

The social
responsibility of
business is to
increase its profits

[Finance](#)



However, viewing the whole argument of Friedman in a bigger context, the article can easily be categorized as an effort to blur the subtle differences between the perceptions held by many that the actions of corporate social responsibility may hamper the value for shareholders. However, relying on the idea of a free market and Adam Smith's views about a free market, the role of business in terms of social responsibility has been to increase its profits by remaining within the legal boundaries of doing business in society. (Friedman, 1970)

Opposing Views

Robert B Reich is considered as one of the strongest distracters of Milton Friedman's views on corporate social responsibility. His views are more of considering corporate social responsibility as a major hindrance to the free trade and free markets because the major social objectives such as longevity, infant mortality, etc have been achieved under free-market enterprises. The distracters of Friedman, therefore, advocate the neoliberalism as an alternative. (Reich, 2008).

Another self proclaimed critic of Friedman is John Mackey who is of the view that Friedman's view is only limited to viewing CSR only as an action limited to abiding laws by the organizations therefore businesses shall not only concentrate on its shareholders but also strive to strike a balance between all the stakeholders of the firm and the CSR actions prove beneficial for investors in long term. (Goliath. com, 2005).

Conclusion

Milton Friedman's view was based on a theory of the economics of his time however as the management and economic theories made a transition to a

post-industrial economy, the role of businesses is not just limited to service just one aspect of doing business i. e. providing benefits to shareholders only. The ethical consumer of today gives a lot of preference to organizations that are part of the society at large and take actions that are potentially in benefit of all the stakeholders rather than just one class of stakeholders, therefore, Friedman's argument may not be ethically correct in the current business environment.