This bankruptcy, too, needs an effective resolution

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River drying on summer. Drought impact on summer, no rain water on season.

The global water crisis has crossed into an era of water bankruptcy, a term coined by a landmark UN report published in January 2026. Water bankruptcy is a persistent, post-crisis condition that has resulted from our overuse of water resources. Human extraction of water from nature has exceeded renewable inflows causing irreversible damage to the global water cycle. Simply put, we are using water faster than nature can replenish it. Rivers are running dry due to excessive withdrawals and groundwater aquifers are not being adequately recharged.

The resulting water bankruptcy, according to the Global Water Bankruptcy Report, is not only about the “insolvency” of the system but also about its “irreversibility”. While the total volume of water on the planet remains constant, water availability is limited due to spatial and temporal variability. In the past, human societies flourished mainly around river systems. We no longer

live exclusively near rivers and have instead engineered water resources to adapt to human settlement patterns. The human population has crossed 8 billion which has significantly increase d water demand for agricultural, industrial, and domestic use. The resulting network of dams, canals and related infrastructure is drawing so much water that some rivers have no water left to complete their journey to the sea.

This is why novel concepts like water bankruptcy are needed to help convey the urgency of the matter. Unlike the familiar vocabulary of “water stress” and “water crisis”, “water bankruptcy” signals something deeper and lasting. It marks a shift in our understanding and approach; we are under stress because we are overspending a finite resource. And like any bankruptcy, the costs are being shared unevenly and painfully across the globe. According to the Water for All 2026 report by UNESCO, 2.1 billion people lacked safely managed drinking water and 3.4 billion people lacked safely managed sanitation services as of 2024.

One half of the global population lives in countries that face at least one month of highly water-stressed conditions per year. Women and girls are often the primary water collectors in most households. Unavailability of water exerts a disproportionate burden on them, exposing them to physical strain and safety risks in collecting water from distant sources. It is estimated that globally, women and girls spend around 250 million hours per day collecting water. Water bankruptcy takes away this time that they could have otherwise spent in education, leisure or economic activities. The overall global water scenario is concerning despite the UN Sustainable Development Goal (SDG) 6: “water and sanitation for all.” According to a 2025 report by the WHO and UNICEF, no SDG region is on track to achieve universal access to water and sanitation. Doing so will require six (in case of sanitation) to eight (in case of water) times more effort than currently underway. While it is hoped that such efforts will be made, progress must not come at the cost of over-extracting from water resources or indiscriminately polluting them. Understanding and addressing water bankruptcy is therefore

important for both safeguarding rivers and water systems, and protecting vulnerable communities around the world. Water bankruptcy in case of rivers occurs when total water withdrawn from a river regularly exceeds its renewable freshwater supply. Much like financial bankruptcy, it signals that the system is spending more than it earns. To avoid this situation, focus must be on savings and responsible expenditure. This can be done for rivers by ensuring that their "environmental flows" are always met. Environmental flows (E-flows) refers to the minimum flow of water that must be retained in a river so it can provide ecosystem services like sediment transport, groundwater recharge in its floodplain, support aquatic biodiversity and prevent saltwater intrusion at the coast. When environmental flows in rivers are not met, it results in ecological collapse. The Aral Sea in Central Asia and the Colorado River in North America are two examples of this collapse. Soviet-era irrigation diversions stripped the Aral Sea of its primary tributaries and evaporation outpaced inflow of water. As a result, large parts of the Aral Sea dried out by the early twenty-first century. The Colorado River tells a parallel story; decades of dam construction and agricultural withdrawal diminished downstream flows. The Colorado River often fails to reach the Gulf of California leaving its once-biodiverse delta largely desiccated. Water bankruptcy in these two regions have resulted in cascading socioeconomic and environmental crises. India must draw lessons from these examples since the signs of water bankruptcy are already showing. For instance, available water from River Yamuna is already inadequate to meet Delhi's water demand. This demand is projected to increase in coming years due to rapid urban expansion. Innovative ideas and sustainable concepts are therefore needed to push water policy in the right direction. We must strategically adopt emerging frameworks like water bankruptcy to strengthen water governance in the country.

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