

W A T E R R E S O U R C E S

# IMPACT

September 2011 | Volume 13 | Number 5

THE GLOBAL MARKET  
FOR WATER TRADING

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## THE GLOBAL MARKET FOR WATER TRADING

**SKYE ROOT ~ Guest Associate Editor**  
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Water markets arise in various forms throughout the world. Formal markets that allow water to be transferred freely between willing buyers and sellers are thriving in certain places, notably Australia and select locations in North and South America. Informal water trading has occurred for centuries and continues today in the Middle East and North Africa. An efficient and equitable water market requires – at a minimum – some level of water scarcity, well-defined property rights, and a regulatory or legal framework to facilitate water management. This *IMPACT* issue highlights specific water markets across the globe to illustrate trading mechanisms and barriers.

### FEATURE ARTICLES

#### 3 Australian Water Markets: An Overview

... **R. Quentin Grafton**

Since the mid-1990s Australia has led the world in its active encouragement of water markets in rural areas. This article provides an overview of the history of water rights in Australia and evaluates trading activity in the Murray-Darling Basin.

#### 6 Water Markets in the USA

... **Matthew T. Payne and Skye Root**

The prior appropriations legal framework, coupled with explosive growth, has led to several emerging water markets throughout the Western United States. Using comparable sales data from select water markets, the authors provide an overview into water market activity and specific barriers pertinent to the American West.

#### 9 A New Well at Ruma: Water Management in Islam

... **Naser Faruqui**

As an expert on Islamic water policy and management, the author provides a unique perspective on water trading throughout the Middle East and North Africa in the context of religion, culture, and the lack of regulation and formal legal frameworks.

#### 12 Chile's Water Markets Continue to Evolve

... **Robert R. Hearne**

While Chile's water management system has been innovative compared to much of the world, their water markets remain informal and under reported. This article addresses the current Chilean water market and provides input on what might be staying its progress.

#### 15 Water Markets in Europe ... **David Zetland**

The author demonstrates that water markets for quality or quantity are not well developed in Europe. Barriers such as regulatory culture and the Water Framework Directive are outlined, and future water market developments are hypothesized.

WATER RESOURCES

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