

Reading Guide #1 - Friedman

This reading guide is provided to assist you in your reading. I encourage you to read the material through, first, then go back to answer the questions. You are not expected to submit written answers. You are expected to have responses ready for class discussion. Only the boldfaced questions will appear on exams.

Milton Friedman, "The Social Responsibility of Business is to Increase its Profits."

- 1. What kinds of concerns should business people not consider?**
2. Who has responsibilities? What does this mean for corporations?
- 3. To whom is a corporate executive responsible?**
- 4. What are the goals, generally, of almost every corporation?**
5. May corporate executives have social responsibilities? How do these relate to their corporations?
- 6. How exercising corporate social responsibility like levying a tax on stockholders, customers, and employees?**
- 7. Why is the exercise of corporate social responsibility wrong in principle?**
8. How does the doctrine of social responsibility involve accepting socialism?
- 9. Why is it inappropriate to ask corporate executives to work to reduce inflation?**
10. When do trade unions object to market interference?
- 11. How is the exercise of social responsibility, "Seeking to attain by undemocratic procedures what they cannot attain by democratic procedures."**
12. May stockholders promote social responsibility? Explain.
13. May individual store owners exercise social responsibility?
- 14. How can goodwill toward a community, or other apparently socially responsible behavior, be justified by a corporation?**
15. How does the promotion of social responsibility work to destroy the market system?
16. Distinguish the principles which underlie the free market from those which underlie politics. Can we dispense with political mechanisms?