Elements of net business ethics - an introduction

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SYNOPSIS
Internet and Internet-based activities now have a great influence on the daily lives of individuals, organizations, and civilizations at large, as the purpose and subject of the workshop iBiZ2008 show (http://www.gsim.aoyama.ac.jp/ORC/iBiZ2008). Most of the functions and services on the Internet are provided by commercial companies. Their workplace and market is now global. There are always new topics and new affairs which need to be addressed and solved. We seem to be challenging ourselves in a huge experimental laboratory named Earth. There are several points to consider: Who owns and controls the information available on the net? How can we evaluate the dark and bright side of technology, and live with it? How much must everyone know about the characteristics of technology to have enough literacy and security? How can we share and control the risks of using new technologies which are sometimes not well managed? How can we use the bright side for our mission and how can we care for each other? In the presentation, several video clips were shown, such as the clips on Google, India, Vietnam, and so on. The author also introduces the current software crisis, caused by the shortage of skilled engineers. We also refer to the episode of Babel and the Bible story around three persons and their talents.

Terms: New technologies – Control of information on the net – Babel.
Introduction

Net business ethics is an emerging concept. It has several aspects:

1. International business ethics
2. Internet ethics
3. Information ethics

This paper introduces the elements we need to think about before discussing the details on the issue.

International business ethics

The issues revolving around international business ethics were already discussed before the advent of the Internet and became a part of daily life. There are several textbooks on business ethics which address the issue of international business ethics.

One example is: Ethics and the Conduct of Business, by John R. Boatright.¹ One of the key-phrases in the book is “When in Rome, do as the Romans do”. This sentence holds that there is a local culture to be admired, so any visitors should become familiar with it and follow it as best as possible. This sentence conveys an important lesson and introduces moral rights, which are shown in Table 1.

Table 1. Ten rules for moral rights, by Donaldson

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<tr>
<td>1</td>
<td>The right to freedom of physical movement</td>
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<td>2</td>
<td>The right to ownership of property</td>
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<td>3</td>
<td>The right to freedom from torture</td>
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<td>4</td>
<td>The right to a fair trial</td>
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<td>5</td>
<td>The right to nondiscriminatory treatment</td>
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<td>6</td>
<td>The right to physical safety</td>
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<td>7</td>
<td>The right to freedom of speech and association</td>
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<td>8</td>
<td>The right to minimal education</td>
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<td>9</td>
<td>The right to political participation</td>
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<td>10</td>
<td>The right to subsistence</td>
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And for the behavior of multinational companies, seven guidelines are introduced (Table 2).

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Internet enables even traditionally domestic business firms to do “global” business very easily. It can immediately introduce a global world and international matters to users. No one can be ignorant of the basic guidelines for international business conduct when he/she is capable of accessing websites and e-mail facilities. And for the author, it does not seem to be enough guidelines available for international business in the information age yet.

The Internet brought us a very flat structure for daily life. A symbolic expression in literature is found in *The World is Flat*, by Thomas Friedman. Here is the quote:

[…] but by 2000, they sensed that they were in touch with people they’d never been in touch with before, were being challenged by people with whom they had never been challenged before, were competing with people with whom they had never competed before, were collaborating with people with whom they had never collaborated before, and were doing things as individuals they had never dreamt of doing before.2

To begin with, we must know how every region of the globe understands the Internet.

**Internet ethics**

This is mainly a technical and technological issue which needs to be addressed by every individual, business firm, and organization. It also includes ethics for businesses that use the characteristics of the

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<table>
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<th>Table 2. Seven guidelines, by Richard DeGeorge</th>
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<td>1. Multinationals should do no intentional direct harm.</td>
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<td>2. Multinationals should produce more good than harm for the host country.</td>
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<td>3. Multinationals should contribute by their activity to the development of the host country.</td>
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<td>4. Multinationals should respect their employees’ human rights.</td>
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<td>5. To the extent that local culture does not violate ethical norms, multinationals should respect the local culture and work with and not against it.</td>
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<td>6. Multinationals should pay their fair share of taxes.</td>
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<td>7. Multinationals should cooperate with the local government in developing and enforcing just background institutions.</td>
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Internet. At the same time, it also gives new power to individuals. “People like to upload, and that is why of all the ten forces flattening the world, uploading has the potential to be the most disruptive”\(^3\), or “In time, individuals will have the power to find anything in the world at any time on all kinds of devices – and that will be enormously empowering.”\(^4\) The author’s basic concept to address this issue was introduced in the keynote talk at IAMSCU 2005, in Adelaide, which dealt with globalization.

There are several pros and cons on the use of the Internet. And there are certain characteristics of the Internet which are essential to its nature and necessary for it even to be called the Internet. We cannot change the nature \(ad\ hoc\). The continuity between real space and cyber space is one of the key issues to be addressed in Internet business. And there are several problems, such as viruses, spams, phishing, bad websites, and so on. There will be great differences between cases which use the bright side of the Internet and cases which use the dark side. So, there is an ethics issue.

Another important factor is that we are currently short of good software engineers so we are facing the issue of quality of software applications used in daily life. If low quality software engineers are related with software development for social infrastructure applications, the resulting systems may become unstable and unethical. The author also wants to introduce the current software crisis caused by the shortage of skilled engineers. I’m afraid this may easily cause a new kind of pandemics.

**Information ethics**

If you don’t know something, you are afraid of it. If you don’t know something, you think it is a panacea. If you don’t know something, you can easily be its victim. So information is of critical importance in several aspects.

This is related with several basic issues on “what is the essential concept of information?” Information is basically “data with semantics”. Data is material to be used, which is neutral. Information requires the user’s ‘will’ or ‘meaning’ to be significant. So, this is where ethics come in.

Business ethics is an important field to be addressed by theology. This is one of the important reasons why this workshop is being held. If the Internet can offer a universal framework for global business, we can instantly relate to a famous episode in the Old Testament, the Tower of Babel.

\(^3\) Ibid., Chapter 2, “The ten forces that flattened the world”, Force 4.
\(^4\) Ibid., Force 9.
They said, “Come, let us build ourselves a city, and a tower with its top in the heavens, and let us make a name for ourselves.” The Lord said, “Look, they are one people, and they have all one language; and this is only the beginning of what they will do; nothing that they propose to do will now be impossible for them.” (Genesis 11,4-5).

Is the introduction of the Internet a distortion of the human capacity? God broke the union in the building of the tower of Babel by breaking people’s ability to communicate with each other. Thousands of years later, we have the Internet as a platform for communication and collaboration. And it is now easier than ever for individuals and organizations to start global projects.

The other episode we can easily relate to is the Parable of the Talents, more specifically the man who received one talent. If we all say, ‘That belongs to technology and not to us,’ then progress is considered a vehicle without a driver, and we ride such a car with fear. We do not think this is an appropriate attitude for us.

Master, I knew that you were a harsh man… so I was afraid, and I went and hid your talent in the ground. Here you have what is yours. You wicked and lazy slave! So take the talent from him, and give it to the one with the ten talents (Matthew 25,24-28).

Thus, we like to listen to what theologians have to say. Here is a set of very basic questions to share. Internet provides a huge opportunity, but we must be careful.

- Do you list your Email address on Web pages?
  * Do you advertise your home address and phone number to the public?
- Do you open every direct-mail sent to your house and read it?
  * One-to-one marketing for the company side.
- Do you stand in front of someone’s house and look to the house?
  * Your actions in the web pages are traced, recorded, and analyzed later.

From some hotspots

Meanwhile, we want to keep up with what is going on around us. Here is a set of three stories. One is “Who has control over the Internet?”; another is “The Global Value Chain, Close relations of the multiple-nation economy”; and the third one is “Impacts of the applications on IT to daily life and education”. 
Then the author will introduce the news on “Microsoft proposed buyout of Yahoo” as an example of the first story – “Who has control over the Internet?” This news was released on February 2008 and is still in process. The author will also introduce the news on “Fatal amount of Poison found in Frozen Pot Stickers made and packaged in China” as an example of the second story – “Global Value Chain.” This news was released on January 2008 and is still in process. This news is on quick news delivery and sharing. The third news is “Net-Addicts Cure Centers established in China” and will be used to discuss both the second and the third stories.

**Search engine holding all data**

Microsoft is the largest company in the IT industry. Most of the desktop PCs are based on the Windows operating system and we often use Microsoft Office software for daily desktop work. For example, “Send me your ‘PowerPoint’ file,” is a typical sentence among computer users. It originally means “Send me presentation slides” but the first phrase includes a specific product name – PowerPoint. This power comes from Microsoft’s ability to control the market, while we admit that it was the result of a business effort by Microsoft to provide people with a better working product and better customer service.

At the same time, Internet offers a different paradigm of business that research should address. Microsoft is not a winner of the whole game. One of the biggest issues is the World Wide Web (WWW), a global system which gathers every available piece of information through the web and offers such information individually and collectively. The search engine is one of the cases for collective information providing schemes. One of the most famous players is Google. Yahoo, Microsoft and others are also working in this field.

Microsoft was established in 1975. Its annual sales reach $51.1B and its annual profit is $14B. Net business sales reach $2.4B, and their loss is $0.7B. Google was established in 1998. Its annual sales reach $16.5B and its annual profits reach $4.2B. So, in the net business, Google is larger than Microsoft and seems to be operating in the black and with good results. The other important player is Yahoo. Yahoo was established in 1995 and its annual sales reach $6.9B, while its annual profit reaches $0.6B, which is currently smaller than Google. (Yahoo Japan which is 33% owned by US Yahoo has annual sales of $2B, and annual profits of $0.5B.) Bai Du in China, whose annual sales is $0.1B, and others are believed to have growing capabilities to compete with the larger search engines in the future.

On January 2008, the hot news in this area is “Microsoft proposes buyout of Yahoo.” The news has huge and different impacts on related
business firms. Google is definitely a global leader in the search engine business now and there is an immense amount of data inside its huge servers. Even the government searches Google for the latest information on specific areas. Google’s market share is 62.4%, while Yahoo’s is 12.8%, Bai Du’s is 5.21%, and Microsoft’s is 2.9%. The search engines have now become a new kind of encyclopedia. They are believed to be a flag carrier of net business. If Microsoft buys Yahoo, it is likely to become a leader in several IT areas. We do not know whether this is right or wrong.

Global value chain

Now everything is connected through global communication lines. As Thomas Friedman says in his book, “No sooner does your arm lift a product off the local Wal-Mart’s shelf and onto the checkout counter than another mechanical arm starts making another one somewhere in the world”.\(^5\) This is so even in the service industries, he says, “In 2003, some 25,000 U.S. tax returns were done in India. […] In 2005, it was roughly 400,000”\(^6\) and “Woman operator in Bangalore giving directions as though she were in Manhattan and looking out her window.”\(^7\) There are many other examples we can extract from his book.

The most recent news in the category of global value chain is about gyoza, dumpling, or pot sticker between China and Japan. Example 1 is an excerpt from Asahi.com:

Example 1. Dumpling distribution here said safe

“Everything is automated for carrying the cargo in or out at the refrigerated facility,” the official said. “No one gets in unless there’s a need for maintenance.”

At the Hanamigawa Co-op outlet in China, one box each was delivered on Dec. 6, 11 and 17. A mother and a daughter were sickened on Dec. 28 after eating gyoza purchased from the store. The Co-op’s Ichikawa outlet received one box each on Dec. 10, 13 and 17. A family of five in Ichikawa fell ill after eating gyoza from the store on Jan. 22.

In Hyogo Prefecture, methamidophos was detected in gyoza that sickened three on Jan. 5, as well as from six other packages.

\(^5\) Ibid., Chapter 2, Force 7.
\(^6\) Ibid., Chapter 1. “While I was sleeping”.
\(^7\) Ibid.
The Co-op gyoza made on Oct. 20 and the JT Foods products produced on Oct. 1 are known to have been kept in the same refrigerator at the Tianyang plant for four days until Oct. 23. Whether they were in the same locked partition is not known. Their paths never crossed thereafter. (IHT/Asahi: February 6, 2008)

Firstly, this issue shows how China and Japan have close relations in the exchange of daily goods. Secondly, it shows a poison, methamidophos, was inserted somewhere in the value chain, and it is difficult to specify the location due to national boundaries, corporate secrets, and the small size of the objects to be traced. Information on this matter still moves around on the Internet and media, while there is no conclusion yet. We can share this news easily even in the U.S.

**Identity in cyber space: education, net addiction, and crime**

We belong to educational institutions, so education is always a concern to share. To discuss cyber space, we must separate the issues as to the user’s side and the developer/producer’s side. The underlying problem is whether the identity in cyber space is equivalent or the same as the identity of real space. We will discuss the net addiction and the victims of net crimes as issues affecting the user. Many other issues regarding net business and Internet usage deal with network security. As to the developer’s side, we will discuss the software crisis caused by the need to keep software engineer’s quality high.

As to net addiction, there have been several attempts to heal net addicts. At the workshop, the author showed a video clip that showed net addiction healing centers in China, focusing primarily on the issue of family reunion. In other words, the sharing of family values is key to healing young net addicts.

As to net business identity, there is a very important case that brings us a core question. The whole story is available in the Internet and is attached as an Appendix. This is the story of a young man in cyber space who is middle-age man in real space. He fell in love with a young girl in cyber space who is middle-age woman in real space. It caused a real crime. The girl became interested in another boy who was killed by the man in real space when they found each other.

**Attempts within the United Methodist Church**

The September/October Issue 2007 of the *Interpreter* magazine focuses on “Ministry via New Technology creates old-time feelings.” It has several important observations on their mission work. On page 21,
it says “This social networking site, sponsored by Women’s Division of the General Board of Global Ministries, started in June 2006. Features include personal profiles, live chats, discussion threads and the ability to share resources. […] Said Julia Tullock, ‘It’s spiritual support. It’s social support.’” From this magazine we can pick up several keywords like “Technology for All” (page 17), “YouTube generation” (page 19), and “Is your church website accessible for all?” (page 22). Yes, our church is not independent from Internet technology and its social lifestyle, although it has not yet matured in this regard.

**Conclusion and outline of the iBiZ2008 workshop**

Constant and continuous awareness for net business ethics is in the author’s list of important projects to be carried out. The author understands the steps as follows:

Step 1: Cutting edge technology research and development;
Step 2: Technology’s application and evaluation in real life;
Step 3: Polishing it up to fit reality;
Step 4: Business deployment;
Step 5: Diffusion of technology to different regions, such as developing countries or different business areas;
Step 6: Involvement of all stakeholders, including consumers.

In many cases, steps 1 and 2 belong to the technology provider, and step 4 to the business supplier. These two groups have not always kept mutual communication throughout their own processes. And the most important stakeholder, namely the consumer, has not been able to participate until now, in this new technological phase of civilization.

This workshop is part of a series of international conferences organized by the Open Research Center project at the Graduate School of International Management (GSIM) of the Aoyama Gakuin University, Japan. As the title of the event and this publication indicate, this is a workshop with selected international experts, designed to be a starting point to discuss and share the concept of net business ethics. The organizers started with the assumption that there is no standard understanding of the net business ethics concept yet, therefore this workshop was supposed to serve as a venue to bring this topic to the attention of the international community.

The center of our concern is Information Technology, especially the Internet. The use of the Internet undoubtedly provides us with a wonderful new horizon for global communication and global collaboration. We now live in a virtually borderless world, and businesses make use of the new possibilities provided by the internet. However, the internet
also brings about a series of problems that require further reflections on borderless ethics and responsibility for businesses. The national law enforcement of each nation is different and we have no international common understanding yet to regulate the use of the Internet. For our daily life, from children to senior citizens, from churches to commercial companies, from university research to hospitals, from government to individuals, few areas can function without the use of the Internet. A specific problem in one part of the world, the lack of global standards, the manipulation of data, the lack of privacy, and other issues can have a tremendous impact on our lives. What is our social responsibility in the context of these challenges?

On February 10-11, in Honolulu, almost 20 experts from different fields joined, presented, and shared with one another, supported by IAMSCU, GBHEM, and COGEIME. It was a wonderful moment. And the author would like to thank Dr. Amos Nascimento and Dr. Wanda Bigham for the workshop’s organization and hopes this event can lead to a new world social order and cohesion.

Appendix. An episode for the separation of cyber space and real space

Online love triangle leads to murder

There has been so much media attention, centered around keeping our children safe from online predators. There has also been countless stories of people being murdered or scammed by someone they met online. The following story, however, gives new meaning to what happens when a delusional individual goes online.

A 48-year-old man caught up in an Internet love triangle was sentenced to 20 years in prison for killing his rival after being dumped by the woman they both competed for.

Thomas Montgomery of Cheektowaga, New York, pleaded guilty in August to the shooting death of 22-year-old Brian Barrett while he sat in a pickup truck shortly after work ended.

Montgomery had passed himself off as an 18-year-old Marine in online chats with a middle-aged West Virginia mother, identified as Mary Sheiler. Never mind that the woman herself posed as an 18-year-old student by using photos of her daughter. When she learned the truth about Montgomery, their online romance cooled and she turned her attention to Barrett.

Montgomery began chatting with the woman, identified in court as Mary Sheiler, in 2005. Occasionally, the woman would mail packages to his home. When one of the packages was intercepted by Montgomery’s wife, she wrote back, telling Sheiler her husband’s true age and saying he was married.

Barrett, whom Montgomery had mentioned in his exchanges, was drawn into the triangle after the woman contacted him online to confirm what she had been told by Montgomery’s wife.

Justice Penny Wolfgang called the situation a “consequence of misuse of the Internet.”

“Consequence of misuse of the Internet”, are you kidding? Since when should the punishment for “misuse of the Internet” lead to death?

Posted by familydynamics on November 29, 2007.