



## Sowing Seeds of Plunder: A Lose-Lose Situation in Ukraine

### Description

*It's a lose-lose situation for Ukrainians. While they are dying to defend their land, financial institutions are insidiously supporting the consolidation of farmland by oligarchs and Western financial interests.*

So says **Frédéric Mousseau**, Policy Director of the Oakland Institute, an independent think tank.

Depending on which sources to believe, between 100,000 and 300,000 Ukrainian soldiers (possibly more) have died during the conflict with Russia. That figure, of course, does not include civilian casualties.

The mainstream narrative in the West is that Russia grabbed Crimea and then invaded Ukraine. Russia is portrayed as the outright aggressor which wants to restore its control over large swathes of Europe.

However, this narrative is false and has been debunked by various commentators who explain in some depth how Ukraine has been used and manipulated as part of a geopolitical campaign formulated by neoconservatives in Washington to destabilise Russia.

The expansion of NATO towards the east, the US-backed coup in 2014 – followed by eight years of the shelling of the ethnic Russian eastern parts of the country by the regime in Kyiv resulting in around 14,000 deaths – led up to the military intervention by Russia, which regards the expansionism and militarism as an existential threat.

It is not the purpose of this article to explore these issues. Much has already been written on this elsewhere. But billions of dollars' worth of military hardware has been sent to Ukraine by the NATO countries and hundreds of thousands of young Ukrainians have died.

They died in the belief that they were protecting their nation – their land. A land that is among the most fertile in the world.

Professor Olena Borodina of the National Academy of Sciences of Ukraine says:

“Today, thousands of rural boys and girls, farmers, are fighting and dying in the war. They have lost everything. The processes of free land sale and purchase are increasingly liberalised and advertised. This really threatens the rights of Ukrainians to their land, for which they give their lives.”

Borodina is quoted in the February 2023 report by the Oakland Institute War and Theft: The Takeover of Ukraine’s Agricultural Land, which reveals how oligarchs and financial interests are expanding control over Ukraine’s agricultural land with help and financing from Western financial institutions.

Aid provided to Ukraine in recent years has been tied to a drastic structural adjustment programme requiring the creation of a land market through a law that leads to greater concentration of land in the hands of powerful interests. The programme also includes austerity measures, cuts in social safety nets and the privatisation of key sectors of the economy.

Frédéric Mousseau, co-author of the report, says:

“Despite being at the centre of news cycle and international policy, little attention has gone to the core of the conflict — who controls the agricultural land in the country known as the breadbasket of Europe. [The] Answer to this question is paramount to understanding the major stakes in the war.”

The report shows the total amount of land controlled by oligarchs, corrupt individuals and large agribusinesses is over nine million hectares — exceeding 28% of Ukraine’s arable land (the rest is used by over eight million Ukrainian farmers).

The largest landholders are a mix of Ukrainian oligarchs and foreign interests — mostly European and North American as well as the sovereign fund of Saudi Arabia. A number of large US pension funds, foundations and university endowments are also invested in Ukrainian land through NCH Capital – a US-based private equity fund, which is the fifth largest landholder in the country.

President Zelenskyy put the land reform into law in 2020 against the will of the vast majority of the population who feared it would exacerbate corruption and reinforce control by powerful interests in the agricultural sector.

The Oakland Institute notes that, while large landholders are securing massive financing from Western financial institutions, Ukrainian farmers — essential for ensuring domestic food supply — receive virtually no support. With the land market in place, amid high economic stress and war, this difference of treatment will lead to more land consolidation by large agribusinesses.

All but one of the ten largest landholding firms are registered overseas, mainly in tax havens such as Cyprus or Luxembourg. The report identifies many prominent investors, including Vanguard Group, Kopernik Global Investors, BNP Asset Management Holding, Goldman Sachs-owned NN Investment Partners Holdings, and Norges Bank Investment Management, which manages Norway’s sovereign wealth fund.

Most of the agribusiness firms are substantially indebted to Western financial institutions, in particular the European Bank for Reconstruction and Development, the European Investment Bank, and the International Finance Corporation – the private sector arm of the World Bank.

Together, these institutions have been major lenders to Ukrainian agribusinesses, with close to US\$1.7

billion lent to just six of Ukraine's largest landholding firms in recent years. Other key lenders are a mix of mainly European and North American financial institutions, both public and private.

The report notes that this gives creditors financial stakes in the operation of the agribusinesses and confers significant leverage over them. Meanwhile, Ukrainian farmers have had to operate with limited amounts of land and financing, and many are now on the verge of poverty.

International financial institutions are in effect subsidising the concentration of land and a destructive industrial model of agriculture based on the intensive use of synthetic inputs, fossil fuels and large-scale monocropping.

Much of what is happening in Ukraine is part of a wider trend: private equity funds being injected into agriculture throughout the world and used to lease or buy up farms on the cheap and aggregate them into large-scale, industrial grain and soybean concerns. These funds use pension funds, sovereign wealth funds, endowment funds and investments from governments, banks, insurance companies and high net worth individuals (see the 2020 report 'Barbarians at the Barn' by Grain.org).

Financialising agriculture this way shifts power to people with no connection to farming. In the words of BlackRock's Larry Fink: "Go long agriculture and water and go to the beach."

Funds tend to invest for between 10 and 15 years, resulting in good returns for investors but can leave a trail of long-term environmental and social devastation and serve to undermine local and regional food insecurity.

By contrast, according to the Oakland Institute, small-scale farmers in Ukraine demonstrate resilience and enormous potential for leading the expansion of a different production model based on agroecology and producing healthy food. Whereas large agribusinesses are geared towards export markets, it is Ukraine's small and medium-sized farmers who guarantee the country's food security.

This is underlined by the State Statistics Service of Ukraine in its report 'Main agricultural characteristics of households in rural areas in 2011', which showed that smallholder farmers in Ukraine operate 16% of agricultural land, but provide 55% of agricultural output, including 97% of potatoes, 97% of honey, 88% of vegetables, 83% of fruits and berries and 80% of milk.

In June 2020, the IMF approved an 18-month, strings-attached \$5 billion loan programme with Ukraine. Also that year, the World Bank incorporated measures relating to the sale of public agricultural land as conditions in a \$350 million Development Policy Loan (COVID 'relief package') to Ukraine. This included a required 'prior action' to "enable the sale of agricultural land and the use of land as collateral."

According to the Oakland Institute:

"Ukraine is now the world's third-largest debtor to the International Monetary Fund and its crippling debt burden will likely result in additional pressure from its creditors, bondholders and international financial institutions on how post-war reconstruction – estimated to cost US\$750 billion – should happen."

Financial institutions are leveraging Ukraine's crippling debt to drive further privatisation and

liberalisation – backing the country into a corner to make it an offer it can't refuse.

Since the war began, the Ukrainian flag has been raised outside parliament buildings in the West and iconic landmarks have been lit up in its colours. An image bite used to conjure up feelings of solidarity and support for that nation while serving to distract from the harsh machinations of geopolitics and modern-day economic plunder that is unhindered by national borders and has scant regard for the plight of ordinary citizens.

by **Colin Todhunter**

*Featured image is from OneWorld*

### **Category**

1. Army-Wars-Conflict Zones-Military Tech.
2. Main

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