

Original Research Article

The Issue of Corporate Social Responsibility in the Light of Milton Friedman's Views and Their Further Development

Dr. Hab. Grażyna Musiał^{1*}, Mgr Mirosław Lubszczyk²¹Professor, University of Economics in Katowice, 40-018 1 Maja 50 Katowice, Poland²Graduate of Doctoral Studies, University of Economics in Katowice, Poland**Article History**

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Abstract: In this article, the authors make the concept and purpose of business the starting point of their reflections. Business as an economic category refers to economic activities that maximise value for the owner in the long term through the sale of goods and/or services. Milton Friedman's position, winner of the 1976 Nobel Prize in Economics, proclaiming the social responsibility of business and labour in the sphere of the distribution of business effects, is highlighted. The paper then places the purpose of economic action in a broader context to determine how economic action affects other moral values, and how the bearing of responsibility determines the ethicality of actions in a company. Three examples of violations of ethical norms were analysed. These were the violation of gas emission standards by Volkswagen, the protection of personal data by Facebook and Cambridge Analytica and some other cases. In addition, it is presented how US business ethicists are looking for renaissance ways to deliver and evaluate education in the subject of business ethics in order to make the lecture attractive, realistic and truly reflective of global business in the 21st century. The study concludes.

Keywords: Corporate social responsibility, ethics, profit, business ethics, Milton Friedman.

JEL: A12, B00, B40.

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INTRODUCTION

It would certainly be difficult to come up with some undisputed ranking list of definitions and interpretations of the concept of corporate social responsibility and to recognise which of the newly introduced definitions and interpretations are the most important, which will remain an enduring body of learning and which will be forgotten. Corporate socially responsible behaviour has been the subject of research since the mid-20th century. Large corporations, by virtue of their possession of economic power, can and should play an important role in regulating the democratic relations and ethical market transactions taking place with their participation on a global scale.

Purpose

This paper aims to present the specifics of corporate social responsibility in a globalising environment, adopting the viewpoint of economics. This point of view is different from others, as it emphasises problems that are not raised by other scientific disciplines. Moreover, the reason that encourages dealing with the concepts of Corporate

Social Responsibility is that attractive ideas that require constant rethinking, driven by the question of whether something new can be said, may show that their attractiveness derives rather from a superficial grasp of the problems discussed. Finally, the fact that corporate social responsibility has become a part of academic didactics makes it worthwhile to present these issues against the background of recent scientific literature.

METHOD

The study separates externally available observable facts from hidden unobservable values, meanings and senses. The applied exploratory model relates the most salient features of the studied concept of corporate social responsibility in the face of influences, interdependencies and constraints from the economic, social, as well as captive external influences, i.e. political and military, on the functioning of business. A comparison of source texts is also used. It is not excluded that there is a shift in the meanings contained therein.

*Corresponding Author: Dr. Hab. Grażyna Musiał

Professor, University of Economics in Katowice, 40-018 1 Maja 50 Katowice, Poland

LITERATURE REVIEW

1. Problem formulation

Business ethics is a field that aims to build the self-awareness of managers in managing the economy. In economics, the model view of social reproduction depicts its four phases, namely production, distribution, exchange and consumption. The most difficult problems occur against the backdrop of distributive relations both in the science of economics itself and in economic policy. The providers of labour have a right to a labour wage within the conditions under which they are employed for what they do. The providers of capital have the exclusive right to the products of labour and to the profits from their sale. Ownership and ultimate control accrue to capital, not labour. Under current conditions, the goals and behaviour of business are increasingly unclear. Ethics is concerned with what determines human well-being and what course of action is necessary to ensure it. The concentration of ownership entails multiple dependencies of managers on the holders of large share capital.

A retrospective look at the development of the science of economics makes it possible to see how Adam Smith, the founding father of classical political economy, observing the process of institutional change, the relationship between the division of labour, the market, trade (e.g. wheat prices over a period of more than half a century, from 1202 to 1756), emphasised the diversity of motives for human action, the orientation towards the pursuit of self-interest co-occurring with different, equally important interests. Smith distinguished between two schemes, or, as he also called them, systems of morality. He wrote about this in a book entitled *Investigations into the Nature and Causes of the Wealth of Nations* as follows: "In every civilised society, in every society where a division of states has once been established, there have always existed side by side at the same time two distinct schemes or systems of morality; one of which may be described as rigid and strict, the other liberal or, if you like, loose. The former tends to command the admiration and respect of simple people, while the latter is more often recognised and adopted by so-called worldly people. (...) In the loose or liberal system, glamour, frenzied and even promiscuous merriment, the pursuit of pleasures. (...) The adherents of the strict system, on the other hand, view these excesses with extreme disgust and offence" (Smith, A., 1776/2007, p. 462).

The ethics of business people of Adam Smith's time is still a subject of interest. The problem is presented, for example, by Grażyna Musiał (Musiał, G., 2000, p. 7-30.) and Noam Chomsky (Chomski, N., 2000, Chomsky, N., 1999, pp. 437.) and they do so against the background of the facts of the era in which Adam Smith lived and worked. At the stage of globalisation, a catalogue of universal values such as tolerance, freedom, security, justice, fairness,

impartiality, beauty, truth are placed under the umbrella of global ethics, as Józef Pajestka did (Pajestka, J., 1990, Pajestka, J., 1980, Pajestka, J., 1981, no 2, p. 257-271). Ethicists raising this issue include such names as Wojciech W. Gasparski, John Rawls, Amartya Kumar Sen.

1.1. Corporate responsibility as seen by Milton Friedman. An analysis of the view

"Corporate social responsibility" or "Corporate social responsibility is about increasing profits" - that is the question. The question is formulated in connection with the two forms of the title of Friedman's article, which appeared in the public space written in two different versions, as shown in the question. Milton Friedman's paper entitled: *Corporate Social Responsibility* was on the agenda of the 18th meeting of the International Mont Pèlerin Society, held in Munich, Germany, from 31 August to 5 September 1970. Friedman chaired this meeting because it fell to him to perform the honour of serving as president of the association during the 1970-1972 term. Moreover, at that time the association was celebrating its 25th anniversary. A complete bibliography of publications of Friedman's work is contained in his work entitled: *Politics and Tyranny* on pages 70 to 93. The publications are listed in chronological order. Page 87 lists: *Social Responsibility of Business*. "New York Times Magazine", 13 September 1970 (Friedman, M., 1993, p. 70-98).

A few days after the Mont Pèlerin Society meeting, "The New York Times Magazine" published Friedman's text on 23 September 1970 under a slightly different, longer title. In addition, it contained the phrase: *Is to Increase Its Profits*, in other words, the title "The New York Times Magazine" gave was *The Social Responsibility of Business is to Increase Its Profits* (Friedman, M., 1970.). If one takes Friedman's complete bibliography in the book he authored and the programme of the Mont Pèlerin Association, which Friedman chaired at the time and delivered the text, and compares it with what "The New York Times Magazine" published, something is amiss. The problem is that this version, which includes the term "profit" in the title, i.e. from "The New York Times Magazine", is the name of the article referred to by authors in textbooks, monographs, articles, but not Friedman himself.

The final sentence of Friedman's text in "The New York Times Magazine" is a quote from his book *Capitalism and Freedom* written in 1962 (Friedman, M., 1962/2018, p. 381.). The text is taken from chapter eight "Monopoly and the social responsibility of business and labour" (p. 229-260), paragraph (last) "Corporate and labour social responsibility" (p. 254-260), and reads as follows: "In a free market economy, the social responsibility of the entrepreneur comes down to one thing and one thing only, namely the

obligation to use the available resources to carry out activities designed to generate profit. The entrepreneur fulfils his social responsibility as long as he acts in accordance with the rules in force, i.e. he participates in free and free competition without resorting to any unauthorised tricks or deception" (Friedman, M., 1962/2018, p. 255.). The author goes on to refer in the book (but this was no longer in the widely read article) that "(...) in recent times this aspect of the doctrine of social responsibility, which involves imposing an obligation on business and labour to keep prices and wages down in order to avoid the rise of inflation" (Friedman, M., 1962/2018, p. 257).

From the above passage, it can be seen that Friedman clearly and consistently presented the functioning of the economy as the actions of two components: entrepreneurs and workers. Friedman believed that it was inappropriate for the state (the government) to dare to target entrepreneurs and workers for not contributing to the creation and development of an inflationary situation, for manifesting the need to keep prices and wages down.

The empirical fact to which Friedman referred in his book *Capitalism and Freedom* by way of example was his description of the steel price increase by the U. S. Steel corporation. S. Steel in April 1962 (Friedman, M., 1962/2018, p. 256.). The centres of power in Washington at the time were expected to respond to this increase, with US President John Fitzgerald Kennedy's statement to a wider audience being the causal factor. There was a reaction to the steel price hike by President Kennedy, who "(...) expressed his displeasure" (Friedman, M., 1962/2018, p. 256.). It was "(...) a violent reaction from the various centres of power concentrated in Washington. We could all see that a significant percentage of the power necessary to create a police state had already been accumulated in the hands of the administration" (Friedman, M., 1962/2018, p. 257). As reported in the press at the time, the steel price problem affected not only the U. S. Steel, but also other steel industry corporations, a total of eight major corporations in the US. They were: Kaiser Steel, Bethlehem Steel, Republic Steel, Pittsburgh Steel, Jones & Laughlin, National Steel, Youngstown Sheet & Tube. Friedman had in mind President Kennedy's public speech at the first press conference on the issue, held on 12 April 1962 (<http://www.crossingwallstreet.com/archives/2017/04/jfk-attacks-the-steel-industry.html>) [Access: 20.08.2022]. The outlined context in which Friedman's conception of the social responsibility of business and labour in the early 1960s was considered should be complemented by his characterisation of the involvement of business and labour in philanthropic activities, understood as financial assistance provided to American universities. Friedman believed that inducing business entities to assist higher education was unauthorised and inappropriate. He argued that "A company is an

instrument that belongs to the shareholders or stockholders. If, therefore, it chooses to donate money to a purpose unrelated to its business, it thereby violates the shareholder's right to decide freely where to spend its funds" (Friedman, M., 1962/2018, p. 259.).

It is clear from the above quote that Friedman believed that if companies carried out operations such as price increases or financial support for universities, they did so in a documented manner based on legal provisions that had been previously established. He believed that a reciprocal relationship had been established in the sphere of the interaction of shareholders or stockholders, or of one and the other through individuals or institutions, in the name of the public interest, which should have been defined beforehand.

Friedman, as an astute observer of social life and an eminent scholar, recognised the fact that in his contemporary business model there is a discernible, sometimes more or less, process of separating ownership from management, manifested in the elimination of the individualistic society, together with the formation of a new model of state - the corporate state. So here we have it: a systematic and internally inconsistent theory of the role of the competitive firm in a market economy with the central position held by the profit-seeking entrepreneur does not correspond to reality. Friedman's recognition of the process of separating ownership from management initiated a polemic against the traditional view in the scientific literature, which developed in two directions. On the one hand, it was the study of the main types of market structures and their impact on competition and prices, with a particular focus on the role of oligopolies. On the other hand, it was the study of the ownership and power structure of corporations in the light of their objectives. The growth of modern corporations has resulted in such a concentration of the economic power of these structures that they could compete with many a modern state (Schwab, K., 1971.).

The attempt made here to carry out a theoretical proof of the separation of ownership of capital from power over capital shows that a conclusion of separation would be insufficiently justified. Managers and owners compete with each other for any value to be shared, but the rules of behaviour do not exceed the norms of the typical form of competitive struggle for money, promotions, prestige and influence in a highly developed society. By virtue of their strategic positions in corporations, they act as defenders and as advocates also, of any, large property. Milton Friedman presented his position on business and labour under capitalism because of the foregrounding of the economic processes between managers and owners in the competitive struggle for money, promotions, prestige, as mentioned above. The problem is a serious one, recognised by the French economist Thomas

Piketty, who is gaining notoriety in the academic world, in his book *Capital in the 21st Century* (Piketty, T., 2014.), which was published in 2014 and in several books that have followed so far. Piketty said that the Anglo-American model, particularly in the United States of America, has seen a spurt in the incomes of senior executives in the financial and non-financial sectors. The problem is presented in more detail by Grażyna Musiał and Mirosław Lubczyk in a study entitled: *Thomas Piketty on the problem of capital in the 21st century* (Musiał, G., M., Lubczyk, 2019, p. 83-98.). The phenomenon of such high gaps between managers and those making a living from labour spending does not occur with the same intensity as in the USA in the three other countries studied by Piketty, namely Sweden, Germany and Japan. This problem was also analysed by the aforementioned authors in their study.

The presented interpretation of the issue of social responsibility, referring to Milton Friedman's position, has unveiled such theoretical layers of economic science that facilitate the understanding of economic processes and the interdependence between them, and in particular matters concerning profit, distribution, ownership, the firm and organisation. The analysis of corporate action reveals profit maximisation. But it must be stressed that this is the source (in other words: the basis) of the progressive accumulation of capital. The "law of the capitalist mode of production as a law of external coercion" is at work here (Marks, K., 1867/1970, p. 659.). This law, like any scientific law, is logical in nature. The discovery of the operation of this law explains that the development of a capitalist economy requires an increase in the capital invested in an enterprise, as competition forces capital to increase in order to survive in the market.

The issue of mergers and acquisitions is a momentous topic in economic science. It is stated that "Economic actors in a market economy have a natural tendency to concentrate by accumulating profits and, above all, by mergers and acquisitions" (Miszewski, M., 2020, p. 139.). This "naturalness" of the process could be made a little more specific. It is a fact that mergers and acquisitions are the primary way for large multinational corporations to control markets and get rid of competition. But every major merger and acquisition in the market has to have the approval of the Office of Competition and Consumer Protection, a state institution that guards against one entity dominating a branch of the economy or some key sector for the survival of the economy going bust. The entities that control mergers are very important, perhaps even more so than the management of the companies being acquired, or the authorities overseeing the economy.

METHODS AND RESULTS

2. Reflections on ethical action and responsibility

The world of business people is difficult to define clearly. They are entrepreneurs, managers at

various levels. They focus attention on themselves, not just because of their cosmopolitan appearance. It is about the power they possess. The more power they have, the more their responsibilities grow, and the greater the expectations placed on them. There is discussion around the problems of ethics in the world of business people as well as ethicists, but a notable subject in these discussions is the erosion of ethical standards that is seen. Entrepreneurship is presented as a way of solving social and economic problems, but in fact it is a way for the state, which in the past has borne the responsibility, to shed its responsibility. Corporate social responsibility is a proposal to engage in social entrepreneurship as a solution to political problems, the unemployed are advised to become entrepreneurs and it is suggested that entrepreneurship provides a way to deal with the environmental crisis. However, sustainable development requires holistic and therefore systemic thinking (Musiał, G., 1999, p. 79-83.).

Among the ethical values often raised in the age of globalisation is justice. This ethical category was the subject of a book by Joseph Eugene Stiglitz entitled: *Vision of a just globalisation*, Wydawnictwo Naukowe PWN, Warsaw 2007. Stiglitz is also the winner of the Nobel Prize in Economics awarded to him in 2001. Stiglitz cites some examples from African economic policy (Lubczyk, M., 2007, no 9, p. 178.). With that said, it is not entirely resolved whether, in Stiglitz's case, it is an ethical value used by industrial-financial states to push policies that favour those very states and their companies, or is it otherwise? While the question is straightforward, almost every aspect of the answer is controversial as to who is right.

The significance of Prof. Dr. Wojciech W. Gasparski's achievements in the field of business ethics is very high. Gasparski noted a very important date in the development of debates on business ethics, namely that 20 years had passed since the Polish Philosophical Congress. This was the 6th Congress, the proceedings of which were held in Toruń. At that time, by a decision of the Congress and the authorities of the Polish Academy of Sciences, of which W.W. Gasparski was a member, business ethics was recognised as a sub-discipline of philosophy. In the next Polish Philosophical Congresses, i.e. IX Congress, Wisła September 2012, X Congress, Poznań September 2015, XI Congress, Lublin September 2019, G. Musiał participated in each of the Congresses and at each of them delivered a paper, which in the first two cases were published in philosophical journals at the University of Warsaw (Musiał, G., 2012 p. 279-294.), the separate subsections under the name "Business Ethics" deliberated expanding the panorama of issues with the achievements of such scholars as: besides Professor Gasparski (Gasparski, W., W., 2022, p. 301-319), they were, among others. Among others, they included Joseph Maria Bochenski, Mario Bunge, Herbert Alexander Simon.

2.1. Social responsibility - a case study: Volkswagen and Facebook and Cambridge Analytica

However, the many different initiatives and undertakings that are being undertaken by corporations, as evidenced by reports giving an account of the demands of the European Union and the United Nations, cannot hide the fact that scepticism about CSR ideas and practices is making itself felt and is even growing. The reasons for the existence and growth of critical attitudes are complex. They are provided by knowledge of scandals such as those involving the hitherto respected Volkswagen Group, Facebook's dealings with Cambridge Analytica, which allegedly also targeted Poland, or the behaviour of the French holding company Lafarge in the global cement market, which paid tribute to ISIS.

Lafarge is a French holding company with a global reach. It has subsidiaries outside of France. In this case, the case concerns a subsidiary located in Syria called Lafarge Cement Syria ("LCS"), which could be considered complicit in aid of a financial nature and which could be interpreted as reprehensible under the letter of the law. ISIS is mentioned by name in press reports, which, if interpreted sufficiently, could be held liable (<https://outride.rs/pl/magazyn/lipiec-2018/brief-24/we-francji-rozpozczelo-sie-sledztwo-w-sprawie-firmy-lafarge-francuskiego-potentata-na-globalnym-ryнку-cementu-oskarzonej-o-wspieranie-dzihadystow/>) [20. 08. 2022.].

In view of the fact that ISIS is mentioned as an entity in the procedure with the holding company Lafarge, it is possible to note the reaction of the former to the appearance on the Polish publishing market of Professor Jacek Tittenbrun's four-volume work published by the Zysk i S-ka publishing house in Poznań in 2007 under the title *From Bad To Worse. Meanders of Polish Privatisation*. The author, a recognised sociologist, was interviewed extensively by the editor of a national business magazine after all volumes had been published. The problem is presented more extensively elsewhere (Musiał, G., 2018, p. 129-132.).

Volkswagen scandal and customer compensation

On 18 September 2015, the US Environmental Protection Agency found that German carmaker Volkswagen had manipulated emissions levels due to the fitting of Audi, Seat, Skoda and Volkswagen cars manufactured between 2008 and 2015 with systems that showed false emissions readings. According to the manufacturer's claims, the cars produced were supposed to be eco-friendly, i.e. reduced emissions were promised.

The Federal Association of Consumer Centres formulated an allegation on behalf of customers against the corporation that it had - as stated - acted deliberately and immorally. The court case was before the Federal

Court of Justice. According to the Civil Code, the seller is liable to the buyer if the product sold has a physical or legal defect. It is also important to note that, in the case of consumers, the public assurances of the manufacturer or its representative are treated equally to the assurances of the seller. Volkswagen Group CEO Martin Winterkorn had held his position since 2007 and stepped down in September 2015. Senior managers, including the CEO, were blamed for breaching their duties, manipulating the results of emissions tests, and failing to exercise due diligence, which manifested themselves in emissions of harmful nitrogen oxides exceeding US standards by up to 40 times. Martin Winterkorn was to put up €11.2 million of private money and former Audi boss Rupert Stadler €4.1 million in connection with the exhaust scandal. Ultimately, the Volkswagen Group was to admit to installing software that underestimated emissions of harmful nitrogen oxides in millions of diesel cars sold worldwide (<https://www.dw.com/pl/afera-dieslowa-vw-wyp%C5%82aci-odszkodowanie/a-52576913>) [Access: 20.08.2022].

Unethical use of information and the impact on changing human behaviour Facebook and Cambridge Analytica

Issues of wealth, power and political influence have always been valuable to the social and economic sciences. Information on the public's social tastes and attitudes on an individual basis was collected by Cambridge Analytica by offering a research application used by psychologists called 'This is Your Digital Life' in the form of a survey, for which interested parties were to be paid one or two dollars to agree to access information on where they lived or their likes. Data on users was to be deleted. Meanwhile, the company that managed the online surveys collected the data of those completing the survey and their friends, without the knowledge of either. Psychographic profiles were created for all of them. Facebook as a company had data on a potential 87 million users, 70.6 million of them from the US. CEO Mark Zuckerberg testified before the US Congress. He maintained that personalised user data had not been used unethically in his company's operations. The issue was the preparation of analytics and action strategies for government and military organisations around the world. Business and political marketing has the tools with which to change human behaviour. The conclusion that comes to mind is that the whole affair is not only unethical, but also shows characteristics of breaking the law. This does not change the fact that Zuckerberg ultimately apologised to users for Cambridge Analytica's conduct and his actions, for mistakes and breach of trust (Kulik, W., <https://www.benchmark.pl/aktualnosci/afera-facebook-i-cambridge-analytica-o-co-chodzi.html>) [Access: 20.08.2022].

DISCUSSION

3. The issue of corporate social responsibility in managerial views

Akerlof and Shiller approach the issue of corporate social responsibility with a little or less optimism and confidence (Akerlof G., A., Shiller R., J. 2015.). An in-depth reflection between the negative phenomena in contemporary capitalism in the relationship between large multinational corporations and consumers is illustrated from the book *Phishing for Phools. The Economics of Manipulation and Deception* (2015) (in the Polish language *Złowić frajera. Ekonomia manipulacji i oszustwa*. Wydawnictwo Polskiego Towarzystwa Ekonomicznego, Warszawa 2017). The authors are George Arthur Akerlof, Nobel Prize in Economics 2001, and Robert James Shiller, Nobel Prize in Economics 2013. The authors refer to a variety of areas of human life. The examples are mainly related to the USA, but also apply to other countries and markets.

Analysing the capitalist economy and society, the authors point to examples of financial fraud, including banking and insurance, automobile, aviation, property development, food, education, politics and even elections. The problem is that the market system encourages the emergence of companies that manipulate consumer tastes. Such companies carry out parasitic activities. In the "Foreword" to the above-mentioned book, Elżbieta Mączyńska, Professor at the Warsaw School of Economics, stated the following: "In the USA, there are 20 lobbyists for every one congressman. Powerful interest groups take action at any time to eliminate even the smallest threats for their own benefit regardless of the social consequences of their actions" (Mączyńska E., 2017, p. IX.).

In turn, another author, a director of multinational corporations of many key industries over the last thirty-plus years, Jerzy Podsiadło, in the latest issue of the monthly entitled: "Europerspektywy. Teraźniejszość i przyszłość" points out examples of the many deceptions and manipulations in the science of economics and economic policy. As far as the latter is concerned, such activities are not always illegal. Abuses in the financial sphere are illustrated by the author using the example of the financial pyramid "Amber Gold". Clients were deceived to the tune of 851 million PLN and "GetBack" the sale of bonds in private placements, about 10,000 investors were deceived, to the tune of 2.5 billion PLN. (Podsiadło J. 2022, no 150, p. 15.).

3.1. Formation of ethical sensitivity of managers in postgraduate masters of business administration studies

The growing willingness of the academic community to unite with the business community for responsible business conduct in a globalized environment has become a reality. A compilation of the 100 universities that have achieved the highest BGP (Beyond Gray Pinstripes) ratings allows for their accurate characterization. The number given next to the name of each country in round brackets indicates how many universities include the problem of public education and environmental education in their research program. In this paragraph, all numerical information is taken from the journal "Management and Business Administration. Central Europe" 2012, number 3 (Gasparski, W., W., A., Lewicka-Strzałecka, D., Bąk, B., Rok, 2012, nr 3, p. 5-25.).

Business leaders included universities in the following countries. These are: Australia (2), Belgium (1), Denmark (1), Philippines (1), Finland (1), France (3), Spain (3), Netherlands (1), Canada (7), South Korea (1), Mexico (1), South Africa (1), Slovenia (1), Switzerland (1), USA (68), Venezuela (1), UK (6).

Presenting the listed countries in a slightly different order, that is, according to the decreasing number of universities with a social and ecological program above 1, one gets this set of countries: the US (68), Canada (7), the UK (6), France (3), Spain (3), Australia (2). The rest of the countries have one university each with extended programs on social and ecological aspects.

The preferences of postgraduate students according to the *masters of business administration* program were revealed by asking a general question: what would they expect from the subject of Business Ethics. Specific questions were recorded in five subject groups. They focused on: the basics of business ethics, values, principles, boundaries of the subject. The largest number of specific questions were extracted from the fifth thematic group. They were about how to materialize the knowledge you have of business ethics in dealing with business partners, in negotiations and in other key events in business.

Below is presented in Table 1 the key inquiries falling under the subject of *Business Ethics*:

Table 1: Components of the subject "Business Ethics"

<p>What do students expect from “business ethics”?</p> <p>Basics</p> <p>a) Do ethics and business go hand in hand? b) Are there any “mechanisms” hidden in the concept of “business ethics” and what they are?</p> <p>Values</p> <p>c) Is morality responsible for our actions and conduct? d) Why do people behave unethically, what drives them? e) How does public ethics affect business ethics? f) What kind of values is the business environment guided by? g) Do businesses act ethically in fact?</p> <p>Principles</p> <p>h) What ethical principles (standards) is business guided by? i) What moral principles should be followed by employees of organizations? j) What principles should be followed by high-level managers? k) What decisions (examples) are ethically good and what are bad? l) What arguments does business ethics provide?</p>	<p>Limits</p> <p>m) How to speak partial truth without cheating? n) How far can we go to help protect the organization which we are members of? o) What should one be driven by when taking decisions if they refer to difficult situations: morality, his own good, interests of his closest ones? p) What unethical behavior in business (scandals) were presented in the media?</p> <p>Conduct</p> <p>q) How to behave ethically? r) How to make ethical decisions? s) How to ensure the best results for stakeholders (interested parties)? t) How to behave in business contacts, for example, during the negotiations? u) How to persuade others to ethical business conduct? v) How to recognize ethical business partners? w) How to present one’s morality without causing stress and conflict in the environment? x) How to manage a company so that employees behave ethically in the wake of the leader? y) How to deal with one’s potential subordinates? z) How to influence the organization to develop a conscious and moral conduct of its members?</p>
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Source: Prof. Wojciech Gasparski Ph. D., Prof. Anna Lewicka-Strzałecka Ph. D., Dariusz Bąk Ph. D., Bolesła Rok Ph. D., (2012): *Business Ethics. Teaching and Learning. Management of Business Administration. Central Europe*. 2012, no 3, p. 10.

As is to be presumed, similar questions were also addressed to students at universities of this type in the US. With regard to one question, American students invariably give the same answer. When they were asked whether lectures on business ethics should be compulsory in the curriculum grid of studies? Consistently and invariably the answer falls: NO.

CONCLUSIONS

In the conclusion of this article, there is space to formulate one's own observations on the discussed idea of corporate social responsibility. The problem of social responsibility was presented from the side of theory (Milton Friedman) and from the side of practice using examples from various countries. These were: USA, Germany, France, Poland. It turned out during the analysis that there is a large gap between theory and practice. The analysis showed that the issue of corporate social responsibility under consideration is regulated by intra-state and international law, such as the case of green cars manufactured by Volkswagen. The traditional division between intra-state and international law, seems to have an outdated character. The emergence of organisations (corporations) with an international character, such as Facebook, is an important source of law. The jurisprudence of international economic or judicial arbitration, as in the case of Lafarge, is becoming an important element of

law. All three of the examples mentioned above and analysed in the article illustrate how social disputes in practice are being fought over, but with principles and good ethical (commercial) practice. New actors in global commodity and financial trading are writing their actions into customary codes of ethics. Arbitration and conciliation institutions will be assessed by a newly developed theory called “Theory of International Legal Processes”, which scholars in Poland are working on.

Summing up, the final conclusions are following:

- Milton Friedman tried to illuminate the issue of responsibility of business and labor by going as far as explaining the deep structural causes inherent in the dominance of oligopolistic market structures in the economy and the role of the state as an entity at the then stage of development of capitalism in the US in the 20th century.
- Adam Smith recognized two systems of morality in the then 18th-century society of the Victorian era: one rigid (strict) and the other liberal, which became a prominent feature of entrepreneurs over time.
- Thomas Piketty pointed out that the US economy has passed a certain threshold in its development and a recession cannot stop the processes of progressive economic

differentiation of this society. Corporate social responsibility will therefore increase over time.

- Business ethics has become fashionable. The increased focus on business ethics has been triggered by a change in the nature of economic activities themselves. They have become more international and complex.
- Shareholders also attach importance to the ethics of the companies they own. Americans invest in foreign companies and export their views along with their capital.
- It would be desirable for business ethics rules to be written down, because then there is less room for ambiguity and vagueness. Written rules of ethics could be in the form of a code. It should arouse interest, have the support of management and be realistic.
- The diversity of behavior of business entities presented here indicates the need to build a global ethics, which, under the name "Global Code of Business Conduct," could reflect the cultural flexibility of the world.

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