

**Institute of Advanced
Studies Kőszeg**

István Bibó Special College

REFLECTIVE ESSAYS ON GLOBAL INEQUALITIES

Essays by István Bibó Special College Students

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Foreword

In the summer of 2024, I taught a weekend course to students from the István Bibó Special College on the general topic of Global Inequalities. The subject matter covered a wide range of interlinked and interdependent topics that present critical challenges to their generation.

It started from the following premise, here summarized by Paul Gilding, *The Great Disruption* (Bloomsbury Press: 2012):

The Earth is full ... This means things are going to change. Not because we will choose change out of philosophical or political preference, but because if we don't transform our society and economy, we risk social and economic collapse and descent into chaos. Our economies and lives are based on a key assumption that is wrong: that they will carry on unless we choose to change them. In other words, no action means more of the same. When Mother Nature and Father Greed hit the wall at once, we have the Great Disruption.

Further subjects addressed *Paradigm Shift: Glocal Challenges in an Age of Uncertainty*; *the Role of the Social Sciences in a Chaordic Age*; *Globalizing Governance in a Multistakeholder World: the Role of States, Markets and Citizens*; *Global Interconnectivity and Future Trends*; *The Challenges of Complexity*; *Economic Inequality and Social Unrest*; *Global Megatrends and their Implications*.

Discussions were lively and informative. The course required short reflective essays on a topic the students chose. I found their essays to be thoughtful and excellent and decided to put together this short Student Working Paper Collection so that their ideas could be made more widely available and accessible. So it is with great pleasure that I present them here.

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TABLE OF CONTENTS

I EAT THE RICH – ROUSSEAU’S PHRASE IN MODERN TIMES: David Gerda.....	3
II COMMANDING HEIGHTS COMMENTARY: Veronika Kiss.....	6
III GLOBALISM, GLOBAL GOVERNMENT: Flóra Hamecz.....	8
IV GLOBAL INEQUALITIES AND CLIMATE CHANGE: Julianna Phuonglinh Le.....	12
V GLOBAL INEQUALITIES: Károly Kornél.....	16
VI GLOBAL INEQUALITIES AND GREENWASHING IN HUNGARY: Vince Dolhai.....	18
VII GLOBAL INEQUALITIES: CEO COMPENSATION, IMPERIALISM, AND ECONOMIC JUSTICE: Borbála Mikusik.....	21




EAT THE RICH – ROUSSEAU’S PHRASE IN MODERN TIMES

By David Gerda

It is common sense nowadays, that not everyone has the same rights, same opportunities in life. As we all know, the global inequality in our world is a never ending problem with no real practical solutions or ideas for it to get better. Maybe we can visualize the situation of other people in poverty, but only those in need can fully understand this huge barrier between the Rich and the Poor. That one large group, who find themselves excluded from the possibility of a healthy and joyful life, is the one that needs our help the most. But what happens when income inequality grows dramatically, even in developed countries, like the USA?

Jean Jacques Rousseau was a famous political figure and „leader“ of the French Revolution. There is a popular quote that is attributed to him, which goes: “When the people shall have nothing more to eat, they will eat the rich.” When considering the circumstances prevailing in France at that time, the meaning of this quote becomes clear: the lowest strata of society had to grapple with problems that aristocratic families had not even heard of. Therefore, the main message of Rousseau's assertion is that if such drastic differences in people's financial situations and general living conditions can be found within a community or country, then ultimately, the inhabitants will revolt against the ruling power due to their hopeless situation.

The reason I found this topic particularly exciting is the relevance of the issue itself, as well as the fact that the expression "Eat the Rich" has resurfaced in everyday discourse. It's foundation lies in the social problems emerging in the United States: issues regarding healthcare, wages, and family support. The tensions caused by the coronavirus pandemic and the subsequent lockdown significantly increased the number of unemployed individuals, with surveys indicating that over 40 million people lost their jobs. It's no wonder, that this heightened situation provided ground for the revival of this "movement." Consequently, we've heard about it during many protests organized by political and activist groups, and it has also garnered significant attention on social media platforms. The "Eat the Rich" movement is essentially a cry for help against the capitalist system, which encourages wealthy individuals to continuously increase their wealth and become even richer. Take Jeff Bezos, the well-known founder and CEO of Amazon, for example. Despite his staggering wealth, he has donated less compared to other billionaires. Research shows that Bezos could finance all cancer treatments in the USA for the next thirty years and still not exhaust his wealth. This quote precisely addresses individuals like him, whose wealth takes on unethical forms, and whose successes are greatly owed to the vulnerable employees working for minimum wage.




In the following, I would like to briefly address the exact extent of inequality currently present in the world and how we can measure these. First and foremost, it's important to emphasize that there are numerous methods available to obtain a specific value that reflects this inequality. Some studies focus on the per capita income of the middle class or poorer segments of society, while others concentrate on the continuous growth of wealth among the wealthiest individuals.

In this case, I would like to highlight a few interesting pieces of information that, I feel, illustrate exceptionally well just how unimaginable and incredible the differences truly are. According to the World Bank: „global inequality is on the rise for the first time in decades because the poorest 40 percent of the world lost twice as much income as the wealthiest 20 percent during the global pandemic. It's the largest increase since 1990.“ Another interesting fact about the growing gap between rich and poor is that „252 men have more wealth than all 1 billion women and girls in Africa, Latin America, and the Caribbean, combined.“ Or the fact that according to Forbes, “the top 1 percent of U.S households hold 15 times more wealth than the bottom 50 percent combined.”

I believe that when we consider these numbers, any doubts we may have are dispelled, revealing to us that the problem is not small at all. Unfathomable disparities surround us, and unfortunately, as we can see, they only continue to grow with each passing year.

Now that we've briefly explored the issue and the current prevailing situation, we've come to the real question: is there truly a solution where we ourselves can do something about the matter? Can the widely spread "Eat the Rich" movement in the media really have an impact on the situation of those living in deep poverty, or is it merely another short-lived surge of promises and empty rhetoric for the people?

The truth is, each of us can actually contribute to the cause for a fairer and more equal future. However, for this to happen, governments and those in power need to listen to our pleas and take proactive steps to help us enforce our desires. To reduce inequalities in economic powers, the first step is to acknowledge the problem and make smaller or bigger steps to decrease it. It can be foreign aids for local people or institutions, financial commitments and much more. Of course, developed bigger and richer countries have a main role in this and they have to participate in every way possible. They can direct more sources to the poor by making the big industrial companies pay the fair share of taxes, for example.



In conclusion, I think at the end of the day, it doesn't really matter if this „Eat the Rich“ organization makes any difference in the USA or at other parts of the world. Indeed, simply discussing it, integrating this type of social discourse into everyday life, can greatly advance this process. The more people become aware of this issue and the more people engage in thought processes or empathetic feelings that lead to a desire to act against it, the better. After all, if we were in the vulnerable position of having our voices unheard by the world, we too would expect assistance from those privileged individuals whose opinions and statements can stir up more attention than ours ever could.

And finally, I would like to recall Rousseau's thoughts expressed in his work, *The Social Contract*: „The first person who, having enclosed a plot of land, thought of saying: "This is mine," and found people simple enough to believe him, was the true founder of civil society. How many crimes, wars, and murders, how much misery would humanity have been spared if someone had pulled up the stakes, filled in the ditch, and cried out to his fellow men: "Beware of listening to this impostor! You are lost if you forget that the fruits of the earth belong to everyone, and the earth itself to no one" ■

COMMANDING HEIGHTS COMMENTARY


By Veronika Kiss

The Bibó course in Kőszeg has been nothing short of educating and eye-opening for me. As it turns out, Global Inequalities is a much broader topic than I originally viewed it to be. Several different ideas have caught my attention while reading all the wonderful sources that have been provided to us before we commenced the course. I still remember enjoying these texts rather highly when I read my way through them a few weeks ago, so I deemed it quite fitting to reflect on them now as a form of processing all the things we talked about in Kőszeg. My favorite source was Commanding Heights, so in this short reflective paper, I would like to touch a bit upon some of the main concepts it included that inspired me the most.

Commanding Heights discussed the historical and economic context of the process of globalization, which gave me quite a deep insight into the historical events I previously thought I already knew enough about. For example, the idea of a dichotomous economic/political model regarding the communist party of some countries was an intriguing novelty for me. It entails abandoning most of the economic elements of Communism while still keeping the Communist party in political control of the state. The thought that a government that is entirely based on an ideology can still prevail after it has been completely detached from said ideology was bewildering to me, and it really made me think about the blindness of the masses of people who make up a nation and vote for our common future.

Another concept I found interesting was a simple but sharp point about the consequences of the relevant states accepting the New Deal back when it was offered: namely, that some people thought that the bailout signaled to the private sector that it could make similarly bad future investment choices without fear since the U.S. would again rescue them. This is something I never would have thought of on my own, even though it makes so much sense. For me, the reason this perspective got so stuck in my head is because it demonstrates how incredibly complex each economic decision a state makes on a daily basis can be. It always has so many layers, so many unexpected problems, it's almost impossible to detangle all this chaos in a sufficient way.

An extremely good point the text made was that humans have lived for 150,000 years on this Earth and for the majority of that time, they were nowhere near experiencing anything akin to the globalization we live in today. Such an excellent observation! We are not at all accustomed to these drastic changes, and it is likely a big part of why we are reacting to them so slowly and inefficiently. It almost seems like globalization is a product of something unnatural; something that came too quickly for us to properly adapt to, especially if we consider the widening wealth gap in the world. So much injustice is happening in the world right now, I feel like it is making us all hurt, confused,



and it leaves us all feeling frustratingly helpless most of the time. As the text points out, this probably has a lot to do with our lack of experience and therefore lack of methods to cope as the human species, and less to do with our supposed incompetence. I believe that looking at things from this angle can give us a lot of hope: we are not helpless, it is just that things have accelerated at an unprecedented speed in the last few decades, which, let's be honest, is not a normal amount of time for eight billion people to adequately react.

The last idea I was particularly fond of in this text was that rich countries should be tripping over themselves to help the poor regions, not (only) because of general ethical and humanitarian reasons, but mainly for the reason that extreme poverty leads to extreme anger, and this anger can culminate in social and political instability to such an extent that feeds international violence and ends up hurting both the wealthy and the poor countries. This is a strikingly practical approach that is rather hard to argue, and it uses rationality over emotion, which is not to say that the latter is any less important (quite the opposite, actually!), but this method of primarily aiming to inspire economic motivation is much more impactful and can urge considerably more people to act rather than overly emotional responses. It is a positive approach, and it is something I always notice and appreciate in scientific texts.

All in all, Commanding Heights is one of the most thought-provoking texts I have read this semester, a paper that made me stop reading from time to time, just so I can look up from my laptop and think about what is actually going on in the world, ruminating how can I best react to this global madness around me. To me, the most interesting part of this large mass-phenomenon of globalization is that it is made up of individuals – billions of individual people who lead such different lifestyles, but who are so similar to each other in the most basic of ways. The video we watched about the girl in Rio, talking to the officials who work at the United Nations, was such a powerful demonstration of this. A small group of people travelling far away to reach out to millions. To make a change. What an inspiration! I hope my generation will prove to be worthy of this legacy, and I hope we can fight for our future the way these children did – in a heartfelt but assertive way, with compassion but with determination, not letting go of our principles but staying open to perspectives that are different from ours. In my view, that is the only way to bring forth real change ■

GLOBALISM, GLOBAL GOVERNMENT


By Flóra Hamecz

In this paper, I am exploring a topic that I have already tangentially researched and presented at in the „National Scientific Students' Associations Conference“. My topic was "contemporary social contract theories". During my participation in a block seminar on "Global Inequalities", I felt that one of the topics was closely related to my research topic and it would be interesting to explore the relationship between them. This topic is the issue of global governance/governance and institutions and the intertwining of globalism.

My research was based on understanding the meaning of social contracts, their nature and how they change over time. I sought to answer two main questions: Does classical social contract theory have contemporary relevance? And, is there a need for such contracts in a changed, globalised world?

To answer my first question, we have to go back to the writings of classical philosophers such as Thomas Hobbes, John Locke and John Rawls. The question can be clearly answered, after studying their writings, that their ideas and principles have an undeniable impact on our time. In Locke, for example, we have read about the establishment of a legitimate government as an effective body for the protection of the law, or we have read about the punishment of those who break the law. We can see that these are also elements of our present society without which we might not be able to imagine the effective functioning of our states. We are also familiar with the foundations of liberalism, which are now fully developed: in modern Western democracies, it is almost beyond question that they are the cornerstones of society.

However, the world around us has changed significantly, and both our legal systems and our values are characterised by diversity and pluralism. Closely linked to this is the phenomenon of globalisation, which has opened the way for the unstoppable spread of our opinions and ideas, to which societies and political communities have had to adapt. As a result, we can see that there are traditional theories that appear in some form in today's systems, but not in their original form. An example of this is the separation of powers mentioned above. In the case of nation states, the classical division remains, but in global politics we do not find such a separation. For example, there is no separate legislative power, but there are conventions that regulate our lives. An international treaty can thus be seen as the result of legislation similar to that of a nation state, and thus a global quasi-legislation. By illustrating this example, we can see that there is a basic theory that has been shaped in the image of the global world and that, as a result, it is able to meet our changing social needs. István Bibó was right to see, in the context of power sharing, that our political philosophical theories must always be open to social change. Following Bibó's approach, political theories must find new hotspots of power again and again.




Thus, we need pluralist social contract theories that can respond to the problems of the 21st century.

Global quasi-legislative processes have brought about a major change in our legal systems today. On this topic, I read a very interesting book by Lien Thi Quynh Le and Takashi Inoguchi, *Toward Modelling a Global Social Contract: Jean-Jacques Rousseau and John Locke*. Inoguchi and Le examine, on the one hand, the preferences of global citizens for values and norms and, on the other, the participation of sovereign states in multilateral treaties. More specifically, they attempt to empirically link preferences as measured by the World Values Survey and participation in multilateral treaties under the auspices of the United Nations, thus examining the willingness to join treaties. Based on the results and experiences thus obtained, the evolution of the global quasi-legislative process has been observed, which is similar to national legislative processes in global politics, with some differences. On the one hand, there is no institutionalized "world government" and thus no sovereign claims to power in global politics. On the other hand, there is no formal institutional legislative body like a national parliament to shape government policy according to the will of citizens. However, we see that in global politics, the will of citizens is expressed in multilateral treaties to which sovereign states are free to adhere. Can we consider this as a legislative power?

In a parliamentary democratic system, legislation is made by a separate legislature, and the executive also exists separately. In global politics, however, there is no such separation. There is no legal mechanism to legislate the preferences of global citizens. However, if we consider that published opinions or international treaties and conventions to which a sovereign state adheres are equivalent to laws made at the national level, we are talking about global quasi-legislative politics. These processes are evident in the economy, in animal and plant protection, in finance, and so on.

What we are seeing is that globalisation is a controlled project that only serves the interests of the political and economic elite. This is absolutely borne out by the social inequality that still characterises our world today. In my previous studies abroad, I have analysed in detail the phenomenon of financial aid after the Second World War and the effects of this process that are still being felt today.


Inextricably linked to this is the aforementioned (legal) diversity, one of the causes of which may be history and path dependency or the rule of law. The World Bank, the Development Bank, the IMF, the ITO, have all been involved in this process through their various financial institutions. A lot of money has been given to countries in difficulty, but what has been noticed, for example, by the World Bank's leaders, is that countries are not responding and developing in the same way to aid.



The World Bank has tried to remain politically neutral and not interfere in the internal law of countries. However, they have found that some jurisdictions simply do not respond well. It was suggested that legal and institutional reforms were needed. The growing ambition of holistic liberal reform stood in tension with the World Bank "s constitutional mandate.

The purpose of the International Bank for Reconstruction and Development (an institution of the World Bank, established at Bretton Woods in 1944) and the European Bank for Reconstruction and Development was formulated as follows: „The purpose of the Bank shall be to foster the transition towards open market-oriented economies and to promote private and entrepreneurial initiative in the central and eastern European countries committed to and applying the principles of multiparty democracy, pluralism and market economics“, moreover: The Bank shall make arrangements to ensure that the proceeds of any loan are used only for the purposes for which the loan was granted, with due attention to considerations of economy and efficiency and without regard to political or other non-economic influences or considerations“ and that „The Bank and its officers shall not interfere in the political affairs of any member; nor shall they be influenced in their decisions by the political character of the member or members concerned.“ In comparison, we see that over time, we have moved from the John M. Keynesian notion that all decisions should be based on objective reasons to legal reforms, which have undeniably been seen as interference in the internal law and politics of states. Ibrahim Shihata, who was Vice-President and General Counsel of the World Bank, said that the practice of legal reform did not fall within the scope of political interference, provided there was "a proper and objective economic justification". I think that a lot has changed since these thoughts were expressed and we can look at a wide range of practices. Mostly since the 1990s, the rule of law has been used as a prerequisite for a "stable business environment" and a "positive investment climate". For a long time, they tried to hide behind it when deciding on an issue that also concerned an internal political matter.

But the question is: who or what is at the centre of governance? As we have seen, the World Bank may have played such a role in the decades following the Second World War. Many argue that it may also be the USA that promotes and organises globalisation primarily through formal institutions and informal elite networks of global governance. In addition, international organisations such as WWF, Amnesty International, Greenpeace or UNICEF have emerged. One of the aims of global economic institutions is to enhance global stability, serve economic interests and funding institutions, and provide assistance on specific issues. As I explained at the beginning of this paper, international legislation and programmes have a huge role to play as a result of globalism. The question often arises: is there a world government, is there an European government?



Can the EU or the UN be considered such an organisation, such a government? I think that to some extent absolutely. They bring a lot of countries together, they affect the lives of millions of people, they have a huge responsibility. It is not surprising that the global institutions set up to manage the global economy have made mistakes in the past and will continue to make mistakes, so they are right to bear the criticisms of globalisation, but their importance is undeniable ■




GLOBAL INEQUALITIES AND CLIMATE CHANGE

By Julianna Phuonglinh Le

Climate change is not only a matter of environmental change, it is deeply intertwined with issues of inequality, both in terms of those most vulnerable to its impacts and those primarily responsible for its occurrence. While the threat of global warming looms over the entire planet, it is certain that certain regions and populations will bear the brunt of its consequences far sooner and more severely than others. For instance, many impoverished nations, particularly island nations and those with significant populations in low-lying areas, are on the precipice of facing ecological catastrophes of unprecedented scale if sea levels rise as projected.

While the impacts of climate change and the capacity to address them vary greatly across different regions, the burden of responsibility for the issue is even more disproportionately distributed. Developing nations significantly lag behind in terms of per capita emissions compared to wealthier counterparts. For instance, the average American emits as much greenhouse gas as eight individuals in China or twenty individuals in India. Shockingly, the wealthiest 20% of the global population contribute over 60% of current greenhouse gas emissions, a figure that surpasses 80% when historical emissions are taken into account. Considering that carbon dioxide, the primary contributor to the greenhouse effect, remains in the atmosphere for 120 years, this inequity underscores a clear injustice: innocent populations bear the consequences stemming from consumption patterns that they derived minimal or no benefit from. As emphasized by representatives from small island states, whose cultures and livelihoods face imminent decimation, it is morally reprehensible to comprehend these interconnections and yet permit the destruction of cultures and communities through inaction.

Factors contributing to vulnerability to climate change are multifaceted and deeply rooted in socio-economic disparities and historical injustices. Firstly, socio-economic factors play a significant role, with poverty being a critical determinant of vulnerability. Poor nations are often the least equipped to cope with extensive disruptions caused by „natural“ disasters, which have the potential to significantly hinder their development progress for decades. Moreover, within these impoverished nations, socioeconomic classes frequently struggle to fully recover from the devastating effects of such disasters exacerbated by escalating climate instability.




In impoverished communities, limited financial resources restrict access to adaptive measures and essential services, leaving inhabitants more susceptible to the adverse impacts of climate change. Additionally, the lack of access to resources such as clean water, nutritious food, and healthcare exacerbates vulnerabilities, amplifying the risks posed by climate-related events.

Moreover, inadequate infrastructure, including fragile housing, unreliable transportation networks, and deficient emergency response systems, further compounds vulnerability by hindering the ability to withstand and recover from climate-related disasters.

Furthermore, historical injustices, including colonization, exploitation of natural resources, and environmental racism, have perpetuated systemic inequalities that exacerbate vulnerability to climate change. Colonization has left lasting legacies of economic exploitation and political marginalization in many regions, resulting in persistent poverty and social disempowerment. Moreover, the exploitation of natural resources by colonial powers and multinational corporations has degraded ecosystems, eroded local livelihoods, and weakened resilience to climate-related hazards. Additionally, environmental racism has disproportionately exposed marginalized communities, particularly Indigenous peoples and people of color, to hazardous pollutants and environmental degradation, further exacerbating their vulnerability to climate change impacts. These historical injustices have entrenched patterns of inequality and limited the capacity of affected populations to adapt to and mitigate the effects of climate change, underscoring the need for equitable and justice-centered approaches to climate action.

Strategies for mitigating climate change and promoting equity necessitate a multifaceted approach that addresses both the root causes of emissions and the vulnerabilities of affected populations. Firstly, efforts to reduce greenhouse gas emissions must be comprehensive and ambitious, encompassing various sectors such as energy, transportation, industry, agriculture, and forestry. Transitioning to renewable energy sources, improving energy efficiency, and implementing carbon pricing mechanisms are essential steps towards decarbonizing the economy and curbing emissions. Additionally, investing in sustainable transportation infrastructure, promoting eco-friendly agricultural practices, and conserving forests and wetlands can further contribute to mitigating climate change.

Simultaneously, adaptation measures are crucial for building resilience and safeguarding vulnerable populations from the impacts of climate change. These measures may include enhancing infrastructure resilience, implementing early warning systems for extreme weather events, promoting sustainable land management practices, and providing access to




climate-resilient livelihood options. Empowering local communities to develop and implement adaptation strategies that are tailored to their specific needs and circumstances is essential for ensuring their effectiveness and sustainability.

Moreover, integrating equity and social justice considerations into climate policies and initiatives is imperative for addressing the disproportionate impacts of climate change on marginalized communities. This entails prioritizing the needs and voices of vulnerable populations in decision-making processes, ensuring equitable access to resources and opportunities, and addressing systemic inequalities that exacerbate vulnerability to climate change. Furthermore, promoting inclusive governance structures and fostering partnerships between governments, civil society organizations, and marginalized communities can enhance the effectiveness and legitimacy of climate action efforts.

Central to these efforts is the concept of climate justice, which emphasizes the ethical and moral imperative of addressing climate change in a fair and equitable manner. Climate justice calls for recognizing and rectifying historical injustices, ensuring that those who are least responsible for causing climate change are not disproportionately burdened by its impacts, and promoting solidarity and cooperation among nations and social groups. By adopting a climate justice framework, policymakers can develop fair and inclusive approaches to climate action that prioritize the well-being of all people, particularly those most vulnerable to climate change.

Examining case studies and examples of initiatives that address climate change while promoting equity and social justice offers valuable insights into effective strategies and challenges faced in implementation. One notable example is the Green Climate Fund's support for renewable energy projects in developing countries, such as the Solar Energy Rural Electrification Program in Morocco. This initiative aims to provide access to clean and affordable energy to rural communities while reducing greenhouse gas emissions. By prioritizing the needs of marginalized populations and involving local participation, the project not only addresses climate change but also fosters economic development and social inclusion.

Similarly, the Community Forest Management program in Nepal serves as a successful example of climate adaptation and community empowerment. Through this initiative, local communities are given ownership and control over forest resources, allowing them to implement sustainable land management practices and adapt to changing environmental conditions. By empowering communities to manage their natural resources, the program enhances resilience to climate change while promoting equity and social justice.



However, despite these successes, challenges remain in implementing initiatives that integrate climate action with equity and social justice. One major challenge is ensuring meaningful participation and representation of marginalized groups in decision-making processes. Often, power imbalances and institutional barriers prevent vulnerable communities from fully engaging in climate initiatives, leading to inequitable outcomes. Additionally, limited access to financial resources and technical expertise can hinder the implementation of climate projects in marginalized communities, exacerbating existing inequalities.

Furthermore, the intersectionality of social injustices complicates efforts to address climate change equitably. For example, gender inequalities may intersect with socioeconomic disparities to further marginalize women in climate adaptation efforts. Recognizing and addressing these intersecting inequalities is essential for ensuring that climate action benefits all members of society.

Overall, case studies and examples provide valuable lessons for designing and implementing climate initiatives that prioritize equity and social justice. By learning from both successes and challenges, policymakers and practitioners can develop more effective and inclusive approaches to addressing climate change.

In conclusion, this essay has underscored the profound inequities inherent in the impacts of climate change and the urgent need to address global inequality in climate action. From the disproportionate burden borne by vulnerable populations to the unequal distribution of responsibility for greenhouse gas emissions, it is evident that climate change exacerbates existing social and economic disparities. Therefore, prioritizing equity and social justice in climate mitigation and adaptation efforts is not only morally imperative but also essential for building a more sustainable and resilient future. By centering the needs and voices of marginalized communities, promoting inclusive governance structures, and addressing the root causes of vulnerability, policymakers can ensure that climate action benefits all members of society. Moving forward, it is crucial to invest in research that further examines the intersectionality of social injustices and climate change impacts, as well as to implement policies and initiatives that advance equity and justice in climate action. Only through collective action and a commitment to fairness and inclusivity can we effectively mitigate climate change and create a more just and sustainable world for future generations ■



GLOBAL INEQUALITIES

By Károly Kornél


I prepared for this weekend course with great anticipation, as I've always wanted to learn more about the topic of global inequalities. Throughout the course, I was not disappointed; I was able to enrich my knowledge with a substantial amount of information over the weekend. In the following, I would like to delve into a few thoughts that caught my attention and sparked my interest based on the assigned readings and discussions in class.

Firstly, I would like to address the issue of global inequalities in general. What do we mean by global inequalities? How have they evolved? Is the East-West divide still relevant today, or has the North-South dichotomy become more prominent?

Just as the assigned texts excellently guided us through the major global political processes of the latter half of the 20th century to the dawn of the 1990s, we arrived at the era of globalization. The world operates in huge, interconnected systems where every action has consequences on everything else – this can be best described as a kind of butterfly effect.

Left-wing movements in Western societies were later suppressed by neoconservatism. In response to economic stagnation, influenced by the American school of economics, states sought to break it by withdrawing their role from the large economic spheres, paving the way for privatization. A good example of this is the case of Margaret Thatcher and the UK, where the privatization of coal mines boosted their operations, but the country paid a heavy social price in return. Despite resistance from unions and various labor movements, with the help of the state, these forces were successfully subdued. Wide societal strata became impoverished, and the rust belts that are still present today emerged during this time. These processes were followed by the advent of neoliberalism in the 1990s.

Due to technological advancements, everything became interconnected. This trend is still evident today, for example, in the impact of the Russian-Ukrainian military conflict on the global market prices of food or in the Middle Eastern conflicts, past and present, affecting the global oil prices. Thanks to economist ideologues, GDP became the most used indicator of a state's success. The world began to neglect other, more profoundly influential questions concerning individuals, such as their happiness, livelihoods, environment, etc., all of which come with numerous negative consequences even in today's era.



The thematic of complex systems also piqued my interest. In today's world, political and economic events have become so complex due to interconnectedness and globalization that individuals are no longer able to comprehend them solely due to biological limitations. An interesting example of this is the case of the 2008 global financial crisis, in which these processes played a role.

Perhaps the most interesting topic for me was the issue of corporate social responsibility. I was surprised to learn that this topic is not only relevant today but also dates to the 1990s. I had already heard about the topic in my previous studies, mainly within the framework of company law taught at university, but it was very useful to discuss it at a higher level.

To this day, it fascinates me how mere statements from the largest investment funds (e.g., about climate change) can influence markets to such a degree. Transnational corporations also face criticism since the largest ones have far more wealth at their disposal than entire countries' annual GDPs. The question arises, who currently has control? How can we rein in these forces that have become detached from the individual to such extremes?

For me, the answer to this was the third way, the question of civil society. I found the proposition intriguing that various civil organizations could wield significant influence in controlling political and economic elites. This concept is useful at a systemic level because civil organizations operate on entirely different interests than the previous two actors, though it's worth mentioning the similar criticism of transnational civil organizations.

The timeliness of the topic was also pertinent to me because at the beginning of the year, a dozen friends and I founded an association aiming to improve our local environment. We recently had a meeting where I tried to channel the lessons learned over the weekend about the power and possibilities of civil society constructively. Working on this project, I aim to experience the power of young volunteers and how change can be brought about at a small, local level, whether it's placing a bench on the street or organizing cultural events, etc.

Overall, I value the weekend spent in Kőszeg as beneficial. The course primarily brought new perspectives to my attention. From now on, I will strive to expand my knowledge on the topic, keep an open mind, and engage in discussions with others on similar topics – after all, consciousness is perhaps the greatest virtue in the world ■



GLOBAL INEQUALITIES AND GREENWASHING IN HUNGARY

By Vince Dolhai


My essay, a reflection on the course, is about a topic not discussed in class. While it is true that we have mentioned the fight against global warming and the impact of climate change on our society, I am particularly interested in the consumer protection and competition law aspects of these issues. That is why I have decided to write about the phenomenon of greenwashing in Hungary and its disadvantages.

Global inequalities and greenwashing are two interconnected phenomena that underscore the complexities of our modern socio-economic and environmental landscape. At its core, global inequality reflects the vast disparities in wealth, resources, and opportunities among nations and within societies. These inequalities are often perpetuated by historical legacies of colonialism, economic exploitation, and systemic discrimination, leading to unequal access to basic necessities such as food, healthcare, education, and clean water.

In this context, greenwashing emerges as a deceptive practice employed by corporations and governments to present a facade of environmental responsibility while often neglecting substantive action to address pressing ecological challenges. By leveraging misleading marketing tactics, vague sustainability pledges, or superficial eco-friendly initiatives, entities engage in greenwashing to bolster their public image and maintain profit margins without making meaningful contributions to environmental preservation or social equity.

Moreover, the connection between global inequalities and greenwashing is deeply intertwined with power dynamics and privilege. Multinational corporations headquartered in affluent regions often exploit resources and labor from marginalized communities in low-income countries, exacerbating environmental degradation and perpetuating socio-economic disparities. Meanwhile, these corporations may invest in greenwashing campaigns to deflect attention from their unsustainable practices and avoid accountability for their contributions to global inequalities.

Addressing the nexus between global inequalities and greenwashing requires a multi-faceted approach that encompasses regulatory reforms, corporate accountability mechanisms, consumer activism, and international cooperation. By fostering transparency, promoting ethical business practices, and prioritizing the needs of marginalized communities, we can work towards a more equitable and sustainable future for all.




The Hungarian Competition Authority (HCA) published its market analysis on green claims in January 2024, focusing particularly on the food sector. The analysis revealed a significant decline in consumer trust towards environmental claims and logos, both at the Hungarian, EU, and global levels. This decline can largely be attributed to the prevalence of greenwashing, with over 200 types of such misleading indications contributing to a sense of uncertainty among consumers. Overall, consumers have become more skeptical towards the food industry, reflecting a relatively recent societal awareness of ecological footprints and a reluctance to entrust dietary choices to others.

The primary goal identified is the establishment of an institutionalized labeling system, complemented by an extensive educational campaign. However, the development of such a system is projected to take more than two years. In the meantime, companies are urged to consciously consider the environmental footprint of their products throughout each cycle.

The environmental impact of food typically occurs across various stages of the product lifecycle. While carbon footprint during production is crucial, equal attention should be given to factors such as land use efficiency and the methods of sourcing raw materials, particularly in relation to whether they are plant-based or animal-derived. Packaging and transportation, although significant, contribute only a fraction to the overall environmental footprint of a product.

Environmental claims by food companies tend to emphasize factors such as origin, transportation, and the recyclability of packaging, while the focus should ideally shift towards the production of raw materials. Consumers are increasingly attentive to these aspects, particularly given the emphasis placed by the industry on addressing the climate crisis. The HCA proposes the establishment of a unified system for environmental labeling. However, this poses challenges due to the extensive data required to accurately calculate the footprint of individual products, with smaller producers often lacking the resources to participate. Comparing food categories based on their environmental footprint may become feasible in the next few years. Nonetheless, the goal is not merely to reduce these footprints but also to raise awareness among consumers and guide them towards responsible choices.

In terms of steps taken towards sustainability, it is essential for food companies to focus not only on improving the sustainability of individual products but also on integrating sustainability into their overall corporate strategy, considering both environmental and social impacts. Similarly, Hungarian market players should take measures towards sustainability, including acquiring knowledge necessary for becoming more sustainable and adopting a strategic approach. Alongside highlighting packaging and origin, there should be a concerted



effort to disclose and reduce the ecological footprint of production in every cycle. Making relevant data accessible in multiple languages is paramount for facilitating informed consumer choices.

In conclusion, the intertwined nature of global inequalities and greenwashing underscores the urgency of addressing socio-economic and environmental disparities. By acknowledging the historical legacies and systemic factors perpetuating these disparities, we can develop comprehensive solutions that promote transparency, accountability, and equity. The proposed establishment of a formalized labeling system and educational initiatives represents a step towards fostering consumer trust and informed decision-making. However, it is imperative for companies to proactively assess and mitigate the environmental impact of their products, while also integrating sustainability into their corporate strategies. Similarly, regulatory reforms, consumer activism, and international cooperation are essential components of a multi-faceted approach towards a more equitable and sustainable future for all. As we navigate these challenges, collaborative efforts aimed at reducing global inequalities and combating greenwashing are crucial for fostering resilience and promoting positive change on a global scale ■



GLOBAL INEQUALITIES: CEO COMPENSATION, IMPERIALISM, AND ECONOMIC JUSTICE

By Vince Dolhai


Global inequalities have been exacerbated by various factors over the past few decades. The main driver of inequality—the tendency of returns on capital to exceed the rate of economic growth—today threatens to generate extreme inequalities that stir discontent and undermine democratic values (Piketty, 2014). For instance, the stark contrast between the compensation of corporate executives and that of average workers raises critical questions about economic justice, merit, and the distribution of wealth in a globalized world.

CEO-to-Worker Pay Ratio: An Expanding Divide

In 2021, the ratio of CEO-to-typical-worker compensation in the United States stood at an astonishing 399-to-1. This represents a significant rise from the 59-to-1 ratio in 1989, indicating that while CEOs' compensation has grown exponentially, the wages of typical workers have stagnated. These figures reflect the dramatic shift in income distribution over the past several decades, highlighting the increasing concentration of wealth among a small elite at the expense of the majority. (Davis & Mishel, 2014).

One of the key drivers of this disparity has been the increase in the value of stock awards, which now constitute a substantial portion of CEO pay packages. This form of compensation ties executives' income to the stock market, allowing them to benefit disproportionately from the growth of their companies and the broader market, even when the overall economy may be stagnating.

On the other hand, it can be argued that the dramatic rise in CEO compensation is due to market forces—namely, the increased demand for the specialized skills and talents that top executives bring to their companies. According to this view, CEOs and other highly paid professionals are compensated according to their ability to generate value for their firms, with their pay reflecting the competitive market for executive talent. However, this interpretation overlooks the structural power dynamics that often allow executives to extract substantial rents from their positions. The scale of CEO compensation far exceeds the earnings growth of even the top 0.1% of wage earners, suggesting that executive pay is not simply the result of market competition.




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Globalization, Imperialism, and Income Inequality

The rapid growth in CEO pay, particularly in wealthy nations, is symptomatic of a broader pattern of global inequalities that have been shaped by the processes of globalization. In his work on the structure of imperialism, sociologist Johan Galtung (1972) conceptualized the global economic system as divided into the "center" and the "periphery," with the wealthier nations and their elites occupying the center, and the poorer, exploited nations forming the periphery. This dynamic extends beyond countries to within nations, where the elites of the center extract resources and wealth from the periphery, both internationally and domestically.

This core-periphery relationship is maintained not only through economic exploitation but also through structural dependencies, with peripheral nations relying on the center for manufactured goods and capital, often isolating these nations from each other to maintain the dominance of the wealthy countries. In this framework, CEOs of large corporations, occupy the pinnacle of the economic hierarchy, benefiting from the global exploitation of labor and resources that sustain their wealth. Their pay packages are a direct reflection of their position at the center of a global economic system that disproportionately rewards the elites of wealthy nations.

Galtung's (1972) theory of imperialism provides a crucial framework for understanding the structural inequalities that shape global economic relations. According to Galtung, the world is divided into a "center-periphery" model that operates both within and between nations. At the international level, wealthy, industrialized nations form the "center," while poorer, developing nations constitute the "periphery." The center nations exploit the periphery for raw materials, labor, and resources, extracting wealth while maintaining a position of




dominance in the global economy. This exploitation is not limited to direct control but is maintained through systemic structures such as trade agreements, financial dependencies, and political alliances that ensure the periphery's subordination to the center. The relationship, however, is not one of direct violence or coercion but is instead sustained through economic and institutional mechanisms that perpetuate inequality.

Within nations, Galtung's model also applies, as the elites of the "center" control the wealth and resources of the country, often in alliance with global capital, while the poorer classes—the "periphery"—remain marginalized and exploited. The elites of peripheral countries, often collaborating with those in the global center, play a role in maintaining this unequal system, ensuring that wealth and resources flow outward, benefiting the center. This dynamic is further complicated by the fact that the "center" of the periphery is often complicit in their exploitation, believing they have much to lose by challenging the system, especially compared to those in the "periphery of the periphery" who live in even more precarious conditions.

Galtung's theory highlights how global capitalism operates as a modern form of imperialism, where wealth and power are concentrated in a small elite, both globally and domestically. It explains the structures that allow CEO compensation and other forms of elite wealth to grow exponentially, while the vast majority of workers, particularly in peripheral nations, see little benefit. Galtung's theory helps explain why, under globalization, inequalities have widened both within and between nations, as the mechanisms of imperialism continue to operate under new, subtler forms of control.

The Question of Deservedness and Economic Justice

The stark disparities in CEO compensation compared to average workers raise fundamental questions about who deserves what in an increasingly unequal global economy. Michael Sandel's (2010) work on moral philosophy and justice is particularly relevant here. He argues that the financial crisis of 2008, during which many financial institutions sought government bailouts despite making massive profits from risky investments, fueled public outrage over the unjust distribution of wealth. Many felt that executives who had engaged in reckless behavior were rewarded for their greed, while ordinary citizens bore the brunt of the economic fallout. This sense of injustice was compounded by the fact that many CEOs received bonuses even as their companies faced bankruptcy, leading to widespread protests and a growing awareness of the unequal distribution of wealth.



In the context of CEO compensation, the question of deservedness becomes particularly acute. If CEOs are receiving exorbitant pay packages while the average worker's wages stagnate, on what grounds can these vast disparities be justified?

Implications for Global Inequalities

Ultimately, the growth in CEO compensation over the past several decades is a symptom of a broader global economic system that rewards those at the top while leaving the majority behind. This unequal distribution of wealth raises fundamental questions about justice, fairness, and who deserves what in a globalized world.

Addressing these inequalities requires a fundamental reassessment of who deserves what in a globalized world, and how wealth and resources should be distributed in a way that reflects principles of justice and fairness.

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