



ETHICAL ISSUES IN EC

Unique Features of EC Technology and their Ethical, and Social Implications

TABLE 9.1

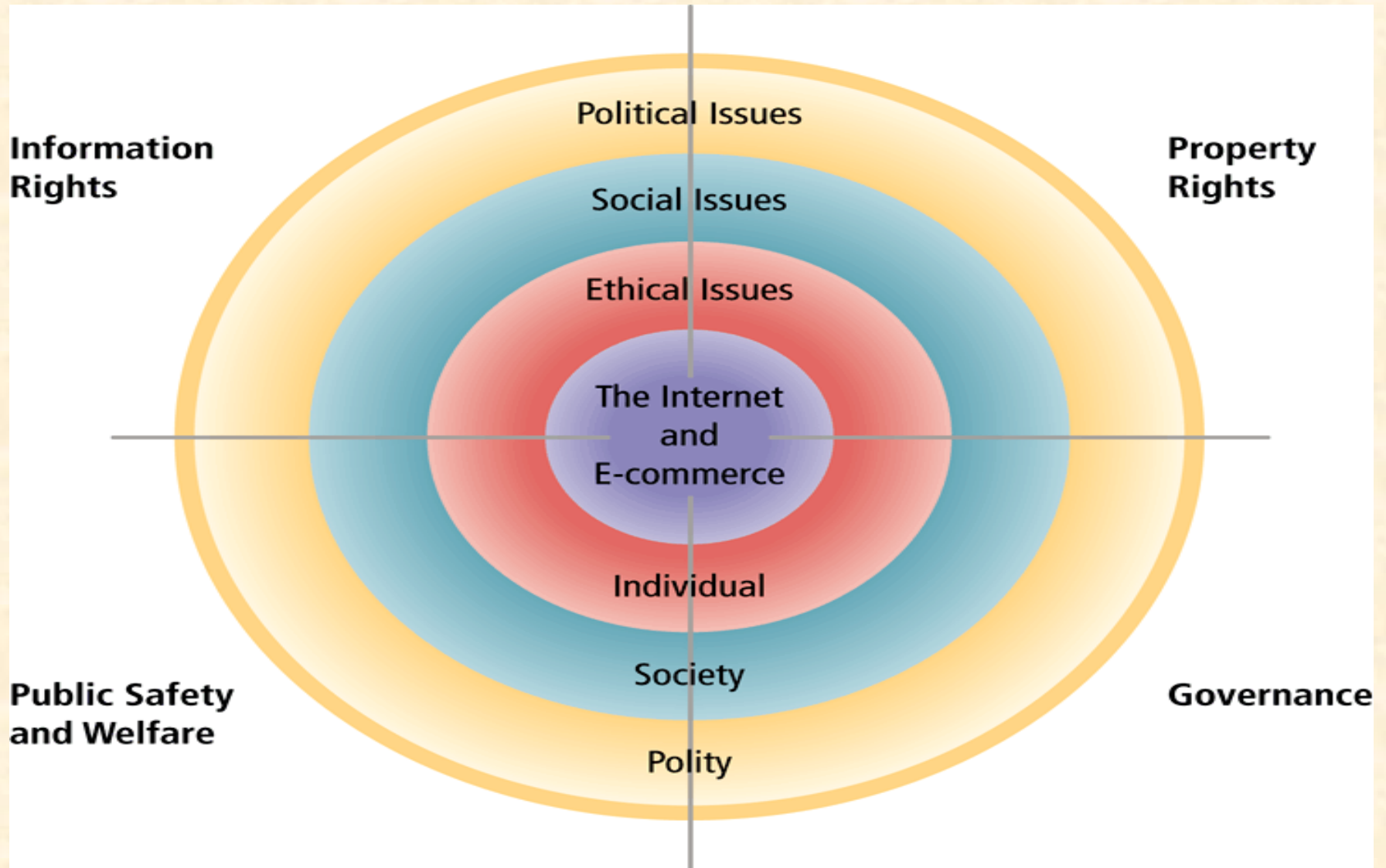
UNIQUE FEATURES OF E-COMMERCE TECHNOLOGY AND THEIR POTENTIAL ETHICAL, SOCIAL, AND/OR POLITICAL IMPLICATIONS

E-COMMERCE TECHNOLOGY DIMENSION	POTENTIAL ETHICAL, SOCIAL, AND POLITICAL SIGNIFICANCE
<p>Ubiquity—Internet/Web technology is available everywhere: at work, at home, and elsewhere via mobile devices, anytime.</p> <p>Global reach—The technology reaches across national boundaries, around the earth.</p> <p>Universal standards—There is one set of technology standards, namely Internet standards.</p> <p>Richness—Video, audio, and text messages are possible.</p> <p>Interactivity—The technology works through interaction with the user.</p> <p>Information density—The technology reduces information costs, raises quality.</p> <p>Personalization/Customization—The technology allows personalized messages to be delivered to individuals as well as groups.</p>	<p>Work and shopping can invade family life; shopping can distract workers at work, lowering productivity; use of mobile devices can lead to automobile and industrial accidents. Presents confusing issues of “nexus” to taxation authorities.</p> <p>Reduces cultural diversity in products; weakens local small firms while strengthening large global firms; moves manufacturing production to low-wage areas of the world; weakens the ability of all nations—large and small—to control their information destiny.</p> <p>Increases vulnerability to viruses and hacking attacks worldwide affecting millions of people at once. Increases the likelihood of “information” crime, crimes against systems, and deception.</p> <p>A “screen technology” that reduces use of text and potentially the ability to read by focusing instead on video and audio messages. Potentially very persuasive messages possible that may reduce reliance on multiple independent sources of information.</p> <p>The nature of interactivity at commercial sites can be shallow and meaningless. Customer e-mails are frequently not read by human beings. Customers do not really “co-produce” the product as much as they “co-produce” the sale. The amount of “customization” of products that occurs is minimal, occurring within predefined platforms and plug-in options.</p> <p>While the total amount of information available to all parties increases, so does the possibility of false and misleading information, unwanted information, and invasion of solitude. Trust, authenticity, accuracy, completeness, and other quality features of information can be degraded. The ability of individuals and organizations to make sense of out of this plethora of information is limited.</p> <p>Opens up the possibility of intensive invasion of privacy for commercial and governmental purposes that is unprecedented.</p>

A Model for Organizing the Issues

- Issues raised by Internet and e-commerce can be viewed at individual, social, and political levels.
- **Four major categories of issues:**
 - Information rights
 - Property rights
 - Governance
 - Public safety and welfare

The Moral Dimensions of an Internet Society





- **Def:** Ethics is a branch of philosophy that deals with that is considered to be right and wrong. What is unethical is not necessarily illegal.
- **Ex:** 1. A company marketed online a tax advice program, knowing it had bugs. As a result, some users filed incorrect tax returns and were penalized by Income tax department
- 2. Management allowed employees to use the web for limited personal uses, then monitored usage without employees' knowledge.
- 3. A company developed profiles of potential customers from information collected with cookies and questionnaires and sold the list to advertisers. Some of the profiles were inaccurate; consequently, people received numerous pieces of inappropriate e-mail.



According to Mason and Mason 1995), ethical issues in EC can be categorized as follows:

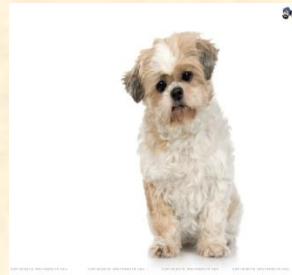
1. Privacy: Collection, storage, and dissemination of information about individuals in a confidential way.
2. Accuracy: Authenticity, fidelity, and accuracy of information collected and processed.
3. Property (IPR): Ownership and value of information and intellectual property.
4. Accessibility: Right to access information and payment of fees to access it.



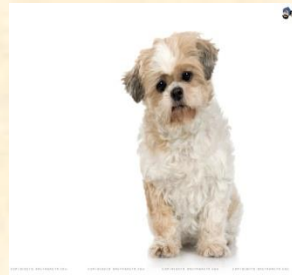
- **I. PRIVACY:**

- 1. What information about oneself should an individual be required to reveal to others?
- 2. What kind of surveillance can an employer use on its employees?
- 3. What things can people keep to themselves and not be forced to reveal to others.
- 4. What information about individuals should be kept in databases, and how secure is the information there?

- **II. ACCURACY:**
- 1. Who is responsible for the authenticity, fidelity (reliability), and accuracy of information collected?
- 2. How can we ensure that information will be processed properly and presented accurately to users?
- 3. How can we ensure that errors in database, data transmissions, and data processing are accidental and not intentional?
- 4. Who is to be held accountable for errors in information, and how is the injured party compensated?



- **III. PROPERTY:**
- 1. Who owns the information?
- 2. What are the just and fair prices for its exchange?
- 3. How should one handle software piracy (copying copyrighted software)?
- 4. Under what circumstances can one use proprietary databases?
- 5. Can corporate computers be used for private purposes?
- 6. How should experts who contribute their knowledge to create knowledge bases be compensated?
- 7. How should access to information channels be allocated?



- **IV. ACCESSIBILITY:**

- 1. Who is allowed to access information?
- 2. How much should be charged for permitting accessibility to information?
- 3. Who will be provided with equipment needed for accessing information?
- 4. What information does a person or an organization have a right or a privilege to obtain – under what conditions and with what safeguards?