

# Rotterdam 2020: Bridging the Gap of Inequality



## Introduction

February 7, 2020 was a special day at the Rotterdam School of Management (RSM), Erasmus University. Three parties gathered there to brainstorm over a pressing issue: how to help bridge the gap of inequality persistent in Rotterdam. These three organisations, who wanted to share their perspectives and find a collaborative way to build a more equal and inclusive society – a challenge common to most modern cities in the world – were: JINC<sup>1</sup>, a non-profit agency supporting disadvantaged youth in the Netherlands; Rotterdam Impact Agency: Voor Goed (hereafter Voor Goed)<sup>2</sup>, a foundation partnered with the municipality of Rotterdam in bringing together social entrepreneurs and investors to address societal issues in the city of Rotterdam; and Coca-Cola European Partners Netherlands (Coca-Cola).

In December 2019 the latest of a series of massive protests – this time in India – was reported in the news. This worldwide upheaval was coined as the “Global Protest Wave of 2019”, referring to the revolts that arose that year in France, Sudan, the United Kingdom, Hong Kong, Bolivia, Spain, Chile, Lebanon and Italy, to name a few. According to Jackson Diehl, reporting for The Washington Post, 2019 was “the year of the street protester,”<sup>3</sup> recognising the phenomenon and some of its causes as: economic inequality, poverty, corruption, discrimination, immigration, and the rising summoning power of online social media used by a discontented youth.

The conversation at RSM that afternoon swirled around these ongoing events, ultimately honing in on two tightly intertwined problems in Rotterdam: poverty and inequality. Rotterdam has the highest poverty rate in the Netherlands at 10.9%. Segregation in this city is characterised by high unemployment, a high density of manual workers, and a low attainment of education. These issues are partly rooted in historical migration – being the largest seaport in Europe, the city attracted unskilled and semi-skilled immigrants in the past and is currently the most multi-ethnic city in the country – but there are also other factors that contribute to these inequalities, which are still present today.

---

*This case was prepared by Paula Arellano Geoffroy under the supervision of Tao Yue at the Case Development Centre, Rotterdam School of Management (RSM), Erasmus University. We wish to thank the following people for their information, opinions and comments: Arjanne Hoogstad (Sustainability Manager at Coca-Cola European Partners), Jonna Wiersma (Regional Director of Rotterdam, Den Haag and Leeuwarden at JINC), Michiel van Keulen (Real Estate, Investing Capital and Poverty Expert at Voor Goed), Frederiek Verwest (Matchmaker at Voor Goed), and Laisa Maria (Cultural Anthropologist and Photographer based in Rotterdam).*

*This case is part of the RSM Sustainable Development Goals (SDGs) case series. It is based on field research data and is written to provide material for class discussion rather than to illustrate either effective or ineffective handling of a management situation.*

*Copyright © 2020 Rotterdam School of Management, Erasmus University. No part of this publication may be copied, stored, transmitted, reproduced or distributed in any form or medium whatsoever without the permission of the copyright owners. Please address all correspondence to [cdc@rsm.nl](mailto:cdc@rsm.nl).*

Arjanne Hoogstad, sustainability manager at Coca-Cola, said: “There are huge opportunities in approaching societal issues through an effective collaboration between corporates, government, and social organisations. Lots of corporates have ambitious sustainability commitments and targets which can only be realised if all parties join forces to define common goals and responsibilities. Our core belief is that to be successful in the long term we need a healthy and strong society for everyone.”

Michiel van Keulen, real estate, capital investment and poverty expert at Voor Goed, agreed, saying that “Corporates want to help, but sometimes there are difficulties in reaching out to the municipality or identifying where the needs are. The work we are doing is connecting the two worlds, because neither of them can do it alone. Corporates have a totally different view of inequality and poverty than the municipality does, so it helps to combine those forces. It’s a long-term process, but we need to think outside the box, link the world of people in need with that of who wish to help, and just determine the how.”

Jonna Wiersma, regional director of Rotterdam, Den Haag and Leeuwarden at JINC, replied enthusiastically: “We are an agency of the how. We want to enlarge the network of companies that help us to be able to reach all the children in poverty — something we haven’t yet achieved — those kids in need of a job orientation, to show them all the possibilities there are in the world. But we need to think of a coordinated system, a fluid, collaborative way of channelling our efforts towards results.”

These three parties — social non-profit, government-partnered foundation and corporation — were clear together that they needed a synchronised, systematic endeavour to help reduce poverty and inequality. How could they find a way to work together towards such an ambitious goal? What roads should they choose, and what doors should they knock on?

## Why Addressing Inequality Matters and UN SDG10

On January 21, 2020 the United Nations (UN) Department of Economic and Social Affairs (DESA) launched the World Social Report 2020,<sup>4</sup> asserting that income inequality has increased in most countries. The UN Secretary-General, António Guterres, stated that the world was confronting “the harsh realities of a deeply unequal global landscape,” in which economic inequalities and job insecurities have led to mass protests worldwide. “Income disparities and a lack of opportunities are creating a vicious cycle of inequality, frustration and discontent across generations.”

Inequalities driven by income, geography, gender, age, race, ethnicity, migrant status, disability, sexual orientation, class and religion persist within and among countries in 2020. Even though the world has significantly reduced poverty — over the last three decades more than one billion people have lifted themselves out of extreme poverty —

the income share of the poorer half of humanity has barely improved, despite global economic output having more than tripled since 1990.<sup>5</sup>

Inequality takes many forms and varies significantly across countries depending on contexts, economic imperatives and political realities, but within social groups inequalities are pervasive and persistent. Recognising that inequalities threaten long-term socio-economic development and furthermore can breed violence, disease and environmental degradation, the UN has moved inequality to the forefront of the policy debate. “Leave no one behind”<sup>6</sup> is the call of the UN 2030 Agenda for Sustainable Development, and reducing inequality is Goal 10<sup>7</sup> of the Sustainable Development Goals (SDGs).

Addressing inequality matters<sup>8</sup> because its impacts go far beyond purchasing power. Inequalities can affect a person’s life expectancy and access to basic services such as healthcare, education, water and sanitation. It can curtail a person’s human rights through discrimination, abuse and lack of access to justice. Inequality discourages skills acquisition, chokes economic and social mobility and human development, and consequently depresses economic growth. It also exacerbates uncertainty, vulnerability and insecurity, undermining trust in institutions and government, increasing social discord, creating tensions and triggering violence and conflicts. Therefore, understanding the dynamics of inequality and addressing it within and across countries has become one of the biggest challenges to achieving sustainable development.

## Rotterdam: A City of Contrasts

Rotterdam is the second-largest city in the Netherlands after Amsterdam and is a major logistics and economic centre in Europe. Its extensive distribution system including railways, roads and waterways has earned it the nickname “Gateway to Europe and the World”. Rotterdam hosts Europe’s largest seaport, which is the sixth biggest in the world. As of January 2020, the city had 651,446 inhabitants and encompassed over 180 nationalities that form a diverse, multi-ethnic population and student force.

Rotterdam’s origins date back to 1270, when people settled around a dam constructed in the river Rotte. Located in the province of South Holland, at the mouth of the Nieuwe Maas channel leading into the Rhine–Meuse–Scheldt delta at the North Sea, Rotterdam was granted city rights by the Count of Holland in 1340. The port grew slowly but steadily into a place of importance mainly because of the Dutch East India Company (VOC, Vereenigde Oostindische Compagnie), a megacorporation founded in 1602 to trade textiles, silk, and spices with India. During the same period, another corporation of Dutch merchants was formed, the Chartered West India Company (WIC, Geocroyeerde Westindische Compagnie), to trade with the Caribbean, the Americas and West Africa. These initiatives resulted in a burst of growth, both in port activity and population, allowing the completion in 1872 of the ‘Nieuwe Waterweg’ (the new waterway), the 20

km long artificial mouth of river Rhine that made Rotterdam accessible to seafaring vessels through Europe.

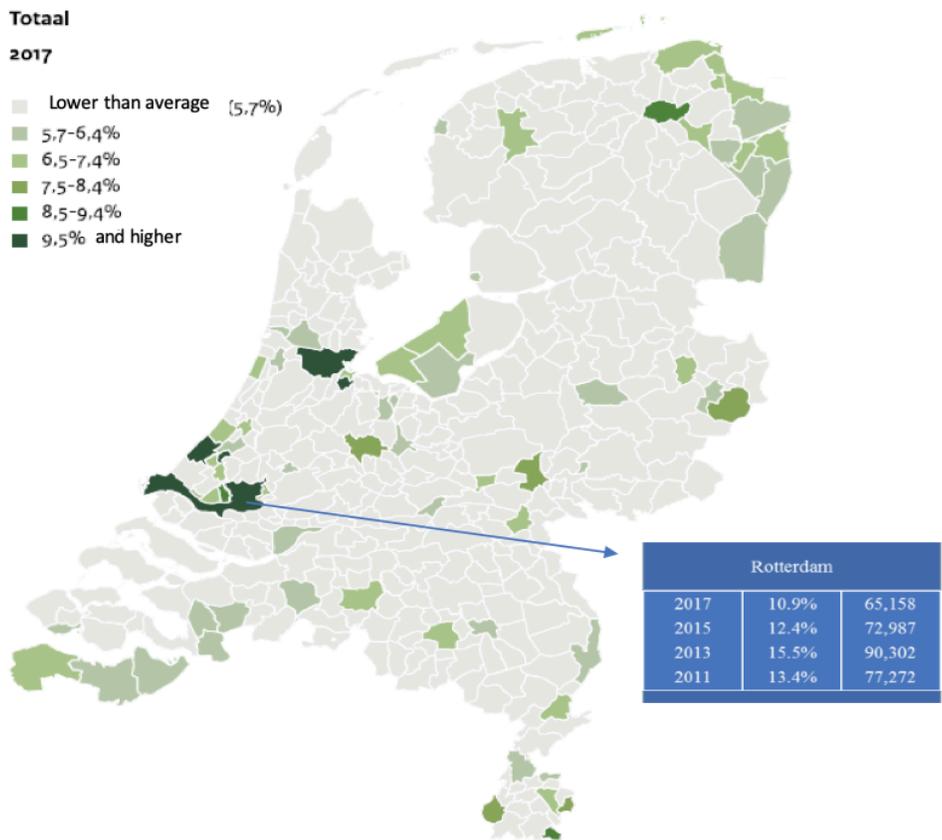
In May 1940, during the World War II, Rotterdam was almost entirely destroyed by German bombing. The city was gradually rebuilt from the 1950s through the 1980s, when active architectural policies endowed the city with a modern style of apartments, office buildings, and facilities that created a new skyline. This urban landscape, with skyscrapers designed by renowned architects, differentiates the city from all other Dutch cities, and gained Rotterdam the Best European City award by the Academy of Urbanism in 2015.<sup>9</sup>

But Rotterdam faces problems that are common to many big cities throughout the world: poverty, inequality, deficient housing, crime and gentrification. According to the Netherlands Institute for Social Research (SCP, Sociaal en Cultureel Planbureau), the population living in poverty in the Netherlands fell from 1.2 million in 2013 to 939,000 in 2017, which represented 5.7% of the total population (**Exhibit 1**). In 2019 Rotterdam still had the highest percentage of people living in poverty in the Netherlands – 10.9%, equivalent to 65,000 people – closely followed by Amsterdam (10.5%) and The Hague (10.3%).<sup>10</sup> The SCP defines poverty in this way: “People are poor if they do not have the means, for a long time, to purchase the goods and services regarded as the minimum necessary in their society.” They established the minimum basic needs budget reference of € 1,039 per month for a single person living alone in 2017.

The numbers, however, are more alarming when it comes to youngsters. According to Statistics Netherlands (CBS, Centraal Bureau voor de Statistiek), more than 113,000 children in single-parent families in the Netherlands were at risk of poverty in 2018, which meant these families had less than 1,600 euros to spend per month and were often dependent on state benefits and income support. In 2018 Rotterdam had the highest share of children living in low-income households: 17.5%, more than twice the Dutch average.<sup>11</sup>

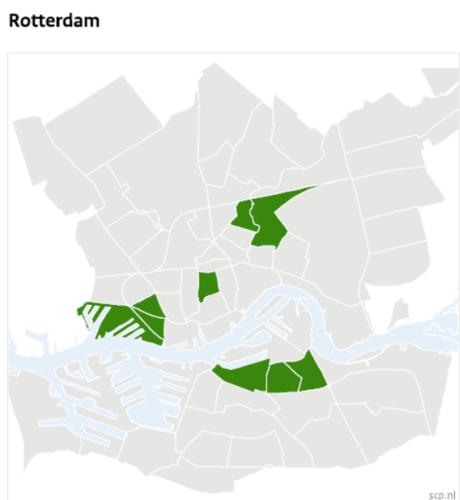
Rotterdam is divided in two by the Nieuwe Maas river, and the southern half of the city has been historically regarded as the poorer part. However, the poorest neighborhoods<sup>12</sup> (**Exhibit 2**) can be found everywhere: Oud Crooswijk, Oud Noorden, Oud Westen, Bospolder-Tussendijken, Nieuw-Mathenesse, Hillesluis, Bloemhof, and Tarwewijk. An average of 19% of residents in these neighborhoods are poor, and in some households children do not have access to a proper warm meal every day or enough clothes.

**Exhibit 1:** Poverty per municipality in the Netherlands in 2017 (in % and quantity)



Source: SCP Armoede in kaart 2019

**Exhibit 2:** Poorest Neighborhoods in Rotterdam in 2017



Source: SCP Armoedekaart 2019

Rotterdam is the most multi-ethnic and multicultural city in the Netherlands, with demographics differing by neighbourhood. Ahmed Aboutaleb, mayor of Rotterdam since 2009, is of Moroccan descent, and almost half of the city’s population is of non-Dutch origin (**Exhibit 3**). This correlates with the poverty rates associated with migrant status established by the SCP: of all poor adults in the Netherlands in 2017, about half had a migrant background (49%, equivalent to 326,000 people). Of all adult immigrants, 12% was poor, while of all native Dutch only 3% was poor. First generation immigrants were highly dependent on social assistance and benefits, and they had higher risks of poverty than their children (second generation).

The street scene in some Rotterdam neighbourhoods has changed drastically in recent decades — not just because of immigration or urban design, but due to gentrification: the restoration of deteriorated urban property to attract high- or middle-class people, often resulting in the displacement of poor people. As part of a larger strategy, Rotterdam’s official 15-year housing plan, *Woonvisie Rotterdam 2030*,<sup>13</sup> involves demolishing 20,000 subsidised social housing units and replacing them with 36,000 houses aimed at those with higher incomes. The poorer people will still be provided with social housing but in scattered areas — often further away from the city centre — rather than in a few pockets. Breaking up concentrations of poverty is a common feature of the Dutch social housing strategy and is generally considered beneficial. However, according to urban geographer Brian Doucet, governmental gentrification is a signal that the poor are not welcome in the city. “Not everyone is invited to benefit from the city’s success,” he says.

**Exhibit 3:** Rotterdam Population by Country of Origin in 2018

Country	Population	%
Netherlands	313,861	46.1
Suriname	52,620	8.2
Turkey	52,712	9.5
Morocco	49,164	7.9
Dutch Caribbean	24,836	3.9
Cape Verde	15,411	2.4
Indonesia	11,952	1.9
Poland	9,714	1.5
Germany	9,565	1.5
Ex-Yugoslavia	9,369	1.5
China	7,218	1.1
Other	92,290	14.5

Source: Wikipedia.org

Doucet explained that there are two related issues going on in Rotterdam: high unemployment coupled with poverty. “Rotterdam has attracted a great deal of positive interest over the past five years and has convinced itself that it is a dynamic post-industrial

city that runs on tourism, services and the creative industries. But some current types of residents don't fit in that perception of the city ... Someone who has to manage on a monthly income of 1200 euros has absolutely no need of a business where you can buy a four-euro cup of coffee. And for these new businesses to establish themselves, many of the places where the original residents did their shopping have to disappear ... Construction of more expensive homes can change a neighbourhood within a few years, but it's not a solution for the existing poverty, unemployment and inequality. You only shift the problem elsewhere, and this issue needs to be dealt with using a nationwide approach,"<sup>14</sup> said Doucet.

### Diving into the Unequal Side of Rotterdam

One of the poorest neighbourhoods of Rotterdam is Bospolder-Tussendijken, or 'BoTu', as Rotterdammers call it. The area underwent urban renewal focused on social housing in the 1970s. Cheap housing and unskilled jobs in the port attracted many migrant workers whose descendants, in many cases, still live there. Crime rates and long-term unemployment figures are high: 60% of people live in subsidised housing, and three-quarters of all households survive on a low income. In 2019, BoTu scored lowest in Rotterdam on living environment, health, language, debt and safety, but the city is trying to do something about it.<sup>15</sup>

In 2018, Rotterdam created a 10-year resilience action plan for this area. "Resilience is in our DNA," said Arnoud Molenaar, Rotterdam municipality's chief resilience officer. "We started in BoTu because the needs are great here. We spent a lot of time in the area and realised that in order to become climate resilient, we need to make people resilient, too." Together with non-profit and private sectors, and endorsed by the mayor of Rotterdam, the plan uses climate adaptation as a means to decrease poverty and improve living standards. Part of the energetic transformation plan for the area is to phase out gas heating and replace it with electric heating generated by the harbour or renewable energy from wind and solar. When people get a visit from housing corporations to replace their heating system, social workers give support on debt counselling, language courses or parenting support. Many of the jobs and training opportunities to be created will be tied to making infrastructure more energy efficient and environmentally friendly, and to the greening and water-proofing of outdoor spaces.

Nevertheless, this is not the case in all poor neighbourhoods. "Inequality is rampant in the Afrikaanderbuurt or Oud-Mathenesse," says Laisa Maria,<sup>16</sup> an anthropologist who is developing a poverty photo-project in Rotterdam. "Poverty happens to all kinds of people. I have been portraying a woman who had an ICT job at the university, but because of her past traumas she developed a burnout and fell into really deep poverty for a decade. Even now she still does not have a normal life. This is probably the most misunderstood group of people living in poverty, because we say to them that they have to fix their own problems. But if you actually observe their lives, that is not possible. This woman has found help from social workers to organise her life, but she is still dependent

on money from the government. Her recovery will take years.” Laisa Maria finds illiterate people quite frequently while visiting, taking pictures and interviewing for her project. “Lack of education is really big here. But what we do not understand is that if you have fallen into poverty and you manage to get your administration organised, you are not out of poverty. Even if people start working again, it takes them years to recover, also emotionally, from having lived a life that was based on survival mode. The stress levels these people experience is unimaginable, and it has a biological impact on their brain. I see this all the time.”

As an example, she mentions a woman from Cape Verde named Carminha,<sup>17</sup> who survived months with her four children without gas and electricity. She visits four food banks<sup>18</sup> daily to get enough food for her family, but this situation is not stable, since the rule says that people can only attend food banks for a maximum period of three years and Carminha has already passed this deadline. “She still visits the food banks at the end of the day to see if there’s something left, but the situation makes her acutely depressed,” said Laisa Maria. “The biggest lesson I want other people to understand is that if you want to join us in reducing inequality, then we must walk at a different speed in order to find these people, to see them, to listen to them ... Inequality divides people living at different speeds, and if we want to understand and help the slower group, we must slow down. We live in such a fast world, and if you cannot keep up you are lost, really lost.”

Laisa Maria describes the main systematic problems inherent to poverty in Rotterdam as the following:

- The number of people living on welfare increases every year, but welfare funds stagnate while inflation grows, leading to a decrease in purchasing power.
- Income support is linked to how many people are registered at an address, not necessarily how many people actually live there. As a result, the government is often not able to get accurate data for budgeting welfare.
- There is an increasing need for food banks, but people are only allowed to use them for three years, which has created problems for many of the poorest households.
- There is a lack of affordable housing for low-income people.
- There is a lack of permanent jobs for young people.
- Some of the poor population is illiterate, which hinders their understanding of how the welfare system works.
- The Dutch language used in official letters sent to migrant people is often too difficult for them, let alone its being a foreign language to them.
- Interest on debts increases the total amount of those debts year by year, making it harder and harder for poor people to pay them off.
- Poverty can be inherited from generation to generation. The anxiety about survival, the lack of education and opportunity, lack of inspiration and so on can prevent people from breaking out of poverty for generations.

## Linking Social Organisations, Government and Corporate Companies

Addressing inequality is a complex and long-term journey. While there are examples<sup>19</sup> of government interventions to promote equity by taking tax from those on higher levels of income and redistributing welfare benefits to those on lower incomes, the current national policy on possible solutions increasingly tends towards a wide collaboration between all societal stakeholders involved. JINC, Voor Goed and Coca-Cola, while differing in their business models, goals and perspectives, each had a common social aim in 2020: to foster partnerships that help find solutions to reduce inequality.

JINC<sup>20</sup> was founded by Daniël Roos in Amsterdam in 2003. Originally named Campus Nieuw-West after the poor neighborhood where it was located, the organisation aimed to create a testing ground for learning, so that young people could get acquainted with the world of work through play. "We strive for a Netherlands in which your postal code is no longer a predictor of success in the labour market," affirms Roos. Supported by more than 500 business partners, JINC now operates in 15 regions in the Netherlands, annually reaching over 65,000 children aged 8-16 with internships and coaching in the areas of planning, social skills and job applications.

Back in 2003, Amsterdam's local municipality needed to connect poor young people that had to choose their profession with employers as a way to help them get out of poverty. "That question from the government resulted in the creation of JINC," said Jonna Wiersma. "JINC is very much about connecting young people with employers, two groups that sometimes have trouble finding each other. What we see in poor neighbourhoods is that children have very few examples of what they can do in terms of work because they don't see the whole spectrum — they hardly get out of their neighbourhood. Not enough people help them choose the profession that allows them to contribute. So, we get these kids out into the world of work to visit employers, try out if it works for them, talk about their choices and how to develop their career." As company employees are often very busy, what they can commit to is spending twice a year, half a day, with the kids from JINC. That is why the organisation counts on growing their network of companies as much as possible to be able to serve more kids in need.

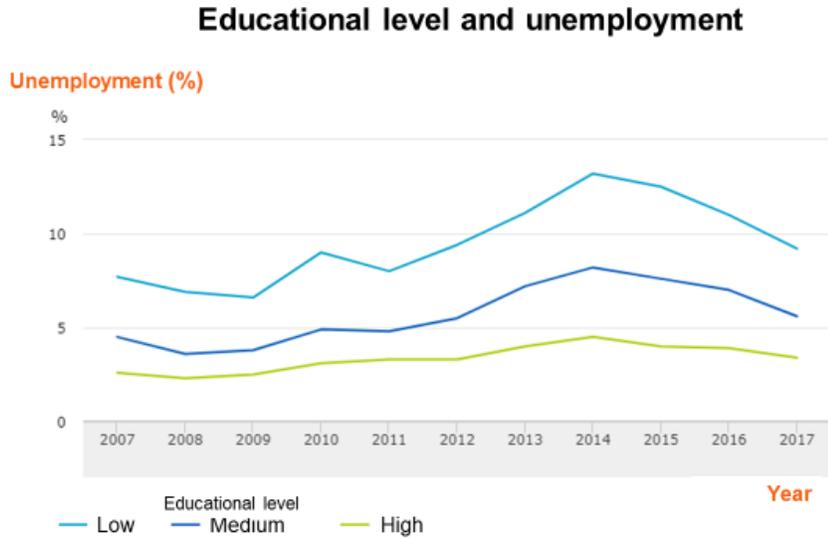
JINC (**Appendix 1**) works with municipalities and schools across all the poorest neighbourhoods in the Netherlands. In Rotterdam its target group is the most vulnerable youngsters, because the organisation knows that the chances of winding up unemployed are three times higher in Rotterdam South than elsewhere in the city, confirmed Wiersma. "Rotterdam South is an area with one of the highest levels of poverty, which doesn't mean that everybody is poor, but 30% of the people are poor and that's quite a lot ... But actually in Rotterdam almost every neighbourhood has a subsection with poverty. That has also to do with the social system in Holland, because we have the housing associations that organise and spread subsidised housing throughout the cities, so you see pockets of poverty everywhere."

Because of the high poverty rates in Rotterdam South, the area has a special programme – the National Programme Rotterdam South<sup>21</sup> (NPRZ, Nationaal Programma Rotterdam Zuid), in which not only the government is involved with funding, but also the European Union (EU). “I think what the NPRZ does very well is that it takes an integrated approach, so they don’t just do something on education, or living, but they take all dimensions into account, with programmes on work, housing, education, safety, etc. to improve the neighbourhoods. And JINC is contributing to that through the education side,” said Wiersma.

Wiersma explained that it is not just about helping the children to have an education, but to help them achieve the highest level of education they can reach according to their potential, because underachievement has a life-long impact on social economical status (**Exhibits 4, 5, and 6**). “There is a very strong correlation between the level of education achieved and the risk of unemployment (a factor of two or three), life expectancy (a difference of six years [between those with primary school education and those with higher education]) and the period of your life that you are healthy (a difference of 19 years [between these groups]). Not everyone can achieve a university level education, but we should support the children in achieving their maximum potential. This is an important finding that has been replicated around the world and gives us clear guidance on that this is one fundamental key parameter to influence.”

Wiersma describes a big emancipation movement going on in Rotterdam, where people whose parents or grandparents came to the city as laborers in the 1960s or '70s are now, for the first time, attending university or other higher education. She also sees many more role models in poor families. Still, it is clear that “advantages pile up for the kids born to the right parents, guaranteeing their success in life, in stark contrast to the fates of those struggling at the bottom,” says author Robert Putnam,<sup>22</sup> to whom Wiersma subscribes. “What we see at JINC is that when people at companies meet these children, they are very touched and realise they are very talented. To understand that sometimes your life has been shaped by forces outside of your own control is a really important insight. In fact, one of our motives is to create awareness about the intense forces working over these kids. We want the children growing up in these neighbourhoods to have more support and more opportunities for a better life, but also that the richer people become more understanding of these kids and realise that they didn’t make their success on their own, nobody does.”

Exhibit 4: Correlation between educational level and unemployment in the Netherlands



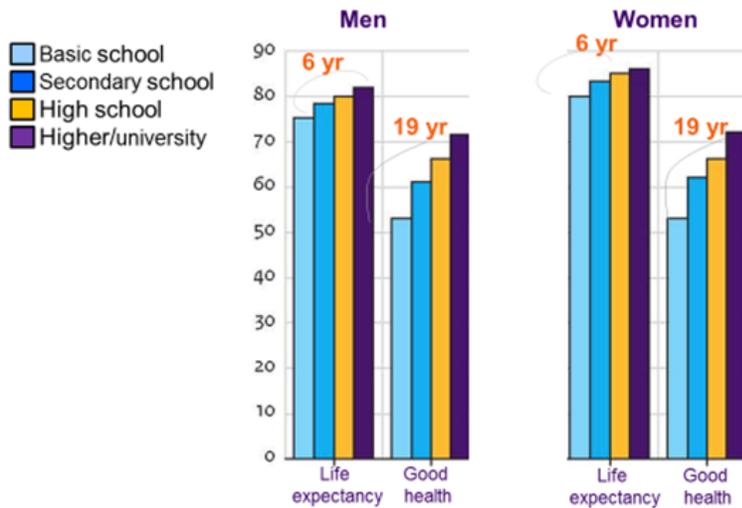
Unemployment rate according to educational level, working population between 15-65 years old, 2007-2017 (%)  
 Unemployment rate is higher under low educational level (CBS, 2017)



Source: JINC

Exhibit 5: Correlation between education, life expectancy and health in the Netherlands

### Education: Longer and healthier life

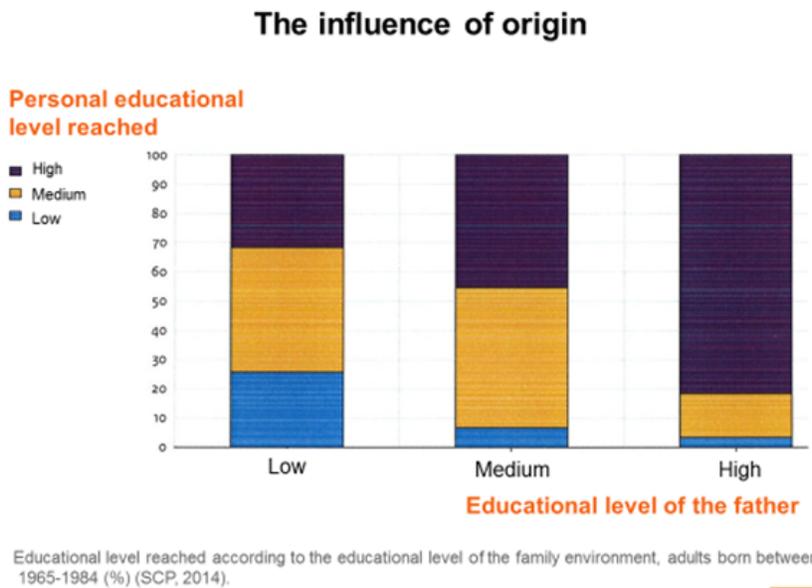


Life expectancy according to education and gender 2009-2012 (in years) (SCP, 2014).



Source: JINC

**Exhibit 6:** Correlation between educational level reached and educational level of the family environment in the Netherlands



Source: JINC

Voor Goed<sup>23</sup> was founded in December 2018 following the Rotterdam municipality’s realisation that it needed private partnerships to help it address societal issues like poverty, unemployment and sustainability, among others. Voor Goed’s Michiel van Keulen said, “We are independent of the municipality. Essentially, we are sort of brokers for people who want to do good, for entrepreneurs and corporates who earn the money in the city and want to return good to it through investing in social projects, or through their employees. What we are trying to do here is to form new coalitions and connect people to solve societal issues.”

Voor Goed works in collaboration with SIFR<sup>24</sup> (Social Impact Fund Rotterdam), which invests in social entrepreneurs with financial and societal return. Voor Goed serves as the eyes and ears that detect where the opportunities are and the needs to be met in the city. “One of the many questions we get is about funding. We can anticipate whether a project is bankable, investor ready, for a fund, or if there are other ways, like subsidies from the municipality, to finance the initiatives. The municipality has a lot of programmes; CityLab010<sup>25</sup> is one of them, where people in the city are challenged with questions on certain issues and there is a subsidy to make it work,” explained van Keulen. Voor Goed also works with the Thrive Institute,<sup>26</sup> an independent scientific research bureau that measures the impact the organisation is making.

The model Voor Goed applies (**Appendix 2**) is called 'place-based impact investing',<sup>27</sup> which is "pretty unique in the world," said van Keulen. The organisation works with social entrepreneurs, investment funds, other funds (subsidies), corporations, wealthy people and the municipality on societal issues that touch all of them in some manner. Within these coalitions, the mission of Voor Goed is to accelerate (put people together to bring projects forward), to inspire (show good examples of how it can be done), and to help overcome obstacles (bureaucracy, legislation, mismatches between social entrepreneurs and the municipality). "We use our network to bring people together and facilitate. Sometimes it's a question of funding, or who to talk to, or where to go to, and the network is essential, as someone will know someone. For example, sometimes you see empty shops, and there are social entrepreneurs who need a place to start or want to expand, and who do have an income and do good for society but cannot pay commercial rents. We come and help negotiate with the owner of the building with the empty shop to lower the rent. Because if it's the right social entrepreneur it can integrate and give life in the community. We try to connect those two worlds who do not automatically find each other."

Coca-Cola<sup>28</sup> was originally founded in the Netherlands as the 'N.V. Nederlandsche Coca-Cola Maatschappij' in Amsterdam in 1930. The drink was first introduced to the Dutch people when Coca-Cola sponsored the 1928 Amsterdam Olympics. To produce the drink, several independent bottlers were established across the country, which led to the founding of Coca-Cola Netherlands. Currently there are two companies in the Netherlands: Coca-Cola European Partners (bottling company) and Coca-Cola Nederland (brand owner). The company has its headquarters in Rotterdam, with approximately 300 employees, and a production plant in Dongen, near the city of Tilburg. Its mission can be summarised as: to refresh the world, to inspire moments of optimism and happiness, and to create value and make a difference. As part of its social impact, the company has the ambition to collect 100% of its plastic packaging in Western Europe by 2025 and globally by 2030.

In 2017 Coca-Cola launched its sustainability agenda for Western Europe, 'This is Forward',<sup>29</sup> with the aim to take sustainable action on drinks, packaging, society, water, climate, and supply chain (**Appendix 3**). Arjanne Hoogstad explained that one main pillar of the sustainability plan was societal action, because the company wanted to contribute in a positive way to the communities through which it operates. "There are multiple sustainability plans across the world, but here our sustainability targets and commitments are focused on Western Europe and the Dutch market, so everywhere we go we collect our packaging, reduce the amount of sugar, etc. But when it comes to the community pillar, and we want to be a good citizen, a responsible citizen, then we have a stronger focus on Rotterdam because of our location and because our people are here. We have stronger links with the municipalities and social organisations in places where our headquarters and plants are." In June 2019, Coca-Cola organised a volunteering<sup>30</sup> week, in which more than 350 employees worked together with various of their social partners for doing good: cooking with Resto vanHarte in Rotterdam, cleaning-up waste with NederlandSchoon in Dongen, fishing out plastic from waters in Rotterdam with Plastic

Whale, coaching children with JINC, and working with athletes at the final of the Special Olympics.

Coca Cola is a well-known brand, and many social organisations look for its support, which makes it important for the company to be clear about who it partners with and why. In general, its target group is young people from 13 to 30 years old in need of personal and professional development, which makes JINC a particularly good match. "JINC is a good fit, because it's all linked to supporting kids in becoming successful and inclusive members of society, and that's where you find the link to equality here. We think that everybody deserves the same opportunities when it comes to professional life and education," said Hoogstad. Coca-Cola supports JINC in Rotterdam with management time (knowledge and expertise at the advisory board), financial funding and employees volunteering. Once a year, Coca-Cola participates of JINC's programme 'The boss of tomorrow',<sup>31</sup> in which young people are given the opportunity to be the boss of a company for one day. This happened last January 23, when 13-year-old Meriam from Melanchthon school in Kralingen took over the role of Arjanne Hoogstad for the day. Over 400 children from JINC participated in this initiative in different organisations with the objective to "give the children a good injection of confidence, a boost of energy and, most important of all, a broader horizon."

## Challenges and Opportunities

JINC, Voor Goed and Coca-Cola face different challenges with regard to reducing inequalities in Rotterdam. Nevertheless, as their perspectives shift through their new cooperation, these differences can be opportunities rather than obstacles. The inherent features of Rotterdam, as a diverse and multi-ethnic city, also plays a role in addressing solutions. "Rotterdam is really pragmatic, no-nonsense, creative, and there's room for many voices and cultures and ways to look at things, so I hope that we can leverage that as much as possible. The differences are not a challenge, but more like an opportunity. From a cultural, social, or financial perspective, differences are new ways to look at problems and solve them," commented Arjanne Hoogstad.

For Jonna Wiersma at JINC, the number one challenge most social organisations face is the lack of financial resources. As a large organisation, JINC already has proven programmes to scale up projects, but the challenge is that it needs to hire a lot of people to organise the work because much of it involves face-to-face communication. The activities that comprise 70% of JINC's expenditures are contacting companies, briefing schools, organising the visits from schools to companies, designing the work students must do before, during and after the visits, etc. "The challenge is getting enough money to keep on growing because we don't yet reach all the children we want to ... Companies offer us their people to work in our projects, which is great, but they also have to pay the cost of the projects. And that, for a lot of companies, is a big step. But the only way to make this sustainable and not fully dependent on the government is to have companies

also contribute to the running costs. To learn that they also have to pay is a learning curve for companies.”

At Voor Goed, Michiel van Keulen thinks it is difficult for people to see the poverty in Rotterdam when they don't pay attention, and creating awareness can thus be a challenge. Referring to author Hans Rosling<sup>32</sup> about the four stages of poverty, van Keulen said: “The first level is when you have 27 dollars a month for the entire family<sup>33</sup> (you have basically no food, no housing, no clothes). When we look at Rotterdam, level three is probably the lowest one we have, which isn't bad at first, but still means that there's a lot of financial stress to get to the end of the month, not being able to have a holiday, children who cannot afford a present for a birthday party. There's no money, that's an indicator of poverty in Rotterdam.” One big challenge the organisation faces is connecting ten large companies in Rotterdam that each already have a social responsibility policy in the city—and that want to help—with the municipality, in order to reach people in poverty and foster projects to lift them up. “The challenge is to let them work together on the mutually agreed upon issue of inequality by learning from each other and combining their strengths.”

Another challenge according to van Keulen has to do with gentrification. The opening of the Erasmus Bridge (Erasmusbrug) in 1996 connected the northern and southern parts of Rotterdam, which fostered the development of Rotterdam South. At the same time, the urban landscape began to change, with nice houses and new buildings being built that raised the prices in the city. As a result, people who started there years ago can no longer afford the prices and have to move to the new outskirts of the city. “In a way, poor people are pushed out of their houses so people with higher income can arrive. But that's not a good development because the people who made those rural areas so interesting in the past, like the Fenix Food Factory<sup>34</sup> in Katendrecht, are all social entrepreneurs who are part of the local neighbourhoods.” Voor Goed's challenge, then, is to keep those people there and let them keep providing value and creativity to the city.

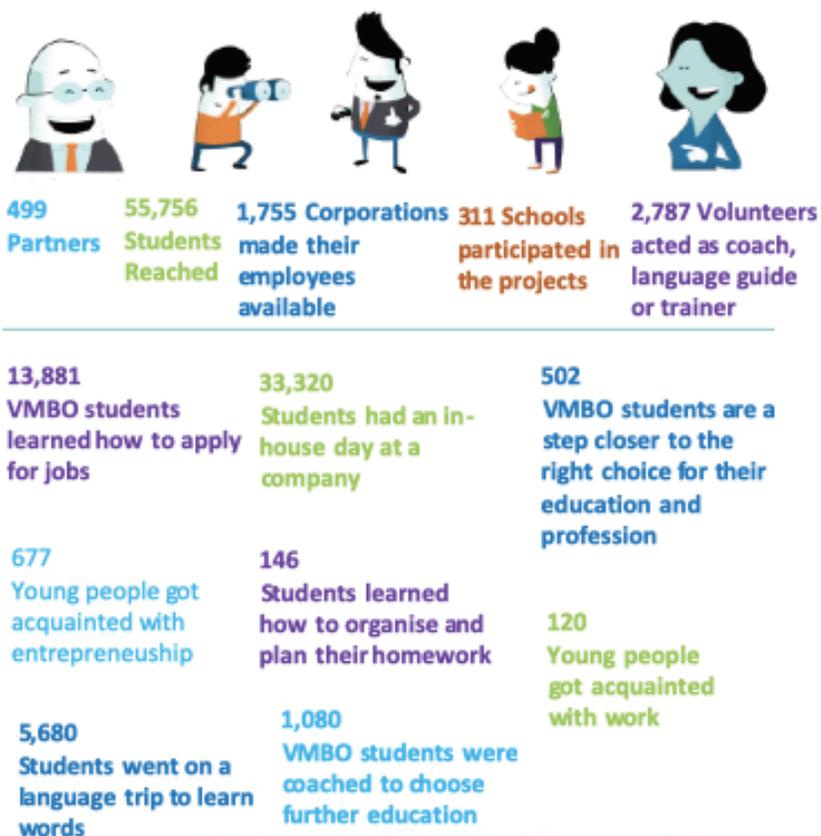
A constant challenge in Coca-Cola's sustainability agenda is how to measure the impact of the interventions being made. Because vulnerable target groups in Rotterdam often receive multiple types of support in different forms and from different sources, such as the municipality or diverse organisations, it can be difficult to measure the impact of each stakeholder. “If you want to scale up or make it more impactful, you don't really know which buttons to press or how much of that impact can be linked to the support of Coca-Cola,” explained Arjanne Hoogstad. “We are trying to monitor, but it is still a work in progress and a challenge. We do believe, however, that is very important to share the impact and to report back to our stakeholders about it ... We are not as impactful as we would want to be because we are quite small; we are not the biggest employer in Rotterdam, but we do look at how we can be as positively impactful to the city as we can be. Healthy cities and societies are the best for everyone, including businesses.”

Jonna Wiersma, Michiel van Keulen and Arjanne Hoogstad live comfortably and happy in various neighbourhoods in Rotterdam, but they acknowledge that the opportunities and freedom they have enjoyed in life are not the same for everyone in the city. It's not always about being intelligent or hard-working. There are so many variables that play a role in becoming successful in life, beginning with a safe home, parents with a network, parents that stimulate their kids, parents that understand the importance of education and how the system works in the country where they live. From their different offices and diverse backgrounds and perspectives, Wiersma, van Keulen and Hoogstad do care about the people in their city, and are actively trying to make a difference. Perhaps their willingness to work together is already a big step forward in their dream of creating a more equal society: "Inequality is about having equal opportunities, but in essence is about inclusiveness, that everybody feels that they can participate and join networks, apply for certain jobs, go for a desired study, get a decent income, that everybody feels included, and with that, feels equal."

JINC, Voor Goed and Coca-Cola want to work collaboratively to find solutions that help bridge the gap of inequality in Rotterdam. The three organisations have different perspectives, business models and challenges, but one aim. How can they succeed in their ambitious goal?

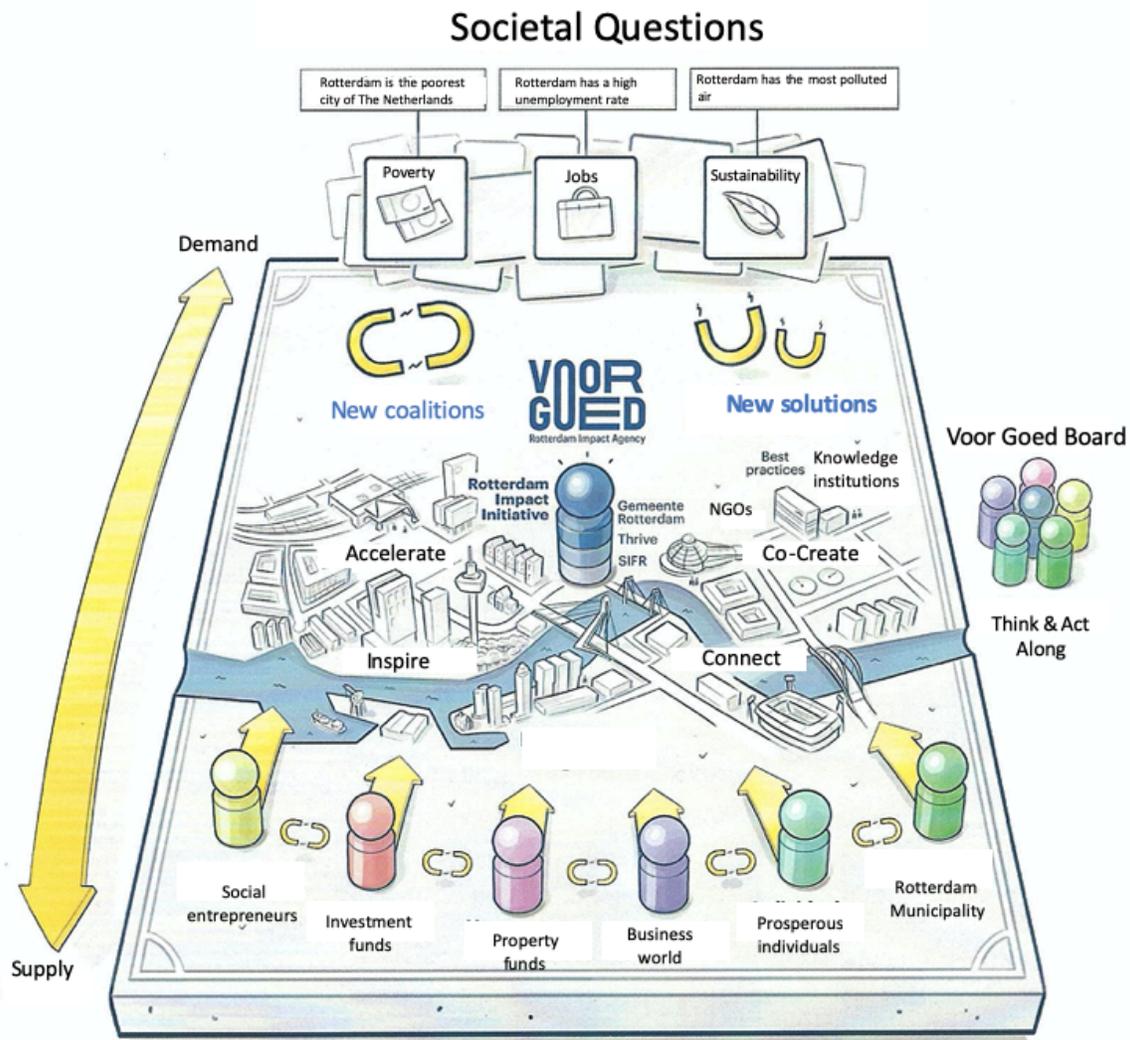
Appendix 1: JINC Facts and picture of children coaching in 2018

## JINC IN FACTS 2018



Source: JINC

Appendix 2: Voor Goed Roadmap 2020



Source: Voor Goed

Appendix 3: Coca Cola European Partners Sustainability Agenda 2017

# OUR SUSTAINABILITY ACTION PLAN

**We are taking action on sustainability by using our business and our brands to build a better future.**

**For people.  
For the planet.**



## ACTION ON DRINKS

**We'll be a total beverage company, offering consumers an even greater choice of drinks with reduced sugar.**

We'll reduce the sugar in our soft drinks by 10% between 2015 and 2020, and that's in addition to the 5% reduction achieved in the previous 5 years.<sup>1</sup>

We'll aim for 50% of our sales to come from low or no calorie drinks.<sup>2</sup>

We'll continuously evolve our recipes and portfolio to offer a greater choice of drinks.

We'll make it easier for consumers to cut down on sugar with straightforward product information and smaller pack sizes.<sup>3</sup>

We'll make sure we don't advertise to children under 12 and that our sales and marketing practices evolve in line with external expectations.

## ACTION ON WATER

**We'll handle water with the care it deserves across our business and our value chain.**

We'll protect the sustainability of the water sources we use for future generations.

We'll reduce the water we use in manufacturing by 20% - and address water impacts in our supply chain.<sup>4</sup>

We'll replenish 100% of the water we use in areas of water stress.

## ACTION ON PACKAGING

**We'll collect all of our packaging so that none of it ends up as litter or in the oceans.**

We'll make sure that 100% of our packaging is recyclable or reusable.

We'll work with local and national partners to collect 100% of our packaging in Western Europe.

We'll make sure that at least 50% of the material we use for our PET bottles comes from recycled plastic.

We'll use the reach of our brands to inspire everyone to recycle.

We'll lead the way in pioneering sustainable packaging - including renewable materials and smart new ways to reduce packaging waste.

## ACTION ON SOCIETY

**We'll be a force for good by championing inclusion and economic development in society - with our employees and our communities.**

We'll foster a diverse and inclusive culture in our business and make sure that women hold at least 40% of our management positions.

We'll expand the contribution we make to society by increasing our employee volunteering and supporting local community partnerships.

We'll support initiatives which help young people gain the employability, skills and confidence they need to succeed.

## ACTION ON CLIMATE

**We'll halve our direct carbon emissions and purchase 100% renewable electricity.**

We'll cut greenhouse gas emissions from our core business by 50%.<sup>5</sup>

We'll cut greenhouse gas emissions by 35% across our entire value chain.

We'll purchase 100% renewable electricity by 2020.

## ACTION ON SUPPLY CHAIN

**We'll source our main ingredients and raw materials sustainably and responsibly.**

We'll make sure 100% of our main agricultural ingredients and raw materials come from sustainable sources by 2020.

We'll continue to embed sustainability, ethics and human rights into our supply chain.<sup>6</sup>

Source: Coca-Cola

<https://www.cocolaep.com/assets/Sustainability/Documents/4a079c17aa/stakeholder-progress-report-2017.pdf>

## Endnotes

- <sup>1</sup> JINC is a non-profit agency supporting disadvantaged youth in the Netherlands. <https://www.jinc.nl/>
- <sup>2</sup> Rotterdam Impact Agency: Voor Goed (hereafter 'Voor Goed') is a foundation closely tied to the Municipality of Rotterdam which brings together social entrepreneurs and investors to address societal issues in the city of Rotterdam. <https://www.voorgoedagency.nl/>
- <sup>3</sup> [https://www.washingtonpost.com/opinions/global-opinions/from-hong-kong-to-chile-2019-is-the-year-of-the-street-protester-but-why/2019/10/27/9f79f4c6-f667-11e9-8cf0-4cc99f74d127\\_story.html](https://www.washingtonpost.com/opinions/global-opinions/from-hong-kong-to-chile-2019-is-the-year-of-the-street-protester-but-why/2019/10/27/9f79f4c6-f667-11e9-8cf0-4cc99f74d127_story.html)
- <sup>4</sup> <https://www.un.org/development/desa/dspd/world-social-report/2020-2.html>
- <sup>5</sup> <https://www.un.org/en/un75/inequality-bridging-divide>
- <sup>6</sup> <https://www.un.org/development/desa/socialperspectiveondevelopment/issues/inequality.html>
- <sup>7</sup> <https://sustainabledevelopment.un.org/sdg10>
- <sup>8</sup> <https://www.un.org/en/chronicle/article/goal-10-why-addressing-inequality-matters>
- <sup>9</sup> <https://www.theguardian.com/cities/2018/apr/06/rotterdam-spotlight-from-dismal-mega-port-to-dutch-brooklyn-unilever>
- <sup>10</sup> Armoede in Kaart, SCP, September 2019, at <https://digitaal.scp.nl/armoedeinkaat2019/wat-is-armoede/>
- <sup>11</sup> <https://www.childinthecity.org/2019/12/11/child-poverty-in-the-netherlands-unchanged-in-2018/?gdpr=accept>
- <sup>12</sup> <https://digitaal.scp.nl/armoedeinkaat2019/waar-wonen-de-armen-in-nederland/>
- <sup>13</sup> <https://nextcity.org/daily/entry/rotterdam-affordable-housing-teardown-plan-protest>
- <sup>14</sup> <https://www.erasmusmagazine.nl/en/2016/11/24/is-rotterdam-driving-out-the-poor/>
- <sup>15</sup> <https://www.usnews.com/news/cities/articles/2019-09-17/rotterdam-looks-to-tackle-climate-change-and-poverty-at-once>
- <sup>16</sup> <http://www.vergetenvoordeuren.nl/portretten/>
- <sup>17</sup> <http://www.vergetenvoordeuren.nl/verhalen/vaste-lasten-zijn-een-afgesproken-schuld/>
- <sup>18</sup> <https://nos.nl/artikel/2325555-meer-vaste-klanten-voor-voedselbank-we-willen-geen-structurele-oplossing-zijn.html?fbclid=IwAR3cwxWF9FdVEU9YW0IJ4zMuIs3OcDimdkrd2I3sPLxGMSBbGMMnhtL0-4>
- <sup>19</sup> <https://www.theguardian.com/inequality/datablog/2017/jul/17/which-countries-most-and-least-committed-to-reducing-inequality-oxfam-dfi>
- <sup>20</sup> <https://www.jinc.nl/over-ons/organisatie/>
- <sup>21</sup> <https://www.nprz.nl/>
- <sup>22</sup> <https://www.theguardian.com/books/2015/apr/20/our-kids-american-dream-in-crisis-robert-putnam-observer-review>
- <sup>23</sup> <https://www.voorgoedagency.nl/>
- <sup>24</sup> <http://sifr.nl/>
- <sup>25</sup> <https://citylab010.nl/>
- <sup>26</sup> <https://www.thriveinstitute.nl/>
- <sup>27</sup> [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3489993](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3489993)
- <sup>28</sup> <https://www.cocacolanederland.nl/ons-bedrijf/geschiedenis>
- <sup>29</sup> <https://www.cocacolanederland.nl/this-is-forward>
- <sup>30</sup> <https://www.cocacolanederland.nl/stories/this-is-forward-week1>
- <sup>31</sup> <https://www.cocacolanederland.nl/stories/bedrijf/de-baas-van-morgen-neemt-over-voor-een-dag>
- <sup>32</sup> Factfulness: Ten Reasons We're Wrong About the World -- and Why Things Are Better Than You Think, by Anna Rosling Rönnlund, Hans Rosling and Ola Rosling, 2018.
- <sup>33</sup> <https://www.gapminder.org/dollar-street/matrix>
- <sup>34</sup> <http://www.fenixfoodfactory.nl/en/about>