

Development of European Land Resource Potential in the Conditions of Globalization

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Abstract: The article analyzes the use of land resources of countries in the context of globalization. Investment-attractive regions have been identified, the socio-economic and political conditions of which contribute to the seizure of land by foreign investors. Sources of food security of countries with developed economies are substantiated. Peculiarities of formation of land and resource space of European neo-colonial countries are determined. One of the most important historical events in the political and socio-economic dimensions of the world was colonialism, associated with the development of capitalism. In the book, Eric Wolfe, "Europe and People Without History", describes in detail the global expansion of the borders of European states in order to control both human and natural resources, as well as to expand global development and promote Christianity (Wulf, E, 2004). European colonialism became an early form of globalization that shaped most of the world's current political borders. In this way, technologies, food and ideas based on the colonial countries - Britain, Spain, France, Portugal and the Netherlands, etc. were transported. The main goal is to use the limited resources of the colony country and make a profit. This approach is called neocolonialism (corporate colonialism), just as classical European colonialism aims at the comprehensive exploitation of natural resources, labor, and markets for superprofits.

Keywords: Territory, land use, land acquisition, food security, agricultural land, land.

INTRODUCTION

After the end of the Cold War between the USA and the Soviet Union and the collapse of the latter in 1991, information technologies gained global scale, which brought the process of globalization to a new historical turn. In contrast to the medieval European colonial policy, the main goal of which was the formation of "their" effective management system in the colonies, which consistently carried out the policy of the metropolis aimed at its own enrichment, modern corporations, as a rule, do not try to manage the country. They are not interested in which political power governs the country, the main goal is the opportunities to use the limited resources of the colony country and make a profit. In this way, active

nature management, including land management, is carried out by global corporations, which, being private structures, actually replace the state. That is, the formation of financial and economic ties moves to the level of the private sector, which somewhat reduces the managerial role of the state. At the end of the 20th century, as a result of the collapse of the Soviet Union, new independent states were formed, which, from the first days of the declaration of independence, began the path of integration into the global financial and economic system. At the same time, there was a need to find and implement new investment and financial projects that would contribute to the development of the state's economy. A feature of the economies of the newly created states was significant dependence on natural resources, which, in the conditions of political and legislative immaturity, contributed to the consolidation of significant natural wealth in oligarchic groups and contributed to the monopolization of nature use, including land use, especially in the agricultural sector.

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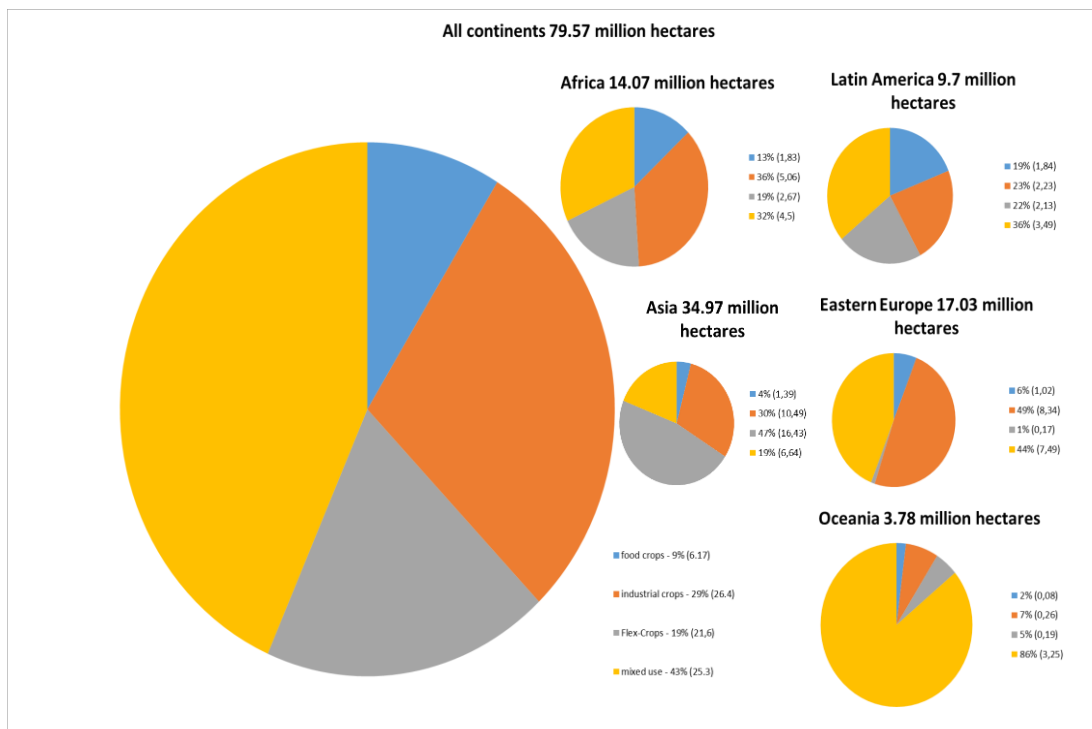


Fig. (1). World redistribution of "Land grabbing" land. (Land Matrix Country Profile, 2020).

With Ukraine's choice of the European vector of integration, research on the peculiarities of land use in the countries of the European Union has become much more relevant. Equally important is the study of issues related to the efficiency of land use of various economic purposes by European land users as the main basis of their economic activity. Analysis of the state of land use and the experience of EU countries can serve as a vector of efficient and rational land use and be a guide for the organization of effective land policy with further integration into the European Economic Area.

Analysis of recent research and publications. The works of domestic and foreign scientists are devoted to the problems of land use potential in the conditions of globalization. Thus, the studies of economists Dankevych V., Dankevych E., Koshkaldal I., Zaits V. are devoted to the study of the impact of globalization of the economy on the formation of land relations in agriculture (Dankevych, V. et al., 2019), (Koshkaldal, I. et al., 2020), (Zaits, V. 2011). Problems of land acquisition in the context of globalization are given in the works of foreign scientists: Borrás S., Franco J., Brautigam D., Schutter O., Humn K., Spoor M. and many others (Borrás, S. et al., 2012), (Brautigam, D. 2015), (De Schutter, O. 2011), (Spoor, M. et al., 2012). Despite the rather significant scientific achievements of domestic and foreign scientists on land use, and especially agricultural land, this issue has many problems that require additional research.

THE AIM OF THE STUDY

Instead of discovering the special features and comparative assessment of land use systems under neocolonialism. Identify the features of the formation of agricultural land use and food security in Europe.

METHODOLOGY

The initial stage of the study was based on data collection, based on documents available on the digital platform Scopus and other scientific databases, the Land Matrix portal. In the Scopus database, he searched for research papers on the keywords "land capture" or "land grab", or "transnational land agreements", or "large-scale land investment" or "impulsive capture", as a mechanism to identify scientific products already published. The sample was conducted from a list of documents published in the period from 2010 to October 2021. The result of this work was to verify the documents filtered by year, author, affiliation, field of knowledge, journal documents, source and keywords. systematic analysis and study of selected articles.

In the study, the author's calculation of Land grabbing indicators as a share of the land fund of EU countries was carried out. Microsoft Office Excel software was used in the calculation.

RESULTS AND DISCUSSION

Today, land resources are an extremely important structural element of civilization. Global changes in the redistribution and use of land, especially in agriculture, have a number of negative consequences that lead to intensified interstate or inter-corporate struggle to limit resources and markets. In the context of globalization, the use of land resources is accompanied by excessive use of nature in agricultural and forestry production and large-scale development of industrial facilities. In countries with a high level of corruption and legal imbalances, there is an increase in the area of industrial crops, which significantly burden the lands of donor countries, exports of raw materials and loss of food security,

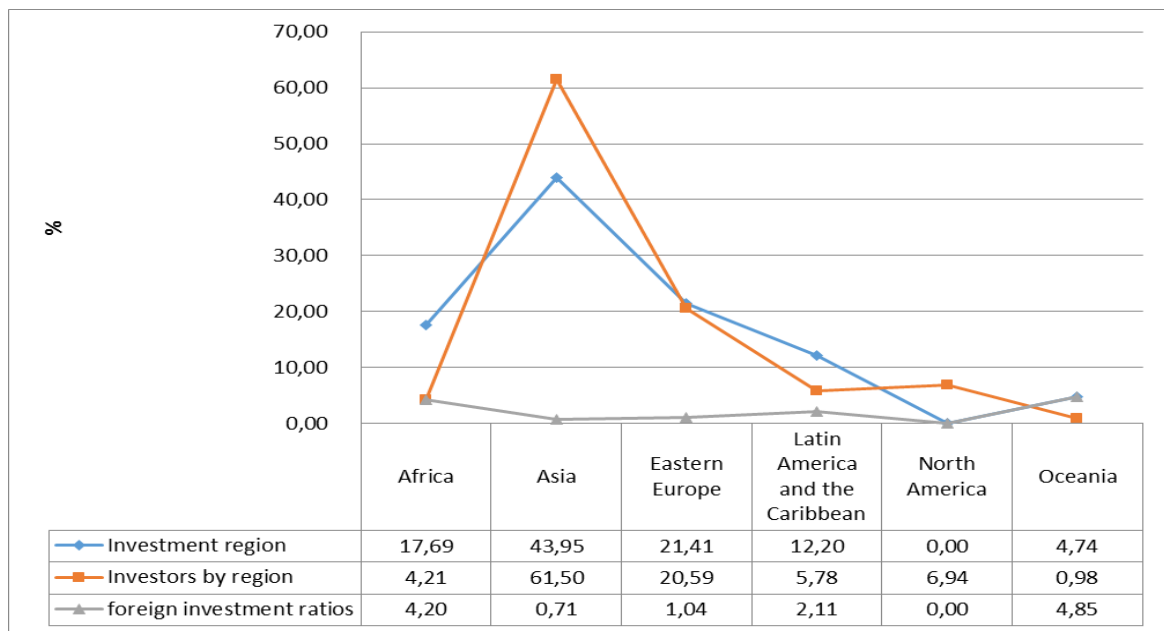


Fig. (2). Investment attractiveness of regions,%. (Land Matrix Country Profile, 2020).

complemented by agricultural inflation prices). (Jampel Dell'Angelo et al., 2021). Global processes require a clear definition of the regional redistribution of the use of natural resources, including land. According to the World Bank classifier, it is appropriate to distribute all countries in the world in terms of gross national product per capita, so income is less than 1035 dollars. - low-income economies, 1,036 - 12,535 dollars US middle-income economy and USD 12,536 High-income economies. According to this indicator, the World Bank assesses the state of the country's economy and its long-term development. The global redistribution of land resource potential is characterized by heterogeneity. There is a tendency to increase arable land in low-income countries, which are characterized by low productivity and degradation. (Castro-Arce, K. et al., 2020), (ECVC, 2020). In the global struggle of countries for limited resources, the lion's share of which is land suitable for growing agricultural products and the desire of world leaders for food security, there is a tendency to increase arable land, usually in backward economies of Africa and Latin America. The population of these countries suffers from economic interference in the land use system of international non-resident companies and states that form domestic land banks for their own food security.

Since 2008, in world practice, the purchase or long-term lease for 50 years or more, has been called "land grabbing". International investors, as well as public, semi-public or private sellers, usually operate in offshore areas. In such private-lease relations, land reform is gaining the tone of new colonial relations due to the financial and economic dependence of "investment-attractive" states. In fact, productive lands are being seized by investing in the country's economy. Acquisition or seizure of land in this way by foreign investors or large national monopolies and the concentration of private ownership of land is one of the main dangers to food and energy security of the countries to which investments come (Agrawal, A. et al., 2019). According to the Land Matrix, as of 2020, investors (see Fig. 1) in the world have ab-

sorbed about 79.5 million hectares of fertile land in developing countries.

The analysis shows that regions with developing economies have a high potential for increasing arable land and a favorable investment climate in the regions. According to the Land Matrix, there are no indicators of international investment in North America (USA, Canada), which indicates the presence of equity and a strategy to preserve the economic sovereignty of the state. The largest share of investments comes from Asia (61.5% of global investors), Europe (20% of investments) and Mon. America, and the latter does not attract foreign investment. The most attractive regions for investment are Asia, Eastern Europe, Africa, the political situation and the legislation of most countries in these regions with low levels of development (Low-income economies) contribute to the growth of land by international corporations. The diagram (Fig. 2) shows that the aggressive investment policy of Asian and North American companies is trying to expand land tenure in other regions. Based on the principle of limited land and world resources, it would be appropriate to specify the main "investors" and investment-attractive regional economies. The most successful investors are Chinese companies that have signed contracts for the use of more than 9 million hectares of land (11.3% of the world).

Heterogeneous redistribution of land investment among the target countries due to the favorable investment climate of the latter. The graph (Fig. 3) shows that about 16%, which is 12.8 million hectares of all agreements on the target lands of the world account for the Russian Federation. In Ukraine, about 3.3 million hectares (4.2% of the world's land grabs) are used by domestic and foreign agricultural holdings and corporations. Foreign investors control 4.2% of the territory, 7.6% of all agricultural land and 10% of arable land in Ukraine (LAND MATRIX COUNTRY PROFILE, 2020). The active participation of European countries in the global redistribution of land resources requires a more detailed study and analysis of land use. According to Land Matrix, as

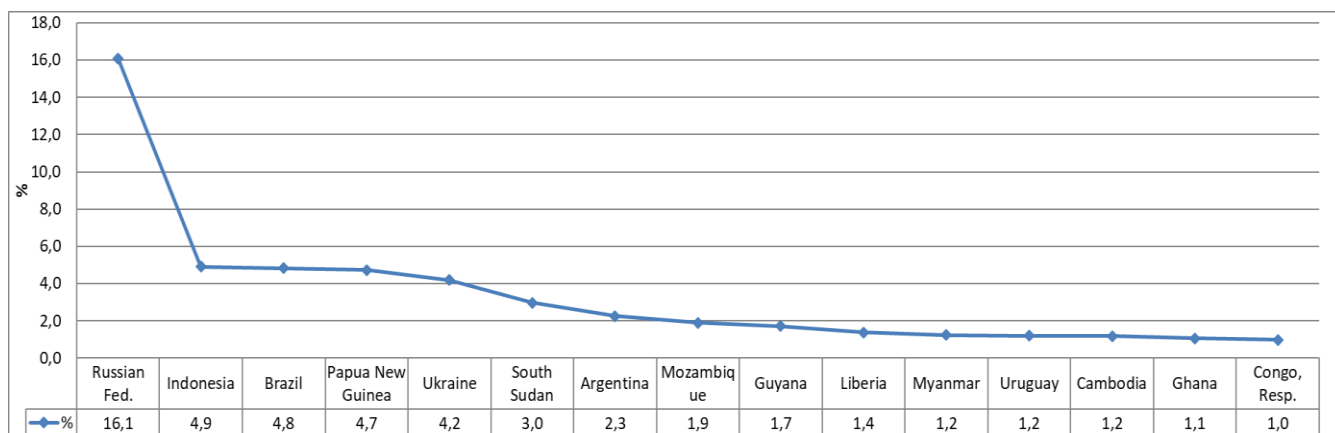


Fig. (3). Area of land used by world investors, % (Land Matrix Country Profile, 2020).

of 2020, companies founded by EU member states have concluded about 909 land agreements, with an area of 29 million hectares. Two-thirds of these agreements (616) cover land outside Europe with an area of 23 million hectares located on all continents except North America and Australia.

The main objectives of the agreements are the use of land for agriculture, animal husbandry, biofuel production, forestry. The subjects of agreements are:

- business managers of agricultural projects;
- parent companies that own the business and manage subsidiaries;
- investors / shareholders who invest in the company in exchange for shares;
- lenders who provide loans to a project or company (commercial banks, investment banks, investment funds (hedge funds, pension funds, direct investment funds);
- governments of countries that provide political support to international companies;
- brokers, as leaders of business agreements and interactions between organizations and contractors of the project;
- traders who buy products grown or processed under the project (trading companies, processors, manufacturers, retail sales agents).

The main objectives of the agreements are the use of land for agriculture, animal husbandry, biofuel production, forestry. In such circumstances, it is quite difficult to track the final country - the investor, because the subjects are not always based in any one country, which makes such land relations too veiled. Studies "Land Concentration and Capture and the Struggle in Europe" conducted by the European Coordination Center for Farmers' Rights and Hands off the land have

found that land levels are extremely high and dangerous (ECVC, 2020). The greatest interest of transnational companies and foreign funds is in the lands of Bulgaria, Romania, Serbia, Moldova, Ukraine and the Russian Federation, which have become the object of economic and financial speculation by agribusiness.

The EU's common agricultural policy does not help curb the land acquisition process, but rather stimulates it by increasing subsidies for large agricultural producers. According to the European Coordination Via Campesina (ECVC), between 2000 and 2012, about 4.8 million jobs were lost to EU agriculture. In Europe, a third of small farms went bankrupt, 12 million in 2003 and 8 million in 2013, respectively. However, large farms own more and more land. Thus, in Europe, 50% of all agricultural land belongs to 3% of landowners. About 20% of EU farms receive 80% of subsidies, which makes the common policy illegitimate for small farmers and citizens in general (ECVC, 2020), (Eurostat KI newsrelease, 2018). After analyzing the obtained indicators, we can conclude that the countries have lost a corresponding percentage of economic sovereignty in matters of food production and redistribution of land rent. In the structure of land use in Ukraine, 4.26% of the territory is land used by international investors to meet their own needs. Analysis of Land Matrix data shows that the share of beneficiaries interested in using land outside their own country is not very homogeneous. In the structure of European land users, global players are: Great Britain - 8.8% of global and 20.41% of European agreements with a total area of almost 7 million hectares, the Russian Federation, respectively 9.5% and 35.6% with an area of 7.5 million hectares only domestic entities (about 12.7 million hectares in the country), Cyprus 2.8% and 10.3% respectively, as an offshore zone) with a number of investors, etc. (Table 1).

Table 1. Structure of European Land Use.

The Country is an Investor	Area of the Country, ha	Areas Under Concluded Agreements, ha		Land Grabbing, %	
		all	Europe	all	Europe
Austria	8387100	145224	125224	0,18	0,60
Belgium	3052800	273028	2500	0,34	0,01

Bulgaria *	11091200	48871	48871	0,06	0,23
B. Britain + Virgin Islands	24482000	6994210	4279162	8,79	20,41
Denmark	4309400	109303	71660	0,14	0,34
Estonia	4522600	119905	119905	0,15	0,57
Ireland	7027300	19043	5950	0,02	0,03
Spain	50603000	247339	7313	0,31	0,03
Italy	30131800	935760	47041	1,18	0,22
Cyprus	925100	2251601	2172601	2,83	10,36
Latvia	6458900	34454	34454	0,04	0,16
Lithuania*	6530300	40000	40000	0,05	0,19
Luxembourg	258600	846083	540883	1,06	2,58
Netherlands	4152600	2441417	863445	3,07	4,12
Germany	35705000	620638	182584	0,78	0,87
Poland	31268300	5086	5086	0,01	0,02
Portugal	9239100	649903	16300	0,82	0,08
Romania*	23839100	196600	66600	0,25	0,32
Hungary	9303000	11352	11352	0,01	0,05
Finland	33814500	1023241	12000	1,29	0,06
France	55159500	741650	251364	0,93	1,20
Croatia	5654200	3000	3000	0,00	0,01
Czech Republic	7886600	6100	6100	0,01	0,03
Sweden	44996400	410287	341093	0,52	1,63
Ukraine*	60354900	307414	307414	0,39	1,47
RF *	1709824600	7546257	7494557	9,48	35,75
Moldova*	3384600	1400	1400	0,00	0,01
Norway	38520700	463964	18000	0,58	0,09
Switzerland	4128500	4091398	3868871	5,14	18,46
Serbia *	8836100	14568	14568	0,02	0,07
Iceland	10300000	270	0	0,00	0,00
Liechtenstein	16000	123635	1700	0,16	0,01

*Taking into account domestic investment. Author's development according to Land Matrix.

A detailed analysis shows that most developed countries try to delegate the economic and financial levers of land use management to developing countries, in fact beyond their own geographical borders.

In a study of the structure of agricultural land use in some European countries, areas were used by European investors. Thus, in the structure of land use the share of such lands is:

Bulgaria - 0.77%, Romania - 1.37%, Ukraine - 4.26%, Russia - 0.31%, Moldova - 2.93%, Serbia - 1.22%.

The constant search for "free" land by international companies and the desire to invest in the economies of developing countries give rise to new forms of development of land resource potential. Facilities in the energy sector occupy 29% of the total area, which allows a number of countries to form their own energy independence at the expense of donor

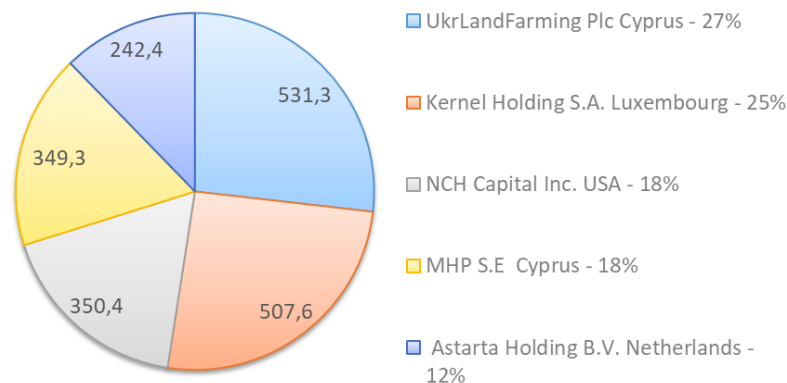


Fig. (4). The largest agricultural holdings in Ukraine, thousand hectares. (Koshkaldal et al., 2020).

countries. The lion's share of land is used for agricultural production, which is about 27%. In this way, investor countries ensure their own food and energy security.

Analyzing the obtained indicators, we can conclude that the countries have lost an appropriate percentage of economic sovereignty in matters of food production and redistribution of land rent. In the structure of land use in Ukraine, 4.26% of the territory is land, the beneficiaries of which are international investors. Ukraine's land potential is extremely strong and attractive for investment. As of 2021, the Land Matrix initiative has recorded 242 concluded agreements in Ukraine with a total area of 3,242,438 hectares. Most land lease agreements between companies and small landowners or the state are final for a period of 7 to 49 years. In general, there are three waves of land investment in Ukraine, when most agreements were concluded. The first wave in 2006-2008, when 56 major agreements were concluded, the second in 2012-2013 - 17 agreements, and the third in 2017-2018 - 45 agreements (Eurostat KI newsrelease, 2018). From 2017 to 2021, all acquisitions took place as mergers and acquisitions of agricultural enterprises together with land lease rights. The average size of acquired agricultural enterprises is from 3,000 to 5,000 hectares. These agricultural companies usually form larger business structures (agricultural holdings) whose typical size usually exceeds 10 thousand hectares. According to LandMatrix, only one failed transaction was recorded. In 2013, the Xinjiang Chinese Construction and Construction Corporation (XPCC) expressed interest in leasing 3 million hectares of Ukrainian agricultural land under a 50-year deal totaling \$ 2.6 billion a year. Such an agreement could make Ukraine the largest foreign center of Chinese agriculture, so this case is very significant. The lease agreement, which was allegedly signed in 2013 with the Ukrainian agricultural company KSG Agro, provided for an initial 100,000 hectares in the eastern Dnipropetrovsk region. Over time, it was planned to expand the agreement to 3 million hectares of agricultural land that would be used for growing crops and livestock. Against the background of huge public resonance, pressure and change of government in Ukraine, the agreement was not signed. According to the regional coordination center Land Matrix in Eastern Europe "Ecodia", the citizens of Ukraine are the ultimate beneficiaries of four of the 5 largest agricultural holdings in the country (Fig. 4).

In addition, Ukrainian investors were involved in 23 deals with a total area of 307,998 hectares, or 9.5% of the total land leased by foreign companies in the country. The vast majority of investments in Ukraine (65%) are directed to food crops. The focus is on growing winter wheat, corn, sunflower, soybeans and rapeseed for export. Ukraine is the world's largest producer of sunflower seeds and sunflower oil, the second largest exporter of rapeseed, the world's fourth largest exporter of corn, the fifth largest exporter of wheat and the seventh largest exporter of soybeans. Other food crops that are grown less, but also in large quantities, include barley, sugar beet, peas, fodder plants, cereals, alfalfa, vegetables, buckwheat and mustard. Only 13% are involved in the development of animal husbandry.

CONCLUSION

The favorable political and economic climate of the target countries (Africa, Latin America, Asia and Eastern Europe) contributes to the formation of large foreign latifundia, whose activities are aimed at satisfying their own interests. The loss of agricultural land by states, and most land grabs of land involved in agricultural production, puts their own producer, especially the farmer, at risk and undermines national food security. In the context of economic globalization, risks in land use have begun to manifest themselves in all regions of the world with renewed vigor. Large areas of land are threatened by a significant reduction in production capacity due to a number of negative factors. The globalization of the use of land resources of a number of countries leads to the formation of new zones of economic influence by global corporations. Our research shows that in the post-Soviet space, about 16%, (12.8 million ha) of land grabs of the world land belongs to the Russian Federation. Ukraine has 4.2% of such land (3.3 million hectares of world land grabs). That is, we can say that 4.2% of the territory of Ukraine is under the control of foreign investors, which is 7.6% of all agricultural land and 10% of arable land. According to the conducted research, the Russian Federation holds the world lead in seized lands, respectively 9.5% and 35.6% of the area of 7.5 million ha only by domestic subjects (about 12.7 million ha in the country). Great Britain is next - 8.8% of global and 20.41% of European agreements, respectively, with a total area of about 7 million hectares, Switzerland

5.14% of global (18.46% of European) and Cyprus 2.8% of global (10.3% of European lands). Based on the results of the research, we can say that the acquisition of ownership or lease by foreign beneficiaries forms new economic borders between countries and deprives the latter of economic and food-resource sovereignty.

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