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## The financing of industrial tree plantations in the global South in times of crisis: What crisis?

The news reports out of Europe and the United States describe situations of severe financial-economic crises, with little or no economic growth, a lack of investment and high unemployment. Yet since this crisis began roughly five years ago we have also seen intensive and increasingly greater investment in land and industrial plantations of trees and other crops in Latin America, Africa and Asia, through a variety of investment funds, most of them based in the crisis-stricken industrialized countries of the global North. These include pension funds and funds specifically geared to “timberlands” investments. So what kind of crisis are we talking about?

It is obviously not a crisis involving a shortage of money. These investment funds appear to handle enormous amounts of assets, as demonstrated, for example, by the article in this issue on the operations of these funds in Mozambique. On one hand, it is not easy for the public to understand how these funds work. On the other hand, there is a rather clear and similar message implicit in all of them: we can offer you, the investor, “attractive returns”, i.e., good profits. And due to the competition among all these different funds, what investors are looking for are investments that can generate better returns, bigger profits, with little concern for the activity involved or where it is carried out – as long as there is a good “climate” that ensures the “safety” of investments. This is what is happening, for example, in many countries of the global South where governments have opened their doors to these investors.

The high unemployment in the countries where the big investment funds are based and the tragedies suffered by the individuals, families and communities affected appear to be of little concern to them: what moves them, above all, is the search for opportunities to increase their capital.

Judging by the information published by the investment funds themselves, the crisis doesn't affect them. They repeatedly talk about “opportunities” and display unbridled ambition. They would have us believe that planting thousands of hectares of industrial plantations can improve the living conditions of rural communities.

In fact, however, when these communities find themselves affected by large-scale industrial tree plantation projects, they face the beginning or worsening of a situation of genuine crisis. Conflicts over land, the loss of biodiversity, threats to food sovereignty, problems with water resources, and labour conflicts among the minority of community members who obtain employment are some of the impacts most widely denounced by local communities.

There is another, more profound crisis behind this: the choice made by governments who facilitate private investment in mega projects and do not prioritize policies to address the most urgent needs and most basic rights of the majority of the population. WRM has never come across a single case of the promotion of large-scale monoculture tree plantations in which communities have been duly consulted, or their rights have been respected. What's more, these communities often have very different proposals: they ask for support to promote family and peasant farming, to have access to housing, and to high quality, differentiated education that is geared to their own reality, among other requests. Usually, governments claim that they do not have the resources needed to comply with

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these requests.

In fact, however, the investment required to satisfy these demands is minuscule, especially compared to the sums of money mobilized for investment in agribusiness and other activities that cause severe impacts on the population and the environment. Moreover, these large-scale projects tend to be provided with resources, guarantees and public incentives – in which a growing role is also being played by big public banks in the countries of the global South – generally for the purpose of producing raw material or merchandise that is exported and/or accessible only to a minority of the population, in order to maintain a system of production and consumption that is largely excessive and destructive to the environment.

The insistence on this path – on this model that serves the logic of the accumulation of capital for a small elite, while social and environmental inequalities are maintained and increased – is perhaps one of the worst crises that the world is facing today.