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Marketization of Water: Another Mindset to Meltdown Ethiopia's GERD Dam Diplomatic Dilemma

Successive agreements seemingly failed to achieve good-natured solutions over Nile water disputes. Of record was that of 1929, conceding Egypt hype of hegemony on the Nile River. In 1959, another agreement was entered between Egypt and Sudan, the latter questioning water apportionment that gave the former an advantage. As a result, in Egypt water share fell from 48 bn m^3 to 55.5 bn m^3 and in Sudan it increased from 4 bn m^3 to 18.5 bn m^3. Based on the above treaties it could be expected that a pertinent disparagement will surface from the riparian countries.

Yet, the controversy that was certain to follow allowed different interpretations in different academic contexts. According to the IR theory approach, game theory could well be applied with regards to modalities of sharing the Nile water in both of these agreements, giving no reasonable considerations to future water needs of the other riparian states. Academics with engineering backgrounds, however, have in the past focused on finding the finest water sharing strategy among countries with a stake in Nile River water resources, using engineering models with negligible results. Economists, on the other hand, made an effort to ascertain the diverse economic options to ensure a greater access in the economical sense of the terms – in the best possible way without wasting Nile waters.

At the core of this question is the new GERD Dam in Ethiopia, which is already in the phase of filling up. To Egypt and Sudan's gravest concern, Ethiopia will soon gain a viable control over the flow of the Nile River, while addressing the need of its own agriculture and generating 6,450 MW hydropower. The full operation of the GERD will once and for all terminate Egypt's chance of Nile hegemony. In my presentation I would like to analyze the option of a self-regulated "market-led solution" to the Nile water crisis, probing the solution of the commercialization of the GERD Dam business and its profit. I will examine how the

relationship between and among the sub-basin countries will look like if Ethiopia accepts a sales percentage of the GERD Dam capital investment as a share so as to spread out ownership to Egypt and Sudan.

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