UN report calls for action on “water bankruptcy” affecting billions of people

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The United Nations University Institute for Water, Environment, and Health has published a new report arguing that much of the world has entered into a stage of “water bankruptcy” where hydrologic systems have reached a “persistent post-crisis condition of a human–water system in which long-term water use has exceeded renewable inflows and safe depletion limits, causing irreversible or effectively irreversible degradation such that previous levels of water supply and ecosystem functions cannot realistically be restored.”

This conception highlights serious risks to global water systems that have been compounding over time. For decades, water resource challenges have been framed as “crises” that can be rectified with appropriate, short term intervention. But the report argues that this approach cannot be sustained, stating that the crisis framework “suggests that with more infrastructure, better coordination, and stronger emergency responses, the world can ‘return’ to a desirable past state. In many systems, however, that past state no longer exists.”

Comparing current hydrologic conditions to financial bankruptcy, the report notes that “the chronic conditions we observe around the world are the cumulative outcome of decisions that have systematically overspent hydrological capital” to the point of no return. As a result, “These systems must now be governed on fundamentally different terms.”

The irreversibility of water bankruptcy is a recurring theme throughout the document. It highlights that billions of people and trillions of dollars in economic activity rely on water systems that simply cannot sustain current usage.

According to the report “2.2 billion people still lack safely managed drinking water, 3.5 billion lack safely managed sanitation, and about 4 billion experience severe water scarcity for at least one month a year”; the world has lost 410 million hectares of wetlands; groundwater provides 50 percent of global drinking water and 40 percent of irrigation water while 70 percent of aquifers are facing long term decline; and three billion people and more than half of the world’s agricultural production are in areas where water storage is declining or unstable.

Significantly, while climate change is a major factor in exacerbating water supply and quality issues, the report stresses that water shortages are “increasingly shaped not by meteorological anomalies but by cumulative human impacts,” referring to these as “anthropogenic droughts.”

In effect, the report identifies two independent streams of social causation for the crisis in water supply: the indirect effects of climate change, and the direct effects of mismanagement of water systems, through damming or draining lakes, rivers and underground aquifers. Both are the products of the fundamental contradictions of global capitalism: the anarchy of profit-driven capitalist production and the conflicts between rival capitalist nation-states.

From this, the report concludes that extensive changes to the global water system are needed, including recognizing that many parts of the world are living beyond their hydrological needs, rebalancing demand to be more in line with long-term supplies, and restructuring rights and claims on water to align with real supplies with protections for small users and the poor.

It outlines that basic human needs and critical services must be secured with focus on serving “low-income, under-privileged, and marginalized communities” and reserving water for the environment.

Agriculture takes particular attention as an essential part of the global economy and the source of 70-90 percent of global water consumption. The report notes that improving water efficiency alone is not a solution to water shortages. This is part of a phenomenon known as “water spreading” in which improvements in irrigation efficiency often lead to the cultivation of more land, ultimately using the same or even more water than before. This is bound up with broader economic conditions in which farmers are seeking to maximize profits—or in the case of millions of impoverished small farms to eke out a modest living—and the potential to conserve water is lost.

To address this issue the report outlines a gradual and

planned transition from high water use, low-value crops with support for farmers and investment in “broader rural development and economic diversification,” noting, “Farmers and rural workers need viable alternatives, not only tighter constraints.”

More broadly, the report argues, “Water bankruptcy governance must avoid solutions that protect high-income users while shifting scarcity onto the poor,” especially when often a small number of wealthy interests have the greatest share and control of scarce water resources.

The report is a poignant statement on the disastrous state of global water resource management and the long-term social and environmental damage it is causing. Lakes, rivers and aquifers around the world have been overallocated and overextracted to the point of destruction, often potentially permanent.

In the United States, the Colorado River is estimated to need a reduction in consumption by 25 percent to preserve the water supply for 40 million people and five million acres of farmland. The Ogallala aquifer, which supports millions of acres of farmland from South Dakota to Texas, may be completely drained in some areas by the end of the century with no prospect of restoration for thousands of years.

Cities like Jakarta, Indonesia (40 million) and Mexico City (20 million) are facing rates of land subsidence from groundwater extraction of roughly 10 cm a year. Such unsustainable water extraction and subsidence is permanently reducing water supplies and damaging homes and infrastructure. Subsidence in Jakarta is a factor in the Indonesian government’s plans to move its capital to Nusantara, on the island of Borneo.

In South America, melting glaciers, drought, unchecked water use and leaking infrastructure are threatening major cities like La Paz, Bolivia and Bogota, Colombia with reduced storage and unstable supplies. In Uruguay, the capital city Montevideo (1.3 million, 37 percent of the country) was forced to mix its dwindling water supply with salt water in 2023 as it came within days of running out of water. While the immediate cause of the crisis was a major drought, the growth of private irrigation systems and the country’s reliance on agricultural exports set the stage for shortages. Protesters against government policy reportedly used the slogan “It’s not drought, it’s pillage.”

Most recently, Iran’s social unrest has been partly fueled by a near total collapse of the water supply for millions of people in Tehran and other cities. Years of drought saw reservoir storage fall to 10 percent of capacity. Iranian President Masoud Pezeshkian said in November that if rains did not come past the new year that “we must empty Tehran.”

In this context the UN report bears immense significance. A complete overhaul of the global economy and natural resource management practices are needed to implement rational, scientific and coordinated global policies to halt climate change and rectify decades of misuse of the world’s water resources before they are permanently damaged or exhausted.

But the solutions the report puts forward are utopian under current conditions. The vision the authors have for restructuring the world’s water management runs head first into the brick wall of capitalist property relations and the nation-state system. It is organically incompatible with a global economic system based on the maximum extraction of profit and the competing interests of rival capitalist classes.

This is exemplified in the failure of world capitalist governments to address global challenges like climate change and the COVID-19 pandemic. In both cases capitalist classes across the world have largely abandoned any effort to resolve, let alone mitigate, the extensive social, economic and public health ramifications of these crises.

A similar fate awaits any effort to overhaul global water systems within the capitalist system. As the global capitalist crisis deepens, the mismanagement and overextraction of water resources will only worsen, the UN’s vision for global cooperation cannot proceed under conditions in which imperialist conflict is resurgent and semi-colonial nations are pushed by global political and economic pressures to maintain and even expand unsustainable practices.

The crisis of global water bankruptcy, affecting billions of people—especially the poorest—raises the necessity for the internationalization and rationalization of natural resource management and the elevation of social need over private profit. Such a solution can only be carried out through the expropriation of the capitalist class, the control of water resources by the working class and poor farmers, and the planned management of water and other natural resources in accordance with science.