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OUTSOURCING LAND IN SEARCH FOR ENERGY SECURITY: STILL A CONTROVERSIAL MATTER

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Overview

Energy security is not a recent topic, it has been a subject for study and academic reflections since the 1960s. However, over the time, some concerns regarding the issue gained another perspective. When the first disruption of energy happened in the 1970s, due to the oil crisis the main agenda addressed by energy security was to guarantee stable supply of cheap oil despite threats of embargos and prices manipulations. The modern energy security, that emerged in the 2000s, is much wider and comprises a larger scale of challenges in its core. According to the International Energy Agency (2016) energy security may be defined as “the uninterrupted availability of energy sources at an affordable price”. It is clear to perceive that modern energy security has a supporting tripod: (i) affordability; (ii) accessibility; and (iii) reliability.

Considering the need to reassure energy security there is the issue of land, which is a limited resource that becomes scarcer every day. It is fair to affirm that “human land use decisions play a crucial role in driving changes in the land system” (GLP, 2005, *apud* Friis; Reenberg, 2010). Transboundary land deals are not a new subject as well, they happen when large portions of land are purchased or leased for production of agricultural goods that are sent back to the investor’s country. Drivers such as climate change, food security and energy security are claimed to guide these deals, which have the virtue not only to aid the investor countries but also to bring development to invested countries. Some of these deals receive the name land grabs, due to their negative impacts on human rights.

Against this background is set this paper that has the purpose to assess whether energy security acts as a driver to land grabbing and its impacts on countries in the European Community. A secondary aim of the paper is to clarify the impacts on human rights of the access to energy as it is now a specific goal of the Sustainable Development Goals (SDG).

Methods

Regarding the methodology followed, the paper draws a literature analysis considering publications on the matters investigated. Since the primary goal set for the paper was to evaluate if energy security consists in a driver to the occurrence of land grabbing statistics were used to: (i) verify if there were some increase in the search for energy security; (ii) the period it happened; (iii) if in this period there were international land acquisitions or leases; and (iv) whether the country shifted position in the risk ranking. The behavior of the investor country in the invested was also assessed.

Finally, a case study of a selected country was conducted in order to demonstrate if its position changed in the energy risk ranking.

To develop all the analysis, the Land Matrix was used along with data from the International Energy Security Risk Index, the World Bank and Eurostat.

In order to conduct the research regarding energy access to human rights a comparative analysis was done by means of legal documents and documents from the United Nations. A cross comparison of benefits of land access, energy access and security and human rights was also performed.

Results

Regarding gross performance, it is possible to say that in the Energy Risk Index from 2014, accessed alone little change was perceived from major energy-consuming countries¹, this can be attributed to the lower crude oil price volatility (U.S. Chamber of Commerce, 2016, p. 5). Nevertheless, regulatory measures are making energy costs in Europe a challenge for energy intensive industries that seeks low energy costs countries to install their facilities (U.S. Chamber of Commerce, 2016, p. 3).

¹ The United States Chamber of Commerce defined as the most energy-consuming countries the following: Australia, Brazil, Canada, China, Denmark, France, Germany, India, Indonesia, Italy, Japan, Mexico, Netherlands, Norway, Poland, Russian Federation, South Africa, South Korea, Spain, Thailand, Turkey, United States of America, Ukraine, and the United Kingdom (U.S. Chamber of Commerce, 2016, p. 5).

From the analysis from the Land Matrix it was possible to verify that the majority of the contracts have been taken after 2006-2008, a time consistent with a global food stress. After this period the volume of contracts decay considerably.

Results when crossing the data from the Land Matrix and the Energy Risk Index were limited to European countries and they indicated a correlation between the electricity diversity of some countries and their investments in transnational land deals. Another correlation identified was regarding the energy import exposure associated to the size of the contracts for land acquisitions. These relations might indicate that these countries are susceptible to land grabs since it is difficult to affirm the occurrence of such practice. Main countries that showed higher signs of correlations were: France, Germany, Italy, Netherlands, Norway and United Kingdom.

Conclusion

The concept of energy security has evolved to comprise much more than access and price. Presently the notion of energy security is much more complex as the dynamics of the developed world – it is not viable to think about security without considering climate change and human rights for an example.

The aim of this study was firstly to demonstrate if claims on energy security could act on large-scale land acquisitions due to their capability to provide stability on supply and a mix on the matrix of an investor's country. Secondly, land deals involve transmission of property and destination of land. These deals are not always transparent; not unusually they happen where stringent land legislation and transnational governance do not exist, that is when human rights violations may occur.

It is difficult to precise the occurrence of a land grab, however, we were able to verify some correlations between investments overseas from European countries and characteristics of energy security measures. Some further investigation is necessary to affirm whether or not there is a land grab, however the lack of data proves this to be an ever harder work.

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