

## MINDING THE MINERAL GAP

### PYQs LINKAGE:

no direct PYQs from this topic.

### THEORY APPLICATION:

- Realist theory (resources part of national power and national interest)
- Neo liberal theory of IR (when states promote trade relations for minerals)
- Marxist theory (when core nations exploit periphery nations minerals.)

### CONCEPTS AND KEYWORDS:

- Critical minerals initiative, diversification of supply chains, mineral clubs, developmental sovereignty, global environmental, social and governance, minilaterals, minerals value chain.

### IMPORTANT QUOTES OR STATEMENTS:

- “as India seeks to become a global green power, it must remain true to its development ethos while engaging strategically to create equitable global value chains, without becoming extractive or overly reliant on great power blocs.”

## BRIEF ANALYSIS AND KEY POINTS FROM THE NEWS OR

### EDITORIAL:

**Mineral diplomacy** is a nation's strategic use of foreign policy and international relations to secure reliable, diversified **access** to critical minerals (like lithium, cobalt, rare earths) essential for **economic growth, technology, and national security**, involving partnerships, trade deals, and multilateral cooperation to build resilient supply chains and reduce reliance on single suppliers.

### WHY MINERALS DIPLOMACY:

1. Indian green industries face strategic and economic risks due to heavy dependence on China.
2. Critical minerals are vital for manufacturing of EVs, solar panels etc.
3. Indian companies lack advanced extraction technology and sufficient financial capital to commercialize domestic mining and operate competitively in foreign markets.

### SIGNIFICANCE OF MINERAL DIPLOMACY:

- a) Small groupings of like-minded partners allows for joint technical, financial and diplomatic resources to support innovation across the minerals value chain.
- b) Balancing international partnerships without limiting its national interests and domestic priorities.

### EFFORTS IN THIS DIRECTION:

- A. India signed bilateral minerals partnerships with countries such as Argentina and Zambia
- B. Partnership with the UAE, the UK and the US focusing on joint ventures for mineral processing and recycling.
- C. Minerals security partnership offers ready-made structures for co-financing and strategic project selection. (India is part of it)

## **CHALLENGES IN MINERAL DIPLOMACY:**

- A. Lack of assured and stable supplies of critical minerals making processing hub economically unviable, and possibility of stranded assets.**
- B. Risk of India being labelled as a destination for storage, transit and processing**
- C. Risk of becoming a demand centre and market for finished goods.**
- D. Developed countries are hesitant to enable technology transfer and share intellectual property rights to the Global south.**

## **WAY FORWARD:**

- A. Urgent need for de-risking mechanisms and concessional finance to support overseas ventures.**
- B. Agreements must be backed by long-term arrangements and embedded in broader supply chain strategies to ensure their sustainability.**
- C. Minilaterals offer a unique solution where India and partner countries coordinate and co-develop projects.**
- D. India must ensure that it prioritises domestic capacity building and scientific innovation by negotiating and including clauses for investment in research and development and academic exchanges.**
- E. Commercialization and scaling up of existing ventures in refining, recycling, and clean-tech manufacturing must be integrated into a multi-pronged approach along the entire value chain.**