

Score

Keepers

Former political rivals Lisa Raitt and Anne McLellan are united in their work to address Canada's economic and social challenges.

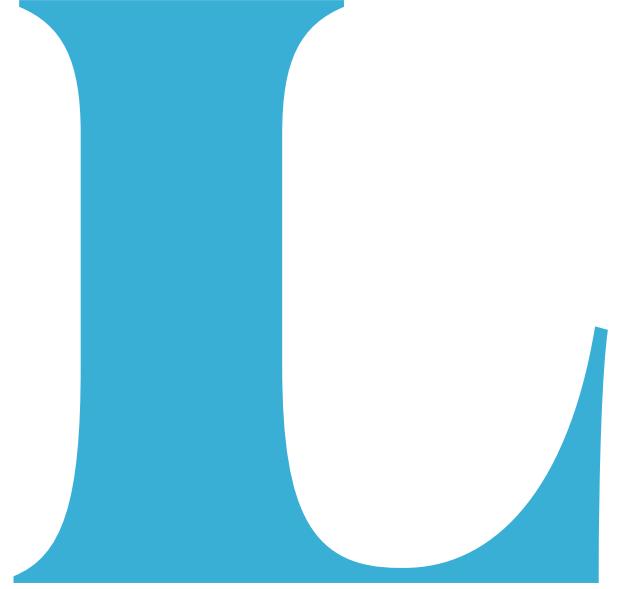
Corporate Canada and government leaders should be paying attention.

BY LIZA AGRBA
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BLAIR GABLE

Lisa Raitt
will be keynote speaker at this year's ESG Symposium, discussing how to build sustainable economic growth for Canada



Anne McLellan and Lisa Raitt speaking at a *Maclean's* Live event in Ottawa in 2021



Lisa Raitt, co-chair of the Coalition for a Better Future—136-and-counting organizations with a collective mandate to foster inclusive, sustainable economic growth—spent much of her career on the opposite side of the aisle from her co-chair. At one time, Raitt served as the deputy leader for the Conservative Party; her counterpart Anne McLellan, a longtime Liberal, was deputy prime minister from 2003 to 2006. But when it comes to the coalition's approach to major issues, she doesn't use the word "bipartisan."

"We're cross-partisan," says Raitt. "Our membership encompasses, well, almost everybody." That includes major labour unions and social justice organizations, chambers of commerce and professional associations, and fintechs and research associations, to name a few members. There's a lot to be said for the benefit of diverse perspectives coming together to tackle issues facing the entire country. But there's also a public relations bonus for having both a high-profile Conservative and Liberal at the helm.

Raitt and McLellan know their respective bases well—and though the specifics are off the record, teaming up has helped guide the coalition's communications, preventing it from alienating one or the other group. But it's not an exercise in Pollyannaish centrism. "In the summer of 2021, when governments were responding to COVID, Canadians liked it when they saw different governments working together across the country. And understandably, they don't like it when their leaders work at cross-purposes," says Raitt. "The coalition builds on the sentiment of wanting to see different parties work together for a greater good."

Fortunately, Raitt is accustomed to balancing priorities. At various times in her career, she served as the minister of natural resources, minister of labour and minister of transport. The most important lesson she's learned from each of these roles? "Crisis management times three," she says. She was in charge of governing a sector during a crack in a nuclear reactor, the worldwide depletion of medical isotopes, five national strikes and the Lac-Mégantic rail disaster.

Now she's tackling what she sees as a broader crisis: Canada's largest decline in productivity outside a recession since the 1950s, coupled with shaky living standards and an unclear path to a green energy transition. That's some of what the coalition's centrepiece—a scorecard of 21 metrics of economic and social progress—is meant to capture.

The annual scorecard report is generally not prescriptive about policy; rather, it's meant to serve as a dashboard for policy-makers and other groups, complete with aspirational targets for 2030. "We are driven by outcomes," says McLellan. "Reasonable people of good faith will disagree on how to reach the objectives we have outlined for 2030, but for us, the key is getting people focused on the fact that one way or another, we must hit them. Or we will risk falling behind the rest of the world."

The scorecard is divided into three categories. There's "Living Better" (with metrics like Canada's poverty gap and prosperity index ranking), "Winning Globally" (GDP per capita, business investments in R&D and the like) and "Growing Sustainably" (clean-tech contributions to GDP, renewable energy in final energy consumption, and others).

"Having strategic objectives and transforming them into metrics is a useful approach," says David-Alexandre Brassard, CPA Canada's chief economist. "One challenge we have in 2024 is that our policy is not particularly data-driven. In other words, it's not typical for governments to correlate their broad goals, like affordability, with specific strategic objectives." A tool like this, he says, helps us remedy that, and to observe the downstream effects of policies as they're put into place.

In a way, the scorecard is an effort to find a signal through a great deal of noise—and, hopefully, to see that effort translate to tangible outcomes. For Raitt, it's a familiar approach grounded in her academic and professional background. She didn't start out as a career politician—before she was elected to represent Halton Region in the House of Commons in 2008, she earned a master's degree in chemistry and went to law school. After that, she was the CEO of the Toronto Port Authority. The Liberal government at the time passed legislation to halt the construction of a bridge from downtown Toronto to the city-centre airport—a policy Raitt considered a major overreach. She made her displeasure known, and shortly after, was courted by the Conservative Party to run in her home riding.

"I can complain about public policy on the sidelines or I can go be part of the process, and that's what I did. In a way, tweaking policy is like introducing a new variable to an experiment. Similarly, my scientific training taught me to look for patterns and weigh potential outcomes," she says. "And my legal education taught me to take copious notes. I have a habit of writing absolutely everything down, and making notes in the margins trying to figure out what it all means in the bigger picture."

As for the bigger picture, this year's scorecard (the second one ever) includes some reasons to be optimistic: incomes and wages have recovered from the pandemic, and the economy appears more resilient than expected, even amid high borrowing costs. But otherwise, the outlook seems somewhat grim—or at the very least, cautionary. On a per-capita basis, the economy is contracting, and the share of Canada's clean-tech sector in the overall economy is shrinking. On the other hand, Raitt is encouraged by our number of "narwhals"—private start-ups with billion-dollar valuations—which went up to 23 from 21 since the previous year, far surpassing the coalition's 2030 goal of 17.

But while Canada's narwhals are doing well, business spending on research and development is about 0.6 per cent of the economy's total value—well below the United States, which spends about three times that much. That worries McLellan, who's also concerned about Canada's trend in per-capita GDP growth, which the International Monetary Fund projects to grow by 1.7 per cent through 2028—the third-lowest among 41 advanced countries, including the United States, which is projected to grow by 9.2 per cent.

"Some of our metrics try to assess why that is," says McLellan. "Part of the reason is that our private sector does not make the requisite investment in terms of machinery and equipment, IT, training and R&D. The private sector might respond that they need the right framework in which to make those investments, and that's absolutely right. It may mean changing competition law or tax law, and crucially, the framework can't keep changing every four years."

McLellan adds that other comprehensive data sources are dedicated solely to housing issues, and the coalition aims to complement existing resources rather than duplicate efforts. Also, she argues, the scorecard indirectly addresses housing through its other metrics. "A safe place to live, good-quality education and health care are foundational conditions for all 21 metrics," says McLellan.



McLellan and Raitt describe their work as "cross-partisan"

Raitt and McLellan know their bases.

Teaming up allowed them to avoid alienating either group.

Notably, the scorecard does not include a specific metric to proxy the housing crisis, even though Raitt and McLellan freely admit it's the year's hot-button issue. Before revealing the scorecard results, Raitt and McLellan take part in a student conference held at the University of Ottawa. "Coming out of COVID, the number one topic of discussion was mental health. This year, it was all about housing and affordability," says Raitt. Part of the reasoning for excluding it is simply a matter of continuity—Raitt says that when the scorecard was designed in 2021, it just wasn't top of mind.

The green energy sector, however, is definitely on the docket. The scorecard includes three measurements to capture Canada's progress on the climate crisis—clean-tech contribution to GDP, renewable energy in final energy consumption, and GHG emissions per unit of GDP. On the bright side, Canada's share of electricity production from renewables is relatively high compared to its peers, aside from a few Scandinavian countries. But one disturbing trend is that, adjusted for inflation, GDP generated by the environmental and clean-tech sectors slightly contracted in 2022. Given the scorecard's target to triple this contribution by 2030, it looks like things are moving decidedly in the wrong direction.

The scorecard's accompanying report argues that getting to net zero by 2050 means balancing a healthy resource sector with climate transition goals, especially by reviewing and updating regulatory frameworks to create a good environment for private sector investment in green tech and

infrastructure. “Our message to policy-makers is that they are not moving quickly enough on this. You’ve got a big, flashing light here, and you’re going to miss the opportunity if you don’t get on it right away,” says Raitt. “In other words, you made a commitment to reviewing your regulatory pieces, and with these metrics, we’re holding you to your word.”

Raitt is also deeply concerned about the relative dearth of executive women in the workforce. “COVID dealt us a really harsh blow, even though for a while I thought we were moving in the right direction. Now, in both the data and my everyday work life, I see a series of bright red flags. That tells me the policies we’ve put in place to support, encourage or even mandate more women in senior positions are just not working.”

That’s not the only troubling metric around economic inclusivity. In a reversal of gains made in previous years, last year, Indigenous people experienced declines in employment and participation rates. Also, the number of Indigenous people in senior management

But while Podlasly applauds the scorecard’s highlighting Indigenous leadership, he notes that it’s worth remembering the main objective—and what perspective might be missing. In 2020, Podlasly co-authored the discussion paper “Centering First Nations Concepts of Wellbeing: Toward a GDP-Alternative Index in British Columbia.” It argues that using GDP to measure economic output is too crude a proxy to gauge true economic well-being.

“I don’t prescribe how to draft the policy. I advocate for listening to all the voices pulling together.”



Lisa Raitt at the Conservative Party of Canada leadership convention in Toronto in 2017

positions dropped to 2.4 per cent from 2.7 per cent—leaning further away from the scorecard’s aspirational rate of 5 per cent by 2030, which is in line with Indigenous peoples’ share of Canada’s population.

Mark Podlasly, Nlaka’pamux Nation member and chief sustainability officer at the First Nations Major Projects Coalition—which seeks equity for its First Nations members in projects like pipelines and gas utilities, to enhance their prosperity and capacity for environmental stewardship—is happy to see a metric around Indigenous leadership. “It’s definitely a reasonable goalpost, even though it will take time to achieve,” he says.

It cites other countries—namely Iceland, New Zealand and Scotland, among others—that are developing alternative indices that measure economic output among numerous other indicators like safety, leisure time, health and education. A life well lived, as an individual and as a nation, is not all about economic output—it’s about well-being, says Podlasly. “The scorecard is very useful for what it sets out to do, which is to track Canadian competitiveness in an economic sphere. I have not seen these important metrics presented in such a clear, accessible way before. But perhaps it could be broadened.”

When it comes to balancing the pursuit of profit with equitably distributed economic growth, Raitt jokes that if she had the ultimate solution to that problem, she would win a Nobel Prize. “I don’t prescribe how to draft the policy. But I do advocate for listening to all the voices pulling together for change,” she says. “And we’re providing the evidence to show that we’re not moving in the right direction. I know from experience that politicians will change the metrics they call attention to in order to make themselves appear better than they are. That’s why we measure the same things every single year.”

Looking back on her storied career, Raitt has no shortage of milestones to call up as defining moments. But the thing she’s most proud of isn’t related to governance, or even her work with the coalition—it was the decision she made with her husband, in 2016, to go public with his diagnosis of Alzheimer’s disease. “I cannot tell you how many people come up to me at conferences and thank me for sharing that. For families like mine, it’s a matter of being seen,” she says. “I think that is the most impactful thing I’ve ever done.” ♦

Lisa Raitt is the keynote speaker at this year’s ESG Symposium, which is focused on action and accountability. Joining her will be **Mark Podlasly** as a featured speaker at the event, available in a 3-D virtual format.