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Equifax is a Credit Reporting Agency (CRA) and was one of the top three credit reporting companies when they suffered a catastrophic breach in their systems. Credit reporting companies are in the business of selling credit information of individuals and companies. In 2017 the Equifax breach allowed attackers access to hundreds of millions of personal consumer data such as names, addresses, credit card numbers, social security numbers, and driver's license ID numbers. Equifax and other CRAs are held at a high and sensitive position in the United States with the amount of sensitive information they can possess at one time and with all the consequences they can face for not upholding their cybersecurity measures which would allow hackers to access the stored personal data of their consumers. In this Case Analysis, I will argue that Confucianism shows us that the Equifax breach harmed its users by not adequately protecting their data and how Equifax acted immorally during that time.

Milton Friedman had his thoughts on the discussion of the "social responsibilities of businesses" and how businesses should be viewed overall in "The Social Responsibility of Business Is to Increase Its Profits.". Friedman addresses that the actions based on social responsibility translate to acting in a way that does not capture the interests of his employers. This way of thinking insinuates that the shareholders are only interested in making profits leading to actions that could negatively affect the investors by making assumptions that are premature without first acknowledging that the shareholders may have other interests they wish to explore outside of simply making a profit. By taking actions that prioritize profitability regardless of the state of the labor market or irrespective of the effects that can have an obstructive impact on the company environment, then you do not indeed have the company's

best interests. Taking proper care of the company environment within the facility can possibly increase production time and taking care of the outside environment can potentially keep vermin from infesting products. These are only a few situations that can be seen and handled properly, but only when proper care is put into the company and the focus isn't just profitability. Friedman also believes that companies should not make attempts at doing good with their money and put all their focus on making the investor's money so that they themselves can do good things with the money that is saved. This is misleading and can provide false hope for others that are led to believe that the investors will give back after making their money. Not only the United States, but the world itself does not typically work in that fashion with many wealthy people not always choosing to give back to the community with the money they earned and instead spend it on personal things such as houses, cars, and clothes, jewelry, etc. This does not make the investors bad people for spending their money in such a way since it is, as listed, their money it just puts pressure on the investors that should not present in the first place. Friedman also believes that the corporate executives selected by the stockholders are not qualified and do not have the proper skill set to help the community, but this may not be the case. The example he chooses to use deals with inflation and how if the executive were ordered to aid in the fight against inflation that he would not be effective. This is not the best example for two reasons, the first being that inflation is difficult to deal with for anyone in today's world no matter who they might be because the right steps to take are not clear and difficult to choose from. The second reason as to why Friedman's example is not helpful is that just because a person is considered an "expert" does not mean that they should be expected to be perfect at all times. Perfection is a goal that is unattainable, but having the goal in mind can provide positive results. An expert can not and should be expected to always have the answers to everything especially if it is outside of their

original role because that then makes them just as much of an “expert” compared to the bartender down the street. Taking a look at the theory of Confucianism and examining Friedman’s position on the social responsibility of business is to increase its profits shows that he is wrong. Everyone understands that a company is a business and vice versa, but developing the proper relationship with others is how it would fit within its role.

Melvin Anshen also has a theory on the discussion of the “social responsibilities of businesses” and how businesses should be viewed overall in “Changing the Social Contract: A Role for Business”. Where Friedman believes that the company is not obligated to social responsibility and should focus only on making a profit, Anshen believes that the businesses are being pressured into taking on more social responsibilities and should embrace them by setting the terms for this newfound relationship between business and society referring to a “social contract”. The social contract dates far back to being discovered in the writings of the Greek philosopher Epictetus and then revised and used for the first half of the 17th century with Thomas Hobbes’s intellectual system. The system Hobbes refined to bring about obedience to the implied contract rationalizing the power of the state. Hobbes used the social contract for the betterment of society as a program for their self-interested agreements. John Locke would arrive decades later to convert the view Hobbes had originally laid out for the social contract. Locke converted the contract so that the government is established upon the “consent of the citizens to a relationship of reciprocal duties and obligations.”. After a century had passed Jean Jacques Rousseau expanded once more placing all members of the society into an implicit contract defining the norms of human behavior and the terms of exchanges and trade-offs. This would not only be extended to individuals, but to all organizations whether they be public or private and Rousseau’s view was also able to handle disagreements regarding ends and means. The history

of the social contract shows evolution and change to better fit the current conditions of society, this relates to the world as we know it. The ideals of Friedman on the social responsibilities of businesses and how companies should only worry about profit will no longer be as effective going forward. The development over the years has truly changed the social contract of businesses for the better by establishing some new and improved ground rules for future success. The new social contract has shifted into careful consideration of the conceptual relationship between economic progress and social progress. The contract also assures that the quality of life issues from now on will matter equally as much as economic progress. There is no longer a need for the immense expansion of economic progress; instead, the focus should be on preserving the quality of life that is presented. The companies will also still profit from this shift of importance being the preservation of quality of life over profitability because of their new role in social function will be converting raw materials into goods and services. The new roles will provide much success and give rise to the upcoming future and with the quality of life being the main focus the future seems promising. Equifax seemed to follow the ideals of Friedman and instead need to follow Ashen's ideals. Equifax was charging their consumers to freeze their credit files which is obviously helpful, but for them to charge anyone for the mistakes they made is unacceptable. Equifax needs to put the care of their consumers first above their care for market profitability.

The Confucianism theory proves what Equifax did was immoral and harmful to their users by continuing to take advantage of the information provided by their consumers. The ideals of Friedman were accepted and beneficial in the past but since the roles of businesses have changed, the ideals no longer are beneficial and do not support the new social contract. Ashen's ideals are putting society first and above making a marketable profit. Society can not be changed

so easily and it will take all involved playing their role to succeed. Equifax should focus on making much better moral choices based on whatever situation is at hand and all other variables involved while also helping other users act accordingly within their current roles. After the breach on Equifax, they should have reflected on the situation by holding some sort of meeting to list all the things they did wrong or the things they did not do at all so that the proper improvements can be made. There should also have been a discussion on the next steps to take to better accommodate their consumers.