Ron Lieber published an article titled “Why the Equifax Breach Stings so Bad”, and in this article Lieber makes the statement on how the Equifax breach harmed not only the individuals who utilize their services, but also those who do not in ways that sparked fear and hopelessness in their situation. Those individuals who utilize banking bureaus and other businesses associated with Equifax felt fear attributed to this breach as their information could potentially have been leaked and be in the hands of those who would abuse said information. There are also individuals who do not use these services, but if they want to do business with a financial service company they are required to report their payment history to agencies just like Equifax. Involuntarily or voluntarily individuals are required to give their information to these agencies and it leads to a feeling of hopelessness when situations such as these occur. This can create a sense of distrust in those banking organizations and in credit reporting companies like Equifax themselves, and leaves individuals wondering if their information is being sold away already without their knowledge, or if the Equifax employee’s knew about the breach ahead of time yet did nothing to warn their customers and affiliates about it. In this Case Analysis, I will argue that Contractarianism shows that the Equifax breach harmed those who rely on credit reports to get approved for loans without offering a way to rectify the situation without extorting their customers even further and that this action was morally incorrect.

In his journal titled “The Social Responsibility of Business”, Friedman gives the argument that businesses do not have a responsibility to any individual besides the shareholders whom they are responsible for making a profit for. This first argument is intriguing, because when an individual pictures a business they typically do not picture the business itself by just simply the employees, but they typically picture the business as a whole. For example, when one thinks of Google they think of the company itself rather than the CEO Sundar Pichai. However, the point that Freidman argues is that this is incorrect and that because a business cannot have responsibility outside of making a profit for the shareholders, it falls onto the executives to conduct the business of the company in accordance with the will of the owner (which Friedman states is to make money typically), while also upholding the basic rules of society. While these employees may be under the obligation to perform the will of the owner or owners, the employees still have outside influences affecting their work practices. Friedman states that such influences like church, family, charity, and country are all considered to be the individual's social responsibilities, rather than the responsibility of the business itself. This idea raises further questions of the ethical and political responsibilities of these businesses and how the impact of their actions, or lack of action, when there is no potential gain for their shareholders due to the perceived risks, potential financial loss, or simply because the actions would not align with the goals set out by the business. From the contractarianism viewpoint, using company funds to address social concerns without the agreement of the stakeholders could be seen as unethical as it is interpreted as taking resources away from the already existing goal of maximizing the profits of the business rather than to address those outside concerns. With the social concern focus, the employee is failing their duty to the stockholders and to the business itself by not primarily focusing on the business and spending their own money on those social concerns in a secondary focus.

Turning back to the case of Equifax with this line of thinking in mind, while the Equifax breach did in fact harm the consumers by not providing them with the necessary information that their personal data had been stolen or breached and this is morally incorrect, by admitting fault to this instance and allocating company funds without acknowledging the shareholders, the employee would be acting against that same responsibility to the shareholders by misusing company resources, leaving a potential for damage to the company's reputation, and ultimately harming the companies future profit margin. As consumers, we would like to believe that the people in charge of handling this breach would have the "social" responsibility to relay this information to us, however that course of action would not be considered the responsibility of the company, it would fall under the responsibility of the government. For this, Contractarianism would state that morality is the unspoken contract between all parties involved and that they are fulfilling their responsibilities already (albeit maybe not fully in the moral view). Equifax is providing a service that maintains and provides customers with their credit reports and the like, which is a benefit and gives customers the ability to purchase a car or take out a loan for a home. However, not everyone who uses credit was affected by this breach, so Equifax offered a service that would allow individuals to view their credit and freeze it if necessary to avoid unauthorized access, but the protection itself came at a subscription fee. This diminished the effects in a general sense and was in line with the Contractarianism view, yet it still sparked outrage that they had to pay extra for a service customers believed they already had access to.

In the second article titled "Changing the Social Contract: A Role for Business" by Melvin Anshen, Anshen argues a somewhat opposite position. Anshen argues that a major issue that confronts executives of corporations is the increasing need to prioritize profits for the company owners, which often comes at the expense of their own responsibilities to society. Anshen also argues that these businesses are also a part of the social system and they have responsibilities that go past simply producing results for their shareholders. These employees are now faced with pressure to maximize their profits while also having to juggle maximizing the public benefits. Furthermore, Anshen also states that this contradiction of values that these employees face is not temporary, but will lead to the redefining of the expectations of duties for the private enterprises. This way of thinking may shock the current business employees and lead to conflicts of interest within their judgement, but it will also lead to the development of the implied social contract that was discussed in the previous article. Laws and regulations mirror what society believes to be a sense of right and wrong, and by that extension businesses should not be simply held to legality but should also be held to the same moral understandings of those right and wrongs.

In the case of the Equifax breach, the implied correct course of action would be to go and report to all of the individuals (via the companies) who could be affected that there had been a breach, due to it being considered to be the morally correct course of action and it would fit within this implied social contract. All of the individuals involved could also agree with this, because of the benefit it would provide for the collective group in the form of awareness. However, because Equifax did not do so in an adequate way, it led to outrage and a sense of hopelessness for these individuals which could also be agreed is not morally correct. As mentioned in the previous article, the responsibilities of the employee is to maximize the return of investments of the owner. Yet with this new spin on the implied social contract, the conflict comes up in maximizing profits while also maximizing public benefit. The way in which they maximize public benefit would be to safeguard the data in a way where a breach would not have a significant impact like how it did. To rectify this error, Equifax released a way to freeze their credit and falls in line with this idea of a social contract, although it was still met with anger as it required further payments to use. This outrage was most likely unexpected by the employees and came as a shock, as they were trying to balance both the aforementioned benefits. It eventually led to the paid program to be a free to use system, but in return it unbalanced the profit benefit in regards to this public benefit. So while the release of the paid program may not be seen as inherently morally wrong, because of the outrage associated with the release, customers and those who are not customers affected could all agree that it was morally wrong and thus it was changed for the better. In the Contractarianism viewpoint, this is the correct way to rectify the situation, although it did have its hiccups to get to this point and was morally incorrect to begin with.

In conclusion, both articles and the case discussed the role of businesses and the role of their employees in a way that falls in line with implied social responsibility as well as with the benefit of the company in mind. While in the case study Equifax was morally incorrect with the way they went about not providing information in regards to the breach of information that would affect customers, they were originally not required to do so in terms of their business model. However, with the changes in how the implementation of the social contract affects businesses themself, the expectation to balance both profits for the company as well as the public benefit created a morally correct way to rectify the situation while also considering the business. They then became responsible for informing their customers and those who were not customers and offering a way to rectify the situation, which the company did (albeit not without growing pains) in the form of a way to freeze credit so as to not be negatively affected by the breach.