

Student Essay on Social Responsibility of Corporations

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Essay

Friedman makes two main claims when talking about the social responsibilities of businesses: Corporations are not the kind of thing that can have social responsibilities and the primary responsibility of a corporate executive is to the owners of the corporation. Friedman backs up these claims with a few ideas that can either convince or discourage you to follow along with these same ideas.

Though many people might automatically assume that corporations have a certain kind of responsibility, whether it be to their stockholders, customers, employees or any other contribution to the company, Friedman thinks that this is wrong. He believes that to think this way about a corporation is to make a kind of categorical mistake. Friedman states that "only people have responsibilities" and that "a corporation is an artificial person"; therefore, a corporation has only artificial responsibilities. To try and say that a business, whether it be a corporation or a small proprietorship, has a social responsibility to its people is somewhat confusing. Yes, within the business, there are certain people who have social responsibilities and that would be the executives for the corporations and the proprietors of the small businesses, but to say that a business is an entity is wrong according to Friedman.

This reminds me of the story Professor Dockstader has told about the girl who has already finished a tour of the University, meeting the staff, visiting the various administrative offices, library and cafeteria, but yet at the end of the tour she still asked to see the University. In this case, the girl thought that the University was an actual person, when in reality, it is all the persons and offices that make up what we call the University. This is sort of what Friedman means when he is talking about corporations. In order to give responsibilities to someone, there has to be a someone, an actual person. The corporation or business is not a actual person.