

**Course: Professional Issues in Information Technology**

**Week 7: Ethical, Social and Political Issues in E-Commerce**

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**Lecture learning outcomes**

At the end of this lecture, the learner should be able to:

1. Describe the ethical, social, and political issues raised by E-commerce
2. Identify major public safety and welfare issues raised by E-commerce
3. Describe how Internet governance has evolved over time
4. Explain why taxation of E-commerce raises governance and jurisdiction issues
5. Identify the practices of E-commerce companies that threaten privacy

**1.1 Introduction**

- ✓ In this lecture, we look at four moral dimensions of an Internet Society.
- ✓ These are Information Rights, Property Rights, Governance and Public Safety and Welfare
- ✓ They all have an effect on ethical, social and political issues related to the Internet and Electronic Commerce
- ✓ At the heart of all this is an individual and the society where he/she lives.

**1.1.1 Information Rights**

The Internet technology makes information collection so extensive and efficient in today's world.

*The questions here are;*

- i. Do individuals have rights to their own personal information in a public marketplace, or in their private homes?
- ii. What rights do individuals have to access information about business firms and other organizations?

**1.1.2 Property Rights**

In the current world of the Internet, it is extremely easy to make perfect copies of protected works and distribute them worldwide in seconds

*The question here is; How can traditional intellectual property rights be enforced?*

### 1.1.3 Governance

*The questions here are:*

- i. Should the Internet and E-commerce be subject to public laws?
- ii. If yes, what law-making bodies have the jurisdiction? Is it the state, federal bodies and/or international bodies?

### 1.1.4 Public Safety and Welfare

*The questions here are;*

- i. How can we ensure equitable access to the Internet and e-commerce channels?<sup>1</sup>
- ii. Should governments be responsible for ensuring that schools and colleges have access to the Internet?
- iii. Could it be that some certain online content and activities are a threat to public safety and welfare? ...such as pornography and gambling?<sup>2</sup>
- iv. Should mobile commerce be allowed from moving vehicles?

## 2.1 Analyzing Ethical Dilemmas

- A dilemma is a situation there are at least two opposed actions, each of which supports a desirable outcome
- A four-step process is used analyze a dilemma(s)

### **Step 1 - Identify and describe clearly the facts**

- *Who did what to whom, and where, when, and how?*

### **Step 2 - Define the conflict or dilemma and identify the higher-order values**

- Ethical, social, and political issues always reference higher values and the parties to a dispute all claim to be pursuing higher values

### **Step 3 – Who are the stakeholders?**

- Stakeholders are involved in every ethical, social, and political issues. These are people who are interested in the outcome of the situation in which they have invested in and usually have opinions about the same.
- *Who are these groups and what do they want?*

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<sup>1</sup> Ethics in Information Technology, 4th ed. Reynolds, G. Course Technology, Boston, USA. (2011) Pg. 306

<sup>2</sup> Ethics in Information Technology, 4th ed. Reynolds, G. Course Technology, Boston, USA. (2011) Pg. 194

#### **Step 4 - Identify the available possible solutions**

- None of the solutions may satisfy all interests involved
- Some solutions do a better job than others
- Arriving at a “good” or ethical solution may not always bring a balance of consequences to all the stakeholders

#### **Ethical Principles...**

##### **1. The Golden Rule**

- ✓ The idea here is ethics of care<sup>3</sup>
- ✓ Put yourself in place of others and think of yourself as the object of the decision to assist you think about fairness in decision making
- ✓ Do unto others as you would have them do unto you.

##### **2. Universalism/Pluralism**

- ✓ *The question is*; “If we adapted this rule in every case, could the organization, or society, survive?”
- ✓ If an action is not right for all situations, then it is not right for any specific situation<sup>4</sup>

##### **3. Slippery ground**

- ✓ The good life of virtue is the target<sup>5</sup>
- ✓ If an action cannot be taken repeatedly, then it is not right to take at all
- ✓ An action may appear to work in one instance to solve a problem, but if repeated, would result is a negative outcome
- ✓ “Once started down a slippery path, you may not be able to stop.”

##### **4. Collective Society Principle**

- ✓ Take the action that achieves the greater value for all of society

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<sup>3</sup> Ethics in Information Technology, 4th ed. Reynolds, G. Course Technology, Boston, USA. (2011) Pg. 423

<sup>4</sup> Ethics in Information Technology, 4th ed. Reynolds, G. Course Technology, Boston, USA. (2011) Pg. 424

<sup>5</sup> Ethics in Information Technology, 4th ed. Reynolds, G. Course Technology, Boston, USA. (2011) Pg. 421

- ✓ This rule assumes that one can prioritize values based on an understanding of the consequences of various courses of action<sup>6</sup>

## **5. Avoiding Risk**

- ✓ Take the action that produces the least harm, or the least potential cost.
- ✓ Some actions have extremely high failure costs and they need to be avoided
- ✓ Choose actions whose consequences would not be disastrous, even if they failed

## **6. Nothing comes free**

- ✓ Always know that everything (tangible and intangible) is owned by someone else unless there is a specific declaration otherwise
- ✓ If anything created by someone else has value to you, then the creator must require compensation for the usage of the same.

## **7. The Perfect Information Rule**

- ✓ Expect that the results of your decision on a matter to be reported in a lead article in the media houses/dailies the next day
- ✓ Will the reaction of readers be positive or negative?
- ✓ Would your parents, friends, and children be proud of your decisions

## **8. The Social Contract Rule<sup>7</sup>**

- ✓ Would you like to live in a society where the principle you are supporting would become an organizing principle of the entire society?
- ✓ One might think it is wonderful to download illegal copies of music tracks, but would one want live in a society that did not respect property rights, such as property rights to the car in your driveway, or your rights to a term paper or original art

## **Information Collected at E-commerce Sites**

- Personal Identification Information (PII) is any data that can be used to identify, locate, or contact an individual<sup>8</sup>

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<sup>6</sup> Ethics in Information Technology, 4th ed. Reynolds, G. Course Technology, Boston, USA. (2011) Pg. 423

<sup>7</sup> Ethics in Information Technology, 4th ed. Reynolds, G. Course Technology, Boston, USA. (2011) Pg. 416

<sup>8</sup> Ethics in Information Technology, 4th ed. Reynolds, G. Course Technology, Boston, USA. (2011) Pg. 154

- Anonymous information is demographic and behavioral information that does not include any personal identifiers

### **Profiling: Privacy and Advertising Networks**

- **Profiling** is the creation of digital images that **characterize online individual and group behavior**
- Anonymous profiles identify people as belonging to highly specific and targeted groups
- Personal profiles add a personal e-mail address, postal address, and/or phone number to behavioral data<sup>9</sup>

### **Personal Information Collected by E-commerce Sites**

- ✓ Name
- ✓ Address
- ✓ Phone Number
- ✓ ID Number
- ✓ Social Security Number
- ✓ Bank Account
- ✓ Credit Card accounts
- ✓ Gender
- ✓ Age
- ✓ Browser type
- ✓ Education
- ✓ Transaction data<sup>10</sup>

### **Major Information Gathering Tools available in the Internet**

- ✓ **Search Engines** – tracing user views, chats, political views
- ✓ **Cookies** – track individuals at a site or across sites
- ✓ **Shopping Carts** – payment and purchase information
- ✓ **Forms** – users voluntarily fill these and can be used to create a personal profile
- ✓ **Site Transaction logs** – information on page content viewed by users

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<sup>9</sup> Ethics in Information Technology, 4th ed. Reynolds, G. Course Technology, Boston, USA. (2011) Pg. 154

<sup>10</sup> Ethics in Information Technology, 4th ed. Reynolds, G. Course Technology, Boston, USA. (2011) Pg. 154

## **Federal Trade Commission (FTC) Fair Information Practice Principles<sup>11</sup>**

- i. Awareness – Disclose what information will be collected and how it will be used
- ii. Consent – Allow users to choose how the information will be used
- iii. Access- Allow users to view and contest accuracy of information collected about them in a timely manner
- iv. Security – Ensure information collected is safe from unauthorized use
- v. Enforcement – Give users legal remedies for violations

## **FTC Recommendations Regarding Online Profiling**

- ✓ Notice – Provide disclosure regarding when and where information will be collected
- ✓ Choice – Opt-in and Opt-out
- ✓ Access - Allow inspection and corrections
- ✓ Enforcement – Done by third parties
- ✓ Restricted Collection – No collection of sensitive information e.g. medical, financial, sexual behaviour or sexual orientation, social security numbers etc. for profiling

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<sup>11</sup> Ethics in Information Technology, 4th ed. Reynolds, G. Course Technology, Boston, USA. (2011) Pg. 137

### **Private Industry Self-Regulation**

a) **Safe harbor** is a private self-regulating policy and enforcement mechanism that meets the objectives of government regulators and legislation but does not involve government regulations or enforcement

### **b) Governance**

- ✓ Governance has to do with social control:
- ✓ *Who will control the Internet and E-commerce?* Is it the government e.g. judicial bodies? Is it private entities e.g. telecommunication companies or is it possible to implement self-regulation?
- ✓ *What elements will be controlled?* e.g. assigning domain names
- ✓ *How will the controls be implemented?*

### **Public Government and Law**

- Taxation demonstrates the complexity of governance and jurisdiction of E-commerce
- For many countries, governments rely on sales taxes based on the type and value of goods sold
- Currently, an integrated balanced approach to taxation of domestic or international E-commerce is lacking

## **Content Covered in Week 7: Ethical, Social and Political Issues in E-Commerce**

We have been able to cover the following:

1. Described the ethical, social, and political issues raised by E-commerce
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3. Described how Internet governance has evolved over time
4. Explained why taxation of E-commerce raises governance and jurisdiction issues
5. Identified the practices of e-commerce companies that threaten privacy

### **Course Text Books**

1. Professional Issues in Information Technology. Bott, F. *British Computer Society, UK.* (2005)
2. Ethics in Information Technology, 4th ed. Reynolds, G. *Course Technology, Boston, USA.* (2011)
3. Computers in Society: Privacy, Ethics and the Internet. George, J.F. *Pearson Prentice Hall, New Jersey.* (2004)
4. Cyber-ethics: Morality and Law in Cyberspace, 5th ed., Spinello, R.A. *Jones & Bartlett, Burlington, Mass., USA.* (2013)
5. Contemporary Issues in Ethics and Information Technology. *Schultz, R.A. IRM Press, USA.* (2005)