

Article rebuttal

[Business](#)



The article that was selected for rebuttal is called Rethinking the Social Responsibility of Business (Reason, 2005). The article provides a conversation among different businesspeople in regards to social responsibility. The basis for argument of the article is to discredit Milton Friedman's views of the importance of social responsibility. John Mackey, CEO of Whole Foods, stated that social responsibility undersells the humanitarian dimension of capitalism. He also does not believe that long term shareholder value is not maximized by donating time and money to charity. The views of Mr. Mackey are one dimensional and lack a sense of ethics. His argument is weak since he does not provide any empirical evidence that philanthropy is bad for business.

My perspective regarding this issue is the complete opposite of Mr. Mackey. As a customer anytime I see a company donating money to a good cause such as world hunger I get excited about the initiative. The good deed stays in my mind and when I go shopping if I see any products produced by that company I am inclined towards supporting the firm. The use of social responsibility adds value to the brand of a corporation. John Mackey seems to believe that the only purpose of going into business is making money. He fails to realize that each corporation has a different reason for existence. The man that was once the richest person in the world, Bill Gates, has donated billions of dollars generated by Microsoft towards social causes. The company is still the market leader in the software industry. Shareholders do not mind when a company that is profitable shares some of the wealth with the less fortunate members of our society.

John Mackey went as far as saying that donating money towards social causes is stealing money from the investors. This view is completely biased

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and does not represent the views of the majority of businesspeople in the United States and abroad. I think that by making these absurd statements Mr. Mackey is the one that is decreasing the shareholder value of the company. As a customer I would not support any company with a management team that has such a greedy perspective in life. There are many problems our global society is facing. The majority of the world's wealth is not in the hands of the 210 governments of the world. The private corporations have hundreds of trillions of dollars in wealth. Our society depends on the generosity and good intentions of the corporate world. In the United States corporations can deduct up to 5% of net income if they donate the money. I think all major corporations should use this tax shelter since it provides a tax benefit, while at the same time improving the corporate social responsibility of the firm. Companies that do not comply with social responsibility standards can pay the price for unethical acts. In the late 1990's Nike Corporation lost half its customers due to the revelation of a sweatshop scandal. It has taken Nike over a decade to recover the trust and goodwill it lost over a decade ago due to a lack of ethics and social responsibility.

References

Reason. com (2005). Rethinking the Social Responsibility of Business. Retrieved October 23, 2011 from <http://reason.com/archives/2005/10/01/rethinking-the-social-responsi>