量。人们的技能越多，接受的培训越多，他们在工作中创造的价值就越大。

最后，还有多要素生产率，它衡量资本和劳动力的使用效率。这可以指无形资产，例如公司面临的竞争程度、规模经济、管理实践等。它还可以指公司如何利用机器学习和生成人工智能等技术。

这些是生产力的要素。现在，当人们衡量一个经济体的生产力时，他们要么看其水平——一个经济体每小时工作能创造多少价值——要么看生产力的增长率。加拿大在这两个指标上都苦苦挣扎了一段时间。

1984年，加拿大经济每小时创造的价值相当于美国经济的88%。这可不是什么好事。但到2022年，加拿大的生产力已降至仅为美国的71%。在同一时期，加拿大也落后于G7同行，只有意大利的生产力下降幅度比美国更大。

提高加拿大的生产力需要成为每个人的首要任务，而实现这一目标有两个基本策略。一是让经济更多地关注那些增加价值的行业，而不是生产率较低的活动。另一个策略是继续做我们正在做的工作，但要更高效地完成。理想情况下，加拿大将同时采用这两种策略，从而实现生产力强劲增长和高价值行业高度集中的经济。

不幸的是，加拿大最近在这两个方面的表现都不太好。这可能看起来很奇怪。毕竟，加拿大以一些高价值行业而闻名，例如能源和航空航天。但是，虽然这里的生产力水平很高，但增长率并不一定强劲。与此同时，加拿大的一些行业在过去几十年中表现出了相当好的

生产力增长。¹但这些行业包括零售和批发贸易等行业，这些行业的人均产出往往不如能源或航空航天等行业。

我想在这里澄清一点。提高生产率并不意味着要关闭整个经济部门，并让工人去学习新技能。这意味着要关注未来高价值产业的来源。我们需要确保提供适当的激励措施，让这些行业的公司能够成长和繁荣。他们需要适当的支持，例如进入市场和融资。

我希望在座各位对此有同感。历史表明，生产力的进步往往来自初创企业，即由具有突破性想法的企业家领导的新公司。哈利法克斯伙伴关系等组织和其他孵化器正在鼓励那些能够引领我们实现生产力下一次重大突破的公司。你可以在整个地区看到这样的例子，特别是在清洁技术、海洋技术和农业技术领域。

如何提高

现在我想谈谈我们可以做些什么来提高加拿大的生产力。多年来，许多研究都关注过这个问题，但对于加拿大表现不佳的原因以及政策制定者应该把精力放在哪里，仍未达成共识。但我们不能等待完全确定的结果。我们可以做很多事情来提高生产力。事实上，如果我花时间深入研究每一个潜在的优先事项，那么这次早餐演讲也会成为一次午餐演讲。所以我将重点关注三个关键领域。

首先是劳动力结构，即工人为工作带来的技能。对于现有工人来说，这里的改进意味着能够获得培训和再培训计划——无论是学习如何使用新的工作场所技术，还是获得可以创造机会转换到全新工作的技能。对于新进入劳动力市场的人，我们依靠学院、大学和学徒计划为学生做好当前和未来工作的准备。

还必须承认，加拿大的劳动力正在以创纪录的速度增长，而移民是推动这一增长的主要因素。¹1月份，劳动年龄人口增长了12.5万人。这是有史以来劳动力增长最快的单月。未来，加拿大的生产力——以及我们的生活水平——将在很大程度上取决于我们如何利用和发展这些新工人的技能。新移民往往从事的工作无法充分发挥他们已有的技能。这些人往往最终只能从事低工资、低生产率的工作。更好地匹配工作和工人对加拿大经济的未来至关重要。

第二个关键领域与多要素生产率有关。我们知道，中小型企业往往缺乏规模经济，而规模经济使大公司能够提高生产率。加拿大的这些小公司比例高于许多其他经济体。消除增长障碍始终是一个好主意。

但如果要我选出这个领域最大的担忧，我会说是竞争。简而言之，企业在面临竞争时会变得更有效率。竞争促使企业通过创新和寻找提高效率的方法提高生产力。这样一来，竞争可以使整个经济更加高效。

加拿大经济的许多领域都存在企业面临有限竞争的情况，无论是来自其他省份的企业、外国竞争对手还是新进入者。当然，每个国家都有自己支持的某些行业，保护本地企业也是有充分理由的。然而，过度保护也会导致问题。这也有助于解释加拿大商业投资记录不佳的原因。这让我想到了提高生产力的第三个领域。

投资需求

如果将加拿大最近的生产力记录与其他国家进行比较，就会发现我们在机械、设备以及重要的知识产权方面的投资远远落后。全球经济继续快速变化，在许多行业中，关键不是机械和设备，而是知识产权投资。越来越多的公司需要拥有或拥有专利权，这样他们才能通过采用提高生产力的流程来参与竞争。

投资疲软一直是加拿大长期以来的问题。回溯 50 年前，加拿大企业的人均资本支出水平与美国企业的人均资本支出水平一直存在差距。然而，在过去十年左右，情况变得更糟。虽然美国支出继续增加，但加拿大的投资水平低于十年前。

全国各地的经济学家和政策制定者都在努力了解加拿大企业似乎不愿投资的根本原因。在加拿大央行，我们不断与企业交谈，询问他们面临的挑战和机遇。我们的商业前景调查不断显示，企业表示他们计划增加对机械设备的支出。但我们还没有在数据中看到这一点，至少目前还没有。

更令人困惑的是，加拿大拥有许多优势，这些优势应该能带来更高的投资和生产率。我们拥有受过良好教育的劳动力。我们的大学拥有强大的研究文化，推动着技术进步。而且，我们拥有贸易协定，让我们比世界上任何一个国家都能更好地进入全球市场。

要了解投资不足的原因，看看公司所获得的激励措施可能会有所帮助。如果公司利润高、利润率高、竞争有限，他们可能不会感受到太大的投资压力。加拿大统计局上个月发布了一份报告，指出加拿大国内竞争的减少与投资水平下降之间存在联系。²

企业面临的另一个挑战可能是缺乏政策确定性。在某些情况下，激励措施或监管方法可能每年都会发生变化。我们还听说有些企业自然对监管审批流程持谨慎态度，因为审批流程可能既冗长又不可预测。

当然，过去几年对于投资决策来说是一个充满挑战的时期。疫情造成了巨大的不稳定和不确定性。全球贸易紧张的背景无疑无助于解决问题。最近，我们听到一些公司表示，当前的利率环境使得融资变得更加困难。然而，在疫情爆发之前的几年里，投资水平也很低，当时的利率远低于今天。

更普遍地说，在动荡时期，企业，尤其是老牌企业，自然会希望谨慎行事并建立储备。我理解这一点。我们看到了风险。然而，这些同样的力量和风险也存在于其他国家。这些国家的企业——我们的全球竞争对手——继续投资，扩大了与加拿大的差距，这使得我们扭转局势变得越来越紧迫。

加拿大银行在这方面发挥着重要作用。我们的工作是实现经济稳定，以鼓励投资。您可以肯定，我们将继续竭尽全力保持低通胀、稳定和可预测，同时支持投资环境。这是我们为帮助实现不仅更具生产力而且更具弹性的经济所做的贡献。

结论

现在该结束演讲了。我希望我已经清楚地说明了加拿大提高生产力的迫切需要。我想说的是，这是一个紧急时刻——是时候打破僵局了。我用了一些相当严峻的统计数据来支持我的观点。但紧迫性不仅来自于如果我们不采取行动，等待我们的命运。它也来自于如果我们采取行动，将会产生的回报。所以，让我用一个更令人振奋的语气来结束演讲。

提高生产率应该是每个人的目标，因为这是我们为每个人建设更好经济的方式。当企业为工人提供更好的工具和更好的培训时，这些工人可以生产更多。这反过来意味着企业的收入增加，从而使企业能够吸收不断上涨的成本，包括更高的工资，而无需提高价格。

就我们而言，央行行长们关注的是整体经济，而不是单个企业。当整个经济变得更有生产力时，这意味着在我们看到通胀上升压力之前，国家可以实现更多的增长。我们可以有更多的就业机会。我们可以有更高的工资。

我们刚刚经历了全球经济的艰难时期。我们意识到通货膨胀有多么有害，而补救措施又是多么困难但又十分必要。提高生产力是保护我们的经济免受未来通货膨胀冲击的一种方式，而不必过多地依赖提高利率的补救措施。

在加拿大银行，我们将继续努力提供最有利于承担风险和投资的稳定性。在政府提供正确政策背景、商界尽其所能进行投资的情况下，无论未来会发生什么意外，我们都将能够共同帮助加拿大经济增长，帮助加拿大人民繁荣。

谢谢。

我要感谢埃里克·桑托（Eric Santor）对我准备本次演讲的帮助。

1. 参见 C. Haun 和 T. Sargent, 《解析加拿大 2000 年后的生产效率表现和疫情时期的生产效率放缓》, 生活水平研究中心, 《国际生产力监测》 45 (2023 年): 5-27。[←]

2. 参见 W. Gu, “2000 年代中期后加拿大投资放缓: 竞争和无形资产的作用”, 加拿大统计局分析研究处研究论文第 474 号 (2024 年 2 月)。[←]

Time to break the glass: Fixing Canada's productivity problem

Carolyn Rogers

Introduction

Good morning. Canada's economy was built by trade and immigration. Halifax is not just a key port—it has also been the landing spot for countless new Canadians. So I'm glad to be here, speaking to a group like the Halifax Partnership, which is dedicated to helping Canadian businesses grow and thrive. We've just passed the fourth anniversary of the start of the COVID-19 pandemic. It's been four difficult years. Beyond its human toll, the pandemic upended economies around the world and sparked the biggest global inflationary episode in decades. This led central banks—including the Bank of Canada—to raise interest rates sharply so that we could get inflation under control.

For the past two years or so, the Bank's Governing Council has focused on restoring price stability. That's almost all we've talked about in our speeches. And we've heard directly from Canadians who have struggled with inflation and who are feeling the impacts of higher interest rates.

The good news is that monetary policy is working, and inflation has come a long way down. We're not all the way back to target, and we know we need to finish the job. But we have made a lot of progress. And so it's a good time to reflect on how the economy has changed in Canada and around the world and to think about what those changes mean for the future.

When we look ahead, we see a future where inflation may be more of a threat than it has been over the past few decades. We know that many of the forces that helped create a benign environment for inflation in the past, such as globalization, are going to fade away, or even reverse. We know that changing demographics and the economic impacts of climate change will tend to put upward pressure on prices. Persistent global trade tensions also raise the risk of future inflation.

So, at the Bank of Canada, we're turning our thoughts—as well as our speeches—to this future. And today I want to talk about a topic that is critical to our ability to navigate a future that's more prone to inflation: productivity.

Productivity is a way to inoculate the economy against inflation. An economy with low productivity can grow only so quickly before inflation sets in. But an economy with strong productivity can have faster growth, more jobs and higher wages with less risk of inflation. That's why I want to talk about Canada's long-standing, poor record on productivity and show you just how big the problem is. You've seen those signs that say, "In emergency, break glass." Well, it's time to break the glass.

Canada's labour productivity eked out a small gain at the end of last year, according to Statistics Canada. But that came after six straight quarters where productivity fell. Of course, the pandemic was a major disruptor for the economy. During the pandemic, the resourcefulness and ingenuity of Canadian business leaders was put to full use. Companies adjusted their business models and ways of working. Given how nimble companies were, we thought productivity would improve coming out of the pandemic as firms found their footing and workers trained back up. We've seen that happen in the US economy, but it hasn't happened here. In fact, the level of productivity in Canada's business sector is more or less unchanged from where it was seven years ago.

People have been sounding the alarm, but it can be hard to feel a sense of urgency about an abstract concept like productivity. Most people, when they hear that we need to improve productivity, think they' re being told they have to work harder or work longer hours to produce more, or maybe take less time off.

That' s not the case. Labour productivity measures how much an economy produces per hour of work. Increasing productivity means finding ways for people to create more value during the time they' re at work. This is a goal to aim for, not something to fear. When a company increases productivity, that means more revenue, which allows the company to pay higher wages to its workers without having to raise prices. Ultimately, higher productivity helps the economy generate more wealth for everyone. The bottom line is that the benefits from raising productivity are there no matter what your role is: for workers, for businesses and, yes, for central bankers, too. I' ll come back to this point later.

First, I' m going to spend some time today spelling out the factors that determine productivity. I' ll review Canada' s record for clues about how we can improve, and I' ll talk about what we can all do to raise Canada' s productivity and make our economy more resilient.

Ingredients of productivity, and Canada' s record

Economists will tell you that three factors determine how productive an economy' s workforce is: capital intensity, labour composition and multifactor productivity. These are the types of words that often lead non-economists to tune out. But they' re important, and once you get past the jargon, they' re not that complicated. So, let' s look at each one.

Capital intensity is about equipping workers with better tools. If you run a snow-clearing business, your workers will be able to clear more driveways if they have

solid shovels that don't break easily. Of course, give them a snow blower and they'll be able to clear many more driveways than with just shovels. Invest in pickup trucks with plows, and they can do even more.

The most natural way to think about capital intensity is in physical terms like machinery, but of course some of the biggest advances in productivity have come through improvements in computing power and the ability to use and move information. The smartphone in your pocket has way more computing power than the spaceship that first took humans to the moon. These advances continue to put more capability in the hands of employees, giving them the ability to be more productive across a wide range of industries, whether goods or services.

Labour composition in an economy measures the skill level of people in the labour force and how much training they receive. The more skills people have and the more training they receive, the more value they can generate on the job.

Finally, there's multifactor productivity, which measures how efficiently capital and labour are being used. This can refer to intangibles such as how much competition a company faces, economies of scale, management practices and many others. It can also refer to how well companies are taking advantage of technologies such as machine learning and generative artificial intelligence.

Those are the ingredients of productivity. Now, when people measure productivity in an economy, they are looking either at its level—how much value an economy is producing for every hour worked—or at the growth rate of that productivity. Canada has been struggling on both measures for a while.

Back in 1984, the Canadian economy was producing 88% of the value generated by the US economy per hour. That's not great. But by 2022, Canadian productivity had fallen to just 71% of that of the United States. Over this same period of time, Canada also fell behind our G7 peers, with only Italy seeing a larger decline in productivity relative to the United States.

Improving productivity in Canada needs to be a priority for everyone, and there are two basic strategies for doing it. One is to have the economy focus more on the industries that add greater value than less-productive activities. The other strategy is to keep doing the jobs we' re doing but do them more efficiently. Ideally, Canada would use both strategies, leading to an economy with strong productivity growth and a large concentration of high-value industries.

Unfortunately, Canada' s recent record isn' t very good on either front. That may seem strange. After all, Canada is known for some high-value industries, such as energy and aerospace. But while the level of productivity here is high, the growth rates aren' t necessarily strong. At the same time, some industries in Canada have shown pretty good productivity growth over the past couple of decades.¹ But these include sectors such as retail and wholesale trade, which tend not to generate the same amount of output per worker as sectors like energy or aerospace.

I want to be clear here. Improving productivity doesn' t mean shutting down whole sections of the economy and telling workers they have to go learn new sets of skills. It means paying attention to where the future high-value industries are coming from. We need to ensure that the right incentives are in place to allow companies in these industries to grow and thrive. And they need the right supports, such as access to markets and financing.

I expect this resonates with you here in the room. History shows that advances in productivity often come from the start-ups, the new companies led by entrepreneurs with groundbreaking ideas. Organizations such as the Halifax Partnership and other incubators are encouraging the companies that can lead us to the next great breakthrough in productivity. And you can see examples across the region, particularly in the clean tech, ocean tech and agritech sectors.

How to improve

I want to turn now to what we can do to improve Canada's productivity. Many studies have looked at this issue over the years, and there's still no consensus about the causes of Canada's poor performance and where policy-makers should put their energies first. But we can't afford to wait for complete certainty. There is much we can all be doing to boost productivity. In fact, if I took the time to drill down into every potential priority, this breakfast speech would become a lunch speech, too. So I'm going to focus on three key areas.

The first is labour composition, or the skills workers bring to the job. For existing workers, improvement here means having access to training and reskilling programs—whether it's learning how to use new workplace technologies or gaining skills that can create opportunities to switch to a whole new job. For new entrants to the workforce, we're counting on colleges, universities and apprenticeship programs to prepare students for current and future jobs.

It's also important to acknowledge that Canada's workforce is expanding at a record-setting pace, with immigration driving this increase. In January, the working-age population grew by over 125,000 people. That's the fastest single month of workforce growth on record. In the future, Canada's productivity—and our standard of living—will depend importantly on how well we leverage and develop the skills of these new workers. Too often, new Canadians are working in jobs that don't take advantage of the skills they already possess. And too often these people wind up stuck in low-wage, low-productivity jobs. Doing better at matching jobs and workers is crucial to the future of Canada's economy.

The second key area relates to multifactor productivity. We know that small and medium-sized companies tend to lack the economies of scale that allow larger firms to become more productive. And Canada has proportionally more of these

smaller firms than many other economies do. Removing disincentives to growth is always a good idea.

But if I had to pick the biggest concern in this area, I'd say it's competition. Simply put, businesses become more productive when they're exposed to competition. Competition drives companies to become more productive by innovating and by finding ways to be more efficient. In doing so, competition can make the whole economy more productive.

Canada's economy features many sectors where companies face limited levels of competition, whether from firms in other provinces, foreign rivals or new entrants. Of course, every country has certain sectors that it champions, and there can be valid reasons to protect local businesses. However, too much protection can lead to problems. It can also help to explain Canada's weak record in business investment. This brings me to the third area for improving productivity.

The need for investment

When you compare Canada's recent productivity record with that of other countries, what really sticks out is how much we lag on investment in machinery, equipment and, importantly, intellectual property. The global economy continues to change rapidly, and in many sectors, it's not machinery and equipment that are key—it's investment in intellectual property. Increasingly, companies need to own or have the rights to patents that will allow them to compete by adopting productivity-boosting processes.

Weak investment has been a problem in Canada for a long time. You can go back 50 years and find a persistent gap between the level of capital spending per worker by Canadian firms and the level spent by their US counterparts. However, the situation has become worse over roughly the past decade. While US spending

continues to increase, Canadian investment levels are lower than they were a decade ago.

Economists and policy-makers across the country have worked hard to understand the root causes of why Canadian businesses seem reluctant to invest. At the Bank, we are constantly talking to companies, asking them about their challenges and opportunities. Our Business Outlook Survey consistently shows that companies say they plan to increase their spending on machinery and equipment. But we haven't seen it in the data, at least not yet.

Adding to the puzzle is the fact that Canada has many advantages that should lead to higher investment and productivity. We have a well-educated labour force. We have a strong research culture at our universities that is driving advances in technology. And we have trade agreements that give us better access to global markets than any country in the world.

To understand the lack of investment, it might be helpful to look at the incentives that companies see. If firms have high profits, high margins and limited competition, they may not feel as much pressure to invest. Statistics Canada published a report last month that draws a link between decreasing competition within Canada and declining investment levels.²

Another challenge for companies may be a lack of policy certainty. In some cases, incentives or regulatory approaches can change from year to year. We have also heard from companies that are naturally wary of a regulatory approval process that can be both lengthy and unpredictable.

And, of course, the past few years have been a challenging time for making investment decisions. The pandemic caused tremendous levels of instability and uncertainty. A backdrop of global trade tensions is certainly not helping matters. More recently, we've heard from firms that say the current interest rate environment is making financing more difficult. However, investment levels were

also weak in the years before the pandemic, when rates were much lower than today.

More generally, in times of upheaval it's natural for companies, especially established ones, to want to be cautious and build reserves. I understand that. We see the risks out there. Yet these same forces and risks are also present in other countries. And companies in those countries—our global competitors—continue to invest, widening the gap with Canada, making it increasingly urgent that we turn the situation around.

The Bank of Canada has a role here. It's our job to deliver the economic stability that should encourage investment. You can be sure we will continue to do all we can to keep inflation low, stable and predictable, supporting the investment climate along the way. This is our contribution to helping bring about an economy that's not only more productive but also more resilient.

Conclusion

It's time for me to wrap up. I hope I've been clear about the pressing need for Canada to increase productivity. I'm saying that it's an emergency—it's time to break the glass. I've used some pretty grim statistics to support my point. But the urgency comes not only from the fate that awaits us if we don't act. It also comes from the payoff if we do. So let me conclude on a more uplifting note.

Higher productivity should be everyone's goal because it's how we build a better economy for everyone. When a business gives workers better tools and better training, those workers can produce more. That, in turn, means more revenue for the business, which allows it to absorb rising costs, including higher wages, without having to raise prices.

For our part, central bankers look at the economy as a whole, not at individual companies. And when the entire economy becomes more productive, that means

the country can have more growth before we see upward pressure on inflation. We can have more jobs. We can have higher wages.

We' ve all just been through a wrenching period in the global economy. We' ve been reminded how corrosive inflation is and how difficult but necessary the remedy can be. Increasing productivity is a way to protect our economy from future bouts of inflation without having to rely so much on the cure of higher interest rates.

At the Bank of Canada, we will keep working to provide the stability that' s most conducive to risk taking and investment. With governments providing the right policy background, and with the business community doing its part to invest, together we will all be able to help Canada' s economy to grow—and Canadians to prosper—in the years ahead, no matter what surprises may come.

Thank you.

I would like to thank Eric Santor for his help in preparing this speech.

Footnotes

1. See C. Haun and T. Sargent, "Decomposing Canada' s Post-2000 Productivity Performance and Pandemic-Era Productivity Slowdown," *Centre for the Study of Living Standards, International Productivity Monitor 45 (2023): 5–27.*[←]

2. See W. Gu, "Investment Slowdown in Canada after the Mid-2000s: The Role of Competition and Intangibles," *Statistics Canada Analytical Studies Branch Research Paper No. 474 (February 2024).*[←]