**Introduction**

In 2017, Ron Lieber of The New York Times wrote "Why the Equifax Breach Stings So Bad." The breach stings because it impacted many people, mostly not Equifax customers. Banks or businesses run background checks on individuals using credit bureaus like Equifax. Consumers (members of society) give the business consent, and third-party companies like Equifax run their confidential information. There was an agreement (contractarianism) between Equifax and the business and another agreement between the company that sent the background check and the individual who provided the information. Businesses agree to send confidential information to reliable sources. The individual agrees to provide confidential information in exchange for a positive result. Unfortunately, in 2017, the third party, Equifax, became a victim of a security breach.  The Equifax breach harmed society and was morally bad because they failed to meet the end of their bargain. As the third party, Equifax has a moral obligation to maintain an agreement between Equifax and the business that sends them the data. In this Case Analysis, I will argue that Thomas Hobbes' Contractarianism shows us that the Equifax breach harmed society by failing to secure the confidential information of the affected individuals, and this is morally bad because Equifax did not comply with its mission to protect people's confidential information.

**Milton Friedman – The Social Responsibility of Business**

                Friedman seems to have a contradicting idea of whether the breach was morally bad or not. According to Lieber of The New York Times, people affected by the breach wished for Chief Executive Officer Richard Smith to be "pushed out of the door. "Friedman said in The Social Responsibility of Business that executives have social responsibilities, which are "he is to act in some way that is not in the interest of his employers." The lecture also pointed out that corporations' responsibilities differ from individuals' responsibilities. The Equifax CEO had a responsibility as an individual to address the issue. CEO Smith should have stepped down or used his position to fix the situation, like reimbursing the affected individuals for the charges of freezing their credit files. The impacted individuals may not be Equifax's customers, but Equifax must fulfill their social responsibility to recover from the breach. They make money by dictating people's credit scores while agreeing to protect the confidentiality of the individual's information. Failing to protect the confidentiality of people's information broke their agreement (contract) with society.

Friedman also said that people in business should not care about anything but maximizing profit, which I disagree. The individuals affected felt helpless and frustrated because they "are at the mercy of an industry that makes money off our data, treats us with disdain." It shows that Equifax did not practice its social responsibility and only cared about making money.  They could have invested more money in better cybersecurity. Most of the individuals affected by the breach were not customers of Equifax, but those individuals were members of the society. Equifax was morally obligated to secure people's confidential information permanently. The moral agreement between Equifax and the affected individuals may not have been direct, but Equifax should have been proactive when securing people's information as a business. They deal with people's information that identifies them, like social security. Having layers of network security could have prevented the breach. If what Friedman said about business should be focusing only on maximizing profit, Equifax was not complying with their agreement with society, which does not conform with the contractarianism ethical theory.

                It appeared that Equifax practiced "window dressing." Window dressing is an instance of making something appear deceptively attractive or favorable. Friedman also said, "There is one and only one responsibility of a business…engages in open and free competition without deception." Equifax "take bland numbers, run them through mysterious algorithms, and then spit out report cards and scores." This scoring misleads people into thinking credit scores from bureaus like Equifax are the sole measure of their creditworthiness. It is also deceiving because these numbers define people. A high credit score means a good spender. A low credit score means one cannot get approval for a mortgage or vehicle.

                Friedman thought businesses should focus on making profits while attending to their social responsibility without deception. It does not align with what happened with Equifax. Equifax failed to comply with their social responsibility, which is their agreement with society. Based on contractarianism, the harm caused by the Equifax breach is morally deficient.

**Melvin Anshen – Changing the Social Contract: A Role for Business**

                Melvin Anshen has a slightly different take on the Equifax breach. Anshen said that business is an organ of society as if society could not exist without business.  Business is there to serve society. Businesses make a profit because they serve society. It is the social contract. Businesses agree to provide services and products in agreement that consumers (the society) will pay for the services and products. The role of business and society can be explained in the economic terms of producers and consumers (supply and demand). Both producers and consumers have that unspoken law or natural law that they agree with something, which is what contractarianism is all about. Equifax broke that agreement when they failed to secure the affected individual's personal information. Equifax was supposed to have the security to keep potential attacks away from people's confidential information.

                Anshen mentioned the New Deal. The New Deal dates back to Franklin D. Roosevelt's presidency during the economic depression. It was a program established to assist people affected by the economic depression. In the case of Equifax, the victims were affected mentally. Some of them started to lose hope of recovering their private information. The Equifax breach could have benefitted from the 3Rs of the New Deal, which are relief, recovery, and reform. Equifax is a private entity. The government interference was not necessary. They profit by servicing different business entities like banks, car dealers, retailers, and many others. Anshen also said the business's sole responsibility was to provide relatively stable economic growth. Equifax did not have answers to the incident because they failed to have something like the New Deal to have stable economic growth.

                Anshen also mentioned Adam Smith's Invisible Hand. The theory of the Invisible Hand is a perfect way to explain contractarianism with Equifax. Equifax is a company that has contributed to social benefits and a healthy economy. Equifax provides services to banks, retailers, and other institutions with credit scores for their customers. The credit score helps those institutions determine which customers they can profit from. Invisible Hand works like this: Equifax needs businesses to send customers' data. Those businesses need credit bureaus like Equifax to run the data for decision-making. There is interdependency. Within the invisible hand exists the contractarianism between Equifax and the businesses. The social contract between Equifax and businesses is crucial because Anshen says, "Without such a contract, not less real or powerful for being implicit, a society would lack cohesiveness, order, and continuity." It is basically what a successful economic cycle is.

                Anshen also said, "Focus on adopting our current social contract to suit our needs better." I like this because his article was published in the 1970s before Equifax and credit checks became part of people's financial backgrounds. The current economy completely differs from when Anshen wrote Changing the Social Contract: A Role for Business. Equifax is a modern type of business that requires modern network security. Equifax's economic role is more important now than it would have been back then.  Equifax is expected to be a highly secure entity that can be adopted in a current social contract. However, they failed when the breach happened. Equifax breached its contract to adapt to the current social status.

**Conclusion**

Thomas Hobbes' Contractarianism theory is the most fitting theory to explain the relationships within social science, specifically economy(business) and sociology (society). Both Friedman and Anshen made some good points. The concepts from each reading helped me understand the connection between contractarianism theory and Equifax more. Anshen has a better idea of the relationship between business and society. I may be wrong. Some people might think it is Friedman. Anshen's article, which brings up Hobbes's Contractarianism, is a great way to explain how the role of business and society works.  I also think that some people may argue that there is nothing morally wrong with the Equifax breach because they are the victims themselves.  Companies who fall victim to security breaches usually have to do with people's vital information. Other credit bureaus have not been a victim of a security breach. It may be because they have a better cybersecurity system.