Elements of Net Business Ethics – An Introduction

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Abstract

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.
> *1. Who owns and controls the information available on the net?*
> *2. How can we evaluate the dark and bright side of technology, and live with it?*
> *3. How much must everyone know about the characteristics of technology to have enough literacy and security?*
> *4. How can we share and control the risks of using new technologies which are sometimes not well managed?*
> *5. And, 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 Babe and the bible story around three persons and their talents.

Introduction

Net Business Ethics is an emerging concept to create. 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 surrounding international business ethics were discussed before the Internet was invented and became a part of daily usage. There are several text books on Business Ethics which address the issue of international business ethics.

One example of this is: *Ethics and the Conduct of Business*, John R. Boatright, Prentice Hall, 2007, "Chapter 14 International Business Ethics" pp 404-440 . "When in Rome, do as the Romans do" is one of the key phrases in the chapter. The phrase holds that there is a local culture to admire, so any visitors should become familiar with it and follow the culture there as best as possible. A important

lecture can be taught using the sentence "when in Rome, do as the Romans do." It introduces moral rights shown in Table 1.

Table 1. Ten Rules by Donaldson for moral rights

1. The right to freedom of physical movement
2. The right to ownership of property
3. The right to freedom from torture
4. The right to a fair trial
5. The right to nondiscriminatory treatment
6. The right to physical security
7. The right to freedom of speech and association
8. The right to minimal education
9. The right to political participation
10. The right to subsistence

And for the behavior of multinational companies, seven guidelines are introduced (Table 2).

Table 2. Seven Guidelines by Richard DeGeorge

1. Multinationals should do no intentional direct harm.
2. Multinationals should produce more good than harm for the host country.
3. Multinationals should contribute by their activity to the host country's development.
4. Multinationals should respect the human rights of their employees.
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.
6. Multinationals should pay their fair share of taxes.
7. Multinationals should cooperate with the local government in developing and enforcing just background institutions.

Internet enables even traditionally domestic business firms to do "global" business easier. It can immediately introduce to users a global world and international matters. No one can be ignorant of the basic guidelines for international business conduct, when he/she is capable of accessing web sites and e-mail facilities. And for the author, there 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 the literature is from *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.* (in chapter 3 The triple convergence) From *The World is Flat* by Thomas L. Friedman

To start the discussion, we need to know how every region of this globe understands the Internet.

Internet Ethics

This issue is mainly a technical and technological issue which needs to be addressed by every individual, business firm, and organization. Also it includes ethics for businesses that utilize the characteristics of the Internet. At the same time, it also gives a 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." (in chapter 2. The ten forces that flattened the world, Force 4, The World is Flat), 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." (in chapter 2. Force 9, ibid) The basic concept of the author to address this issue was introduced in the keynote talk at IAMSCU 2005 in Adelaide, which dealt with globalization.

There are various pros and cons on the use of the Internet. And, there exists 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. Continuity between real space and cyber space is one of the key issues to address for Internet business. And there are virus problems, spam mail problems, phishing problems, bad web sites, and so on. There will be great differences between cases which utilize the bright side of the Internet and cases which use the dark side. So, there IS an ethics issue.

Another important factor is the fact that currently we are short of good software engineers so that we are facing the issue on 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 un-ethical. The author also wants to introduce the current software crisis, caused by the shortage of skilled engineers. This may easily cause a new type of pandemic, I am afraid.

Information Ethics

If you don't know it, you are afraid of it. If you don't know it, you think it is a panacea. If you don't know it, you can easily be a victim. Now information itself is of critical importance in various aspects.

This is related with several fundamental issues on "what is the essential concept of Information?" Information is basically "data with semantics". Data is material to use, which is neutral. Information requires 'will' or 'meaning' of the user to make it significant. So, here is the place for ethics to lead.

Business Ethics is one of the important fields for theology to address. 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 imagine a famous episode in the Old Testament, the tower of Babel.

> 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 human capacity? God broke the union for 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 to communicate and collaborate. And it is now easier than ever for individuals and organizations to start global projects.

The other episode we can easily remember is a person who received one talent. If all of us say 'the matter is only for technology and we are not related,' then progress is considered as a vehicle without a driver, and we just 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."

So, we like to listen to what theologists say.

Here is a set of very basic questions to share. Internet has enormous opportunity, but we need to protect ourselves.

- 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 into the house?
  - Your actions in the web pages are traced and recorded, and analyzed later

From Some Hot Spots

Meanwhile, we like to keep up on what is going on around us. Here is a set of three stories. One is on "Who has control over the Internet", another is on "The Global Value Chain, Close relations of the

multiple-nation Economy", and the other is on "Impacts of the applications of IT to daily life, education."

Below the author will introduce the news on "Microsoft proposed buyout of Yahoo" as an example of the issue for "Who has control over the Internet." This news is from February 2008 and still happening. 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 issue for "Global Value Chain." This news is from January 2008 and still happening. It is an issue on quick news delivery and sharing. The author introduces the news on "Net-Addicts Cure Centers established in China" as a source to discuss the combination of the second and the third.

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 frequently use Microsoft Office software for daily desktop work. For example, "Send me your 'PowerPoint' file," is one of the typical phrases 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 a result of a business effort by Microsoft to provide people with a better functioning product and provide 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). WWW is a global system which gathers EVERY available piece of information through the web and provides such information individually and collectively. The search engine is one of the cases for collective information providing schemes. One of the famous players is Google. And then Yahoo, Microsoft and others are working in this field.

Microsoft was established in 1975. Its annual sales is $51.1B, annual profit is $14B. While, the net business sales is $2.4B, and their loss is $0.7B. Google was established in 1998. Its annual sales is $16.5B, annual profits is $4.2B. So, for the net business, Google is larger than Microsoft and seems to be operating in the black and with good result. The other important player is Yahoo. Yahoo was established in 1995 and its annual sales is $6.9B, while the annual profit is $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 bigger search engines later.

The hot news in this area in January 2008 is "Microsoft is proposing to buy out Yahoo." The news has lots of different impacts on related business firms. Google is definitely a global leader of the search engine business, now it has a huge amount of data inside its huge servers. Even the government

asks Google about the latest information on a specific area. The market share of Google is 62.4%, while Yahoo 12.8%, Bai Du 5.21%, and Microsoft 2.9%. The search engines now become a new type of encyclopedia. The search engine is believed to be a flag carrier of net business. If Microsoft buys Yahoo, it is possible for Microsoft to be a leader in various areas of IT. We do not know whether it is a right thing or not.

Global value chain

Now everything is connected using global communications lines. As Thomas Friedman indicates in his book , *The World is Flat*, "So 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." (in chapter 2 Force 7) Furthermore, even in service industries, he says "In 2003, some 25,000 U.S. tax returns were done in India. … In 2005, it was roughly 400,000." (in chapter 1. While I was sleeping) and "Woman operator in Bangalore giving directions as though she were in Manhattan and looking out her window." (in chapter 1. While I was sleeping)." There are many other examples we can extract from his book to quote.

The most recent news in the category of the 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 Chiba, 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.

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)

This issue first 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

the difficulty to specify the location due to national boundaries, corporate secrets, and the small size of the objects to trace. Information on this matter still go around on the Internet and media, while there is no conclusion yet. We can share this news easily even in the US.

Identity in cyber space: education, net addicts, and crime

We belong to educational institutions, so education is always a concern to share. For the discussion on cyber space, we need to separate the issues for the user side and the developer/producer 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 for the user side. Many other issues around net business and Internet usage deal with network security. For the developer side, we will discuss the software crisis caused by the need to keep software engineer quality high.

For the net addiction issue, there have been various attempts to cure net addicts. At the workshop, the author demonstrated the video clip which shows the net addicts cure centers in China, primarily the part about re-uniting families. In other words, family value sharing is key to curing net addicts of the younger generation.

For the issue on net business identity, there is a very important case which has a very key part as a core. The whole story available from the Internet is attached as an Appendix. This case is a story of a young man in cyber space who is an older man in real space. He loved a young girl in cyber space who is an older women in real space. It caused a real crime. The girl got interested in another boy and the man killed the other boy in real space when they identified each other.

Attempts inside UMC

"Interpreter" magazine, September/October Issue 2007, 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 Web site accessible for all?"(page 22). Yes, our church is not independent from Internet technology and the social lifestyle based on it, although it has not yet matured.

Conclusion and the Outline of the iBiZ2008 workshop

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

Step 1: Cutting edge technology research and development

Step 2: Application of the technology in real life and evaluation

Step 3: Polishing it up to fit with 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, step 1 and 2 are done by the technology provider side, and step 4 by the business supplier. The two groups do not always keep mutual communication throughout their own processes. And the most important stakeholder, namely the consumer, could not participate until now in this new technological phase of civilization.

For the iBiZ2008 workshop, the author wrote the following to describe its subject and the purpose: 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 indicates, 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 realize that there is no standard understanding of the net business ethics concept yet, therefore this workshop will serve 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?

Almost 20 experts from different fields joined, presented, and communicated for February 10 and 11 in Honolulu, with the support of IAMSCU, GBHEM, and COGEIME. It was wonderful

moment. And the author like to his gratitude to Dr Amos Nasciment with and Dr Wanda Bigham to have jointly carried out the organization of the workshop program.

Hoping this event can serve for a new world social order and cohesion.

Appendix. An Episode for the separation of Cyber space and Real space

From http://familydynamics.wordpress.com/2007/11/29/online-love-triangle-leads-to-murder/

Online Love Triangle Leads To Murder

Posted by familydynamics on November 29, 2007

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?

Masayuki Ida is a professor at the Graduate School of International Management (GSIM), Aoyama Gakuin University (AGU). He received his PhD in 1981. He serves GSIM as the associate Dean since 2004. His research is on Global Information Systems, the technological design of them and the relation with organizational activities and individual creativity. He had worked for introducing the Internet to the University and to Japan since 1988. He has also worked for IT introduction to various Asian countries as the chairman of Asia Open Source Roundtable (2003-2005) and was a member of the IT international policy discussion table inside the Japanese cabinet secretariat in 2004. He is a trustee of Center of the International Cooperation for Computerization Japan (CICC). He has ample

knowledge of usage of IT to empower Asian countries. At the same time, he worked for the cutting edges of programming languages, and had been a principal member of the ANSI standard Committee to make the American National Standard of Common Lisp for 1986- 1995. He was a visiting scientist at Artificial Intelligence Lab, Massachusetts Institute of Technology for 1993 and 2002. He organized the FSF Tokyo seminars in the late 80s and was once titled as a VP for Japan at the Free Software Foundation, and founded FSIJ in 2002 as the founding president. Masayuki is regarded as one of the leading experts in Japan and in Asia, on the Internet and IT, and on the impact of IT introduction to Asian countries. He frequently visits several Asian countries, South America, and Europe, for IT human resource development governmental policies using Open Source Software, and technology needed to set up Internet connections. He teaches intensive courses in Vietnam and other countries. At his school, he teaches Internet Business, Information Security, and Web Strategy. Before joining GSIM, he was in charge of the research section of the Information Science Research Center of AGU, where he pioneered (designed and implemented) the three-campus network system, and its Internet connection, starting in 1988 until 1993. He has been an UNIX/ Linux expert since 1978. Dr. Ida has been serving as chairs, program committee members or speakers at various international academic and industrial conferences and activities. He is an elder and a choir member for long years at his church. He is a member of board of the directors of IAMSCU.