# UNJUST TRANSITION:

## Reclaiming the energy future from climate colonialism


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Abstract

The global energy transition stands at a pivotal moment: it can either dismantle the inequalities driving the climate crisis or deepen them. Today, the transition risks reproducing patterns of extractivism and exploitation, with the most marginalized paying the highest price while elites profit. From transition mineral mining to debt burdens and unequal energy access, the current trajectory mirrors centuries of colonial injustice. A just transition must redistribute power and resources, curb overconsumption, and prioritize dignity and rights for all. This report outlines pathways to build an energy system grounded in equality, justice, care and collective wellbeing —where energy serves life, not profit.



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# EXECUTIVE SUMMARY

## The world stands at a crossroads. The transition to renewable energy could help heal the deep inequalities that drive the climate crisis, or it could entrench them even further.

Done right, the energy transition is a chance to reshape our economies around equality, justice, care and collective wellbeing. Done wrong, it will see the most marginalized once again paying the highest price, while the powerful profit.

Today, the warning signs are clear: the global renewable energy transition is being built on unequal foundations. We are witnessing climate inequality in action: a transition focused on replacing fossil fuels with green alternatives, without questioning the excessive energy use of the richest, while often leaving lower-income communities to bear the greatest costs, including through the harmful impacts of transition mineral mining, inadequate benefit sharing, and global financial and trade systems rigged against their interests. Put simply, the same dynamics that drove historical colonialism are re-emerging in new forms through the green transition.

These patterns of inequality play out both between and within countries. While stark inequalities exist between the richest and poorest within high-income countries too, global inequality is most sharply felt in the Global South, where structural barriers and historic injustices have left entire nations bearing the brunt of the climate crisis and now shouldering the greatest risks in the renewable energy transition. Unless the logic underpinning the transition changes, it will continue to replicate the history of extractivism and exploitation. These inequalities intersect with gender, race, class, age and other marginalized people or groups, meaning that the costs of an unjust transition fall heaviest on Indigenous Peoples, Black communities and other racialized groups, women, workers, peasants, and of course young people and future generations.

This concentration of wealth and power is mirrored in patterns of energy use: a small minority live in extreme luxury and overconsume planetary resources, while others still lack basic electricity. If just one year's energy consumption of the wealthiest 1% were redistributed, it could meet the modern energy needs of all the people in the world without electricity seven times over,[1] while redistributing the consumption of the top 10% global energy consumers could meet the needs of the entire Global South nine times over.[2]

The highest levels of consumption are concentrated among the very wealthiest people and corporations, who make up a tiny yet powerful minority. This

also reflects a wider geographical imbalance in how energy is produced and consumed, as this elite is predominantly located in the Global North. Over the past 60 years, people in this region have consumed more than 3,300 petawatt hours (PWh) of excess energy – or beyond modern basic needs – enough to power the whole world for over 20 years.[3]

A world where everyone can thrive, and where countries transition together rather than some on the backs of others, is possible. But the current trajectory is leading us in the opposite direction. Countries – particularly the richest and most responsible for the climate crisis – must change course, confront historic and ongoing injustices and transform the systems of extraction and exploitation that drive extremes in energy consumption and energy poverty, and face down the power and influence of corporations and the super-rich. This includes questioning which needs and forms of consumption are prioritized within the remaining global carbon budget – the amount of $CO_2$ that humanity can emit to stay within the target of 1.5°C of warming. Doing so is not only an urgent matter of justice, but vital to the success of phasing out fossil fuels.

## Climate colonialism in the transition

These inequalities are playing out in real time as the transition unfolds. Emerging patterns of extraction, both in the mining of transition minerals and in a global financial and trade architecture tilted toward the powerful, are replicating the same exploitative dynamics that have long channelled value from the most marginalized in the Global South to the richest in the Global North, while leaving harm and exploitation behind.

## A new scramble for resources

The shift to renewable energy is fuelling a global race for transition minerals like lithium, cobalt, nickel and copper. But rather than supporting local development in the Global South – which holds 70% of the world's transition minerals reserves[4] – this new scramble for resources is replicating old extractive dynamics.

Take electric vehicle supply chains: the Global North's preferred but flawed solution to decarbonizing transport also illustrates the stark imbalance between communities bearing the costs and billionaires benefiting from the crisis. Tesla is an electric car firm owned by the world's richest man, Elon Musk, who is a poster child for oligarchy. The company earns about US$3,150 in profit per electric vehicle, each containing roughly 3kg of cobalt, mostly mined in the Democratic Republic of Congo (DRC). For each vehicle, the DRC receives less than US$10 in royalties and a miner earns just $7 – meaning it would take nearly two years for a miner to earn what Tesla makes from a single car.[5] In 2024 alone, Tesla made US$5.63bn from 1.79 million electric vehicles sold, while the DRC earned at most US$17.5m in royalties.[6]

Latin America has over 50% of the world's lithium reserves, an essential

mineral for battery technologies that store renewable energy.[7] Extraction is projected to be so intense that in just 11 years, the Lithium Triangle (Chile, Argentina and Bolivia) will produce more lithium than the Spanish empire extracted silver in 300 years of colonial rule.[8] Between 2015 and 2030, this region will produce 1.6 million tonnes of lithium – enough to cover the entire city of Madrid in a 5mm layer of 'white gold'.[9]

Communities across the Global South are having their lands seized, water depleted and rights trampled in the name of the green transition – not only through transition minerals extraction, but also through large-scale renewable energy deployment, and false climate solutions such as biofuels, carbon markets and gas, that often bring them harm rather than benefits. Indigenous-recognized lands threatened by industrial activities[10] largely related to the current extractive energy transition cover 22.7 million km² – an area even larger than Brazil, the United States, and India combined.[11] This is equivalent to almost twice the French colonial empire at its peak.[12]

Without urgent reform to safeguard rights and territories, the transition will only entrench the patterns of over 500 years of energy colonialism, from slave labour and biomass exploitation (timber, charcoal and plantations) through the coal and oil era.

# A colonial financial system

Natural resources are not the only site of extraction where energy systems are concerned. The architecture of global finance is equally skewed, shaped by centuries of colonial power and still locking lower-income countries into structural dependence. While rich countries can pour billions into their own clean energy transitions, the Global South is left with rising debt, punishing interest rates and shrinking fiscal space.

In 2024, high-income countries accounted for roughly 50% of global clean energy investment, and China for 29%, while Africa accounted for just 2%, despite sub-Saharan Africa being home to 85% of all the people in the world without electricity.[13] The inequality is not only in where finance flows, but in how much it costs: clean energy projects in the Global South face interest rates of 9–13.5%, compared with just 3–6% in richer countries, slowing the pace of the transition.[14] These costs are not inevitable – they reflect a system that prices risk through the racialized lens of colonial legacies. The impact is stark: powering 100,000 people with clean energy costs about US$95m in advanced economies like the UK, but US$139m (45% higher) in emerging economies such as India and US$188m (97% higher) in African countries such as Nigeria.[15]

Meanwhile, what colonial geographies define as developing countries[16] carry US$11.7 trillion in external debt – more than 30 times the additional investment needed to achieve universal access to electricity and clean cooking by 2030.[17] In 2024 alone, Global South countries paid an estimated US$400bn in debt service.[18]

# Reclaiming our energy future from climate colonialism

It does not have to be this way. The energy transition offers a rare chance to rewrite the script – to move beyond extractive models and build an energy system rooted in equality, justice, care and collective prosperity. With the right choices, power can be restructured, ensuring that all countries and all people transition on fair and equal terms. This moment can be a turning point, but only if governments confront structural inequalities shaping the transition.

The Global South could be at the heart of a global just transition: in almost complete reverse to patterns of energy investment, 70% of the world's untapped renewable potential lies in the Global South. The potential to radically transform the energy landscape is tangible. Harnessing less than 1% of the annual solar energy from the Sahara Desert could power all of the Middle East and North Africa for a whole year.[19] Tapping into less than 1% of usable wind energy globally could provide electricity to South-East Asia's 677 million residents.[20]The estimated cost of this wind power, US$321bn, could have been raised globally in the first 10 months of 2024 through a fossil-fuel corporation profits tax.[21]

Rather than treating the energy future as a race with few winners, we must reimagine it as a shared global project. Energy should not be hoarded, withheld, or used as leverage for geopolitical or corporate power.
This structural change requires reparative justice: making rich polluters pay, redistributing resources, confronting overconsumption and prioritizing the rights of those historically excluded while embracing economic models that put equality, wellbeing and ecological limits at the centre. Tackling inequality is both a moral imperative and an effective strategy for climate mitigation.

More equal societies demand less growth to meet basic needs and less energy to deliver wellbeing for all.[22] A just energy transition must therefore not only decarbonize but also reshape systems to reduce poverty, redistribute power, and secure wellbeing within planetary boundaries. The Modern Energy Minimum (MEM) sets a floor of 1,000kWh per person per year, challenging narrow 'basic needs' definitions of energy access. It is a bare minimum for dignity and development rights in the Global South, not a ceiling. Prioritizing this threshold is essential, but it also requires cutting excessive and luxurious energy use in the Global North. We can provide energy for all and stop climate breakdown, but only if we radically reduce inequality.

Communities, workers and progressive governments are already advancing just approaches to energy, following a 500-year legacy of resisting colonialism – fighting extraction, reclaiming control over resources, and building systems that prioritize public need over private profit. From Indigenous and women-led renewable projects to unions advocating the right to decent work and national efforts asserting energy sovereignty, these examples show alternatives are not only possible but already unfolding. This is underpinned

by political and ecological visions affirming our collective right to decide how energy is generated, distributed and used – as a public good and human right.

There is no single blueprint for a just transition – it will differ across contexts, shaped by diverse histories, knowledge and needs. But all just transitions must share one principle: energy should serve life, not profit.

# Recommendations for a just energy transition

To start reshaping the energy transition around equality, justice and collective prosperity, the following key actions need to be taken.

- **Differentiated transition pathways**: Countries must tailor energy transition strategies based on historical responsibility and capacity, ensuring high-emitting nations rapidly cut emissions, holding fossil-fuel companies and the ultra-wealthy accountable, and preserving sufficient carbon space for lower-capacity nations.
- **Equitable energy consumption:** Fulfil ambitious reduction targets and sufficiency measures in the Global North, focusing on the wealthiest and highest emitters, while promoting circular economy strategies and universal equitable access standards, such as the MEM, to ensure fair distribution.
- **Reformed financial system:** Overhaul trade and investment systems to enable domestic value addition and industrial development in the Global South, allowing these countries to move away from fossil-fuel dependency and supporting energy sovereignty and progressive taxation globally.
- **Transformative climate finance:** Replace extractive financial models flowing from South to North with debt cancellation, grant-based climate finance, and reparations initiatives that prioritize equality, local communities, the planet and gender justice over profit.
- **Communities and nature safeguarded:** Guarantee free, prior and informed consent (FPIC) for all projects, respect for and fulfilment of land rights, including prohibiting land grabs and forced evictions, protect critical ecosystems where resources are more valuable left in the ground, end sacrifice zones and ensure equitable local benefits from energy development.
- **Democratic energy governance:** Shift ownership and decision-making from private to public interest, ensuring energy is treated as a human right to fuel inequality reduction and enabling communities to shape their energy future through transparent, inclusive and gender-transformative governance.
- **International coordination and justice mechanism:** Adopt an international mechanism at COP30 to ensure policy coherence and accelerate, consolidate and achieve a holistic just transition, with the mandate and capacity to coordinate, finance and monitor initiatives worldwide, ensuring accountability and embedding justice at all policy levels.

# REFERENCES


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2. *Unjust Transition: Methodology Note,* Stat 2b.
3. *Unjust Transition: Methodology Note,* Stat 2c.
4. *Unjust Transition: Methodology Note,* Stat 5.
5. *Unjust Transition: Methodology Note,* Stat 7b.
6. *Unjust Transition: Methodology Note,* Stat 7a.
7. *Unjust Transition: Methodology Note,* Stat 8a.
8. *Unjust Transition: Methodology Note,* Stat 8b.
9. *Unjust Transition: Methodology Note,* Stat 8c.
10. According to The Nature Conservancy (source of the data), industrial activities undermining Indigenous Peoples' lands include renewable energy projects (42%), agriculture for crops and biofuels (14%), oil and gas (19%), mining (9%), urbanization (3%), and multiple sectors combined (13%). See the chart on page 24.
11. *Unjust Transition: Methodology Note,* Stat 4a.
12. *Unjust Transition: Methodology Note,* Stat 4b.
13. *Unjust Transition: Methodology Note,* Stat 9a.
14. *Unjust Transition: Methodology Note,* Stat 9b.
15. *Unjust Transition: Methodology Note,* Stat 9c
16. Development is one of the core concepts questioned by post-colonial thought, seen as an invention used to categorize countries within colonial geographies. For more on this, see A. Escobar. (1995). *Encountering Development: The Making and Unmaking of the Third World.* Princeton: Princeton University Press..
17. *Unjust Transition: Methodology Note,* Stat 13a.
18. *Unjust Transition: Methodology Note,* Stat 13b.
19. *Unjust Transition: Methodology Note,* Stat 10c
20. *Unjust Transition: Methodology Note,* Stat 11b.
21. *Unjust Transition: Methodology Note,* Stat 11c.
22. If inequality stays unchanged, lifting everyone to the World Bank's $25/day prosperity line would require all incomes, including those of the richest, to grow by 50 times – underscoring that while many Global South countries do need more growth and energy, redistribution is essential to make global wellbeing achievable and sustainable. For more on this see Oxfam. (2023). *Climate Equality: A planet for the 99%: Methodology Note.*

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