Oxford Review of Economic Policy

Special Issue—The Scramble for Critical Minerals

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Summary

The world's economic super-powers are in a race to control (what they deem to be) critical minerals, many of which are found in developing economies. This race has implications for geopolitics, both between the superpowers themselves and also for the mineral-rich economies of the global south. The implications for economic development and economic policy choices in the mineral-rich economies are potentially powerful. The externalities stemming from the scramble for critical minerals are broad ranging from the risk of conflict, environmental damage and exacerbation of poverty. In this special issue, leading authors explore these multifaceted consequences of what could well constitute "the scramble for critical minerals" and offer policy responses for developing countries to navigate the phenomenon.

Call for Papers

The Oxford Review of Economic Policy is planning a Special Issue on "The Scramble for Critical Minerals". Papers are invited for this issue with potential topics:

- Future demand for minerals, and price fluctuations
- Geopolitical tensions and technological uncertainty
- Geoeconomics of minerals supply chains
- Trade wars and critical minerals
- Taxation of critical minerals
- Domestic political economy of minerals

- Environmental consequences of mineral production and recycling
- Security, conflict and distrust
- Decentralization
- Macroeconomic consequences and public policy
- Processing of minerals and job creation
- Industrial policy in sectors involving critical minerals
- The role of multinational corporations and development agencies
- Transparency and governance

Papers should be analytically rigorous but also punchy and policy oriented. Papers should be 4,000 – 6,500 words.

Invited papers will be presented at a conference hosted by FERDI in Clermont-Ferrand, France, on 26-27 November 2025 (with some participation via Zoom). To be considered for the conference, extended abstracts or draft papers must be **submitted by September 29, 2025** to the following email address: a-anne.de_ubeda@ferdi.fr.

For papers selected for publication, discussant comments and referee reports will be shared with authors by late November with revised drafts due by end-December 2025 in time for publication in the first quarter of 2026.

Travel expenses in economy class will be covered for presenters and discussants as well as up to three nights of accommodation.

Background

The appetite of the superpowers for critical minerals seems insatiable. President Trump's ambitions to annex mineral-rich Greenland, to integrate Canada as the 51st state, and to seek to extract mineral concessions from Ukraine reflect concerns that China's control over the critical minerals could undermine the economic security of the US.

In December 2024, China restricted exports of critical minerals to the US after the latter blocked the transfer of chips to the former. China controls the supply chains, including the processing, of most critical minerals and is heavily invested in mining throughout Africa, Latin America and Central Asia. China owns or has control over 60 to 80 percent of critical materials which are needed in industry (e.g., for magnets) and for the green transition. Together with the US, the European Union have tried to challenge China's quasi-monopoly by securing their own mining contracts around the world including in the Democratic Republic of Congo (DRC), touted as the new “Saudi Arabia of critical minerals.”

Today’s mineral scramble by economic super-powers is far from new and continues to reflect a fundamental asymmetry between advanced economies and developing economies. In principle, the renewed interest by super-powers for minerals in developing countries should mean the latter may receive windfalls, but historically, developing countries have had difficulties both negotiating fair contracts and managing income windfalls from the export of natural resources. Research has for long highlighted the central role of economic institutions in moderating resource curse effects. Strong outward-facing institutions govern the opening of the resource sector to foreign investment on a fair basis, ensuring transparent contracting, controlling transfer pricing and establishing fair taxation. Effective inward-facing institutions play two key roles. The first is to govern how the proceeds from the exploitation of these resources are used to diversity production, limit labour market abuse and support growth and human capital development, and the second is to limit the environmental and health hazards associated with mineral extraction -- deforestation, loss of biodiversity, and the use of toxic chemicals (including mercury), which are polluting ground water sources.

A telling historical example is the competition among 19th century European empires for copper, tin, rubber, timber, diamonds, and gold. The advance of steam engine navigation made access to and transport of these resources much easier for these empires. These resources were essential to powering industrial revolutions. People in the colonies where the resources were located largely faced expropriation and subjected to various forms of forced labour including to extract these resources. As a result, former colonies inherited a complex history with which countries, including many in Africa, continue to grapple with.

Fast forward to today, the race for natural resources to power the simultaneous energy and digital transitions the world is experiencing rages among economic super-powers. Both transitions rely heavily on technologies that require such resources as rare earth metals for semiconductors, cobalt for batteries, and uranium for nuclear power. Demand for these critical minerals is soaring. The International Energy Agency forecasts that demand for these minerals will more than quadruple by 2040 for use in clean-energy technologies alone.

For countries rich in critical minerals to get their fair share of revenues from extraction by multinational corporations starts with transparent mining contracts and the strengthening local governments’ capacities to negotiate fair contracts with multinationals. Improved transparency and mining contracts will help producer countries to redistribute the proceeds to citizens to ensure economic justice. The governments in rich resource countries should also pursue local content policy by localizing the processing of critical minerals. A telling example is the case of Botswana, which acquired a 15 percent stake in the world biggest diamond miner, DeBeers, which helped lock in local diamond cutting activities.

Beyond these economic considerations, countries rich in critical minerals coveted by super-powers often experience both internal and external conflicts. A case in point is the DRC which has long faced massive violence and crimes in mineral-rich provinces such as Katanga and North Kivu—fuelled by neighbours such as Rwanda and Uganda. The advances of Rwanda-backed M23 rebels in eastern Congo is alarming for the DRC and could fuel a "major continental conflict". The Trump administration is actively pushing for a peace deal between the DRC and Rwanda to end the violence. This peace deal appears to be contingent upon the two countries each signing a bilateral economic agreement with the US involving mineral extraction and processing.

Further, the extraction of critical minerals is leading to significant environmental and health hazards. Indeed, extraction is often associated with deforestation, loss of biodiversity, and the use of toxic chemicals (including mercury), which are polluting ground water sources. Add to that child labour in the extraction of critical minerals, with children and women facing health degradation and abuse. The weak enforcement of environmental and social standards in many mineral rich countries is very concerning. A global debate is raging over the boycott of critical minerals emanating from zones of conflicts and forced labour. These boycotts alone are unlikely to sway governments in mineral rich countries to do right by its citizens, but multinational corporations and foreign governments may be more susceptible to change.

As the rivalry between economic super-powers continues to intensify over the access to critical minerals, these multifaceted challenges will grow insurmountable. That should not deter the governments and the citizenry in mineral rich countries from defending their interests by building and reinforcing their social and economic institutions.