Concept note: "Raw materials for a green future: for whom? at what cost?"

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Sovereignty, democracy, and justice for all

Introduction

Humans have always sought to use raw materials to ensure their needs and their survival. However, the current renewed neoliberal thrust driven by the motives of profits and greed suggests that no place on earth is safe from this rush.

Everything appears mine-able and at the mercy of extractivism. The argument that these raw materials are needed for a green new deal, does not speak of mining that will continue to threaten the forests, soils, seas, and waterways and most importantly drinking water. It does not speak of mining that has led to conflicts, in particular wars and coup de etats, and that definitely undermines national sovereignty and delays justice and equity for the poorest in the communities. Of particular concern is that this new scramble for Africa's and the raw materials of the Global South will continue not to break the paradigms of exploitation that keep nations and the communities (where these minerals are extracted) subjugated and impoverished. As we engage in this subject, we will become aware that it involves the dominant powers: the European Union (EU), the United States of America (USA) and their allies who in this debate have the People's Republic of China as their nemesis. Whilst all power must be subjected to critical scrutiny, this concept note is focused largely around the EU and, where necessary, the USA. In argues, amongst others, that new critical minerals, if they are important to transition into a new fossil free world, must not leave behind those who own the raw materials. It is insistent that poor communities that reside on these lands and alongside them, not lose out and that their rights must be affirmed at all times.

Since 2008, the European Union (EU) has sought to align its member states around a coordinated continental wide approach to sourcing raw materials from developing nations. Over the last decade, these initiatives have been heating up, getting to the stage where the matter has now reached the European people and their governance structures.

The Critical Raw Materials Act

On 16 March 2023, the European Commission released its proposals for what it calls Critical Raw Materials Act (CRMA). Its stated aims are to strengthen EU capacity to extract, process and recycle 'strategic raw materials', as well as diversifying its sources of imports from non-EU countries. Over 90 percent of these raw materials are to be found outside Europe and reside in Africa, Asia and Latin America. New mining is also beginning in Europe.

The New Scramble

Some of the materials considered strategic are the following:

(a) Bismuth (b) Boron - metallurgy grade (c) Cobalt (d) Copper (e) Gallium (f) Germanium (g) Lithium - battery grade (h) Magnesium metal (i) Manganese - battery grade (j) Natural Graphite - battery grade (k) Nickel - battery grade (l) Platinum Group Metals (m) Rare Earth Elements for magnets (Nd, Pr, Tb, Dy, Gd, Sm, and Ce) (n) Silicon metal (o) Titanium metal (p)Tungsten

	Importance to renewable energy	Materials efficiency or substitution	Current recyclability
Aluminium	High – used for wind, PV & batteries	With some loss of performance (steel, plastic)	~70-80% recycled
Cadmium	Low – CdTe small share of PV market	Efficiency increasing, can shift to other PV types	~77% recycled
Cobalt	Medium – Li-ion dominant battery technology	Efficiency increasing, can shift with loss of performance (LFP)	90% recycled
Copper	High – used for wind, PV & batteries	Difficult to substitute in most applications	~34-95% recycled
Dysprosium	High – used for wind & batteries	Can shift to other magnet or motor types, or non-PMG wind	Not currently recycled
Gallium	Low – CIGS small share of PV market	Efficiency increasing, can shift to other PV types	Not currently recycled
Indium	Low – CIGS small share of PV market	Efficiency increasing, can shift to other PV types except flexible	Not currently recycled
Lithium	Medium – Li-ion dominant battery technology	Efficiency increasing, but used for all Li-ion and Li-S	~10% recycled
Manganese	Medium – Li-ion dominant battery technology	Efficiency increasing, can shift to other battery types (LFP, NCA)	Very limited recycling
Neodymium	High – used for wind & batteries	Can shift to other magnet or motor types, or non-PMG wind	Not currently recycled
Nickel	Medium – Li-ion dominant battery technology	Efficiency increasing, can shift with loss of performance (LFP)	90% recycled
Silver	Medium – cSi large share of PV market	Efficiency increasing, copper possible but not commercialised	Not currently recycled
Selenium	Low – CIGS small share of PV market	Efficiency increasing, can shift to other PV types	Not currently recycled
Tellurium	Low – CdTe small share of PV market	Efficiency increasing, can shift to other PV types	~77% recycled

Earthworks' graphic study uses a "traffic light" to indicate the potential or challenges to offset demand for each metals.

For importance to clean energy, red represents metals that are of high importance (used in multiple technologies and therefore harder to replace), orange represents medium importance (used in the dominant sub-technology) and yellow is for the least importance

(used in less dominant sub-technology). For materials efficiency or substitution, red represents the metals most difficult to reduce or substitute (either metals in the technology or between sub-technologies), orange can be substituted but with some loss of performance and yellow are the most suitable for efficiency or substitution. Lastly recyclability is rated based on current rates of recycling, from red (not currently recycled), orange (some recycling) and yellow (currently recycled).

In earlier editions of the Bench Marks Bulletin, we spelt out what the objectives and targets of the EU's Green Materials Initiatives are, and asserted the view that African, Asian, Latin American and Caribbean countries - the Global South - have a right to organise and fight back. This is necessary to stop the wholesale selling off (some say looting) of our strategic materials because it is not in our national or continental interest.

Open Letters and continued resistance

European CSOs, working with Global South partners, have signed an Open Letter which aims to mobilise opposition to the more harmful aspects of this Act proposed by their leaders largely on the grounds that there "is no meaningful participation to local communities, Indigenous Peoples, and civil society in resource-rich countries." Whilst the tone and some of the contents of the letter are written in the "language of policy making", it has some valuable insights. The letter criticises particularly the "lack of strong due diligence terminology and safeguards for the sourcing of raw materials in the Critical Raw Materials Act and other related legislation."

Furthermore, the demand placed by Global North onto the poorer nations for their raw materials would exacerbate the impacts of climate change itself. The EU's decarbonisation ambition is laudable, but to be just and fair, it has to follow the rule of law and its associated legislations have to adhere to the highest standards, including the respect of human rights, Indigenous Peoples' rights and environmental protection, not only within the European Union, but in other resource-rich countries – including our lands and communities".

In other words, Europe was developed on fossil fuels and, in an attempt to save the planet, it seeks to have the same standards and rules for all countries in the world, irrespective of their national needs and interests.

Furthermore, the open letter asks EU governments to take into account measures which "will be crucial to ensure climate and resource justice on a global scale". These activists have demanded that the European Union promote a just energy transition that pays off the historical ecological debt owed to the countries of the Global South. It also affirmed the right of all countries' development be supported through "climate finance, knowledge and technology transfer, the provision for local procurement and ensuring that companies pay taxes in host countries and create decent jobs." Finally, the open letter concludes that "Critical Raw Materials Act and other related legislation, such as the Corporate Sustainability Due Diligence Directive, among others, will have a direct impact on our health and well-being, cultural practices, traditions and values, livelihoods, and environment. People are regularly killed attempting to safeguard the environment we rely on."

It is for this reason that the Open Letter demands a human-rights based approach to decarbonisation be undertaken so that “all rights holders and stakeholders in resource-rich countries" - governments, private sector, communities, NGOs - are “involved in the process in a full and meaningful way”. Expanding on the necessity of human rights, they argued that the European Union must adhere to international human and environmental rights legislation, agreements, and standards, including the UN Guiding Principles on Business and Human Rights, United Nations Declaration on the Rights of Indigenous Peoples, ILO Conventions as well as the full Aarhus convention, the Escazú agreement as well as the EU Corporate Sustainability Reporting Directive. The full statement can be found here:

The South African Response

In South Africa, the narrative around critical minerals is seen as an attempt to “address the decline in minerals production – with January 2023 marking the twelfth consecutive month-to-month decline.” Furthermore, these representatives of capital and the government see that more and more faster mining is needed: “*accelerate economic growth* and *boost employment creation* while ensuring *the energy transition is just and inclusive”*. Presumably they are talking about the exclusions under apartheid and post 1994?

To materialise this, we are told that the Department of Mineral Resources and Energy (DMRE) has unveiled large-scale explorations for new mining sites in the North West, Limpopo and Northern Cape Province. Minister Mantashe is quoted as saying that this is “the new mining belt for our country where new mines can be opened on the back of the discovery of new minerals that have been proven to be critical for a just energy transition.”

In this article entitled 6 Ways South Africa is Boosting the Critical Minerals Industry, the sum total of what their strategy entails is: the expansion or Increasing Mineral Exploration, Formation of R500 Million Exploration Fund which supposed provides for funding for “local and artisanal miners to conduct exploration and production activities”; digitalisation and the approval of genuine mining licences (cutting red tape etc); the revitalisation of transport infrastructure and the industry, ensuring secure power supply including wind, solar and so on; and the convening of and a Critical Minerals Africa Summit..

The https://criticalmineralsafrica.com/, to be held in October, is presented as a space where “governments and the private sector will engage on a bilateral and multilateral level, to advance critical minerals production and processing, and plan strategic roadmaps for minerals and energy security”. It is a “dealmaking space” that stands “at the intersection of energy and mining”. Their intention is clear to link “global consumers and producers, and bringing capital and buyers to African projects”. In earlier editions of this conference, the president of South Africa and the Minister of Minerals and Energy were listed as speakers.

Jobs and more

The Bench Marks Foundation has argued that the promises of beneficiation and job creation made in our policies and laws have not yielded any benefits for the poor and working people. We have looked at many documents emphasising job creation and beneficiation as one intervention. In A BENEFICIATION STRATEGY FOR THE MINERALS INDUSTRY OF SOUTH AFRICA (June 2011), beneficiation was defined "as entailing the transformation of a mineral (or a combination of minerals) to a higher value product, which can either be

consumed locally or exported. The term is used interchangeably with “value-addition”. So simply put, additional value must be added to the raw materials South Africa produces.

This strategy of beneficiation was integral to the “developmental economic policy known as “The New Growth Path”, which seeks to place the national economy on a production-led growth trajectory in order to tackle the country’s developmental challenges of unemployment, inequality and poverty.”

The National Development Plan, 2030 too made many claims to increase employment, monthly income, reduce inequality and so on. They promised to “increase employment and broaden opportunities through education, vocational training and work experience, public employment progra*mmes, health and nutrition, public transport and access to information”.*

In earlier editions of the Bench Marks Bulletin (May2020), we put neoliberal economics and politics in the dock seeking to understand race and poverty. We argued "race” remains a key factor in South Africa's high levels of inequality, “due to its impact on education and the labour market." The World Bank also found that ethnicity contributes 41% to income inequality and 30% in education. These factors (not excluding missteps and lack of political will), the World Bank found, could be traced back to the existing legacy of colonialism and apartheid, which set in place racial and spatial segregation that “continues to reinforce inequality".

We quoted Stats SA found similarly: about 13.8 million people live below the food poverty line, which is R561 (in April 2019 prices) per person per month. South Africa also faces a 29% unemployment rate and a 55% poverty rate (Stats SA, 2020). Vulnerability to poverty and hunger has now been exacerbated by Covid-19 pandemic. (Quoted by the ANC discussion documents 2022 Umrabulo)

In line with this, the government has pointed out that the country’s official unemployment rate at the beginning of this year stood at 35.5% as a consequence of the shrinkage of the economy. They point out that even the investment rate has declined and as a result: “Overall, poverty and inequality have worsened.” That was three years ago. Today the official figure is said to hover around 33%.

The role debt plays in subjugating citizens has been widely discussed in many circles. GIven the mass unemployment, poverty and increased inequality people are forced to take loans. This is similarly played out at a national level going to beg to multilateral and private lenders, which I will discuss later. Personal national debt in South Africa based on the number of inhabitants, this is a debt of 4,866 USD per person. For comparison, the average debt per person in the same year in the European Union was 31,722 USD. On both the personal level, debt plays the role of disciplining and keeping people subjugated and in bondage, unwilling to resist.

At a global level the role of the IMF has been accused of driving poor nations into deeper indebtedness and poverty. SOme writers have linked this impoverishment, control and subjugation to raw material extraction for decades and the use of currencies controlled and managed by the global powers. to cut a long story short, when countries are in trouble -

balance of payment debt, they have to borrow often more expensive. This is when they run into further trouble as the IMF turns up and "instructs" the finance ministries that there must be cuts in government social spending. Out goes spending on education, healthcare, social protections as the debts to the powerful and wealthy bondholders such as the London Club, Paris Clubs and to the governments that have lent them money.

Writers of Tricontinental explained in Life or Debt: The Stranglehold of Neocolonialism and Africa's Search for Alternatives (APRIL 11, 2023) *this as follows: To pay the debt servicing on these loans, the poorer nations cut their government spending, thereby impoverishing their people further, and export more of their cheapened raw materials (rather than more profitable finished products). When countries start to export more and more primary commodities, this produces a price war that leads to a steep decline in the revenues gained from the volume of exports.*

With weakened revenues from imports, the poorer nations must continue to cut their social spending, ramp up their sales of raw materials and public assets, and borrow more money from external private and governmental sources… just to pay off the interest on their ballooning debt. With all these developments, it is easy to see how the management of monetary and fiscal policy is no longer in the hands of the "national governments" but it is controlled by others.

In the face of these oppressive measures unemployed persons have been resisting. IN 2022, one such movement, the Assembly of the Unemployed, issued a demand that the government implement a permanent Basic Income Grant of R1500 per month for all unemployed between the ages of 18-59, including caregivers, home-based workers and precarious workers who earn below the national minimum wage. This will bring much-needed relief to millions of South Africans who are languishing in poverty. They further pointed out that in 2021, the Department of Social Development in collaboration with the International Labour Organisation (ILO) and the UN Sustainable Development Goals (SDG) Joint Fund released a report which indicated that a basic income support grant was sustainable. *Other economists have argued for a wider universal income grant, which they believe is affordable.*

During this period much has changed. Many governments have sought to stop their critical minerals from leaving their countries unprocessed. These include Zimbabwe, Indonesia, Namibia and many others. Some are working on producing battery grade lithium locally and even electrical cars.

Unfortunately, the fightback we believe the GLOBAL SOUTH must wage does not seem to be on the radar of the South African ruling elites. We have to challenge both the ideas and the practices, the paradigms of extractivism which leaves those with raw materials poorer as they sell raw materials and are forced to buy the finished products at a higher price.

We must recall that the industries formed in the 1920s and 30s under Apartheid have largely been commercialised and or privatised and sold to transnational corporations.

The role of the state was critical in developing and shaping the national economy in line with its politics. They worked on laying out infrastructure which saw the emergence of large parastatals, or state corporations. Their goals were strategic and mainly aimed at

strengthening the import-substitution industries. During this time, we saw the emergence of large state corporations: the Electricity Supply Commission(Eskom) was formed in 1923 and the South African Iron and Steel Corporation (Iscor) was also formed in 1928, whilst the Industrial Development Corporation (IDC) was established in 1940 to support other new industries. In line with their mandate, the IDC established other parastatals such as SASOL, the South African Coal, Oil, and Gas Corporation; Southern Oil Exploration Corporation (Soekor) and Phosphate Development Corporation (Foskor). Under the Afrikaner Nationalism and the defence of “die volk”, white private enterprises were supported and they worked closely with the state corporations.

One of the first goals of these corporations was to deal with the poor white problem who were absorbed in many enterprises, particularly the railways and harbours. But over the years, state corporations have been largely decimated, long before Covid 19 pandemic.

Many do not recall that the privatisation of these state assets began under apartheid when PW Botha, then president in February 1988 announced plans to privatise several state-controlled industries, in transport, postal and telecommunications as well Eskom, Foskor, and Iscor. The sale of Iscor (1989) and even a number of radio stations belonging to the SABC before the transition to democracy in 1994, were clearly political which will not be explored here.

Today’s societal pressures discussed in this document have worsened since the Covid19 pandemic. Thus it is imperative that we rethink our national development strategies and plans so that the burning issues of the poor and working people are addressed urgently.

We must heed the words of Frédéric Bastiat, who already in 1850 warned us that: “When plunder becomes a way of life for a group of men in a society, over the course of time they create for themselves a legal system that authorises it and a moral code that glorifies it.” Time is running out, but it is not too late for our leaders not to be or remain complicit with the oppression and exploitation of their own peoples. That time is Now!

Be careful with what you read, see and hear

We must be vigilant around the new scramble for raw minerals. Is it new and real or is it about an ideology that has been repackaged? Many have presented the critical raw materials as being essential, strategic for societies’ transition to a new green deal, that will present energy (and) economic security. The reality is that none of this may be on offer. Some commentators have called what is happening as mere greenwashing.

Given that these critical raw materials are heavily dependent on “old mining” the promised changes may be exaggerated. The United Nations Environmental Programme (UNEP) estimates that metal minings contributes 10% of energy-related greenhouse gas emissions worldwide. So we cannot mine our way to "clean" energy. Guerra Marin, an environmental activist and geologist, argued similarly, that the corporations extracting for profit “is actually driving instability for some mining jobs” but, she argued, many of the larger corporations will

not bear the cost of exploring for minerals if there is a higher risk that there are no minerals present. Yet this leaves the space for smaller companies that will undertake high-risk exploration who will enter the race and, if not successful, simply disappear. This does not permit the development of stable employment, creating “barriers to workers who would like to transition out of the carbon economy”.

The Green New Deal is supposed to be a lift up and not a race to the bottom, but with workers fearing to enter low carbon jobs because of the speculation and job insecurity, this is a problem.

Finally, she calls for a greater role for the government to limit the corporate profiteers, as well as to ensure that extracting, if it must happen, must be based on need and not profits. This is an important sedgeway to continue our conversations with our CSO partners in Europe, the USA and the powerful G7 or even the G 8 countries.

Courageous conversations amongst CSOs

The Global North, and the powerful countries of the world, have to check their privileges and cut their consumption, which is driving this new scramble in Africa, Asia, and Latin AMerica and even within parts of the US / Europe and so on. Whilst we are at it, our comrades must support our demands for justice and redress which, if not undertaken, will continue our exploitation. The living standards of the European or average American is the result of the years of colonial exploitation, slavery and the unfair and unjust political arrangements set in motion after ww2.

What we call for and expect from South African and African leaders

- We must view the rush for critical raw materials as an opportunity or an invitation to struggle alongside the citizens that are currently living precarious lives. These critical raw materials, they say, are about transforming us into a post carbon just energy transition. What we demand is *Energy Justice. Furthermore, if mining is really deemed by the people to be essential to go ahead, this must be done for people's needs and not for the elites and profits. A democratic* development energy justice programme must be fully inclusive: it must put people and the environment and animal life as priorities for sustainable development. In this regard, the sub-region and the continent of Africa has long suffered and been marginalised due to the history as explained elsewhere in this document.

- If the “national economy” still exists, its international trade and finance strategies must be geared towards the full development of the potential of all its citizens and not the tiny minority at the top. To rethink how this must be done, it is best to go back to the people.
.- We demand the right of all nations to determine our own destinies. It is a fight for our soul, for us to maintain our national sovereignty, as it pertains to trade and other policies. It is part

of the democratic socio-economic compact that our elected leaders and the governments make, including the civil and democratic rights to liberty for all citizens.

- It begs the question, why do so many countries once they have realised their right to determine their own destinies, or the right to make policy and laws that will guide their countries out of inequality and poverty, fail to act upon it? This is a complex question and may have many possible answers and revolves around the failure of political will by governments!. This in turn may be explained by the fear of the global power structure that is often presented around the loss of foreign direct investments or jobs, currency failures being anti-western and so on.. In addition, we have see that in places where political will has been mobilised as in the case of Indonesia, the EU would use all means and structures to undermine the decision of national leaders. In this case, as has been argued elsewhere, the EU went to the World Trade Organisation (WTO) to force the country to change its position regarding nickel, lithium as strategic and therefore forbid its trade on the open market. The WTO adjudication panels found that Indonesia's measures were inconsistent with WTO rules…

Build solidarity

We must abandon the practice and culture of Selfishness, which must be replaced by solidarity. The "self-first" attitude and practices of the wealthy nations during COVID 19 pandemic, where they denied us vaccines for dying Africans whilst hoarding them for third and fourth doses of their citizenry. Nearly 9 million cases and more than 220,000 deaths were recorded during the year. South Africa remained the epicentre of the pandemic, in terms of reported cases and deaths. Yet wealthy nations stockpiled vaccines and turned a blind eye as Amnesty International argued thus: " Big Pharma put profits ahead of people, refusing to share their technology to enable wider distribution of vaccines. In 2021, Pfizer, BioNTech and Moderna projected eye-watering profits of up to US$54 billion yet supplied less than 2% of their vaccines to low-income countries. Vaccination distribution continues to be painfully slow across the continent, igniting fears of deepening poverty and a prolonged economic recovery."

Continental Unity and International Solidarity is the key: Working people and the poor - need each other to tackle corporate power and elite rule - internationally. In our robust and honest conversations within our movements, we must work to root out corruption where we are. In addition, we must demand the right to organise and criticise.

These principles and values are best codified by the International Labour Organisation's conventions 98 and 87 on the right to organise and bargain collectively, and the Freedom of Association and Protection of the Right to Organise respectively. These two conventions are part of eight conventions that form the core of international labour law. By signing these conventions, governments underline the principle of respecting the rights of all citizens to organise themselves in keeping the government to account.

- We realise the necessity of building critical mass and power which will give us clout as we insist on governments and corporations respecting our fundamental right to free, prior and informed consent.

- Communities must continue to have the Right to Say No to Mining / Extractivism, because of what mining does to their water supplies, livelihoods, sacred places and community well-being.

In the short, medium terms, we urgently demand the following:

- An introduction of a budget item including royalties and payments of fines to mining communities negatively affected by mining. This innovation must take into consideration, compensation for past neglect and, as remedial action. These must include the provision of quality health care and hospitals and clinics that will specialise in the illnesses of mine impacted communities.

- Debt, poverty and marginalisation must be urgently addressed by a Universal Income Grant aka the basic income grant, BIG, which progressive economists believe is affordable even under current spending.

- When we organise on the supposed importance of minerals, we must recognise that not all our lands are there, just waiting to be mined. The oceans cannot be a place where the damage to the sea animals, the whole ecology cannot be kept hostage at the altar of profits. There are many developmental paths that we must explore that do not harm humans, animal life and the planet.

For those working for justice in the mining and extractivists sectors, we view this new rush and scramble with trepidation but also as an opportunity, or an invitation, to resist with others. We have a world to win. We are (re)building our organisations, movements so that we can meet the most dire needs of our people but also so that we may reach our highest aspirations.