



**The Brookings Institution  
Center for Sustainable Development  
and  
The Rockefeller Foundation**

**17 Rooms Podcast  
“The fight against forced labor and modern slavery”  
December 2, 2021**

*Co-Hosts:*

John McArthur  
Senior Fellow and Director, Center for Sustainable Development  
The Brookings Institution

Zia Khan  
Senior Vice President for Innovation  
The Rockefeller Foundation

*Guests:*

Kristen Leanderson Abrams  
Senior Director of Combatting Human Trafficking  
McCain Institute

Carsten Stendevad  
Co-Chief Investment Officer for Sustainability  
Bridgewater Associates

*Episode Summary:*

In this first interview of the “17 Rooms” podcast, Kristen Leanderson Abrams and Carsten Stendevad discuss the role institutional investors can play in the fight against forced labor and modern slavery. Abrams, senior director for combatting human trafficking at the McCain Institute, and Stendevad, co-CIO for Sustainability at Bridgewater Associates, moderated Room 17 focused on Sustainable Development Goal number 17—on Partnerships—during the 2021 17 Rooms flagship process.

\* \* \* \* \*

## TRANSCRIPT

**MCARTHUR:** Hi, I'm John MacArthur, senior fellow and director of the Center for Sustainable Development at The Brookings Institution.

**KHAN:** And I'm Zia Khan, senior vice president for innovation at The Rockefeller Foundation. This is 17 Rooms, a podcast about actions, insights, and community for the Sustainable Development Goals and the people driving them.

**MCARTHUR:** Big day for us, Zia. Big day. This is our first interview with 17 Rooms moderators. How are you feeling?

**KHAN:** John, I'm just super excited. You know the expression "show, don't tell." I always feel that we try and talk about 17 Rooms and the principles. But this episode just exemplifies it in an action.

**MCARTHUR:** It's so true, and it's actually quite fitting, because today, the day this launches, December 2nd, is International Day for the Abolition of Slavery. And we have a pretty interesting mix of people coming together to talk about actions they're taking to tackle modern slavery and forced labor in particular. And it comes at a time where there's a lot of people wondering about what are the role of investors, a lot of activists complaining investors aren't doing anything, investors saying, Well, we're trying, we're trying and never the twain shall meet. So, we've got some real tensions out in the world on activists, experts, investors, corporate players, and not a lot of coming together.

**KHAN:** And there's so much agreement that we need private-public partnerships. We need to get to actions beyond discussions. We need to mobilize companies and mobilize capital. Yet how we actually get it done is a puzzle. And there's so many smart people working on this, but they get stuck. And we're about to hear from two people from very different fields, very different perspectives, who did come together in a short period of time and came up with something that I think is pretty amazing. It won't be perfect, as they would describe, but it's a concrete step forward. And that's really what I think about 17 Rooms and what's so exciting about 17 Rooms.

**MCARTHUR:** Exactly. Who are these two people we're going to hear from? Well, in today's episode, we're joined by Carsten Stendevad and Kristen Abrams to learn about their efforts to transform institutional investors access to and use of reliable risk data on forced labor. Carsten is the co-chief investment officer of sustainability at Bridgewater Associates and oversees its sustainable investing efforts, including the design and oversight of investment solutions with both financial and sustainability impact objectives. Full disclosure to our listeners, Bridgewater Associates is also a financial contributor to Brookings. Everyone's opinion today, as expressed, is their own.

Kristen is the senior director of the Combating Human Trafficking Program at the McCain Institute, and has extensive experience managing programs and advocating for solutions to prevent and end human trafficking and modern slavery around the world.

Carsten and Kristen co-moderated Room 17 this year, a working group for SDG 17, Sustainable Development Goal number 17, on partnership for the goals in this year's 17 Rooms process. For new listeners, 17 Rooms is an approach to spurring action for the

Sustainable Development Goals. It convenes 17 working groups, one per SDG, and asks them to focus on an area within an SDG that is ripe for action and then to define some concrete, practical next steps that can be achieved in 12 to 18 months to make progress. Zia, we've got a great 17 Rooms case study coming up today.

**KHAN:** And John, both Carsten and Kristen are amazing individuals, and when you hear them, it sounds like they've been working together for years. But what's so amazing to me is they met through 17 Rooms and we'll hear more about that. Carsten and Kristen are the co-moderators of Room 17, the working group for SDG 17 on partnerships for the Goals, and this is their story.

**MCARTHUR:** Let's dive in. Carsten, welcome to the podcast.

**STENDEVAD:** Thank you. Great to be here.

**MCARTHUR:** And Kristen, so nice to have you here too.

**ABRAMS:** Hey, John, thanks for having me.

**KHAN:** So, I'd like to start with a question around, how did you get here? What is the problem that you've been thinking about, and, how did you get connected to the 17 Rooms process to help address it?

**ABRAMS:** Thanks, Zia, that's a great question to kick off our conversation today. Today's International Day for the abolition of slavery and I want to back up just a minute and remind all of the listeners of the problem, the problem that we're trying to address. The ILO estimates that there are roughly 25 million people who on any given day are trapped in forced labor conditions. Those victims are generating more than three hundred and fifty billion dollars in imports into even G20 countries. G20 economies alone.

And one particular point that I really want to underline, and I want everyone to think about, is that women and girls are disproportionately impacted. We know that of all modern slavery victims, which I'll note includes forced marriages as well, they account for 71 percent of the victim population. When we talk about forced labor, which is the specific sub problem that we're looking at as part of this Room, women and girls represent 58 percent of forced labor victims. When you're in the commercial sex industry, 99 percent of the victims are women and girls, so a little bit about the problem statement.

How I got here is working to address that. How do we bring those numbers down? I was asked through a colleague at the McCain Institute who John MacArthur had reached out to if I would join this new thing I hadn't heard about, called the 17 Rooms, and come together with a thought leader from the institutional investor community to bring together people from the subject matter, forced labor NGO side—that's my world—and have open, hopefully honest, truth based conversation with members from the institutional investor community. And it was an enthusiastic yes, because so often those two communities don't get together.

**MCARTHUR:** Kristen, can I just ask, how did you get into this line of work as a lawyer?

**ABRAMS:** Yeah, that's a good question. So, after law school, I was working at a large multinational firm doing a lot of typical big firm corporate work. And I wanted to be giving

back and I wanted to be working with real people. And so I started doing pro-bono work, and some of my earliest pro-bono cases were working with human trafficking victims, representing them as they were looking to secure T visas, which is the immigration remedy that we have in the U.S. that allows human trafficking victims who may be foreign nationals to stay in the U.S. or pursue civil litigation. And so I started doing it that way.

And then the firm I was at at the time, DLA Piper, had a significant commitment to pro bono. I had the opportunity to leave my billable practice and take on management roles in full time pro bono capacity. And so we started working with the State Department and other NGOs.

When I transitioned out of the law firm, I started working with Humanity United, a major philanthropic organization that commits resources to human trafficking. And so I did some consulting with them, and then joined the McCain Institute, where I've been for the last five years, was able to join the institute to develop and then implement, which I think was the largest at the time, a program to address forced labor in the agricultural sector here in the U.S. And so many people, when I told them what I was going to do, they said, that happens here in the U.S.? I thought that happened somewhere else. And I had to tell them, no, in fact, we have people trapped in forced labor conditions right here in the United States. And so it's through the McCain Institute that I've had the opportunity to work on this in a really full time manner.

**KHAN:** There's so many bankers, consultants, and lawyers I know who had a pro bono project as their gateway into working on these issues. Carsten, how about yourself?

**STENDEVAD:** Well, I got here also via John McArthur—we were grad students together more than two decades ago. And really in the past two decades, I have been working in various parts of the financial world, for the past 10 years on the investor side. And I've always been fascinated by kind of the intersection between the financial sector and broader societal objectives, and the question around, is there a way that you can both deliver outstanding financial results if you're an investor while also being kind of a constructive part of the solution?

And more specifically, about 10 years ago, I was appointed the CEO of the National Pension Plan in Denmark, called ATP. And as you might imagine, in a Danish context, the focus on broader sustainability issues have been at the forefront of really what is demanded and expected from all the private sector actors. And so I've been thinking about the challenge of how do you invest in a way that delivers great returns, because pensioners depend on the returns, but also do it in a way that as much as possible accounts for the impact of your portfolio, broader societal issues. And modern slavery is one of them.

And so when John called me up and told me about the SDG Room 17, I was really intrigued by the idea of using this as a vehicle for really working on a topic that has been a challenge for me and I think for most institutional investors.

**MCARTHUR:** And Carsten, one of the things I remember from our early conversations is you saying this was a next frontier. So, investors have spent a lot of time recently thinking about climate and decarbonization. But you pointed out that there was a movement legally afoot in some countries that was changing the conversation. Can you just help our listeners understand that? How do they see where this topic is today and where you see it going tomorrow?

**STENDEVAD:** Absolutely. Broadly speaking, environmental and social issues have really become much, much more important for investors over the past 10 years, five years, and really the last couple of years. A lot of the focus has been on climate change, of course. But what we're seeing is really an expansion in the types of topics that investors are focused on.

One of the questions is, well, why would investors really be focused on these topics? Historically, almost all investors have had a focus on creating the best possible returns. And therefore there's a question of anything that might be relevant for delivering those returns should be considered. So, for example, in the world of climate, you had often seen people say, Well, look, there is a climate risk that you haven't thought about. You really have to focus on it. And similarly, you might say around certain types of social risk, look, there's a risk in your portfolio you haven't thought about before. Make sure you pay attention to that. So that, I think, has been the focus, very risk oriented focus for many years.

But there's been a change in the last couple of years, which is not just asking about what is the risk to your portfolio of certain things, but turning the question around and saying what is the impact that your portfolio is causing on the world? And that's a very fundamentally different question. The net zero movement around the world on climate is a great example of that. That's really investors being asked to, and themselves focusing on, the question of, I'm not just worried about what climate change will do to my portfolio, I'm worried about what my portfolio will do to climate change. And this is really an expansion of how investors think. And although most of the focus has been on the environment for many years, we really see it now, broadening it out to other issues.

And then, and specifically with respect to modern slavery, we have seen regulation emerge in certain countries. I think in particular, for example, in Australia, the Modern Slavery Act is a great example of a legislation that tells private sector actors, including investors, you have to tell us about the risk that you are causing to the world with respect to modern slavery. And so now it's not a choice that investors may or may not think about it. They literally have to report on it. That's a big change for investors, and therefore it requires investors to develop a whole new way of analyzing issues, not just from a financial perspective, but now also from an impact perspective.

**KHAN:** Kristen, what's your take?

**ABRAMS:** Yeah, I think I want to pick up where Carsten ended there. We in the advocacy and activist side have been pushing for many years to get governments, parliaments, regulatory bodies to adopt new pieces of legislation or regulation that would require investors and corporate actors to identify and address forced labor risk in their portfolio. So, I think what you're hearing from Carsten is, what we have lived, is a convergence now of those on the advocacy and activism side and some of the government actors.

Now you see from the private sector, I think, you hear people like Carsten and some of his colleagues that have felt that moral imperative to make sure that their portfolios aren't causing harm to people or the environment. And now we see those pieces coming together. We see it in Australia, but it's not just Australia. The UK, Hong Kong, Norway, Thailand. We understand the EU is considering a range of related measures. This isn't the future. We know that investors and corporate actors, some, want to do the right thing. I think we have

some of those actors in this Room that really want to do the right thing. But now they're going to be required to do it as well.

**MCARTHUR:** There is a certain amount of skepticism whenever it comes up around investors. You just hinted at it, Kristen, but some people think that the investors are in the blah blah game of just look good but do as little as possible. What's your take on that, Kristen, and how does that inform the work of the Room?

**ABRAMS:** So, I'll pull back the curtain a little bit on this Room and help our participants aren't unhappy with this. I think you're exactly right, John. There wasn't a fair bit of skepticism. There was a lot of skepticism. And when I reached out to some of the real thought leaders in this field that I've worked with for many years from the NGO side and said, Hey, we're pulling together this Room, it's a working group of investors and some corporate actors and auditing professionals and people like us in the NGO side, and we're going to figure out how we can get better information in the hands of investors so that they understand the risks of forced labor in their portfolios. And if I was on Zoom, I saw the eye rolls, and if we were on the phone, I heard the audible sighs.

And I will say once we got into the Room, we addressed it head on. And I remember, and Carsten you probably remember texting on the side being like, take no offense, but here comes the question for me. And I said, Listen, Carsten, we got some people here who are saying, we have given you this information for many years and you have done nothing with it. Why is this going to be any different? And I think this Room really was an opportunity for Carsten and some of our other participants to say, let us explain. Let us explain why the tools that we've been given in the past or that we've developed in the past have not been sufficient. And let us explain to you why we're committed to doing this now.

So, you're right, it wasn't a bit of skepticism. I think it was a lot of skepticism. And I think we're going to continue to have to work through this as a community and as communities. And I know we'll probably get into, all right, so, what next? But the proof will be in the product. If we can develop something and if investors will actually use it, then I think we move past that skepticism. And if we don't, then it persists. So, really that the challenge is now on us to try and move past that.

**STENDEVAD:** I think that's exactly right, and I think from an investor perspective, it is understandable that there is that skepticism. There's a reason for why there is that skepticism. And certainly if you just look at the ones in the room, the investors in the room, are the ones who really are trying to lean into this problem. And it starts by, I think like all situations where you have people coming with different perspectives, it starts by acknowledging that you don't have the answers and you need to listen. And that's certainly has been, I think, the investors in this Room's perspective.

Ultimately, we have to start with a point of, do we share the same goal? And there may be some skepticism around that if we do. Of course, a legislation like the Australian one, does focus the mind because even if you don't really believe our intentions, now we have to.

And then the second one is, do we understand each other's worlds? And a lot of the focus in the Room in the beginning was, let's try to walk a bit in each other's shoes. Which is, of course, for institutional investors to listen to the stories and the challenges that we hear from the nonprofit communities who have a much better sense of the challenges. It's also listening

to the data providers, them explaining the challenges for them of having to assess so many different ESG topics, do it in a quality way, do it in a way that's affordable. Let's actually listen and see, would it be easier for us to do it? And then of course, it's also listening to the investor side.

And I remember one meeting where one of the participants said, you investors, you have so many resources. And when we try to really lay out, let's look at the universe of institutional investors in the world, most of them may have five, 10, 12, 15 investment professionals to manage twenty, thirty, forty billion dollars. So, and that's to manage a whole portfolio. So just try to see it from the investors' perspective in terms of the challenges for them of doing it, not to make excuses, but just in a way to understand each other. And then if we have a shared goal, and we have a shared understanding of each other, and we have a shared assessment of what the problem is, then let's work together to see if we can come up with a better solution. That has been the spirit.

**KHAN:** Well, maybe you can share with us now what is the solution, the practical solution that this Room came up with?

**ABRAMS:** So, ultimately, what we identified was there was an information gap, and there was asymmetry between the information that investors were requiring to be able to make informed decisions or to report to regulatory agencies and the information that is available to make those decisions.

So, our proposed solution, and we are still very much in the proposal phase right now, would be to work through a process where we had direct collaboration between forced labor experts and investors. So, we're going to co-design this tool from beginning to end. The tool essentially will be one of risk estimation. So, it will be to ingest business information that will then, I'm going to give this in my non-technical term, but it will run through an algorithm that has various indicators of forced labor, and then will produce a result that would allow investors to efficiently—hopefully—and at scale identify where they may have forced labor risk at a company or security level. And I think that's really one of our differentiators, is that we're not looking at sector, subsector, a particular geographic region, but we are trying to get down to that security level of is there likely forced labor risk that you, the investor, needs to know about?

**STENDEVAD:** That's exactly right. If you're a big institutional investor, the challenge is that you have billions and billions of dollars of investments across thousands of different securities across the whole world. And therefore, what is needed is a way to understand the modern slavery risk in your portfolio at a total portfolio level.

It's actually one of the core challenges we had in the beginning of the conversation in the Room where some of the experts saying, Well, look, you need to go to the particular company and do this very in-depth analysis, and if you do that, that is the only way you can truly understand the nature of modern slavery. Because if it were so apparent, probably the risk wouldn't exist. I mean, a lot of these risks are buried in the supply chains. And so they're not that easy to find.

Therefore, a good argument is you have to really dig into the specific cases. The challenge with that is, I think it's probably true to really do a thorough analysis that is what you have to do. That's very difficult to do across thousands and thousands of securities across the whole world.

And so we have to find something that's in the middle, not to replace the fact that if really you have a problem somewhere, you have to go deep. But really, as a kind of a step before that says, Well, let's start by really do more of a risk identification of thinking about it as a diagnosis tool, where are the problem that I may have that we can then dig into?

And in a way, the skepticism is a bit on both ends. Some people may say, unless you do really, really, really at the company level and the sub, sub, sub-supply level, you will never find it. And of course, if at the other end you say unless it's very easy with one click of a button to do it, in a way both viewpoints may have some truth to it, but it's a bit unreasonable.

So what we're trying to do with this tool is really to meet in the middle. I usually say if it's not in the spreadsheet, it's not really being taken into account. So this is something that investors should be able to actually incorporate as part of their financial analysis at the security level to understand these risks.

And one of the benefits that I hope we will have here is we know there is no perfect way of doing this. But exactly by bringing the various experts together to come up with, hey what is a reasonable kind of version one answer to this. And if we can all look at that and say, not great, but good, that's a very important first step. And then hopefully we can build upon that and there'll be innovations in terms of digging into this particular areas with lots of risks areas. You know, I sometimes joke, in the world of ESG—environmental, social, and governance investing—every single day somebody is complaining about bad data, and so it almost feels annoying that we're now doing, also complaining about bad data. The idea here is, don't complain, do something about it. And that's why we're very excited about it.

**KHAN:** You know, John, there's two things that I love about this from an innovation perspective. Kristen and Carsten, it sounds like what you created is what is sometimes called a boundary object, which is you create a concrete thing that everyone else can then react to. So for example, if you're designing a car, if you create a clay model of a car, then you have the aerodynamic engineers who can look at it, the manufacturing engineers who can whack at it. The marketers and everyone then has something real to comment on versus just talking past each other in the abstract. And it sounds like this tool is that sort of concrete object.

I did want to ask a little bit more about this kind of second theme around innovation, which is this risk of prototypes. You're talking about as I'm hearing it, is let's not let the perfect be the enemy of the good enough. Let's get something concrete out there. What are the risks that might be involved with putting a tool out that isn't sort of perfect and gets critiqued and then you lose some momentum? We've seen this happen in impact investing and some other efforts. But I'm curious how you're thinking about that risk, which is knowing that this won't be perfect. What might be some implications if there are some problems that emerge, which would be very natural when you put out a version 1.0?

**ABRAMS:** Yeah, it's I think it's a really important question, Zia, and one that we have started thinking about already. I think Carsten may have undersold our ambition just a little bit, though, because in developing the version 1.0, what we intend to do is validate the results that come out of our tool against some of the other existing data sets that have already been validated. So ,for example, through the partnerships that we've developed through 17 Rooms, we'll validate, or attempt to validate, or we'll find that we can't validate our results against



some of the work of voice data providers that are already part of the Room. Some of the on-the-ground risk assessors. Those are the people that go in and go to the factory level.

And importantly, we have access to some of the benchmarking data. There are streamlined versions of things like the Know the Chain benchmark that looks at lots and lots of different data points. That's already been validated. So we'll run our analysis based on a similar profile, or portfolio rather, that would have gone through the know the chain analysis. And then we can say, did this generate similar information? I think to your question, Zia, if the answer is "no," if our results show no forced labor risk and we know that some of these other benchmarks show a high likelihood of forced labor, we got something wrong. And I think then it doesn't go to market until we have a degree of certainty, and I don't know what that is yet, that we are getting a reliable risk score.

**MCARTHUR:** Can I just ask about that? And Carsten, you mentioned the prototypical investor, five to 12 people, 30, \$50 billion. If I'm a 30 to \$50 billion portfolio manager—heaven forbid, guarantee no one's ever asked me to manage 30 to 50 billion dollars—but if I were, what does this help me do, just for our listeners, that I can't do today? So, Kristen has just described that there are these existing sources. How would this tool be different for those people who have their pensions and want to make sure they're used to good effect?

**STENDEVAD:** So first, I should actually say when I said 10 to 12 people, mainly what I wanted to convey was there's a huge range of investors, some have thousand-people staff, some have ten-people staff and we have to try to solve for the broad community. And then some investors might be able to do much more than this.

But really, what this we hope this tool will enable us to do is to make a much more precise risk assessment. Do the securities we have in our portfolios, do they actually entail modern slavery risk? It's actually a very simple question. If you again go back to Australia, where a lot of institutional investors had to for the first time really last year, submit reports on this, my general assessment of most of those submissions, including our own, was that most people said, Well, we don't think so, but it was a pretty vague statement you could do based on the available data, and that's not a very satisfying answer.

And so our hope is we will be able to be much more precise about understanding where the risks are, which in turn empowers you as an investor because now you have the information. And now that of course, requires you to do something about it. And there's a whole range of things you could do. One, you can actually dig in and figure out in those particular cases, do we have an issue? Two, the extent it that there is you, there are things you can do, of course, in your portfolio, as an investor, do you want to be exposed to this company or not? And you can be in particular very focused on active engagement, meaning in the dialog between investor and the companies. If you believe that there is a indications of modern slavery risk, you can now speak directly to them about it. And then you can hear what the companies will say. Maybe they'll say, No, you misunderstood because of X, Y, and Z. Great, now you're now you're in a conversation that was much harder to have beforehand. That's a great outcome.

**KHAN:** And I'm curious, Carsten, you described how these investors might use the tool, but Kristen, if this tool exists, how would that change the work of the McCain Institute or other nonprofit organizations that have been working along these lines?

**ABRAMS:** One of the top two, top five challenges that gets raised every time I go into a meeting with a policymaker, with an advocacy coalition, is around our lack of reliable data in this field on combating human trafficking. And I'll just kind of remind everyone, we're only about 20 years past the adoption of the Palermo Protocol and the Trafficking Victims Protection Act, so we're still a relatively young community and young field.

That said, we don't have good data. And so what this will do is it will advance advocates' and activists' and policymakers' understanding of where that risk exists. And our answer is not then you end there, but it's rather you bring in some of the NGOs that can go do an on-the-ground assessment. Or you look back at some of these sectoral benchmarks. And then we can train what is a finite amount of resources on addressing forced labor in those particular subregions or in particular value chains. I wish we had more money to address forced labor. We don't. So we got to work with what we have right now. And this, I think, allows us, A, to advocate for more resources and, B, to shrink that proverbial haystack to the needle.

**MCARTHUR:** We like analogies and metaphors in our process. I'm thinking of different ones: fire department looking for smoke in the forest, or forests and trees, thinking about the individual tree level data versus which tree we should be looking at in the forest. Is it fair to say that this is a data tool to help us look at which trees in the forest might have risk? And therefore, Kristen, validate that against other data on individual trees? People have looked at that tree carefully before to get a sense of whether we're doing it right. Is that the essence of it, or is it something different?

**ABRAMS:** No, I think that is a helpful analogy, I think the reality is that we have an understanding of only a handful of those trees. And so we really are trying, and we've got a pull way back. What we don't want to do is pull so far back that it's not meaningful information anymore. And I think that's one of our challenges, have Carsten or another investor be able to look across their portfolio, which is a significant undertaking knowing we don't have data from even individual securities in some situations.

**STENDEVAD:** One of the things that I think is very important as an investor when you try to build up investment systems is the idea of trying to start by building a fundamental understanding of the problem. And once you've done that, then you say, okay, that's my fundamental understanding. Let me then try to go out and build out that picture, find the data that can help me fill out this fundamental picture. And you may not always have all the data, but at least you've started with the first order, like a true north understanding of what the problem is. Then you try to build it out.

And I think secondly, the importance of being very systematic in what you do. Meaning that if you want to do this again and again across thousands of securities, you want to be able to do it with explicit logic that really enables you to identify the problem and also compound your learning, meaning probably this first version of this will be one first incarnation of how we think a so-called logic can help us capture this risk.

And then we probably realize, hmm, it didn't capture X-Y-Z. Great. But by being systematic about it and being an open source about it so people can actually go in and check what was your logic, we can improve upon it. And that's how we would build any investment system. And I think that approach lends itself very well to these types of challenges also.

And a core part of that means it's hard to have black box approaches if you don't understand, because then it's neither fundamental nor systematic to you. So what has been so great about this group is you have some of the leading experts in the world on a topic, so you can really start with a good fundamental understanding the problem. Then we have some of the best data thinkers on it, so we can start thinking about that. And we have some great collection of investors who can look at it and say, will this actually be fit for purpose for what an institutional investor needs. So that's why we're very excited about it.

**KHAN:** I'm curious about the process of working with these diverse people in the Room, and as you've described throughout this conversation, how beneficial it was. To what degree did you get consensus from everyone? To what degree were there, we're going to agree to disagree? How is that process of getting agreement and consistent consensus on what you were going to drive forward on happen?

**ABRAMS:** There was consensus pretty quickly that this would be a process that would be guided by transparency and trust. From there, I think we start to diverge on where there is consensus, and I don't think we actually have the perfect answer right now. I think we still have some members of the Room saying, I like where this is headed, but I'm not convinced yet. And like, that's okay. We're okay with that outcome as long as you keep coming to the table, and you keep sharing your feedback, and you listen, and you're transparent, and we're engaging in this in a manner that's really based on trust and respect.

**MCARTHUR:** Zia, it's remarkable to think Kristen and Carsten hadn't met each other at the beginning of this year. So we've got many layers of trust building, cooperation, pragmatism coming together here. And I'm curious if you could just describe, how do you do this efficiently? You just described these great principles and premises and how they're fleshing out, Kristen. But again, for our listeners, what's the lesson for others in terms of how to get people to connect? And I do remember, Kristen, at one point you made a comment in this process that our communities thought they were talking to each other, but we realized they maybe weren't. What's the lesson of the how for others who want to do something similar to take on a seemingly intractable problem? Carsten?

**STENDEVAD:** So, when you called me and you told me about, hey this is going to be SDG Room 17, I thought you'd made a mistake. I've been working on all the other SDGs, but 17 on partnerships, that has not really been my focus. In fact, I didn't really know how that would apply to the field of institutional investing. It was almost like an "n/a," which it's so wrong of me to think that way. But that's how I thought. And in a way what this Room has shown me is such an obvious point, which is if there is a topic that you think is important and you don't know the answers to, how about finding who are the world's experts and get them in a room and talk to each other? It's such a banal point. But I at least can see how I need to do much more of that, and this for me in a way is a template of it.

And of course, sometimes it's like when you go to a great dinner party and meet people you hadn't met before, you think, how could we not have met before? We have so many things in common, even though we travel in different worlds. For me, that has been the lesson of it. But also, it's like a curated dinner party, meaning you need all the different folks. Just two of us could not have gotten to this place. You have all the essential players in the room together, and once you have that and then you listen to each other, and you have a shared goal, then a lot of things are possible. For me, certainly, this is really opening my mind to systematizing this approach. Like, I have a lot of topics that I really care about that I want to research that I

don't know the answer to, and I'd love to be able to use a template of this of this approach again and again and again.

**ABRAMS:** Carsten, you weren't the only one that thought the 17 Rooms team had made an error when they emailed us. I was like, well, this was a messy cut and paste job. I think they want me for eight point seven, not for 17. And then I read a little bit more carefully and I was like, ah, partnerships, that actually sounds pretty fun. I'd like to do that. And I think Carsten, your description of the curated dinner party is a good one.

I think what I also realized is Carsten is very well respected amongst the other investors that he was able to bring. Whether or not I'm respected by some of these people, I don't know, but I had long standing relationships with a number of the forced labor experts that we were able to bring to the table. And so I think having people who can have that casual conversation and say, will you just give it a try? Just come to the first Zoom meeting and see what you think. And then, I will say—and we had some great help through the Brookings and the Rockefeller team, and Carsten has a great team at Bridgewater, and I enlisted a number of my colleagues from the McCain Institute—we were able to put drafts in front of our Room and have them react to them. And I think, Zia, that was to your point. And I think I've taken that lesson away, that just get something on paper and get them in front of these people, and then have them come back to us. And we didn't always ask for it back in writing, we'd say, Hey, let's get together on the next Zoom, give us everything that's in your brain. So we tried to make this as approachable and as low barrier to entry as possible.

**STENDEVAD:** There's one additional element that I think is very important for this, which is that it has been a safe space. I'll be honest and say that modern slavery was not a top five focus of mine for the past 10 years. It wasn't. And I don't know many institutional investors for whom this was. So understanding the real nature of the challenge, the terminology, what language to use, should we even say modern slavery? And now entering a room where you have some of the world's most preeminent experts, including Kristen, who's super respected by everyone, it's a bit daunting when you're an institutional investor. You walk into a room and you know you're supposed to really know this topic, but I'm not the expert. It has to be a curated, warm dinner party, and that's what this was.

**KHAN:** Well, this has just been a fantastic conversation, and as we come to a close, I'm wondering if I can ask each of you to share one thought that you hope our listeners take away from this, one thing that you just really feel would be important for people to carry forward? And maybe, Kristen, we could start with you.

**ABRAMS:** Putting me on the hot seat with the question here! One thought is that, Carsten, with all this talk about dinner parties, I think our Room participants are going to want some wine, to provide a good meal or wine. So we're probably going to get some phone calls after this. Takeaway? I think it's really the conversation that we've just been having over the last couple of minutes. If the pandemic has shown me anything, it's that we have the opportunity through some of the technological means that we're using to record this podcast, or that we use to further the 17 Rooms process, to bring people together that typically either don't know each other exists, have no way to connect with them, have no interest in connecting them. And there's a fairly easy way to do it. We didn't have to get on a plane, and being in person would be great, and we're hoping that we will be able to do that next year. But there is a way to do it.

And I'd like to think that the 17 Rooms process is really that model, and you've set us up with that template of how to take relationship building and collaboration and co-design to the next level and to develop something that will be tangible. Right? This wasn't just a working group to talk. We are looking to have a tangible tool that will achieve impact, and hopefully, ultimately, at the end of the day, be able to decrease the prevalence and incidence of forced labor in the world.

**STENDEVAD:** You know, for me, a key takeaway is something that the founder of Bridgewater, Ray Dalio, always said, which is your job is not to get the best answer you can get, it's to get the best answer. And that in a way requires you to think about, well, who's the best person in the world that I'm not speaking to on this topic. It's a simple takeaway, but for that curated dinner party, the real question is who can you invite that you haven't invited before, but who you need at this dinner table? And that's what we've done here, and we need to do much more of in the future.

**MCARTHUR:** Carsten and Kristen, thank you so much. I'm reminded, Zia, of one of our key design principles of 17 Rooms, it's conversation, not presentation. And this this triple helix of action, insight, and community. And it seems like this is a group that's been certainly fostering insight, fostering a new form of extended community, and driving very clearly towards action at the heart of it. So, I think we're very grateful, Carsten and Kristen, to the two of you for the respect that you have for each other and the respect that you garner from everyone in your communities and to bring it all together in this pioneering effort. And we're very excited to see what 2022 might bring.

Zia, any final thoughts from you?

**KHAN:** It's just so energizing to hear this conversation, John. Sometimes I think that the hardest problems to solve sometimes are where everyone can agree at a high level that things are bad. I think most people would agree that forced labor is bad, but what to do is really hard to figure out because there are subtle reasons why it exists. And I think this tool is such a practical, concrete action coming out of a Room that could have spent a lot of time just talking about at a high level. But to get into the nitty gritty, as Carsten and Kristen, you've described, is just fascinating. So super excited and super grateful for what you've done and what will come out of this Room.

**ABRAMS:** Well, thanks to both of you for putting this together and inviting me to be part. It was an honor.

**STENDEVAD:** Thank you so much.

**KHAN:** John, that was fascinating, and in particular, the exploration of metrics. Metrics always come up as a tool to drive change, the belief that you manage to what you can measure. Sometimes it's controversial because people wonder about, well, it's not perfect, it's not comprehensive. What about this? And even something like GDP is an imperfect metric. But Kristen and Carsten really explored around how they got specific about the metrics, where they made decisions on how to be comprehensive, and who the users are going to be. And I think they have a very practical and powerful next step.

**MCARTHUR:** These questions around metrics are at the heart of why we even have Sustainable Development Goals. And I've been having versions of this argument from

different sides for two decades now back to the Millennium Development Goals. One of the challenges is that you need good metrics in order to know how you're doing on important things, but good metrics aren't enough on their own. So, it's the battle between necessary and sufficient for progress.

And I'm going to be thinking a lot about this conversation in terms of what others can learn from it for other issues. But I also have to say I'm going to be thinking a lot about how policy breakthroughs can be likened to a dinner party because a lot of it comes down to—it seems trite, but it's actually probably a deep point—a lot of it comes down to how do you get diverse people together to have a different type of conversation with someone they might never have spoken to otherwise? And that ultimately is what we're trying to do in 17 Rooms

**KHAN:** It reminds me of my sister when she plans Thanksgiving, it's quite a lot of background planning and thinking to have the right conversation there.

Well, to learn more, find this episode at [brookings.edu/17RoomsPodcast](http://brookings.edu/17RoomsPodcast). Coming up next, Room 8 with Marcela Escobari and Ethan Rouen on new metrics for high quality, upwardly mobile jobs.

**MCARTHUR:** I'm John McArthur.

**KHAN:** And I'm Zia Khan, and this has been 17 Rooms.

**MCARTHUR:** Our thanks go out to the guests you heard today, and also to the production team, including Fred Dews and Alexandra Bracken, producers; Jacob Taylor, associate producer; Gaston Reboredo, audio engineer, and Nicolette Kelly, audio intern. The show art was designed by Katie Merris. Additional support comes from Shrijana Khanal, Ian McAllister, Soren Messner-Zidell, Andrea Risotto, Marie Wilkin, Chris McKenna, Esther Rosen, David Batcheck, and Caio Pereira at the Brookings Institution, and Nathalia dos Santos, Sara Geisenheimer, Hunter Goldman, and Miranda Waters at The Rockefeller Foundation.

The 17 Rooms initiative is co-chaired by Zia Khan of The Rockefeller Foundation and me, John MacArthur of the Center for Sustainable Development at The Brookings Institution. The Rockefeller Foundation generously provides support for the 17 Rooms initiative. Bridgewater Associates also provides funding support to Brookings. All views expressed during this episode were solely those of the speakers.