

The lie of a “just transition” under capitalism: EVs, critical minerals and the exploitation of the working class

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Over the last few years a “just transition” to electronic vehicles has become a buzzword among the corporate elite and UAW bureaucracy.

A May 20 communique from the G7 (an intergovernmental organization representing the seven strongest imperialist powers) gushes about “a just transition ... that achieves sustainable growth and high-quality jobs.” The White House declares the Biden administration is “advancing a just transition ... working hand in hand with international leaders, civil society, businesses.” The European Union has an entire “Just Transition Mechanism” aimed at spending €55 billion “making sure no one is left behind.”

The term “just transition” is a euphemistic reference to the fact that hundreds of millions of workers stand to suffer during the renewable energy transition. This is not because renewable energy is bad, or because global warming is a hoax, as various fascist pundits on the right like to proclaim. On the contrary, it is because the “energy transition” as it currently stands is a transition run by and for the major corporations—it is a *capitalist* transition.

The International Labor Organization defines a “just transition” as “greening the economy in a way that is as fair and inclusive as possible to everyone concerned, creating decent work opportunities and leaving no one behind.”

Abstractly this is an appealing idea. But the reality is that “just” joins one of many other slogans—equitable, inclusive, diverse, fair—which all mask what is actually happening.

The energy transition, as it currently stands, has little to do with stopping global warming and protecting the environment. It has much more to do with control over the world’s resources, supply chains and advanced trade exports.

While hundreds of thousands of scientists work every day to develop new ways of improving the sustainability of the global economy, including on EV’s, these efforts are hampered by the machinations of the political establishment, and the corporations they represent. This financial oligarchy has no interest in a deep seated restructuring of the economy to save the world from environmental catastrophe. Rather, it is interested in superficial, piece-meal measures whose true intent is focused on war.

Moreover, the “just transition” proffered by the Biden administration and its lackeys in the UAW apparatus will—despite all claims to the contrary—intensify the pressure, hardship, and exploitation of the working class. The period ahead of capitalist energy transition threatens to be volatile, with costs across the board rising, further digging into the lives of workers and toilers.

With all of this, there is one central issue that looms: both the United States and the EU are using the cloak of a “just” energy transition to

prepare a war against China. The war planners of the Pentagon and the US intelligence agencies, not satisfied with the horror they unleashed in Iraq and Afghanistan, see defeating China militarily and economically as the defining strategic question of the 21st century.

This article debunks three main lies surrounding the “just” energy transition.

1. The “just transition” has little to do with stopping global warming, it’s about political control and preparing for war with China.

Around the world governments are lying through their teeth about their plans to stop global warming. The next United Nations Climate Change Conference will be hosted in the United Arab Emirates of all places, a country run by an oil executive.

While renewable energy projects are on the rise, these increases pale in comparison to the comprehensive work needed to actually stop emissions. In 2022, for example, solar and wind accounted for just 5 percent of global primary energy consumption. Fossil fuels meanwhile made up over 66 percent and biomass (wood, etc.) another 6 percent of energy use.

According to the International Energy Agency, the demand for oil—the single largest source of carbon emissions—is not expected to significantly decline for decades, in spite of substantial efforts to promote the adoption of EVs around the world. That is because (1) road-transport accounts for only 40 percent of oil demand (2) petrochemicals, container ships, airplanes, and trucks are much harder to decouple from oil (3) renewables not only have to replace old forms of energy but provide for the growth in global energy demand, especially as things become more electrified.

In this context, the rapid promotion of electric vehicles (EVs) in the American and European auto-industry is not about a genuine attempt to “green” the economy. Rather, it is bound up with the US and Europe’s imperial control over the world’s resources and their plans to militarily confront China.

There are two points here that are key to understand:

(A) While US and European governments may profess to care about climate change, their greater worry is the increasingly tight supply of the world’s oil and gas resources.

OPEC now holds more than 80 percent of the world’s remaining supply of oil and gas. The hydraulic fracturing boom gave American imperialism a brief reprieve from the underlying resource pressures that informed its decision to invade Iraq, bomb Libya, and encircle Russia, Venezuela, and Iran. But now, outfits like the *Wall Street Journal* warn of the “End of the U.S. Shale Boom” as resources dry up and the operation becomes more

expensive.

Going forward, the control of the US and European powers over the remaining cheap supplies of oil and gas is expected to significantly weaken. What is more, the volatility and price shocks that rocked the world economy and cut into workers' wages in 2021 and 2022 will continue.

EV adoption, in this sense, is a tool oil-importing countries are using to provide a degree of relief from the growing volatility and tightening of hydrocarbon markets. It doubles as "green cover." That is, a means to stave off the collapse in popular support for the Democratic Party, and its international colleagues, through feigning action on climate change.

Millions of people prefer EVs because of not needing to pay for gas and their own desire to fight global warming. But their deployment under capitalism does not constitute a meaningful way to combat climate change as a whole.

(B) China completely dominates the production of EVs and the critical minerals necessary to produce them—lithium, nickel, cobalt, manganese and graphite.

In the early 2000s China, understanding its own limited capacity to control global oil production, decided to make an aggressive bet on EV technology. The Chinese government subsidized the growth of EVs and, to a lesser extent, critical mineral production.

Now China controls three-quarters of the world's EV battery production—the battery accounts for about 40 percent of the cost of an electric vehicle.

Since 2018, EV sales have quintupled globally and China has led that expansion.

In 2016 China exported less than half a million cars globally—far behind the likes of Japan and Germany, which each exported more than 4 million per year. Since the beginning of 2021, however, Chinese car exports have surged. A report from Financial Standards suggest China will replace Japan as the top car exporter by the end of 2023.

Most of these cars are EVs, led by the three major companies SAIC, BAIC, and BYD. In China, about 60 percent of new sales are EVs, a rate far beyond any other populous country.

It is in this context that the US and its European allies are scrambling to acquire critical mineral trade agreements and boost EV production.

The US has longstanding plans to prepare and execute a war against China. A ring of bases and military alliances allows the US to encircle China from all angles. One leading US General predicted the US would be at war with China as early as 2025.

China's domination, however, of these new, critical aspects of global production—EVs, renewables and critical minerals—threatens the ability of the US to carry out such a war. The US must develop its own supply chains for these vital processes, and work to ensure that its allies remain wedded to the US-led economic order.

This is why the US has now established "Mineral Security Partnerships" with Australia, Canada, Finland, France, Germany, India, Italy, Japan, South Korea, Sweden, the United Kingdom and the European Union as a whole.

2. The "just transition" will greatly intensify the exploitation of the working class.

A central claim of the Biden Administration and others touting a "just transition" is that it is possible under capitalism to have an energy transition that improves the position of the working class.

This, however, is a lie. Under capitalism, advances in production and automation come at the expense of the worker, not to their benefit.

World Socialist Web Site explained last month, ~~the~~ ^{aut} companies are preparing a "bloodbath" of job cuts associated with the shift to the less labor-intensive production of EVs:

According to a 2021 report from the European Association of Automotive Suppliers, 500,000 autoworkers are going to lose their jobs in Europe alone by 2040, including 121,000 in Germany, 74,000 in Italy, 72,000 in Spain, and 56,000 in Romania. A separate consulting group, Ifo Institute for Economic Research, predicted 215,000 job losses in Germany by 2030, accounting for 40 percent of the country's autoworkers. The analytical firm Arthur D. Little Japan predicts 84,000 workers will be fired by 2050, and a top union official at the South Korean company Hyundai predicts that 70 percent of all autoworkers there will soon lose their jobs.

In the US, we wrote, this number could go as high as half a million jobs lost.

While Shawn Fain, the president of the United Auto Workers (UAW), claims he will "lessen the blow" of this shift, the UAW has kept workers entirely in the dark about this transition.

Advances in technology should not lead to job losses, but rather improvements in the quality of life as workers work less for the same product of their labor. But under capitalism autoworkers across the world are being pushed into a relentless competitive race to the bottom.

Meanwhile, while EVs have a less labor-intensive assembly process, the minerals that go into them require significantly more labor.

Millions of workers, internationally, are already employed in the notoriously abusive and exploitative mining industries that funnel raw inputs into EV production.

Just last week the United States announced that it was in advanced talks with Saudi Arabia to secure \$15 billion worth of mining assets in several African countries, particularly the Democratic Republic of Congo (DRC), Guinea and Namibia.

The conditions, however, facing miners in these countries is horrific.

In the DRC, for example, the source of almost all the cobalt that finds its way into an EV battery, most miners earn less than \$10 per day.

A leading human rights organization, the Business and Human Rights Resource Centre, has been collecting data on the abuse that occurs at these mines—and others throughout the world.

The organization found hundreds of allegations of major human rights abuses at critical mineral mining sites between 2010 and 2021. This included murders, attacks against civil society organizations and communities, major safety and health violations, including those related to the pandemic, environmental impacts, and widespread evidence of fraud and bribery.

While the US and its allies seek to present their energy transition as more "just" than China's, the Business and Human Rights Resource Centre found that the leading source of abuses were Glencore, Freeport and BHP—Swiss, American and Anglo-Australian companies.

Indeed, Saudi Arabia, which is now working with the US to develop critical minerals in the region, oversees within its own borders a dictatorial regime based on the steady influx of millions of slave-like laborers from Southeast Asia and poorer Middle Eastern countries.

The Business and Human Rights Resource Centre warns the conditions facing critical mineral miners will likely get worse. They write, "mining companies' human rights due diligence is not keeping pace with expanding exploration, increasing the risk that the [energy] transition fuels further abuse in this already troubled sector."

3. The transition will be volatile and inflationary

The period of capitalist energy transition the world has entered into threatens not only to destroy hundreds of thousands of jobs and increase the misery of miners in the developing world. It will also lead to further increases in the cost of living that will harm billions more people. In short, the transition will not be smooth and steady, but chaotic and expensive.

The world contains enough resources, technology and money to invest in the infrastructure necessary to lower the cost of energy and provide a swift renewable energy transition. However, under capitalism, those investments are conducted in a chaotic and unplanned manner as they seek to enrich the financial aristocracy.

The socialist and revolutionary Leon Trotsky once stated, “The fundamental evil of the capitalist system is not the extravagance of the possessing classes, however disgusting that may be in itself, but the fact that in order to guarantee its right to extravagance the bourgeoisie maintains its private ownership of the means of production, thus condemning the economic system to anarchy and decay.” (*Revolution Betrayed*, Ch. 1)

The future of capitalism’s energy system is disputed, with thousands of different companies and countries betting on different scenarios and outcomes. In this anarchy of market forces, there is no price stability for consumers. What is more, war threatens to further plunge this system into disarray.

This was demonstrated following the sanctions the US imposed against Russia following Russia’s invasion of Ukraine. Gas and oil prices around the world skyrocketed in 2021 and 2022, leading to strife and mass protests around the world. Because energy is so fundamental to all activities in the world economy, increases in the price of oil and natural gas have cascading effects to other goods, particularly food.

While the immediate cause of the price increase was the war, which NATO fundamentally provoked through years of expansion and coups, it was also the case that the energy system as a whole was unprepared.

Nearly every major energy analyst anticipates not only the continuation of energy price volatility during the transition but its escalation.

McKinsey, the leading global consultant firm, writes,

Times are turbulent and all industries are being affected. That said, energy companies in particular face a number of disruptions from both macroeconomic and energy-specific shocks, including volatility in commodity prices, increased pressure to reduce carbon emissions, and supply chain disruptions. In fact, the majority of current energy and commodity prices are significantly higher and much more volatile than they were before the COVID-19 pandemic.

Sustained higher commodity prices and volatility will likewise further pressure economic growth, encouraging the major corporations to squeeze their workforce harder. Last year, the World Bank predicted the 2022 “energy shock could sap global growth for years.” But such shocks are not going away.

For a socialist energy transition

The “just” transition advocated by the Democratic Party, the labor unions, and their allies around the world will do nothing to fundamentally

ensure a swift, genuine transition that improves the lives of workers.

On the contrary, the energy transition, as it is currently unfolding, is a front for war and geopolitical acquisition. Far from improving the conditions of the working class, such a transition would involve a dramatic escalation of mining operations in some of the most notoriously abusive labor regimes of the world. The frenzy of the imperialist powers to acquire the resources necessary for EVs and other technologies, will only further incentivize a rush of exploitative mining processes. Meanwhile, in the industrial countries, EVs entail a massive cut to the car manufacturing workforce.

Behind all of this, the unplanned, anarchic character of capitalist development—and the great danger of war—will further fan the flames of inflation. The recent energy crisis of 2022 is not a fluke, but a sign of the years to come under a capitalist transition.

Under the direction of the working class, the transition to an environmentally friendly economy could be done on the basis of a massive improvement of the rights and living standards of the working class. If less labor is required to produce EVs, hours could be slashed with higher pay so that workers have enough time and resources to care for their families. This would require subordinating what the corporations want to what the working class needs. This requires placing the auto industry under the democratic control of the rank and file, to be run not for profit but to meet human need. This was the program of socialist Mack Trucks worker Will Lehman, who ran for president of the UAW in 2022 and won nearly 5,000 votes on this revolutionary program.

Fighting for a sustainable, environmentally sound future requires, as its very basis, a fight against the capitalist system. The grave danger of a Third World War between China and the US underscores that capitalism and its anarchic nation-state system is incompatible with the well-being of the planet and the lives that inhabit it. It is the task of the working class to take the energy transition out of the hands of the major corporations and the capitalists that control them, turning it into a socialist project for the benefit of all humanity.



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