

# The Economics of Insecurity

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## EXECUTIVE SUMMARY

The development successes of the past 60 years have been significant in raising the living standards of millions of people and transforming the economies of many nations. Yet despite these achievements, the economic insecurity of many individuals, communities, states and arguably even entire regions, is growing. The rewards of economic growth and global economic integration are spread unevenly, with many excluded from their benefits. Factors of discrimination based on gender, ethnicity and migration status, for example, further disempower particular individuals and groups.

Links among economic stagnation or decline, low incomes, inequality and conflict are being established by researchers across the world, and often they are further linked with environmental degradation and poor governance. In turn, economic insecurity is not only an affront to human dignity, but poses a threat to state security and regional stability. The political failure to deal effectively with exclusion from systems of wealth and asset creation is already contributing to conflict within and among states. This is seen most graphically in Sub-Saharan Africa, where people and states are caught in a "poverty-conflict-poverty" trap.

The current two-track response of "pro-poor growth" advocated by G8 governments, the International Monetary Fund (IMF) and the World Bank, and the Millennium Development Goals advocated by the United Nations (UN), while well-intentioned, are too limited to meet the scale of the challenge.

A new approach to development is needed, based on different priorities and values: meeting the basic needs of all humanity, respecting the environment and supporting sustainable solutions. Women leaders have the necessary experience and commitment to articulate an alternative vision and to play strategic roles in developing strategies and mechanisms needed to move us beyond the important but limited Millennium Development Goals (MDGs) and pro-poor economic reforms toward deeper, sustainable global transformation. Women need to take the lead in:

- Articulating a new vision of global security that reinforces the concepts of protection and empowerment of those who are vulnerable, as well as the link between this and the stability of states and the international order;
- Redefining development approaches to focus more directly on generating sustainable and decent work opportunities, especially for those in insecure sectors such as agriculture and in the informal economy;
- Championing the legal empowerment of the poor by identifying specific measures through which their voices and identity (as citizens and workers, for example) can be strengthened, and their protection and opportunities can be enhanced;
- Promoting the notion of global citizenship and shared responsibility that leads to partnership, collective action and consumer awareness on fair distribution of wealth, environmental sustainability, respect for cultural diversity and representative and responsive governance;
- Rebalancing the relationship between state and market, particularly increasing the ability and authority of governments to protect vulnerable citizens against market-induced insecurity;

- Influencing the G8 and other OECD countries to honour existing aid commitments, and scaling up those that incorporate a focus on broad-based employment that takes into account the specific priorities and needs of women;
- Scaling up aid for low-income, low-growth, post-conflict countries; and
- Promoting equitable trade policies through stronger pressure on World Trade Organization members to overcome the current mercantilist approach to trade negotiations, and ensuring the needs of the poorest states are met and their vulnerable populations protected.

## BACKGROUND

The development successes of the past 60 years have been significant in raising the living standards of millions of people and transforming the economies of many nations. Yet despite these achievements, the economic insecurity of many individuals, communities, states and arguably even entire regions, is growing. One of the most marked changes in people's lives is the increasing informalization of labour, both in developing and developed countries. At the same time, the very concepts of social security and social safety nets have become open to debate and far more complex to sustain given the trends in labour markets as well as other factors such as migration or aging populations in numerous countries. Due partly to these changes and partly to an increasing concentration of wealth and market power, the rewards of economic growth and global economic integration are spread unevenly, with many excluded from their benefits. Discrimination based on factors such as gender, ethnicity and migration status further disempower particular individuals and groups.

Economic insecurity provides one lens through which to view the reality of daily life for the half of humanity living in chronic poverty. Generally it refers to the lack of consistent access to and control over the means to achieve economic well-being, and lack of power to change the situation. Individuals have limited ability to move beyond a subsistence livelihood and begin to accumulate skills and assets

to combat economic marginalization. Individual and community insecurity is affected by national and global policies that may prioritise open markets, competitive investment regimes, price stability and financial liberalisation over the well-being of individuals. In addition, governments can pose a threat to human security by instituting policies that inadvertently fuel instability or by investing in military expenditure rather than creating jobs or providing social security.<sup>1</sup>

The people whose existence is defined by routine economic insecurity include the one billion, 20% of the global population, living at or below the internationally identified poverty line of US\$1 per day, and the further two billion living on US\$2 per day.<sup>2</sup> It is estimated that fully 70% of these are women and girls.<sup>3</sup>

Viewed through their employment status, there are some 550 million working poor earning less than US\$1 per day, most of whom work in the informal economy.<sup>4</sup> It is estimated that about half of these are self-employed, while the other half earn wages working for informal enterprises, formal enterprises, or households. As the Commission on the Legal Empowerment of the Poor has pointed out, for wage workers, their labour – their human capital – is often their only asset, and for many self-employed workers their labour is their main asset. Yet labour rights and labour regulations have been an overlooked or highly debated area of development policy, particularly in framing such rights and regulations in ways that include agricultural workers and those in the informal economy whose livelihoods are most insecure.

40% of people existing below US\$1 a day live in South Asia (30% of the population there), but it is Sub Saharan Africa where the problem of poverty is worsening. Sub Saharan Africa accounts for nearly 30% of the world's extreme poor now, compared with accounting for less than 12% of the extreme poor in 1981.<sup>5</sup>

For most of those facing economic insecurity, lack of representation in organisations and lack of identity as citizens, workers, entrepreneurs and asset holders

perpetuate their impoverishment. Moreover, the direct experience of poverty is often linked to significant horizontal inequalities of a social, economic and political nature, and is related to gender, race, other social characteristics or geography. For example, there are 5 million internally displaced people in Sudan, of whom 2.3 million are from Darfur where social differences are exacerbated by environmental pressures. These horizontal inequalities add to income inequalities and lack of opportunities and may continue over many generations.<sup>6</sup>

Even where governments are committed to the wellbeing of all their citizens – which is not always the case – the nature of globalisation over the last 25 years has often limited the policy space governments have to craft economic and social policies that address insecurity. The combined effects of economic insecurity at multiple levels have often worked to mutually reinforce inequality, human suffering and fragile states.

## Food Insecurity and Precarious Employment in Supply Chains

An illustration of this process can be seen in food insecurity. Food insecurity is a fact of life for many of the world's poor. Three-quarters of poor people live in rural areas. Yet rural livelihoods in agriculture, always difficult, are being undermined further by the unfolding of global economic integration, with inadequate alternative work opportunities created in urban areas. The progress of trade liberalisation for many countries has meant that heavily subsidized food from rich countries such as the US and the EU finds its way to markets in poor countries (often as food aid) where it negatively affects the market opportunities for local farmers.

In Ghana, for example, local farmers have faced competition from imports and neither market forces nor government intervention has helped farmers to adequately withstand the competition. Without employment alternatives and the means to purchase imported foodstuffs, households and communities are disrupted. Potential economic benefits of rural-urban migration are offset by the personal risks faced

by those who move, especially women, who face precarious employment opportunities in towns and cities. An example is girls from former rice-producing villages in northern Ghana (where much of the rice consumed now comes from the US and China), who go unaccompanied to Ghana's second city of Kumasi to eke out a living as load carriers.

There is the other side of the trade coin, of course. Africans have said in the WTO and elsewhere that import controls, particularly on cotton, are holding them back. Cotton producers in West and Central Africa have called for an end to domestic and export subsidies on cotton. In effect, they want free trade but two-way trade, not the dumping of subsidized products from abroad.

A second example that illustrates today's economic insecurity is the value chain of the coffee sector. About 25 million small farmers depend directly on coffee production in over 50 countries. This chain usually extends from poor farmers facing insecurity through a series of middlemen to global commodity traders in financial centres and international coffee companies to those who consume coffee regularly in developed countries. During the 1980s, export production increased, partly fuelled by policy advice of the IMF and the World Bank to gain foreign exchange to repay mounting external debt. As several countries pursued the same advice simultaneously, oversupply of coffee resulted so that since the early 1980s the nominal coffee price has declined about 70%, reaching a 30-year low in 2001.

At the same time, institutions in developing countries that support farmers, such as agricultural extension services and production and marketing facilities, are often poorly resourced or were decimated through imposed limits on government intervention and expenditure. In many places, the impact of volatile market forces and institutional changes on the lives of smallholder peasant farmers and plantation workers has been devastating. And women's central role — both productive and reproductive — in these households ensures that they bear the brunt of economic downturns.

The experience of the coffee sector illustrates a much wider problem: Commodity price volatility and a long-term decline in trade for primary products affect millions of households in the poorest countries, often those countries also wracked by conflict (see below). And the difficulty facing coffee producers is mirrored by the experiences of other farmers such as those who grow cotton and tea.

### **Growing Inequality and Links with Conflict**

Despite the significant economic gains of the last 60 years, inequality is increasing within and among states and the world's regions.<sup>7</sup> Prevailing economic models have tended to favour capital over labour, and increasingly favour those with education and digital access over those without. This is perpetuating chronic poverty and exclusion. Factors of discrimination based on gender, ethnicity and migration status, for example, further disempower particular individuals and groups. Deepening divides are evident in GDP growth and per capita GDP growth over a similar period across a range of states and regions. This economic divergence poses a threat to security at many levels: human, state, regional and global.

The Human Security Commission (2004) noted the links among deprivation and violence, and war, poverty, crime and economic slowdown.<sup>8</sup> A growing body of research confirms the links among poverty, inequality, low/no growth, low income, high military expenditure and violent conflict.<sup>9</sup> Poverty feeds insecurity and insecurity feeds poverty, both at the level of the state and the individual. The UNDP has summed this up in noting that, "the conflict trap is part of the poverty trap".<sup>10</sup> Poverty causes more deaths than armed conflict. And the poorer the country, the greater the likelihood of its people experiencing civil war. Unfortunately the poorest countries often also suffer from three other "traps": bad governance, landlocked status and the natural resources trap. These seem to be mutually reinforcing and magnify the challenge of moving out of Least Developed Country (LDC) status.<sup>11</sup>

Among the LDCs,<sup>12</sup> those with an income of US\$600 or more per capita are half as likely to experience civil war as countries with one of US\$250 or less. The majority of the 50 countries listed by the UN as least developed are in Sub-Saharan Africa, which correlates with the high levels of poverty and conflict prevalent in that region: "Almost every country across the middle belt of the continent — from Somalia in the east to Sierra Leone in the west, from Sudan in the north to Angola in the south — remains trapped in a volatile mix of poverty, crime, unstable and inequitable political institutions, ethnic discrimination, low state capacity and the 'bad neighbourhoods' of other crisis-ridden states - all factors associated with increased risk of armed conflict."<sup>13</sup>

Economic divides on a global scale can fuel insecurity by, for example, encouraging flows of economic migrants or creating groups of disaffected people with a very deep sense of injustice.

The threat posed by economic divergence is part of a broader challenge: the significant gains of economic growth experienced in much of the world have come about through careless disregard for the natural environment. The environmental cost of much of the world's economic growth (for example, the effects of global warming on rainfall patterns) will fuel insecurity as already vulnerable communities face increasing challenges in agriculture and an increasing number of natural disasters like famine and floods. The populations at economic risk from environmental effects are the very people who are least able to protect themselves. It is a cruel irony that vulnerable people who are "energy poor," are more at risk of flood, famine and despair, in part because the "energy rich" are fuelling global warming.<sup>14</sup>

### **ACTORS AND PROCESSES**

#### **Has insecurity been addressed by development policy?**

In recent decades, international development policy and action have been driven by the continued push for a globalized economy through liberalisation and de-

regulation, albeit with a “pro-poor” orientation, and the adoption of the Millennium Development Goals, specific quantifiable targets to be met by 2015.

The former, of course, has roots going back to the end of World War II when the rules governing the international economy (drawn up largely by the US and UK) suggested a particular balance between state and market. But at that time, while the direction was toward liberalisation, there was a clear acknowledgment that national governments needed to be able to respond to social issues such as universal education and the need for full employment. As former colonies gained their independence as states, the role of the state in promoting growth and development was accepted.

But this changed significantly in the early 1980s in favour of market-based solutions to development challenges. This was a direct result of policy choices in the developed Western nations, both for ideological reasons and because of perceived capacity problems in developing country institutions. Moving away from the broader based, open UN framework of the 1970s, policy advice from the International Financial Institutions (the IMF and the World Bank) became dominant. The scope of individual government authority was reduced, and the space for the market to operate unhindered was expanded. Advocates of this rebalancing of state and market expected both the maximisation of global welfare (i.e. that wealth generated would reach the bottom), and the repayment of Third World debt, which was regarded as a problem of temporary liquidity rather than insolvency. Global economic integration became synonymous with development policy and was championed by an increasingly coordinated set of public international institutions, UN conferences and private actors. In all of this the question of economic insecurity facing individuals and their communities was left largely unexamined.

What was not addressed sufficiently was the crucial problem: public policies did not allow governments to respond to their citizens’ economic insecurity other than through rudimentary palliative measures.

Policies failed to address the risks inherent in an increasingly globalized economy and institutions of global governance have not prioritized securing livelihoods for people living on the margins of an economy. As a result, little was done to help fragile states and regions become stronger and more able to deliver for their citizens. For example, policies failed to address the need to halt the continuous decline in market share of farmers in the poorest and most conflict-prone countries that rely on the export of primary commodities.<sup>15</sup>

Coming after and alongside the push for aggregate and speedy economic growth was the launch of a campaign for addressing fundamental social issues - the Millennium Development Goals, the quantifiable targets set out to measure progress on development by 2015. Clearly, achievement of the MDGs depends on a real partnership between governments of developed and developing countries, not only in terms of additional aid but also debt relief policies and policy space for achieving the specific targets for poverty and hunger, education, gender equality, maternal health and child mortality, HIV/AIDS and environmental sustainability. But while these laudable MDG goals address the shortcomings of development policies in the 1980s and 1990s, they say too little about what is required to develop meaningful economic opportunities and economic security for women and men.

While important, the MDGs are limiting. On poverty, for example, the challenge is not simply to reduce the proportion of global citizens living in extreme poverty by 2015, but also to reorient our vision and strategies for sustainable development so that no one is living in extreme poverty and gender and other inequalities are overcome.

Fundamental solutions that were obvious to many of those living in poverty around the world – that farmers and those in the informal economy most need greater power and representation within markets – were left untried. Important priorities for developing country governments, such as greater price stability in international markets, were considered impractical.

Nevertheless, there is growing recognition that the status quo in addressing international development and poverty reduction is inadequate, and that although universal access to education and health has been revitalized in development aims, too little is done to address the precarious livelihoods of much of the world’s poor. Moreover, as inequality and un-addressed social issues have increased, so has solidarity. From consumer awareness campaigns to the World Social Forum, the unintended impacts of globalisation remain of deep concern. OECD countries and the international financial institutions have modified their policies to some extent to address social priorities defined within poorer states themselves, by a combination of government and civil society engagement. And to a limited degree, the appropriate balance between state and market has been re-examined to acknowledge what is needed to enable a government to fulfill its duties to its citizens.

### **A role for women**

Building on the contextual background above, the relevant policy and content areas for women leaders to address include:

- Articulating a new vision of global security that reinforces the concepts of protection and empowerment of those who are vulnerable, as well as the link between this and the stability of states and the international order;
- Finding ways to reverse growing inequalities;
- Redefining development approaches to focus more directly on generating sustainable and decent work opportunities, especially for those in insecure sectors such as agriculture and the informal economy;
- Championing the legal empowerment of the poor by identifying specific measures through which their voices and identities (as citizens and workers, for example) can be strengthened and their protections and opportunities enhanced;
- Promoting the notion of global citizenship and shared responsibility that leads to partnership, collective action and consumer awareness on fair distribution of

wealth, environmental sustainability, respect for cultural diversity and representative and responsive governance;

- Rebalancing the relationship between state and market, particularly increasing the ability and authority of governments to protect vulnerable citizens against market-induced insecurity;
- Influencing the G8 and other OECD countries to honour existing aid commitments, and scaling up those that incorporate a focus on broad-based employment that takes into account the specific priorities and needs of women;
- Scaling up aid for low-income, low-growth, post-conflict countries; and
- Promoting equitable trade policies through stronger pressure on WTO members to overcome the current mercantilist approach to trade negotiations, and ensuring the needs of the poorest states are met and their vulnerable populations protected.

## THE IMPORTANCE OF WOMEN'S LEADERSHIP

Women leaders can play an important role in reorienting development policies to address root causes of economic insecurity. While strong leadership is needed by both women and men, if women leaders take on this challenge individually and collectively it is more likely to catalyze fresh and focused approaches that are sustained over time. In the last decade women leaders have regularly championed the experiences of women and men whose livelihoods are buffeted by forces beyond their control.

Women leaders can take a cue from political leaders who have led in such a way in their own countries, like President Ellen Johnson Sirleaf of Liberia who has taken bold action domestically and with international actors to help her country recover from decades of strife and chronic poverty. They can demonstrate the kind of leadership shown by Nobel Laureate Wangari Maathai whose Green Belt Movement in Kenya<sup>16</sup> has shown how women can work in the face of government opposition to improve their own condition and address threats to the natural environment.

There is much to learn from direct action by and for women in South Asia.<sup>17</sup> Perhaps the best-known example there is SEWA,<sup>18</sup> the Self-Employed Women's Association, which has worked since 1972 to support the invisible self-employed women workers who depend for their survival on their own labour (e.g. as manual labourers, porters and vendors). Founded under the leadership of Ela Bhatt, SEWA grew and championed work, income, food and social security for members and self-reliance in decision-making and economics. SEWA has worked in partnership with the WHO, the Indian government and various NGOs and spawned similar initiatives in Yemen, Turkey, and elsewhere.

Latin America also has many success stories of direct grassroots action by women to address their economic insecurity.<sup>19</sup> There are interesting examples of senior leaders nurturing women as change agents, e.g., in Brazil, both to ensure their representation in politics and to increase their influence as advocates for justice and equality.<sup>20</sup>

A powerful example of women based in the Global North engineering change for women everywhere is the Women's Environment and Development Organisation (WEDO),<sup>21</sup> founded in advance of the UN's 1992 Conference on Environment and Development by Bella Abzug, which has organised women's contributions to international policymaking, the Women's Caucus at the UN, and facilitates the coming together of women from around the world to take action.

## CONCLUSION

This Summit provides a unique opportunity for inspirational women leaders to initiate work on a renewed vision of global security. Promoting economic security is an important aspect of this. The vision will be instrumental in catalyzing leaders of developed countries to adopt policies that bring balanced benefits to women and men no matter where they live. And it will be important to influence the public not only in developed countries but also the opinion shapers and decision-makers in countries like China and Brazil, convincing them that the well-being of all rests

on concern for all. Women could be at the forefront of a groundswell of public support for a vision like the one articulated by UNDP in 2003: quality economic growth, supportive of human development, is that which is *job creating, poverty reducing, participatory, culturally enshrined and environmentally friendly*.<sup>22</sup> This would be a significant contribution to addressing economic insecurity.

We are witnessing a growth in the numbers of women working at the highest levels across all sectors, complemented by a vast community of women organising at the grassroots level in support of change. Their experiences have raised awareness of barriers to change and lessons are being learned about how to counter resistance and form strategic alliances and supportive networks. At the political level, there is growing recognition of the importance of nurturing women change agents to ensure female representation and advocacy for justice and equality.<sup>23</sup>

Many leaders at this Summit are already experts in engineering coalitions for change across political, social and business spheres. Many have been involved in pressing for change in the policies of multilateral organisations on areas such as gender, development, environment, security or rights. Others have built coalitions within their own states in difficult circumstances and have enjoyed policy successes (e.g. domestic violence laws in Brazil and family courts in Egypt).<sup>24</sup>

At the global level, champions are needed to provide and sustain direction at the highest institutional levels. Many women-led regional groupings already exist and can be built upon. These leaders will be important in working publicly and behind the scenes. Such champions need to rely on a supportive infrastructure – other stakeholders who share their vision and act as change agents at different organisational levels, raising awareness, following through, reinforcing messages and becoming involved on specifics in their respective domains.

This agenda is more than a lifetime's work. It is time for women, as leaders, to take the next step together.

Footnotes:

- 1 UNDP (2005), *Human Development Report 2005* (New York: United Nations), p. 160.
- 2 Data from the World Bank, 2002. The World Bank, "Global Economic Prospects 2006: The Economic Implications of Remittances and Migration", 2006, pgs. 8-9.
- 3 UN Dept. of Public Information, Backgrounder, Gender Equality and the Millennium Development Goals, 2003, <http://www.un.dk/temp/IWDBackgrounder.pdf>.
- 4 International Labour Organization, "World Employment Report 2004-05: Employment, Productivity, and Poverty Reduction", December 2004, p. 24.
- 5 Data from the World Bank, 2002. Shaohua Chen and Martin Ravallion, "How have the world's poorest fared since the early 1980s?" The World Bank, June 2004.
- 6 UNDP (2005), *Human Development Report 2005* (New York: United Nations), p. 163.
- 7 UNCTAD (2006) Trade and Development Report (Geneva: UNCTAD), pp. 46-7.
- 8 Human Security Commission (2004) Final Report, <http://www.humansecurity-chs.org/final-report/index.html>.
- 9 For example: Centre for International Cooperation and Security (2005), *The Impact of Armed Violence on Poverty and Development* (Bradford University: Centre for International Cooperation and Security, [www.bradford.ac.uk/cics](http://www.bradford.ac.uk/cics)), pp. 1-98; Control Arms Campaign (Amnesty International, International Action Network on Small Arms, Oxfam International) (2006), *Arms Without Borders: Why a globalised trade needs global controls*; Nafziger, E. W. and Auvinen J. (2002), "Economic Development, Inequality, War and State Violence", *World Development*, 30 (2): 153-163; Stewart, F. (2003), "Conflict and the Millennium Development Goals", *Journal of Human Development*, 4(3): 325-351.
- 10 UNDP (2005), *Human Development Report 2005* (New York: United Nations), p.157.
- 11 Collier, P. (2007), *The Bottom Billion* (Oxford: Oxford University Press).
- 12 In 2006, 50 Least Developed Countries were identified, each exhibiting a per capita income under US\$750, human resource weakness (poor health, nutrition, education, adult literacy), and economic vulnerability. 16 were landlocked and 12 were small islands. Such low-income countries accounted for over half of the countries experiencing violent conflict 1990-2003.
- 13 Human Security Centre (2005), *Human Security Report 2005*, [www.humansecuritycentre.org/images/stories/HSReport2005](http://www.humansecuritycentre.org/images/stories/HSReport2005), p. 4.
- 14 See Litovsky, A. (2007), "Energy Poverty and Political Vision" at <http://www.opendemocracy.net/node/2551/print>.
- 15 UNCTAD (2006), Trade and Development Report (Geneva: UNCTAD), p. 20.
- 16 See [www.greenbeltmovement.org](http://www.greenbeltmovement.org).
- 17 For example, the Chipko Movement demonstrates how direct action by grassroots groups can contribute to environmental and economic sustainability. While not built exclusively around women, women came to play the most significant role in the movement [preventing loggers from felling trees]. Another South Asian success story is provided by the Grameen Bank, ... provid[ing] microcredit to poor women. ... See <http://www.grameen-info.org>.
- 18 See [www.sewa.org](http://www.sewa.org).
- 19 See Oswald, U. (2007), "Bottom-up Capacity Building: Women and family business".
- 20 See Cornwall, A. (2007), in "Addressing the Preconditions: Women's Rights and Development", at [www.pathwaysofempowerment.org](http://www.pathwaysofempowerment.org).
- 21 See <http://www.wedo.org>.
- 22 UNDP (2003), *Human Development Report: Millennium Development Goals: A compact among nations to end human poverty*, [www.undp.org](http://www.undp.org), p. 23.
- 23 Cornwall, A. (2007), "Pathways of Women's Empowerment", posted 30 July 2007 at [www.opendemocracy.net/node/34188/print](http://www.opendemocracy.net/node/34188/print).
- 24 On the implementation of the Maria da Penha Law on Domestic Violence in Brazil, see [http://www.pathways-of-empowerment.org/research\\_building\\_projects.html#Maria](http://www.pathways-of-empowerment.org/research_building_projects.html#Maria). On Egypt's family courts, see M. Al Sharmani at [www.opendemocracy.net/article/democracy\\_power/5050/egypt\\_family\\_law](http://www.opendemocracy.net/article/democracy_power/5050/egypt_family_law).

**From the International Women Leaders Global Security Summit Call to Action:**

*To address the **economics of insecurity**, we will partner with other leaders to*

• *Clearly and consistently articulate that poverty is an affront to human dignity, is a source of global instability, disproportionately affects women, and is a violation of human rights for which states and non-state actors must be held accountable.*

• *Set international standards of reporting on corporate responsibility that incorporate human rights and environmental standards.*

• *Restructure economic and development priorities to end unfair trade rules and focus more directly on generating productive and decent work opportunities, especially for the poor — the vast majority of whom are women — in insecure sectors such as agriculture and the informal economy.*

• *Promote core labor standards and decent work, including labor rights for informal workers, business rights for informal entrepreneurs, and property rights and social protection for all.*

• *Press donors to honor their foreign assistance commitments without conditionalities, especially for fragile states and Least Developed Countries, to build long-term capacity and market access, while addressing urgent threats to livelihoods, life and human dignity.*

*The global water crisis is evident. We need a global solution in form of a United Nations covenant on water.*

## A UN Covenant on the Right to Water: An Idea Whose Time Has Come

*Maude Barlow*

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She posted this essay on 18 February 2008 on the website of The Movement Vision Lab, which “brings together grassroots organizers and social justice advocates to share and debate long-term, visionary ideas for the future”.

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The right to water is a concern for the global community. How do we support the right to water for everyone and ensure that no future generation has to suffer from living without clean water?

All over the world, groups who are fighting for local water rights are championing an international instrument on the right to water. Due to over-development and climate change, fresh water is becoming increasingly scarce. In addition, in many communities across the globe, people cannot get access to whatever clean water does exist without paying private corporations.

The global water crisis is evident. We need a global solution in form of a United Nations Covenant on Water.

For the past 15 years, the World Bank and the other regional development banks have promoted a private model of water development in the global South. This model has proven to be a failure. High water rates, cut-offs to the poor, reduced services, broken promises and pollution have been the legacy of privatization.

At the March 2006 4th World Water Forum in Mexico City, the UN cited the failure of privatization and called for governments to re-enter the water services arena. Calls for a UN Covenant to re-assert the crucial role of government in supplying water to the poor increased dramatically at the Forum and new impetus was given to this campaign.

### Why a UN Covenant?

The fact that water is not now an acknowledged human right has allowed decision-making over water policy to shift from the UN and governments toward institutions and organizations that favour the private water companies and the commodification of water. These institutions include the World Bank and other regional development banks, the World Water Council, the Global Water Partnership and the World Trade Organization.

Not only have these institutions vigorously promoted the interests of the private water companies in the global South, they have ceded much political control over water policy to them. Many nations-state governments have gone along with this trend, allowing creeping privatization with little or no government oversight or public debate.

Behind the call for a binding instrument are questions of principle that must be decided soon as the world’s water sources become more depleted and fought over:

- Is access to water a human right or just a need?
- Is water a common good like air or a commodity like Coca Cola?
- Who is being given the right or the power to turn the tap on or off – the people? Governments? Or the invisible hand of the market?
- Who sets the price for a poor district in Manila or La Paz – the locally elected water board or the CEO of Suez?

[continued]

## What is the Practical Use of a Covenant?

Would a Covenant on water solve the world's water crisis? Of course not. Almost two billion people now live in water stressed parts of the world and the situation is getting worse, not better. But it would set the framework of water as a social and cultural asset, not an economic commodity. As well, it would establish the indispensable legal groundwork for a just system of distribution.

A Covenant on the right to water would serve as a common, coherent body of rules for all nations and clarify that it is the role of the state to provide clean, affordable water to all of its citizens. Such a Covenant would also safeguard already accepted human rights and environmental principles.

It would also set principles and priorities for water use in a world destroying its water heritage. The Covenant I envisage would include language to protect water rights for the earth and other species and would address the urgent need for reclamation of polluted waters and an end to practices destructive of the world's water sources.

At a practical level, a right to water Covenant gives citizens a tool to hold their governments accountable in their domestic courts and the "court" of public opinion, as well as seeking international redress.

A Covenant could also include specific principles to ensure civil society involvement for conversion into national law and nation action plans. This would give citizens an additional constitutional tool in their fight for water.

## Why should activists in the United States care?

No country needs to be held more accountable to this crisis than the United States. Many of the companies privatizing water are based in the United States and the US is among the chief backers of the privatization strategy through the World Bank and other mechanisms. If we are to stop this crisis, the United States government must become part of the solution, not the problem.

In addition, water privatization is encroaching in US communities, being fought back at every turn by citizens insisting that water is a basic right and should be free for everyone. A UN Covenant will help advance these struggles in the U.S. as well.

More broadly, it is essential that American activists push for greater recognition of international law and treaties in the United States. In the long run, this will not only help advance causes in the United States where the international community is leading and domestic lawmakers are lagging behind, but it will also help shift the political center of gravity away from the US alone. US policies should not be dictating the world's fate. We need robust international standards and communities of action so that the world's diverse peoples may, together, identify key problems and enact viable solutions.

Support among civil society groups around the world is growing rapidly and we are collecting the names of these groups for reference in the near future. For instance, a right to water convention has been adopted by Red Vida, the network of grassroots groups fighting for water justice all through the Americas.

The right to water is an idea whose time has come. Let us make sure no future generation ever again has to suffer from the horrors of living without clean water.

Ms Barlow invites anyone wishing to become involved in this movement to visit the Blue Planet Project at the Council of Canadians' website <<http://www.canadians.org>>.