Intro

In 2017, Equifax experienced a data breach that exposed sensitive personal information of approximately 147 million people, including Social Security numbers, addresses, and financial details. After reading Ron Leiber's case analysis on the Equifax data breach, what makes this incident different from other scandals in which companies committed big offenses is that there was a sense of powerlessness it created among the public. The breach revealed how individuals are vulnerable to an industry that profits from their personal data, often treating them with disregard while remaining largely accountable. With no ability to opt out of this system regardless of being a customer or not, individuals found themselves at mercy by not even being able to reach some type of settlement due to faulty database information and the idea of Equifax potentially having an incentive to be casual about security in exchange for protection money. Nobody should be taken advantage of like this at the hands of one company's failure to secure. In this Case Analysis I will argue that Kantian Deontology shows us that the Equifax breach harmed millions of people by failing to treat their personal data with the dignity it deserves and that this was morally wrong.

Friedman Section

Milton Friedman's concept of social responsibility goes into a couple of things when it comes to whether good will is in the hands of the individual or business. In this concept, Friedman discusses that businesses as entities don't have social responsibilities, however the individuals do. He emphasizes that the primary duty of a business is to maximize shareholder profit while operating within legal constraints. Corporate executives are responsible for acting in the best financial interests of the company's owners and any efforts to take on broader social responsibilities would be a misuse of corporate resources unless they directly contribute to profitability. Friedman makes a point with these in helping us understand that these individuals have a role in place to maximize financial gain but from the viewpoint of Kant Deontology, I believe that approach fails to consider the duty businesses have towards individuals and that's providing a service.

Applying this concept to the Equifax data breach, one could argue that the company's negligence in securing sensitive consumer data may have stemmed from a focus on money over moral responsibility. Equifax profits from collecting and storing consumer data, even for individuals who aren't direct customers, yet failed to invest adequately in cybersecurity measures that could have prevented the breach. Under Friedman's perspective, Equifax's leadership may have prioritized cost saving measures and generating revenue over safe security measures, which could have been viewed as an unnecessary expense rather than their essential duty. This raises the question; does operating within the legal and financial boundaries pardon a company of moral responsibility when its actions harm millions of individuals?

From a Kant perspective, Equifax's actions were morally wrong regardless of their financial motivations. You can compare it to the "freerider problem" showing the Kantian categorical imperative. If Equifax failed to only secure one individual's personal data, that's only one person out of the millions who is getting impacted. So how much would it really matter if only that one person could distrust Equifax? Now factor in those millions of individuals whose data becomes unsecured. The harm would grow dramatically and trust in the system would go away entirely. Let's take it even further, imagine if every company were to neglect proper cybersecurity measures in favor of profit, it would lead to a world where data breaches become common, ultimately bringing down the trustworthiness in the financial system. Since such tactics could lead to a world like that, Equifax's failure to protect consumer data and have almost no response in alteration violates the morals depicted in Kantian Deontology.

The morally right thing would have been for Equifax to implement stronger and more robust cybersecurity practices before the breach occurred. Even if doing so would have reduced short-term profits, it was their duty to respect the individuals whose data they held. After the breach, Equifax should have taken full accountability, provided clear and effective remedies for those affected, and ensured that their security systems were refined to prevent future data breach incidents. From a Kantian perspective this would have aligned with the principle of treating individuals as ends in themselves rather than as mere data points in a profit driven system.

Anshen Section

Melvin Anshen brings up quite a few things when discussing the "social contract" and its role within the business world. He argues that without an implicit social contract, society would lack cohesiveness, order, and continuity. Over time, philosophers like Thomas Hobbes, John Locke, and Jean Jacques Rousseau have developed their views on social contracts. Each added depth to the concept, but Rousseau of the three, seemed to develop the most adequate perspective by defining the norms of human behavior and the terms of exchanges and trade-offs among individuals and organizations, both public and private. According to Rousseau, these norms and terms ensure that interactions are conducted in a way that is fair and beneficial to the overall well-being of society. In the business context, Anshen applies these principles to the idea that corporations have complete responsibility to act in ways that benefit society, beyond just pursuing profit. For example, corporations whose economic activities are judged to create safety hazards must adhere to certain levels of acceptable risk and meet mandatory manufacturing and performance specifications to ensure public safety and welfare. This responsibility extends to how businesses conduct themselves, treat employees, protect customers, and interact with the environment all within the framework of this social contract.

When analyzing the Equifax data breach through reading Anshen's concept of the social contract, it is clear that the company violated the implicit agreement between itself and the public. As an organization that collects, stores, and profits from sensitive consumer data, Equifax has an inherent duty to ensure the safety of that information. This fits with Rousseau's idea that the terms of exchanges and trade-offs should benefit the collective well-being of society. From a Kantian perspective, the company's failure to do the right and protect individual data violated the moral theory applied in Deontology. By neglecting to secure sensitive information, Equifax disregarded the norms and expectations that protect consumers from financial harm, ultimately placing individuals at risk without their consent. This negligence and failure to respond aligns with the idea that businesses must operate within a framework that ensures the safety and well-being of communities they serve.

From a Kantian Deontological perspective, the breach would still be morally wrong. Equifax treated individuals strictly as a means to an end profit rather than respecting their dignity and autonomy. This failure to implement proper security measures on sensitive data was not only a failure of business morals but also an infraction on the rights of the individuals. This lack of accountability towards the breach shows that they had a disregard for the moral duties a company owes to society. If every company were to adopt a similar stance of neglecting societal obligations in favor or making more money, it would cut ties with the social contract and harm the public trust that sustains those economic interactions.

Anshen lays the groundwork for what should be a more Kantian way of thinking when running a business. From this viewpoint, organizations should focus on creating trust and ethical responsibility, acting in ways that preserve the livelihood of individuals.

In Conclusion

In conclusion, Equifax's data breach harmed millions of individuals extending beyond customers. They were morally wrong because while they figured somewhere along the lines a profit can be made, they couldn't ignore the fact they were putting people's lives at risk and setting a bad example for the next generation of workers or businesses that have to handle PII or other financial information. I can understand financial gain being a driving force and when exposed the way Equifax was to want to cover their tracks. However, there comes a point where you have to admit to being morally wrong and realizing every individual has a right to knowing their identity is protected. Friedman's concepts don't provide Kantian Deontology compared to Anshen's. It's a reflection of how, from a Kantian perspective, businesses should prioritize good intentions towards individuals and their consumers all over the world. Money is great, but what good does that dollar do for you if you know you put someone's identity at risk?