

In 2017, the credit reporting agency Equifax had an impactful data breach. In the subsequent months, reporters reached out to those impacted. A common thread among the responses was fear, disdain for Equifax, and a sense of hopelessness. Equifax contributed to this by not individually reaching out to those affected. When those impacted sought to "freeze" their credit score to ensure it would not be affected by the breach, they were notified they would be charged so long as their score was frozen. They eventually relented and put a temporary stop to the charges, but the damage was already done, made worse by numerous other blunders. After the breach, many questions remained to be answered about who was harmed and the moral and ethical implications of the harm. In this case analysis, I will argue that Confucianism shows us that the Equifax breach harmed customers by causing real-world harm through not responding in a moral manner, and this ultimately eroded trust across society, and that this was morally bad.

Milton Friedman was an important Nobel Prize-winning economist who had extremely influential thoughts on corporations, capitalism, and corporate responsibility. Regardless of the moral claims or the actual truth value of his thoughts, his works can shed light on how many in the corporate world think and, in some ways, how the corporate world operates. One important concept Friedman discusses is the nature of social responsibility and whether it should be a valid concern for businesses. Friedman essentially dismisses the idea that it should play any role in the dealings of business, and that doing so is not part of the role of the corporate executive. Friedman essentially states that individuals of their own volition could pursue social responsibilities and communal goals, but executives, representing a business, will always sacrifice profits for the sake of social responsibility. Since Friedman believes the only goal of business is profit, he sees this as a betrayal of the role of a corporate executive. The way I see it, two primary lines of reasoning could be used to disagree with Friedman's position, and using a Confucian framework can help us explain these concisely and draw ethical conclusions. One possible objection could be a disagreement that the role of the corporate executive excludes social responsibility and thus has more responsibilities than simply pursuing the greatest of all profits. Confucianism would likely show us that to be moral in this case, society at large needs to ensure that corporate executives stick to this role set to create a more harmonious society. Creating laws, regulations, ethics and oversight boards, and implementing punishments for those who only fulfill the profit-motivated part of the role could be a way to do this. Part of the role of consumers is that they, of course, work and consume. When they are mistreated, though, like with the Equifax breach, we could explain how it is unethical through this framework. Consumers will no longer want to (or even be able to) fulfill their role, as it relies on corporate executives fulfilling theirs. As stated previously, a possible solution would be to hold business leaders and executives accountable for fulfilling that role using a method such as those mentioned previously. Anshen, a rival thinker to Friedman, likely subscribes to this overall objection to Friedman's notions. Analyzing Anshen's work could help us illuminate what the other possible major objection could be and reach a stronger conclusion on how to behave ethically. Regardless of which of the two major rebuttals is chosen, Friedman has other claims that are at odds with Confucian ethics. Friedman claims that the political principle that underlies markets is unanimity. Friedman claims that there is no such thing as society or values other than the ones individuals happen to share. This claim is so at odds with Confucianism and likely most ethical systems (perhaps even reality itself) that the obvious contradictions need little explanation. Friedman further claims, though, that the political principle behind what Friedman

calls the "political mechanism" is conformity. Friedman attempts to characterize the "market mechanism" as a separate but equally viable contrast to the "political mechanism". According to Friedman, in the political mechanism, each individual serves some type of general social interest determined by whomever has the ability to determine such a thing (examples given include a dictator, the church, or the majority). An individual may wish for things contrary to social interest, but if he is overruled, he must conform. Friedman states that while the political mechanism is true to some extent, it is ultimately labeled a "fundamentally subversive doctrine" that Friedman himself views as unethical. According to Confucianism, however, this idea of a political mechanism is simply how the world will work regardless of an individual's ethical objections to it. Society will have roles to play within it. An individual's role can and will change over time, but when you have a role to play, it's most ethical for us all if you play it to the best of your ability. Friedman views this as conformity, but to label it as such is a simplistic mischaracterization. As alluded to previously, even if one is in a less privileged or "subservient" role (such as a child to a parent or a worker to a boss), they still have a responsibility to ensure that those whose roles interact with their own are following their role correctly. Friedman seems to opine for a society where actors are free to ignore their role within it and experience no pushback when other actors remind them of their position. Relating this to Equifax, when they decide of their own volition that they have no responsibility to wider society and, as an individual agent, can decide to pursue profit at the expense of the wellbeing of its consumers, Friedman's framework would seem to fully support the practice. If the consumers, or some other agent of society, individually decided to pursue societal good at the expense of Equifax's profits, though, Friedman would suddenly have intense ethical concerns and objections. Overall, it's an ethical framework that seems to lack the explanatory power and applicability that Confucianism seems to contain.

In Anshen's work, he seems to introduce a number of concepts that stand in contrast to a number of Friedman's claims. Likely the most important is Anshen's postulation that business exists as an organ of society. Anshen highlights the validity of this by pointing out that society can exist without business, but business cannot exist without society. This brings forth the idea that business exists to serve society, not the other way around. This concept highlights the folly of a number of Friedman's claims and theories. Friedman, for instance, claims that businesses have no role in society other than profit. Friedman posits that any societal good could be better achieved by individuals using their own resources than by businesses. This doesn't seem to hold water, though, as if we follow this line of thinking, then we are left wondering what the purpose of profits is to begin with. If business is an organ of society and business's only goal is profit, then what is this profit for? Since it cannot be for societal good, according to Friedman, it seems to suggest profit can only be for profit's sake. This leaves us with either rejecting the idea that business can only be used for profit or embracing business as an organ of society that plays no role in societal good. With these ideas in mind, we can finally begin to explore the two broad objections to Friedman and how Confucianism relates to them. As stated earlier, and as has been shown, Friedman seems to believe that the only responsibility of corporate executives is the pursuit of profit. Anshen seems to disagree, instead positing that corporate executives have a social responsibility in addition to a profit-making responsibility. The other major objection to Friedman, however, is the acceptance that corporate executives only have a responsibility to profit. However, it is a rejection of the idea that this is ethical or what society

should ethically pursue. While Anshen's position seems to be a more ethical one than Friedman's, it still seems to lack much relevance and applicability to our modern society. Equifax, for instance, could have a number of measures placed on it to enforce its position in fulfilling its role of social responsibility that it seems to not be fulfilling. This would be ethical, according to Confucianism. However, I think many would intuitively understand how this reformist mindset would ultimately fall short of delivering the intended harmonious results. Loopholes are found, oversight boards are either de-fanged or ceremonial, and regulations are often either not effective enough or repealed if they are effective. I think this is because, at the end of the day, corporate executives and corporations really do only have the responsibility within their role to make a profit. I believe this is why Anshen's calls for reform and "modifying" the social contract fall flat. To truly create a harmonious society where everyone can follow their role, it would require a fundamental change for executives or a replacement for their role. Consumers cannot follow their role in earnest, as the current role of business stands in opposition to consumers simply following their role. Therefore, it's the job of the consumers to change the role business plays in society in such a way that it is possible that societal responsibility becomes attainable for both consumers and businesses to follow within their roles together.

In conclusion, the Equifax breach harmed consumers, and it was wholly unethical according to Confucianism. This unethical response was not simply due to corporate executives not fulfilling their role as executives, but to corporate executives not fulfilling the responsibility business has in society. The corporate executives acted in a way that fulfilled the role expected of them as corporate executives: to pursue profit. This response, though, thoroughly harmed consumers, as the role business plays in society was not properly fulfilled and societal responsibility was ignored. This illuminates the reality that, currently, the role of corporate executives stands in opposition to the role of consumers within society. With consumers unable to play their role, it would be an ethical action for them to change the roles corporate executives play, or eliminate the role altogether, and change society in a way where consumers can play their role effectively, in a way that does not stand in opposition with business, and business does not stand in opposition with consumers.