

Stimulate innovations and not the old economy

My previous column about the ending of all sorts of subsidies on fuels and agriculture (24 December 2015) caused quite a stir. It is always exciting to work with figures. There are other agricultural subsidies besides those from the EU. Just as with subsidies on fossil fuels, there is direct and indirect support from the individual countries, through subsidies on exports, on the purchase of land, and so on. But putting the figures to one side, the message was clear: financial incentives must be used to promote innovation and not to keep the old economy alive.

Many innovations in the horticulture industry have been brought about as a result of government intervention: substrate cultivation through the ban on methyl bromide, the reuse of water following decrees on soil protection and financial incentives to transform the greenhouse into a source of energy. Nowadays we have bees flying around in order to increase the production of plants, insects are used to combat pests, up to 90% of water is reused and the greenhouse supplies energy and heat to the surrounding area.

Australia has the Green Star certification for energy-efficient buildings, but this is merely comparable to our standard building codes. In America, it is often impossible to regulate the internal climate in buildings. It is either 100% on or 100% off, without any way of saving energy. Many countries are only just beginning to do things that are already considered quite normal here. Last year I even met foreign businesspeople who had come to the Netherlands with some specific innovations. One entrepreneur, from Stanford in the USA, wants to develop a residential area that is self-sufficient in energy and food. Another one, from Zurich, is developing a greenhouse on the roof of the 'De Schilde' building in The Hague, including fish farming on the seventh floor! Why here? Because special opportunities are available in the Netherlands for innovative projects.

On 14 April Prime Minister Mark Rutte will be introducing the Netherlands as a 'Sustainable Urban Delta' at the Innovation Expo in Amsterdam. Technological breakthroughs and new innovations will be exhibited, representing integrated solutions to urban issues. I think that's fantastic, but many environmental people are critical. How can we tell people in other countries that the Netherlands is a model metropolis, while we still have so much work to do in terms of sustainability? Nonetheless, the realisation gradually seems to be dawning that a large number of sustainable solutions are already available and that these need to be put into practice as quickly as possible.

So, we need a new revenue model. Entrepreneurs and government must work together to ensure that this new ambition is achieved. And not just with test projects, which can be expensive in terms of both money and energy. They're great for demonstrating that something works, but ultimately do not provide any revenue for either the Dutch treasury or the companies themselves. Economies of scale are required in order to achieve growth.

If, rather than just providing financial support to the leading sectors, the government invests in cross-sectoral innovations and becomes a real 'launching customer' for all kinds of sustainable integrated solutions, then together we can develop the Netherlands as the 'living lab' of a Sustainable Urban Delta. That will allow us to showcase our outstanding innovations to the rest of the world, to attract young talent and to keep them inspired in the long term. In that case, I can see lots of opportunities in 2016!

And I was already really looking forward to this new year!

Meiny Prins, CEO Priva