

# In Conversation with Partha Ghosh...

Ranjani Saigal, 11/24/10



Caption description



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Partha S. Ghosh is the chairman of The Boston Pledge. As a true global citizen, policy advisor and a strategist for Corporates and Governments he is known worldwide as an innovator of Business and Economic models. He teaches Globalization & Economics at Tufts Gordon Institute, Innovation & Strategic Technologies at the Fletcher School, and Leadership at MIT. Mr. Ghosh was a partner at McKinsey & Company and is the founder/Managing director of Strategy/Policy advisory firm Partha S Ghosh & Associates.

**(About The Boston Pledge:** The primary goal of The Boston Pledge is to bring about bottom-up socio-economic revitalization in emerging nations. In particular, we are working towards developing vibrant communities through education...[More](#))

**It is ten years since the Boston Pledge made a promise under your leadership to stimulate economic development at the bottom of the pyramid. What would you consider your most significant impact thus far?**

We are just about entering our tenth year and will look forward to celebrating our 10th anniversary on September 24, 2011. Our fundamental emphasis has been on the process (as opposed the end product itself) of inculcating within our members the spirit of public service and in turn ensuring that in the conduct of our work we celebrate highest levels of excellence. We all know that millions of NGOs are working very hard across the world, and as you also know \$ Billion of resources have been spent to serve the people in economically challenged environments. Yet the size of poverty has increased and the gap between rich and poor has widened. Consequently we at the Boston Pledge believe we need a different approach. An approach, which will get large percentage of the top 30%, engage with the remaining 70 percent.



In view of the above, the biggest achievement thus far I believe has been that we have been able to cultivate within our members and the people we have served this spirit of "direct engagement", while pursuing our professional lives. As a result the following three points are at the core of our being:

1. We do not believe we are doing any favor to anyone, but we are doing favor to ourselves, - as we look for opportunities of serving those individuals who are subsidizing the privileged world by them being on the sidelines and making their sacrifices.
2. Given the size and complexity of poverty, we are developing the organization to be sustainable not be limited by specific numbers either in terms of funds and or resources or by numbers of people we have served. Even we have served say million people, the size is miniscule relative to the size of the challenge.
3. We want to attract professionals who will invest their skills and will to serve those people who we could reach out to and genuinely feel they are honoring themselves by working at the base of the pyramid. In the process we believe a movement will begin which will have the domino effect some day. We are far from that state, but we are optimistic that when it will happen the process will explode. Which means we have to be *genuine and pure* at the core.

To build this psyche it is not easy. I believe we have been able to develop this dynamic within The Boston Pledge. It requires lot of hard work to get egos out of the system and then create the space for instilling genuine faith in social service. I think this is the biggest achievement of The Boston Pledge so far.

Our work across various parts of the world is indeed "work in progress" and I believe our journey thus far has constituted a series of micro initiatives of modest impact. The people we serve are so challenged, it is very difficult to say that any one state they have reached is an ideal state. On the other hand our Entrepreneurship Springboard Program (ESP) has led to close to 500 entrepreneurs go through the discipline of 500 business plans which are very grass root oriented of which perhaps close to 100 have been launched. For example we work with one village Lakhikantapur which is South of Calcutta





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near the Bay of Bengal, - where we are helping its leader Kapil Mandal to create eco friendly forward looking socio economic dynamic which is home grown, forward looking yet rooted in the heritage of the community. We will like Kapil to then become model for million villages around the world.

I hope we have not disappointed you. The most critical requirement in The Boston Pledge model is that we directly work with the people we serve across borders. Our skills and wills are at work to drive the wheels of micro ventures, which then solicit micro funds, which are the essential lubricants.

**During the recent years, there has been a significant shift from the idea of Philanthropy to the idea of Social Enterprise as people are trying to remove economic inequalities. How would you categorize the work of The Boston Pledge?**

I think we view our role as a catalyst for bottom up socio economic development. Top down development has elements of elitism, and the fundamental belief that the answer is there at the top and it is for people at the bottom to receive the favors / the answers the privileged at the top is offering. Our model is the inverted pyramid model where we view the base to be at the top where we want to plant incubators of the future. Many of The Boston Pledge business winners have launched eco friendly enzyme based chemical processes to convert garbage into fertilizers, to reuse plastics and electric motors for extending the life of materials. We at the Boston Pledge have tremendous faith in innocence of people at the base and of course we want to eradicate ignorance.

Social entrepreneurship, as soon as it gets linked with capital markets or the capitalistic forces as we know them today, sooner or later, fundamental tensions surface where the profit motives of the investor and social motives of the compassionate public servant end up in conflict with each other.

The Boston Pledge in contrast, believes the best nutrient for our professional development is our time spent in public service. As the time spent in the gym is good for physical health, we believe *time spent on the base of the pyramid is good for spiritual, intellectual and economic health of professionals*. One has to have full faith in this equation I am proposing. We at The Boston Pledge are living and celebrating this equation. We are all volunteers, we are inclusive – as long as people can contribute their real skills, and they are willing to place public service at the center stage of their heart after pushing out his/her ego. It is indeed a powerful state one could be in, and *believe me it is a very peaceful and graceful place to be*. We are thinking of organizing four times a 3 hour workshop for people who want to acquire this powerful state of being.

**During the recent years, there has been a significant shift from the idea of Philanthropy to the idea of Social Enterprise as people are trying to remove economic inequalities. How would you categorize the work of The Boston Pledge?**

Thanks to Andrew Carnegie's Gospel of Wealth we have learned why one must give back after you have had a successful economic career. I think his thesis have inspired thousands of Americans to develop the spirit of philanthropy as we have seen through the creation of Foundations such as Ford Foundation, Clinton Foundation to Gates Foundation and thousands in between.

But what we believe in, when we launched The Boston pledge movement in July 2001, that "why must you wait to do good to society until you realize your financial success. If you could take a mortgage to build a big house, why wouldn't you serve social issues in anticipation of your future success? If you have the skills, which will lead to your material success, why not use part of the skills and perhaps small amount of your financial resources to create the future as you will like to see at the base of the pyramid.

Now few years ago the movie "Pay it Forward" definitely reminded us of the fundamental belief with which we began The Boston Pledge mission, and we thought in reverence to that spirit we could engage in a dialogue in our Annual conference on December 4th which will help us to explore ways to motivate and inspire ourselves so that we could genuinely live "the pay if forward" spirit.



**Who do you think would benefit the most from this conference? What would the conference specifically offer?**

This conference is focused on motivating professionals, young and seniors irrespective of their professional inclinations to engage with the challenges of imbalances of the 3Es \_ Equity (widening gap between rich and poor), Ecology (melting ice on top of the mountains and glaciers) and Ethics (erosion of moral and civic values), which might stifle the progress civilization has made in the past 50,000 years. In the process it is my hope like-minded people will come together to deal with these challenges.

## **The conference seems to play on the word Micro. What is the significance of that word?**

Microscopic forces are pure and most powerful. In physics, chemistry and biology we have been continually inspired by the wonders of these powers. It is our belief in communities also when small group of people come together with the purity of purpose however microscopic they may be when they gel they scale rapidly. Mother Teresa's Missionaries of Charity is an excellent example how a large organization with base in 160 countries was built with humble beginnings on streets of Calcutta.

We want to share with our supporters in the conference that however micro may their contributions be we should feel not handicapped by the size of the contribution, but be inspired by the creative and imaginative forces that such offerings might unleash.

## **It is often felt that the techniques taught in top Business Schools are designed address the needs of the top one percent. Yet many argue that these techniques work for transforming the world of the bottom of the economic pyramid. Any comments?**

Excellent point. I think business school education is increasingly oriented to serve Wall Street requirements, which rewards the process of how you could speedily multiply the wealth of the investors. That approach does not work at the so called "Bottom of the Pyramid".

First we do not use the term "bottom" as it sound elitist as if people from the top have to reach to the bottom to bring about social change. We call that area of the pyramid as the base of the pyramid. Now for any building if the base is weak it does not matter how strong the top is, the building is fundamentally fragile. Unfortunately we have reached that point in our development, all our economic equations as result of business school curricula is focused on serving institutions at the top of the pyramid. Why shouldn't they, as business schools have become places where students go to improve their economic standing in society. The economics of top schools are such, - that to afford good teachers, for the campuses to provide corporate like teaching environment they need to charge high tuition fees which only rich students can afford – leading to what I call the "cycle of elitism"

If business schools are focused on serving students coming from the base of the pyramid not to graduate a few to go to the top, but to help them inspire the base for bottom up economic progress we have to fundamentally recast the curriculum with fundamental emphasis on (i) compassionate leadership, (ii) economics of inclusion as opposed to economics of exclusion, (iii) personality development which can bridge the base the and the apex of the pyramid, (iv) who will find ways to solve problems at the base to create jobs, not eliminate jobs at the middle, (v) create wealth where purchasing power is small or near zero. Business schools in contrast end up teaching how to take coal to New Castle and or take sand to the sea beach. Business school graduates must learn how to build oasis in the middle of deserts, not just how to build another high-rise in Manhattan. I believe good education whether it is scientific, technology and/or economic or management, must focus on developing personalities who could work with, serve and inspire those people who are under privileged or underserved. If we could make such a shift the world in the next 100 years will be different. Only then the Millennium Challenge my friend Jeff Sachs is championing will come true. We at the Boston Pledge is trying to develop that kind of psyche in our members and then pass on that spirit to the people we serve close to the base of the pyramid, so they in turn can take the spirit forward.

**The area of micro-finance which for many was seen as the poster child for success in this space has landed itself into many controversies. What do you consider as errors in the space? What needs to be done differently?**

Micro finance without compassion and without mentoring does not work. To think of the base as an opportunity to create wealth for the people at the top of the pyramid is fundamentally flawed, - just the opposite of what we must do. Micro packaging and micro finance when viewed from capitalistic point of view essentially end up taking advantage of poverty to sell products and services at higher unit prices. And when they cannot afford to pay back we end up disturbing their innocence by putting them into shame resulting to suicides. Once again capitalism when not guided with ethical guidelines, - end up demoralizing and de-motivating people and creating tensions which create ruptures in the social fabric of innocent communities – which ultimately become permanent scars. Once trust is broken between different segments of society it is very difficult to get back to the starting point. I think the states in India, which have suffered the onslaughts of greedy micro finance initiatives, will find it very difficult to fix the internal tensions created.



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**How have you defined the success matrix for The Boston Pledge? Based on the matrix, do you think the organization is successful? Any areas that did not come up to expectations?**

Success matrix is a business school term. It makes lot of sense when I consult with our clients at the top of the pyramid. When we are talking of compassion and mentoring we are working out of unlimited reservoir in our heart and head, and we want to extend that to countless number of people.

So we have unlimited capacity and we have unlimited goals; as a result we do not count. Our only success matrix that we are concerned with - is what we do that has to be genuine, has to be innovative, and celebrate excellence. We do five to six workshops a year around the world at the bottom of the pyramid one annual conference for the top of the pyramid e.g. December 4th conference and we reach out to 500 to 600 people every year from Boston to Beijing in a borderless fashion. As long people engage with us with trust we are comfortable based on how we deliver and execute. We follow the fundamental principles of Geeta – “focus on the quality of the process, not the results”

**How can Lokvani readers help The Boston Pledge?**

Lokvani is an excellent organization with excellent readership. I think if we could enjoy the good wishes of your readership, if we could benefit from your and their imaginative capacity to serve some of the most difficult challenges of our times the imbalance of the 3Es we will indeed be humbled. The Boston Pledge members will welcome new members, will welcome financial contributions so that we could spread the Gospel of micro-power and our belief in “if it is to be, it is up to me”. We do want to pay it forward.

