

CHAPTER I

INTRODUCTION

1.1 Background

Natural resources such as minerals, land, fishing, or fresh waters are susceptible to disputes. In most cases, disagreements became an essential part towards the progress in the dispute. These problems are prevalent in developing states with weak government and economy. Some of the triggering factors are urbanization, population growth, increasing consumption, and climate change that creates degradation in the environment are changing the patterns of supply and demand for natural resources available.¹ For instance, it has been predicted in the middle of the century that the global energy and water usage will be doubled by looking at data that shows in 1950, global water usage are 1.23 trillion meter cubic and in 2014 it has even tripled to approximately 3.99 trillion meter cubic.² Whereas the availability of global energy and water are decreasing from time to time. Due to the limited natural resources and all other factors, it may lead to potential debate on matters such as ownership of the resources and power allocation to manage or develop the resources.

On a higher level, there are four types of natural resources dispute which are usually common that challenges the national stability. These are four types of resource disputes can pose common challenges to national stability: areas that are

¹ Oli Brown, Michael Keating. Addressing Natural Resource Conflicts: Working Towards More Effective Resolution of National and Sub-National Resource Disputes. June 19, 2015. <https://www.chathamhouse.org/publication/addressing-natural-resource-conflicts#> (accessed September 9, 2020).

² Hannah Ritchie, Max Roser. Water Use and Stress. 2017. <https://ourworldindata.org/water-use-stress> (accessed September 9, 2020).

rich with resources will aim to separate from other parts of the state, resource disputes as part of the new national agreement, the impact of various disagreements usually on land, livestock or fresh water, and complaints on independent projects such as hydropower dams.³ However, if the conflicting parties were unwilling or unable to settle the dispute, the disagreements may precipitate violent and act of destruction which will later cause a political as well as economical loss.

This issue can be seen in the dispute between Egypt and Ethiopia on the Grand Ethiopian Renaissance Dam (GERD). GERD was built on the Nile River, particularly in Blue Nile. The Nile river itself are assailable to the extreme climate change and may affect numerous natural causes. Most of the African countries has been facing environmental problems such as soil erosion, deforestation, and sedimentation, as well as political and social problem which are the lack of trained people for environmental management and protection, financial resources, and appropriate institutions.⁴ In addition to these series of issues, rapid population growth and poverty creates another serious threat towards the river. The problem is faced by two African countries, Egypt and Ethiopia, as there is not enough available water from Nile river to support their needs.

Therefore, the GERD becomes the solution from Ethiopia for its country to cope with the problem. It began building for almost a decade ago and cost US\$4.6 billion hydroelectric project and a capacity of holding 6,450 megawatts of

³ Oli Brown, Michael Keating. Addressing Natural Resource Conflicts: Working Towards More Effective Resolution of National and Sub-National Resource Disputes. June 19, 2015. <https://www.chathamhouse.org/publication/addressing-natural-resource-conflicts#> (accessed September 9, 2020).

⁴ Bakenaz A. Zeidan. Water Security and Population Dynamics in the Nile River Basin. Alexandria: IWTC10, 2006., p.527.

electricity in the hydropower dam.⁵ The dam was originally called as Millennium Dam and changed to its current name in April 2011 by the Council of Ministers of Ethiopia.⁶ The dam is located in Benishangul-Gumuz region of Ethiopia. The dam itself is funded by private donations and government bonds.⁷ The construction of this dam will approximately provide up to 12,000 jobs.⁸

As one of the upstream country and the creator of GERD, the government of Ethiopia considers the hydropower dam to be a critical part of the economic development in the future where it will provide 60 percent of household electricity and fresh water in its growing population.⁹ This was due to the intensive land use and lack of electricity in rural areas of Ethiopia where only 25 percent of the population have access to electricity.¹⁰ Moreover, the generated energy would be enough for its citizens to connect as well as export the surplus powers to neighboring countries. When the dam is completed, it will become the biggest hydroelectric power plant in Africa.

In the other hand, Egypt is located at the north-east region of Africa where it has a rapid population growth and will eventually lead to the additional demand for water. Most of the population rely on the Nile river for their needs of water.

⁵ Ola Owojori. The African Union Needs to Resolve Ethiopia's Dam Dispute. September 24, 2020. <https://foreignpolicy.com/2020/09/24/african-union-ethiopia-egypt-sudan-dam-dispute/> (accessed September 30, 2020).

⁶ Water Technology. Grand Ethiopian Renaissance Dam Project, Benishangul-Gumuz. 2020. <https://www.water-technology.net/projects/grand-ethiopian-renaissance-dam-africa/> (accessed September 30, 2020).

⁷ *Ibid.*

⁸ *Ibid.*

⁹ Dan Haverty. Ethiopia, Egypt, and Sudan to Meet Over Dam Dispute. August 18, 2020. <https://foreignpolicy.com/2020/08/18/ethiopia-egypt-sudan-renaissance-dam-dispute/> (accessed September 9, 2020).

¹⁰ Ashok Swain. How the Grand Renaissance Dam might spark basin-wide water cooperation. July 30, 2020. <https://theconversation.com/how-the-grand-renaissance-dam-might-spark-basin-wide-water-cooperation-143618> (accessed September 9, 2020).

Nile River have big contribution towards the agriculture in countries along the length of the river since ancient time.¹¹ However, the construction of GERD is making Egypt in risk of giving up its 90 percent water supply for agriculture and fresh water that comes from the river.¹² It derived from the 1929 agreement between Egypt and Britain in which it gave Egypt the right to veto any project on the Nile River.¹³ In the 1959, there was another established agreement between Egypt and Sudan where it allocates a big portion of Nile River's water to Egypt and an enough portion to Sudan.¹⁴ Ethiopia was never included in both 1929 and 1959 agreement. As a result, Egypt considered themselves as the owner and have the domination over Nile for centuries. In the other hand, Ethiopia were never able to maximally utilized their natural rights despite 86 percent of the flow originated from their country.

The development of GERD creates a dispute within both countries and will become a threat that will significantly affect Egypt as a country in various aspects. However, Ethiopia benefits from selling hydroelectric power from the dam to neighboring countries. Mentioning and also explaining the importance of Nile River towards the water scarcity in Egypt and Ethiopia is pivotal, because it is salient for the economy of both individual countries, as well as explaining its effect towards the diplomatic relations between Egypt and Ethiopia.

¹¹ National Geographic Society. Nile River. February 22, 2019.

<https://www.nationalgeographic.org/encyclopedia/nile-river/> (accessed September 20, 2020).

¹² Ola Owajori. The African Union Needs to Resolve Ethiopia's Dam Dispute. September 24, 2020. <https://foreignpolicy.com/2020/09/24/african-union-ethiopia-egypt-sudan-dam-dispute/> (accessed September 30, 2020).

¹³ Muhammad Shatanawi. "The Arab Spring and Water Security". Hydrological Sciences and Water Security: Past, Present and Future, 2015., p.123.

¹⁴ *Ibid.*

1.2 Research Question

With the information that was mentioned previously, I choose to discuss the importance of natural resources dispute using the case study of GERD that particularly can affect the livelihood of a country in a region. As the issue becomes crucial enough to be discussed, the following research questions will be used for this thesis. The research question for this thesis would be:

1. How does the Grand Ethiopian Renaissance Dam affect diplomatic relations between Egypt and Ethiopia?
2. How does the Grand Ethiopian Renaissance Dam affect the economy of both Egypt and Ethiopia?

1.3 Research Objective

In accordance to the research question and the making of this thesis, the objective of this research is:

1. To explain and highlight the effect of Grand Ethiopian Renaissance Dam towards the diplomatic relations between Egypt dan Ethiopia through the response and dispute settlement progress in both respective countries.
2. To analyze the effect of Grand Ethiopian Renaissance Dam towards the economy of both countries whether it will be an advantage or disadvantage.

The final outcome of this thesis will broadly explain the relation between the variables that will be discussed. Particularly, this research will provide a

perspective on natural resources dispute that are most likely to be felt by other countries as well.

1.4 Significance of Research

The purpose of this thesis is that it focuses on giving insight towards the people of interest with the aim on learning the importance of natural resources such as water through GERD case study along with its effect in Egypt. I hope that the findings from this research can highlight the importance of understanding the diplomatic relations and economy sector effect from the establishment of GERD for the issues in Egypt and Ethiopia. Moreover, hopefully this research become a source of knowledge for a wide audience, especially scholars who wants to learn further about natural resources dispute. Readers of this thesis may as well analyze the natural resources dispute using GERD case study with similar issues in another region. Last but not least, this thesis will be useful for anyone who needs any sources, reading, and secondary data that is in connection to the topic area that is discussed in the thesis.

1.5 Structure of Writing

The first chapter of this thesis, is written to become the foundation of the thesis that talks about the background of the topic, research questions that are going to be answered, as well as the purpose and significance of the research of this thesis.

The second chapter of this thesis is divided in to two parts which are the literature review and the concepts. The literature review will be used as the basis on analyzing the research question which are the diplomatic relations and economy of both Egypt and Ethiopia from the construction of GERD. This is in relations with

the theory of realism and concepts of national power, national security, and diplomatic relations.

The third chapter is methodology which is the method to explain this research. It includes the research method, data collection technique and data analysis technique to gather information for this research.

The fourth chapter is the main point or the highlight of the research and thesis. This chapter will present all the data that has been collected in the systematic manner and in accordance to the theories and concepts to answer and addressed the research question of this thesis.

The fifth chapter which is the conclusion and recommendation is the summary of all the data and analysis. The chapter will explain and highlight the result and also the recommendation for the future research to analyze this issue regarding GERD between Egypt and Ethiopia.