

Dubious business models

Some companies and industries are trapped by their own business model. As a result, systems are kept in place that are in fact no longer viable, because these companies are incapable of leaving the old economy behind and going for real innovation. These companies have every interest in maintaining their own circular reasoning. Think, for instance, of the American firearms industry, which continues to assert that guns are required for safety and which hides behind legislation (the Second Amendment) and vastly expensive lobbying. Or the big oil companies, which are obliged to think in terms of solutions based on fossil fuels, because that is what they deal in. There are many dubious business models that look for their justification in laws and regulations that are based on 'the old', and which therefore stand in the way of 'the new'.

In the world of agriculture and horticulture we also find business models that are, to put it mildly, somewhat dubious. Roundup, the best-known herbicide based on the active ingredient glyphosate, appeared on the market in 1974. Since March 31, Roundup may no longer be used in the Netherlands for weed control on 'paved surfaces'. Among other things, it may be carcinogenic. It is still permitted in agriculture, and in fact its use is increasing. It kills weeds, but leaves genetically modified food crops such as corn, soybeans and potatoes intact (crops that have been genetically modified by Monsanto, the manufacturer of Roundup). The active ingredient, however, enters the surface water, from which it is then difficult to remove. Water companies, including in the Netherlands, have been warning of the dangers and are demanding a complete ban on Roundup.

Monsanto is fighting against a possible ban with a rather unusual argument: banning chemical pesticides would stand in the way of innovations in this area. On August 31, 2015 a Monsanto spokesperson told Het Financieele Dagblad that it would make no sense to improve the effectiveness of chemical pesticides if these agents were to be banned*. That's a bit like keeping armed conflicts going in order to facilitate innovations in the arms industry.

Innovation as an excuse for maintaining outdated systems? The crops produced from Monsanto's genetically modified seeds are resistant to the active ingredient in Roundup, and the revenues from the patents on those seeds are enormous. So is there an economic reason for opposing a ban?

The Dutch greenhouse horticulture sector proves that things can be done differently. The government began in the early 1980s by banning methyl bromide. The Dutch horticulture industry used methyl bromide to kill fungi and insects between two crops in the soil. The agent was highly toxic and even led to miscarriages in female horticulturists. The growers were looking for more sustainable alternatives and our greenhouse horticulture sector can now boast a long list of sustainable innovations: insect pests are controlled with ladybugs, water is disinfected and reused as much as possible, energy is extracted from geothermal heat and greenhouses even supply solar energy to residential areas! Innovations that allow the Netherlands to act as a role model for food production worldwide.

Real innovation is thus not about improving existing solutions, but about creating something new. Monsanto would be better off investing its money in this type of disruptive innovation rather than in lobbyists and lawyers...

* <http://fd.nl/economie-politiek/1116892/emoties-hebben-volgens-monsanto-de-overhand-bij-verbod-op-roundup>