Learning Objectives

Upon completion of this unit, students should be able to:

1. Explain why e-commerce raises ethical, social and political issues.
2. Identify the main ethical, social, and political issues raised by e-commerce.
3. Identify a process for analyzing ethical dilemmas.
4. Explain basic concepts related to privacy.
5. Identify the practices of e-commerce companies that threaten privacy.
6. Describe the different methods used to protect online privacy.
7. Analyze the various forms of intellectual property and the challenges involved in protecting it.
8. Clarify how the governance of the Internet has evolved over time.

Unit Summary

This unit focuses on the ethical, social and political issues associated with e-commerce. For each of the features of e-commerce that were presented in Unit 1, there is a potential ethical or social issue associated with it. For instance, the ubiquity of the web allows users to access the Internet at anytime and anywhere. This could be a problem in the work place when employees are spending time online instead of completing their tasks. The personalization and customization characteristics of the Internet bring up many issues pertaining to privacy and sharing of personal information. Since the technology changes so quickly, it is difficult for laws to keep up. Laws are created to address already occurring problems instead of writing laws in anticipation of issues.

Ethical, social and political issues of the Internet and e-commerce occur in several different areas. These areas include:

- **Information rights** – This area addresses the rights that people have on their personal information in an e-commerce marketplace.
- **Property rights** – This area addresses how traditional property rights can be extended to the e-commerce marketplace.
- **Governance** – This area addresses which government body had jurisdiction of the internet.
- **Public safety and welfare** – This area deals with who has access to the internet and what content is allowed on the internet.

The question that we are now faced with is how we can address the problems as they arise. Ethics is the study of principles by which individuals and organizations use to determine what is right and wrong. Ethical principles can be subjective and differ between companies and individuals.
In general ethical principles fall into three categories: responsibility, accountability, and liability. An ethical dilemma arises when at least two actions are opposed to one another but all have a favorable outcome. If you are facing an ethical dilemma the situation should be analyzed by (1) identifying and describing the facts, (2) define the conflict/dilemma and consider the higher level values that are jeopardy such as freedom, privacy, free enterprise, (3) identify who will be affected by the outcome, (4) identify the reasonable options, and (5) identify the potential outcomes of each of the options. After analyzing the dilemma fully you can then refer to one or more of the common ethical principles to help make your decision.

The following ethical principles have been established over a long period of time. Many speak to our cultural upbringing and philosophy about how we treat others. Although some of the principles are quite basic, their impact is to simplify the conflict. A few ethical principles include:

- **The Golden Rule** – This principle helps us to consider others and creates fair decisions.
- **Universalism** – This concept encourages us to consider applying each option to all potential problems. If the solution will not work in all cases then it should not be used in this case.
- **Risk Aversion** – This principle directs us to the option that creates the least amount of harm

There are several other principles that are described in the textbook and applied in everyday life. These principles of ethics help us to understand and respond to issues that arise through online activity and e-commerce. The application of these principles brings about social norms, company policies and procedures, as well as laws to govern online behavior.