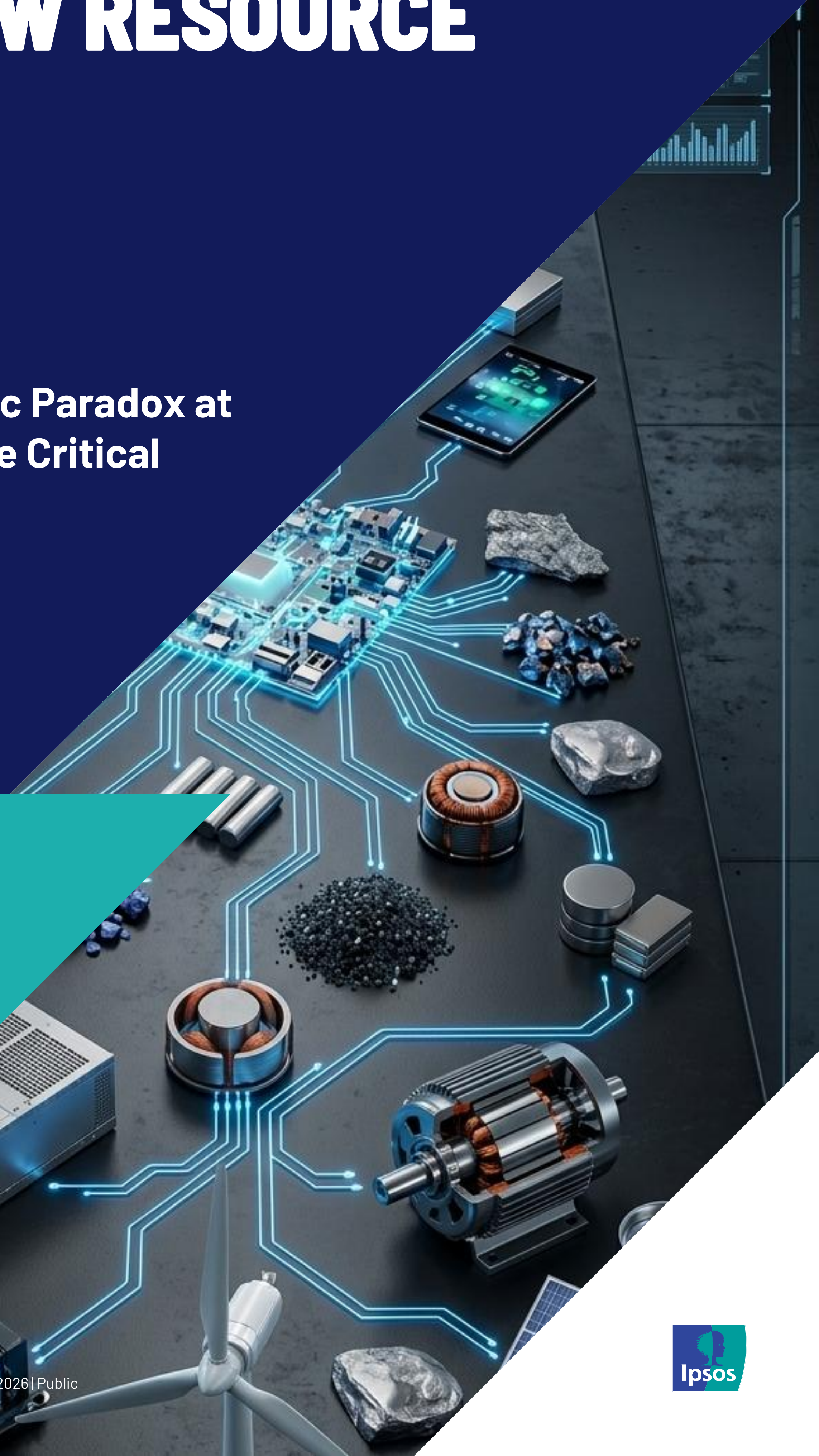
THE NEW RESOURCE RACE

The Democratic Paradox at the Heart of the Critical Minerals Race



WHY PUBLIC SENTIMENT CANNOT BE IGNORED

Humans are natural storytellers. When we encounter something new and unsettling, our instinct is to reach into the past and pull out a narrative that makes it feel familiar. It is how we make sense of the world. It is also how we mislead ourselves.

To accurately understand the world in all its complexity we need to measure things. As the rush to secure critical mineral supply chains accelerates, the question at the heart of the new resource race is whether government and corporates have secured the necessary license to operate from the public.

Today, as governments, policymakers and corporates scramble to secure the minerals that underpin our technological revolution - copper, lithium, gallium, rare earths - the stories they are reaching for are powerful ones: the industrial mobilisation of the Second World War, the shock of the 1970s oil crisis. The urgency feels the same. The logic feels the same. But these analogies are incomplete in ways that matter enormously, and dangerously.

The Democratic Paradox

WWII succeeded because the public faced a visceral threat that united it. The oil crisis worked to force action because people felt it at the pump. The current scramble for critical minerals has neither. Many governments are acting with wartime urgency but only have peacetime mandates. This creates a democratic paradox.

The stakes are immense. China refines 19 of the 20 critical minerals with an average of 70% market share. The automotive sector is already familiar with the risk created by this concentration.

Chinese export controls in 2025 saw US rare-earth permanent magnet imports collapse. The shortage had a dramatic effect: Ford was forced to idle a plant for three weeks while others had parking lots fill up of nearly completed cars waiting for magnets.

Governments have not been idle. The scale and coordination of the policy response is significant. After seeing the result of China's export controls, the US Department of Defense (aka Department of War) took a 15% equity stake in MP Materials, a US based rare-earth magnet manufacturer. A move like that would have been unthinkable in normal market conditions a decade ago. These are the kinds of measures associated with wartime and crisis mobilization.

Wartime mobilization works because the public feels the stakes personally and gives governments an explicit mandate to act. That mandate does not exist here. The threats are real, but abstract. No one has bothered to check if the public has given them the license.

The Unpriced Risk

At Ipsos, we are seeing a widening chasm between the strategic imperative to mine these minerals and the local acceptance required to actually do it. Panama's Cobre copper mine sits suspended after mass protests. Serbia's $2.4 billion Jadar lithium project lies idle after community opposition forced the company to walk away.

A review of critical mineral mining projects carried out by ERM in September 2025 revealed that 26% were delayed in part due to stakeholder opposition. This has a material impact on the financials of a project. For every week a mining project with capital expenditures of between 3 and 5 billion USD is delayed, it costs roughly 20 million USD in Net Present value.

Every project delayed by community opposition, every billion written down because a government responded to protests rather than data are the costs of flying blind on public sentiment.

Delays have a material financial impact. Mining projects with capital expenditures between 3 and 5 billion USD lose approximately 20 million in Net Present Value each week of delay.

A quarter (26%) of delays are linked to stakeholder opposition.

ERM, "Mission Critical: Building resilient mines for a modern society", September 2025

The downstream risk is also more complex than conventional commodity risk. A tech company sourcing nickel from a mine with poor environmental or human rights performance does not merely face a procurement problem. Under frameworks like the EU Battery Regulation and tightening Scope 3 reporting requirements, it faces a compliance problem, a reputational problem, and increasingly a legal problem. The brand at the end of the chain inherits the social license failure at the beginning of it.

The Path Forward

Public sentiment is not fixed when it comes to critical minerals. It is shapeable, but only if you understand where it sits, what drives it, and what moves it. The gap between what governments are promising and what publics are prepared to deliver is measurable.

The resource race of the next decade will not be won by the countries or companies with the most capital, the most favourable geology, or the most aggressive industrial policy. It will be won by those who secure the license to operate.

Find out more about the survey here or express your interest

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THANK YOU

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