Thanks, Eben.

And, once again, a hearty congratulations to the Class of 2013!!!

At a similar point in my own life, when I received my graduate degree, the US was still at war – not in Afghanistan, but in Vietnam. Public service then, as today, was held in very low esteem. A president, on the verge of impeachment, had been forced to resign, so politics was viewed as just as dysfunctional as it is today. Awareness of global warming was limited to a few climatologists. The first digital cell phone hadn’t yet made its debut. The US and the Soviet Union were still eyeing one another through the icy glare of the Cold War. The Berlin Wall separated east from West. Terrorism was a term most associated with the origins of World War I in 1914. And the Red Sox hadn’t yet won a World Series since 1918.

What seemed to my generation when we graduated a world of uncertainty has been transformed for your generation into a world of accelerating change. Problems that my generation viewed as soluble are now viewed as intractable. Problems once left to sovereign governments to resolve, are now handled by new forms of governance not yet ready or capable of assuming full responsibility. Problems considered the exclusive domain of government are now seen as too complex, too costly, and too difficult for only one sector of society to manage. And public trust and confidence in all our principal institutions – government, the private sector, the press and religion – are all at an all-time low.

As you enter or reenter this brave new world, I’m hopeful that we have equipped you with skills and insights that will enable you to actively participate in taking on some of the tough problems that my generation has left for your generation to tackle. Indeed, I am hopeful that you will not only be capable of adjusting to the changes swirling around us, but that some of you will actually shape the currents and help to chart the future. As President Kennedy observed, we can either master change, or change will be our master.

I have every confidence that I am looking out on change masters.

I also have every confidence that the world you are entering or reentering needs your skills and talents now more than ever. We may have more problems to confront than ever before, but it’s never been more certain that the solutions to our societal problems need to come and flow from you and from your generation, not mine or Eben’s. But perhaps the journey that I have taken can help light the path for you to take in thinking about how to repair the breach and to make the world a better and more just place.

So let me go back a ways to when I was in your shoes.

I tell my tale not as an ideal but as an illustration; as an example of what is increasingly possible and needed. And I should add: if I can do it, so can you!
At a young age, and without as much training as most of you, I became chief of staff to the mayor of Boston. No, it wasn’t Tom Menino, but rather Kevin White, a very courageous and creative leader who was just right for the times. Boston, back then, had experienced the ugliness of forced busing. It had been losing population and the middle class ever since the end of the Second World War. Hard as it might be to believe, Boston back then was viewed as an historic city without much of a future, a backwater that was losing out to great cities across America, like San Francisco, Chicago, New Orleans and Kansas City.

Every day, the Mayor and I looked on a largely abandoned public building called Quincy Market. It had thrived a century before, but it was now rat infested and empty. The city had turned its back on its waterfront, and Quincy Market was just another granite fortress blocking access to the Harbor. What if we could restore Quincy Market to its glory? What if we could persuade a developer and a bank to see what we could see, a revitalized urban festival marketplace that would attract suburbanites to rediscover the city, and serve as an anchor for retail and commercial development along Boston’s waterfront?

It wasn’t easy. I had to go to Baltimore to find a developer who would believe in our vision. And we needed to go to New York to find bankers who would risk their capital. But by the time we were done, and just in time for the nation’s Bicentennial in 1976 and the arrival of Queen Elizabeth, a handsomely renovated, revitalized Quincy Market was a great success. Attracting more visitors each year than Disney World, creating night life that Boston desperately needed, galvanizing unprecedented investment in the downtown, and really leading the way to Boston’s renaissance as a World Class city.

I retell that story not to boast but because what now seems so self-evident and obvious and successful, actually began as a long shot and a really radical, almost far-fetched idea. We took a negative – a dead downtown, a city abandoned by the middle class, a public building infested by rats and largely abandoned – a city that could have succumbed to the bitterness of busing and stayed alienated and angry at itself and the world -- and we dreamed big and took major risks. Our gamble paid off big time, and the larger point that I want to leave with you is to see opportunity where others see only problems, to think creatively where others are stuck in the lethargy of lack of imagination, and to apply yourselves with equal vigor to the necessary work to translate and implement big ideas into reality.

Let’s now shift gears and move from city government into the private sector, at BankBoston. Imagine, if you will, what it’s like to have been me back in 1990, working at a big commercial bank, the oldest in the country, and confronted with the hard truth that your bank, along with virtually every other bank in America, was engaged in systematic discrimination against inner city residents. If we weren’t actually guilty of any crime, we certainly were guilty of benign neglect.

Now imagine what you would do if your boss, the CEO of the bank, received an invitation to testify before the House Banking Committee, holding regional hearings for the first time in its history, at the Federal Reserve Bank of Boston. The CEOs of all the other big banks turned down the invitation. My boss and I decided that it would be an insult to the Congress to not appear, and we then set to work figuring out what to say. Should we say that we were doing what every other bank was doing – which was, not much? Should we complain, as virtually every other bank was complaining, that the federal government was imposing costly compliance obligations that were costing our shareholders profits? Or should we stop and take a hard look and decide whether we should do better and differently?
I went to my boss, after doing some digging and listening to a lot of smart people who hadn’t been asked before. I told him that we historically had viewed the inner city as a compliance burden, and that, instead, we should view it as a business opportunity. I framed the conversation in terms of what had always made our bank great, ever since it was formed by American patriots like Paul Revere and John Hancock back in 1784. We had always looked at new industries and emerging markets as business opportunities. We had banked the China Trade back in the 1790s. We funded the first industrial factories along the Merrimack River Valley in the 1840s. We gave Jack Warner his first loan to start Warner Brothers Studios and to launch Hollywood back in the 1920s. We had given some high tech entrepreneurs their first investment capital, companies like Raytheon and Wang Laboratories, and we believed in dreamers like Ray Kroc, who had come to us with an idea called McDonald’s, which every other banker in America thought was crazy and way too risky.

Why, I asked, shouldn’t we look upon Roxbury and Dorchester and other under banked inner city neighborhoods, as our next emerging market opportunity? Why not try to do good and do well, simultaneously? Why not use the same formula that we had always applied to specialized niches and find people who came from the community to lead our efforts, and why not allow and encourage them to develop unique products and services? Why not create a bank within a bank and supply it with sufficient capital to see whether it couldn’t achieve our corporate hurdle rate of return on equity within five years?

And that’s exactly what my boss, the CEO, pledged to the Congress when he testified on that lonely stage at the Federal Reserve Bank of Boston back in 1990. Five years later, Cad Gifford, the CEO of our bank, Gail Snowden, the president of our inner city bank within a bank that we created, and I received the Ron Brown Award for Corporate Responsibility from the Vice President of the United States at the White House. We had met the banking and credit needs of inner city residents, developed a network of 44 branches with $5 billion in deposits, helped to transform entire neighborhoods, and led scores of other banks to follow our lead. Our bank, which had previously been considered aloof and arrogant, became a partner with the community, a darling of the media and the regulators, and our inner city customer service and employee satisfaction scores were the highest in our bank which had extensive operations in 27 countries.

I retell the story with obvious satisfaction and pride, but, again, not to boast but rather to suggest a larger lesson. The predictable answer to the summons from the Congressional Committee would have been easy. That’s exactly what 7 of the 8 big banks decided to do. Nothing. Absolutely nothing. And nothing would have changed. The prevailing wisdom was wrong, dead wrong. We faced our crisis of conscience with a hard look at some unappealing truths and we then reversed course and did a very public 180. We simply had the common sense and the courage to turn conventional wisdom on its head, and to see opportunity where others could only see costs and compliance burdens.

Let’s now move on to the Massachusetts Department of Revenue, where I became Commissioner at a very young age, hired to restore public trust and confidence in an agency that the public viewed as thoroughly corrupt and unaccountable. With good reason. My predecessor’s first deputy commissioner, committed suicide on the eve of the election. The next day, 12 tax examiners were indicted for fraud. Morale was low, the public was incensed, and the agency was totally adrift when I entered the door. Where is the Commissioner’s Office, please, I asked the icy, suspicious receptionist. Why do you want to know, she snarled? Because I am the Commissioner, I replied. To this day, that lady, who I subsequently converted to being customer friendly, tells people that she’s the one who told the Commissioner where to go his first day on the job! Well, it only went downhill from there. I asked my budget director how much the food vendor paid us rent to serve meals to our thousands of
employees. After a very long pause, the answer was: nothing. He paid nothing. I asked to see his tax returns, to be sure that he was paying the meals tax that he was collecting from his customers. There was no meals tax return. I asked who owned the business. I was told, reluctantly, a member of our meals tax audit unit. He was subsequently indicted and sent to jail. And that was all on my very first day on the job!

While I knew that job one was to restore integrity in the department, I looked around for a larger mission or purpose and couldn’t find anything that could frame what we needed to do and why and for whom.

It came to me not quickly but over the course of my three first months on the job. I listened a lot to many voices who have never been heard before. Experts from the outside. Smart young people I brought in with me. And, most importantly, career employees who knew their business, cared for their work, were close to their customers, and had never before been asked what they needed.

We came up with a mission statement or a motto that was easy enough for all 4,000 employees to remember and eventually to embrace. Honest, fair and firm tax administration. And it worked. We knew we had to be honest with taxpayers, or they wouldn’t be honest with us, so we made integrity and zero tolerance for dishonesty, a touchstone of everything we did. Fair meant treating honest taxpayers like customers instead of victims of an uncaring and unaccountable bureaucracy. And that meant issuing tax refunds to 2.7 million households not in four months, but pledging to do it in less than one month – and delivering on my pledge by averaging 11 days. And it meant rewriting our tax forms from bureaucratese into English – and bringing taxpayer assistance to where the customers are – in suburban shopping malls, senior citizen homes, and supermarkets. As my kids might have said: duh, dad. But none of these actions had ever been taken by the 200 year old Massachusetts Department of revenue – or any of the other 49 state revenue departments across the country.

Honest, fair and firm. Firm meant declaring that tax evasion is not a victimless crime, and it meant going after the most egregious tax law violators with a vigorous strategy of visible enforcement, including a new seizure unit that shut down popular steak houses and slapped very sticky day-glow, orange “seized” stickers on the sides of luxury yachts and expensive imported cars and opulent mansions belonging to the most egregious tax law violators.

The net result: a dramatic increase in voluntary compliance. Enough new tax revenue to adequately fund needed state services while also cutting taxes eleven times. A complete turnaround in public confidence and trust. And 4,000 employees given back their dignity and coming to work with a newfound sense of purpose and pride.

Okay. Just one last story from my career that I think might be useful for yours. Actually, no, two last stories, but from one job, this time in higher education. When I became deputy dean of the John F. Kennedy School of Government at Harvard back in the 1970s, we were just starting out. We lived in borrowed space, without much of an endowment, with only a handful of faculty and no more than 100 students, and we had very little sense of mission, purpose or possibilities, other than we were training people for government. One job that fell to me was to oversee the design, financing and construction of a new building to house our school – to make a home for an institution that really didn’t yet exist, except in our dreams. A world famous architect had already been hired to design our building, which was meant to be built right next to the Kennedy Library and Museum. When the Kennedy family
decided to take the Kennedy Library, instead, out here to Columbia Point, instead of retaining the world renowned IM Pei to design the Kennedy School of Government, I let him go. I needed someone less expensive and more client oriented. I knew we didn’t want to make a splashy statement to the outside world, but I sensed that we needed an architect who would help us make our plans and dreams come true by having form follow function. But I still wasn’t sure what I was asking the architect to design – and I’m not a very artistic person, and certainly not a designer myself. So I went to the same place that you have looked so many times for inspiration while here at the McCormack School – the library! And I searched and I searched until I found my holy grail. What should a school of government look like? How could it be built and not end up feeling like a business school or a law school? And then, deep in the bowels of Widener Library late on a Friday night, I stumbled upon the answer: the Roman Forum and the Greek Agora. Ancient places where citizens did their commerce during the day and exercised their citizenship at night. A space that conveyed our mission: to produce a healthier democracy, by exchanging ideas in the public square. To this day, people at Harvard’s Kennedy School describe the Forum space that I conceived as the soul of what is now a great institution.

Years later, when I became Director of Harvard’s Center for Business and Government, I started a number of new programs and expanded others, largely in Asia. One of those programs was the first bilateral exchange program between the governments of Vietnam and the United States since the Vietnam War. It was a program that taught communist party leaders about market capitalism and good government. But how could we afford to keep it in business and how could we expand it into serving all of Vietnam’s 58 provinces? Well, it turned out that Vietnam owed the United States government millions of dollars after the war. Yes, you have that right. Even though they won the war, the North assumed the sovereign debt of the South, and they owed the US taxpayers more than 100 million dollars – a sum they could never at that time afford. So why not convert that debt into educational equity and in effect purchase our educational services as a way of retiring of their obligations? In other words, the Vietnamese would be honoring their debts, but the payment would revert back to them by way of an educated management and leadership class to help guide the nation’s future.

I’ve now told you about some of my experiences in city government, in the private sector, in state government, and in academia.

What do these examples have in common, and what might some of the lessons be that we can tease from these?

All these examples, Quincy Market, the Massachusetts Department of Revenue, BankBoston, Harvard’s Kennedy School, were tough problems. Major not what your generation would call wicked hard problems. Maybe not as hard as arms control or global warming. But these were all really hard nuts to crack. An abandoned public market and a dead downtown. An old bank, aloof and arrogant and turning its back on the inner city. A new school, struggling for identity. The kind of problems not easily resolved. The kind of problems usually avoided, the kind of problems where conflict could have easily been the default mode. Employees against the public – or the new Commissioner. Two warring nations against each other. Traditional or conventional approaches to these challenges and conflict would not have yielded success. Business as usual would have left Boston’s downtown dead after dark. Business as usual would have kept BankBoston just one of the pack, reluctant and resisting doing the right thing. Business as usual would have left the Kennedy School looking and feeling like the Harvard Business School instead of a center for democratic debate. Each of these successes was achieved by a combination of a break-through idea, some courageous or unorthodox leadership, reframing old
approaches in new ways and with new language, making a win-win out of a losing situation, and a team of dedicated workers who transformed good ideas into meaningful results.

What, then, are the takeaways?

First, when faced with adversity and intractable problems, think of being bold, even audacious. It would have been easy to let Quincy Market languish or to let the Department of Revenue drift into obscurity or to have kept the big name architect who never would have listened to the voice of the client. By being bold and by breaking out of the box, transformational opportunities that no one could have predicted suddenly appeared.

Second, conflict and crisis can be the handmaiden of imagination. It’s been said that one should never waste a crisis – or a conflict. But too many times we do. If necessity is the mother of invention, then crises can be the incubator of powerful ideas. And make no mistake about it, ideas matter. Promising record fast refunds on the face of every tax return. Converting our inner city lending from a compliance burden to a business opportunity. Transforming sovereign debt into educational equity. Keeping our offices open on April 15 until midnight instead of closing the doors and tuning out the lights at 5 pm on the day when a third of our customers still needed last minute help and assistance. These ideas mattered. And, incidentally, we, you, are all capable of coming up with similar innovations and big ideas. Just as Aari Jabari has done in Iraq. And Gus Speth has done with the environment and now what he calls the new economy and a reimagined America.

Third, it’s always darkest before the dawn. Don’t get discouraged. Perseverance may be the most undervalued virtue of all. This is hard work. Lonely work. Risky work. It requires courage and tenacity and an incredible commitment to what I call blocking and tackling. The skeptics will line up outside every door. It’s so much easier to move into the predictable cynicism. It’s never been done before. Those people are the problem, they are the enemy. We’ve tried that before and failed. It’s never worked before and it’s no use trying again. The critics will offer commentary before the first shovel is in the ground. You need to be and stay strong and keep your eye on the prize.

Fourth, you can’t do this alone. Yes, you need to exercise leadership, but leadership requires followership, and many times, the best ideas come not from the top, but from the middle, or even from the bottom. When I went to the Massachusetts Legislature with a comprehensive 101-section reform of our tax laws, most of the ideas came not from me, but from scores of career employees – who knew exactly what reforms were required, but who had never before been asked what they needed to be effective. The idea for the debt to equity swap with Vietnam didn’t come from me, but from a Vietnam era veteran who studies the Boxer Rebellion and the Chinese Opium wars and found inspiration in an historical analogy, just as I found inspiration for the Kennedy School Forum in the ancient Greek agora. Leadership, at the end of the day, is not a solitary endeavor, but a collective experience. And the best leader, as Lao Tzu observed 2500 years ago, is one who, when the goal is achieved, the people say: we did it ourselves!

Finally, the examples I’ve offered up tonight suggest that you should bring all of yourself to every job. Skills that you’ve acquired studying conflict resolution or international relations or human security or global governance, are just as relevant in the private sector or in higher education as they are in government or the nonprofit sector. In fact, having that cross-sectoral view and perspective equips you to be more effective than if you stay narrowly focused on one discipline or perspective.

Gandhi said that we need to be the change that we seek in the world.

Your faculty and fellow students here at the McCormack Graduate School have equipped you with new skills and insights and pedigree to be agents of change.

We wish you nothing but the very best.

We need you to succeed and to thrive and to tackle some of the wicked tough problems of our day.

This is noble work, even if hard.

Peter Drucker once observed that the best way to predict the future is to create it.

On behalf of a proud faculty and staff at the McCormack School and the Department of Conflict Resolution, Human Security and Global Governance, I wish you great success as you help to create a better future, beginning today.

Many thanks.