The global financial crisis, which began in 2008, has significantly altered the way many speculators and financial institutions invest. Rather than taking huge risks with dodgy derivatives like credit default swaps and mortgage-backed securities, both of which have proven to be particularly volatile, many speculators have instead begun to invest in the most tangible asset of all: land. By doing so, financial institutions, and many governments, have engaged in “land grabbing” – a process by which large amounts of capital are invested in the purchase of land for large-scale agricultural production, while the farmers who have worked the land for generations are displaced and/or become renters on land that was once their own.

This worrying trend is part of a global shift, a consolidation of land and resources in ever fewer hands, while the mass of workers and peasants are made dependent on corporations and governments. Spurred on by the financial crisis and the exponential growth of food and commodity speculation, financiers and their investment institutions (hedge funds, big banks, sovereign wealth funds, etc.) are gobbling up the most fertile land around the world, leading many to wonder what the future of food production and land distribution will look like.

It should be further noted that this trend is not only affecting the poor of the Global South, but also the independent farmers of the so called “developed world.” As such, landgrabbing has become a global phenomenon, one that must be addressed by farmers and working people internationally, with broad-based coalitions and organizations mobilizing resistance and educating the people. Only comprehensive solutions to such a global problem can possibly hope to protect the land, and all of us who depend on it.

Financiers Shall Inherit The Earth?

It has become increasingly clear that speculators, and the financial elite more broadly, have been making a concerted effort in recent years to acquire as much fertile land as possible, intending to use it as a major revenue source against the backdrop of global economic crisis. A recent Oakland Institute study noted:

An estimated 500 million acres...was reported bought or leased across the developing world between 2000 and 2011, often at the expense of local food security and land rights. When the price of food spiked in 2008, pushing the number of hungry people in the world to over one billion, the interests of investors spiked as well, and within a year foreign land deals in the developing world rose by a staggering 200 percent. Today, enthusiasm for agriculture borders on speculative mania. Driven by everything from rising food prices to growing demand for biofuel, the financial sector is taking an interest in farmland as never before.

At the most basic level, such staggering numbers indicate the degree to which financiers have turned to land speculation as merely the latest in a string of “bubbles” – an investment that they feel can turn a massive profit in a short amount of time. Again, it is critical to note the unmistakable connection between their interest in land, and the speculation in food commodities on the global market.

As reported by The Guardian, “In 2012, [Goldman Sachs] made an estimated $400 million from speculating on food. The World bank estimated in 2010 that 44 million people were pushed into poverty because of high food prices, and that speculation is one of the main causes.” Just one major Wall St. bank raked in nearly half a billion dollars in one
year just on food commodity speculation, illustrating just how lucrative this market has become. Of course, this is
merely betting up the price of staple foods, not even taking into account the astronomical increase in the value of the
land itself.

Recent data just on US farmland shows an incredible jump in the value of agricultural land. According to an Iowa
State University study, agricultural land in Iowa hit a record high in 2013, having increased more than five percent
in one year (2012-2013). The study found that the cost per acre of land had increased 168 percent from 2004-2013.
Such startling appreciation in value is enough to drive any speculator with dollar signs in his eyes into the market,
hoping for his latest fix of short term profit.

In fact, some of the world’s most influential speculators are diving head first into the land investment game. George
Soros, infamous for his predatory investing strategies, has, through a number of subsidiaries and companies, been
busy buying up millions of acres of farmland both in the US and around the world. Naturally, savvy speculators like
Soros see the potential return on their investment in everything from the development of biofuels to ownership of
increasingly precious farmland due to environmental degradation.

The Environmental Justice Organizations, Liabilities, and Trade (EJOLT) recently issued a comprehensive study
detailing many aspects of the global land grabbing phenomenon. In the study, the authors noted that:

> It often goes unrecognized that the lead actor in today’s global land grab is still the private sector…the
reality is that while governments are facilitating the deals, private companies are the ones getting
control of the land. And their interests are simply not the same as those of governments…the high-power
finance industry, with little to no experience in farming, has emerged as a crucial corporate player…This
financial capital is even more volatile, moves even faster and has even less relation to the land than
productive capital of other industrial sectors. Today’s emerging new farm owners are private equity
fund managers, specialized farmland fund operators, hedge funds, pension funds and big banks.

The report documents a number of high profile cases in Kenya, Brazil, and Madagascar where such corporate land
grabbing has had disastrous effects on local populations. As is often the case, corporations and speculating
financiers use their wealth in order to buy influence at the level of national governments, cementing their claims to
prime real estate. In return, the powerful bureaucrats not only make a hefty profit with which to line their pockets,
but also establish powerful friends and contacts with which to further their own careers. Such self-reinforcing
corruption lies at the heart of the global land grabbing phenomenon.

In countries like Cambodia, where the rush for land has been in high gear in recent years, such corruption and
bureaucracy is most clearly evident. Prime Minister Hun Sen (in office for nearly thirty years) is notorious for selling
off some of the best agricultural land in Southeast Asia to major corporations from neighboring Thailand and China,
as well as other companies from the developed world. The popular resentment toward Mr. Sen and his dictatorial
rule has, in many ways, been galvanized around the issue of land grabbing. The wholesale transfer of land which has
been cultivated by families for generations has displaced countless farmers and their families who have little
recourse but to protest and try to make their plight known to their countrymen and the outside world.

In an important article documenting the land grabbing phenomenon in Cambodia and the role of the German
government in facilitating it, Der Spiegel quoted Lao Mong Hay, a Cambodian civil rights activist who explained,
“We are on the road to becoming a society of large land owners...The ruling elite is allied with big business, and
together they are making a quick buck...All they need is the land, a few saws and a few tractors...and before long the
forest has been cut down...[there is] great injustice...The laws are bad, and they are poorly implemented.” Mr. Hay
makes the critical point of the “alliance” between the government and big business. However, to understand the full
scope of the problem, one must also recognize the international and multi-faceted corporate web that connects
governments in the developed world and their business partners, with the corrupt local governments.

Grabbing More Than Just Land
Land grabbing is directly intertwined with the growing scarcity of fresh water resources around the world. An important study conducted by the Transnational Institute *The Global Water Grab: A Primer* noted the way in which land and water purchases are intimately related. The authors noted:

> An investor’s control of land usually comes with a corresponding control of water resources. Indeed, access to water could be the most valuable part of the deal. This is especially so given that host governments seek to entice investors by offering them concessions with regards to water use... Acquiring land in order to access and control water is especially relevant to countries facing water scarcity... Land and water grabbing are also related in that both involve a model of water use characterised by exploitation, exclusion, and profiteering.

Essentially then, there is a direct relationship between water scarcity, agricultural production, and land grabbing and speculation. Indeed, it is not merely countries dealing with water scarcity who are scouring the earth for prime water real estate. In fact, hedge funds, mutual funds, and other speculative financial institutions have begun including water investments in their major portfolios. This of course goes far beyond simply the purchase of land, as it also is related to the privatization of water resources once publicly held.

Perhaps the most famous example of such privatization of water was the infamous purchase of Bolivia’s water supply by Bechtel and the Abengoa Corporation of Spain in the late 1990s. The deal was facilitated by the World Bank and the neoliberal consensus that controls that institution, and led to a more than doubling of the water rates for Bolivia’s poor. This blatant act of water grabbing, with a complete disregard for the people of Bolivia, led to a major people’s movement, and is considered one of the principal developments that led to the rise of the Left in Bolivia, culminating with the election of President Evo Morales, and Bolivia’s integration into ALBA and the axis of resistance against neoliberal capitalism in South America.

If one needed more evidence that financial and political elites were consolidating their ownership of global water resources, one needs look no further than the Guarani Aquifer in Paraguay. One of the world’s largest fresh water aquifers, Guarani is estimated as being larger than the US states of Texas and California combined. Researchers have calculated that Guarani could provide fresh water for the world’s population for at least 200 years. It is precisely atop this aquifer that George Bush and the Bush family have purchased more than 100,000 acres, though many believe the purchase to in fact be much larger. Naturally, one would ask whether such a purchase was merely an attempt by the infamous Bush family to corner the market on fresh water in the Western hemisphere for the purposes of making an incredible profit. It certainly wouldn’t be the first time that family has done such an odious deal.

The global land and water grab is an ongoing and worrying trend. However, it is not at all irreversible. Coalitions of activists, organizers, and peasants are coming together all over the world to protect land and water rights, and resist the continued attempts by finance capital and the corporate oligarchy to control precious resources. However, it will take the combined efforts of such coalitions, along with ordinary people and national governments, to stem the tide. This is an existential struggle for the working people and peasants who depend on the land and water. However, in the broadest sense, it is an existential struggle for the future of humanity. Unless the resources of the earth can be utilized in an equitable and sustainable way, then civilization itself is under threat.

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