Moral Dialogue on the IT-leveraged Economy

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We face moral questions in four "spheres," or roles: as a person, as an economic agent, as a company leader and beyond a firm's boundaries.[1] Although the world of work has existed for a long period of time, perhaps since the beginning of human existence, the idea of a business as a separate sphere was crystallized only as the work roles became more apparent and structured, as in the agricultural society, then in the industrial age and, more recently, in the knowledge economy. Moral dialogue on the role of a firm within and beyond its boundaries is more recent than dialogue on the role of a person in private life. As the economy keeps evolving, nuances, if not the character of ethical dilemma, take on new colors. The purpose of this column is to explore moral questions in the new, technology-dominant economy.

In dealing with the ethics of business firms, we are often guided by Freeman's separation thesis,[2] which says that people tend to treat an issue as a business decision distinctly separate from the same issue as a moral decision. Perhaps the comfort level of the decision maker is high when the two are dealt with separately. However, in as much as this makes the exercise less messy, the discreteness both simplifies and marginalizes the uncertainty and fuzziness of ethics.[3] A natural order of treatment here should be a joint, concurrent, integrated debate on both the business and ethical issues.

Perhaps it was easier in the distant past to separate a business decision from its ethical side. But this is not feasible in most situations anymore. A decision has ethical consequences and, in turn, dealing with such ethical consequences could result in a reconsideration of the business decision. As if this is not complicated enough, the decision scenario becomes even more challenging as we bring the societal implications into consideration. If a hypothetical organization were an entity isolated from society, ethical considerations would probably have a well-defined boundary. However, the inevitable presence of the society in the background weighs in, often heavily, on the moral grounds. In the past, a business's impact on society was probably not as vivid, but in recent decades, the recognition that the ethics of a business entity could widely impact the society is evident. Businesses should—and most of them probably do—project ethical consciousness to bring society into its consequential decisions. From environmental pollution to lead-contaminated potable water,[4] an economic entity can no longer disregard the societal threads in its moral fabric.

Business, Society and Technology

In the distant past, technology was often visualized in the form of an artifact, an idea, a product or a process. The invention of the wheel or the printing press was likely driven in the absence of an explicit consideration of its moral consequences to society. There was the separation of technology from its potential use in the consideration of ethics. Even the economywide considerations of ethical consequences of an artifact were neutral or socially controlled. From this perspective, one tends to think of technology or its artifact as value neutral. For example, one might argue that a printing press is value neutral and its value in use depends on its user.

In reality, however, technological innovations influence society and often shape the behavior of humanity over time. Thus, "the assumption that artifacts [of technology] are separate and either outside the influence of humans or completely within the purview of human wishes misses the intersection of society and technology where the two are not separate."[5] In fact, technological innovations of recent decades have been heavily value laden for the society and, as a consequence, the intersection of society and technology has become a critical component of ethical analysis. The most graphic example of this is the scrimmage between privacy rights and the desire to bring people together on a given platform such as Facebook.

The interconnectedness of society and technology is often incubated in businesses, where research and development of technology—especially applied research—produces avenues for future cash flows.

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The motivations for enterprises such as Facebook, Twitter and LinkedIn are sourced in specific business applications of technology, although the broader technology may have its birthplace somewhere else (e.g., Stanford University [California, USA] or the Massachusetts Institute of Technology [MIT], USA). One could presume that it is the business that should weigh in on the powers of the technology (it is "playing with") on society as a whole as far into the future as possible. In this manner, the triad of business, society and technology is often driven by what a business or an industry does in the technology space.

Putting the corporate world in charge of assessing ethical dilemmas is not without risk. Ogburn's cultural lag thesis helps explain the puzzle. According to Ogburn, material culture advances more rapidly than nonmaterial culture.[6] Advances in technology belong to the material culture, while the technology's ethical consequences reside in the nonmaterial culture. So the application of technology through products happens much faster in the material culture than the moral dialogue on the use of technology in the nonmaterial culture (**figure 1**). In an examination of whether technology has introduced new ethical problems, Marshall asserts, and I agree, that the cultural lag now appears to have greatly accelerated.[7]

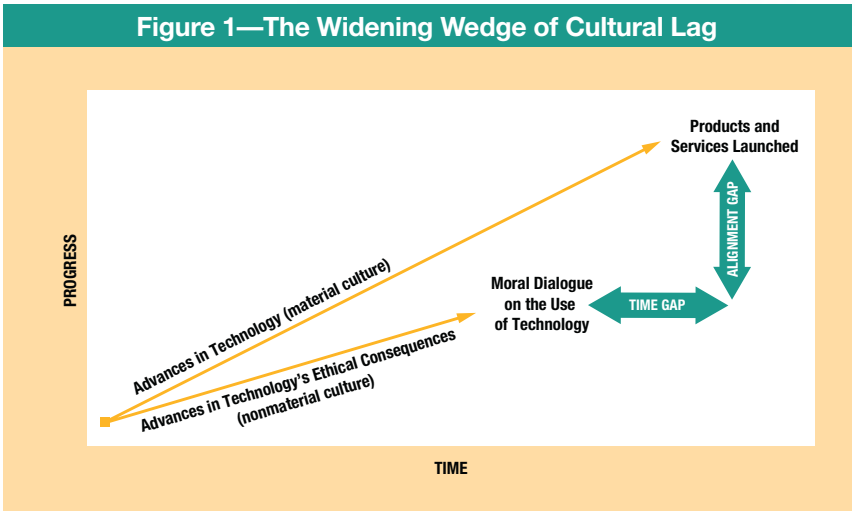
Marshall puts forth three reasons why ethical systems lag behind technology development. The material world moves fast for these reasons:

1. Concentration of equipment, resources and information on the single-minded research and development efficiency (for the sake of economic goals)
2. The race to seek patents and get products to markets first
3. The discovery and application of natural laws of the physical world, which can be engineered in controlled, experimental environments (devoid of moral questions)

And the development of ethical systems is slower because:

1. The development of ethical guidelines does not take place in a controlled environment.
2. There may not be any direct financial rewards for the introduction of a dominant ethical perspective.

Figure 1—The Widening Wedge of Cultural Lag



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3. The social forces that an ethical system would seek to influence are not as controllable as physical aspects of the world.[8]

A balanced view would also suggest that corporate leaders cannot necessarily anticipate well in advance the societal influence and consequent moral questions related to the technology "genie" they let out of the bottle at a rapid pace. Compounding the issue is that the problems surrounding the use—or misuse—of technology lie in a lack of understanding of technology's inherently social and moral dimensions.[9]

Rethinking the Moral Dilemma

Clearly, there are technology forces afoot that make technology more than just a sleeping partner on the ethics landscape. Here is how this is happening. While some innovations in information technology come from software and hardware, the most visible contributor these days is electronic communication. Ever since the launch of the Internet, much has changed because of the innumerable options to do things remotely. This includes innovations in the categories of offshore outsourcing, cloud computing, social networking, mobile devices, near-field communications, and the Internet of Things. Global connectivity and access from anywhere, anytime provide the high-octane energy to not just surpass brick-and-mortar businesses, but to perform even more impressively. Online banks with no physical

branch presence; Uberization; gaming and animation; YouTube, Whatsapp and other friends-and-family networks; supply chains reshaped by the drone delivery systems; and driverless cars—these are just a few examples of how the business models are being turned upside down. The material world dominates the scene and imposes a sense of urgency.

Everything that is hung on the Internet—a loosely connected network of networks—brings the virtual presence of information resources, global access, massive scaling, real-time transaction capabilities, and huge amounts of structured and unstructured data. While the opportunities are massive, so are the ethical challenges.

Who Is in Charge?

So, the loaded questions are these: Who is in charge? Who will guard and guide the moral frontiers? Or, can we expect the moral issues to get sorted out organically over time? Looking at lawmakers and regulators for proactive solutions seems somewhat fruitless for two reasons. Like corporate leaders, they also do not know what will emerge around the corner. Additionally, law making—even translating current law to include technology in its fold—has been difficult and slow. The regulators are struggling to put their arms around drone use while the industry is chugging along with its experiments to get ready for tomorrow.

Another viable candidate would be the corporate leaders, to the extent they can anticipate and are willing take on the nonmaterial culture relevant to their mission. But their firm's economic goals may keep them from giving priority to expanding into the nonmaterial consequences of their actions beyond the threshold requirements of the current laws and regulations. And yet, there are hopeful signs; for example, it is reported that Facebook has adopted the practice of deleting those accounts suspected in a crime so that further damage to society may not occur. For research use, Yahoo has committed to the release of the largest-ever cache of data of some 20 million anonymous users so that we can learn how large numbers of people behave online.[10] And Alphabet will expand how it applies Europe's right-to-be-forgotten for search engines to comply with the stricter privacy requirements of the European Union (EU).[11]

The picture is even more complex when you consider the fact that, as illustrated by Sony's case, the corporate existence can be closely connected to cyberwars among nations (North Korea and the US in Sony's case). The ownership of a nonmaterial cultural issue thus becomes cloudy. Should the US government act on Sony's hack, or should Sony autonomously respond to the compromise inflicted upon it by a foreign government? On worldwide societal issues of ethics, drawing the boundary around a firm, a community, a nation or even a continent fails to yield any meaningful control. The case of net neutrality illustrates this point well. Net neutrality refers to equal access rights to all users of the Internet, regardless of the user, the access mode or nature of use. The idea behind net neutrality is similar to the expectations of common carriers, such as the utilities that control infrastructures. The only, and yet the most impactful, difference is that net neutrality refers to the virtual world that lives on the Internet and affects almost all human beings and organizations around the globe.

In the past, the moral dialogue on the physical equivalent of net neutrality was vividly present in the regulation of utilities. Marshall referred to the overarching issue as control of essential facilities. He hinted that technological advances may "affect the meaning of dominance and the role of free market forces," and questioned if there is a point at which dominance of a market becomes so much a part of our essential culture that it would shift the status of a pervasive resource to that of a public trust.[12] It appears that only the government could control issues of net neutrality through regulation; however, there are too many governments around the globe to control a seamless global resource and differences in their attitudes and behavior are problematic. The Facebook initiative to provide access to basic Internet resources (through its Free Basic app) to the disadvantaged has been rejected by the Indian courts suggesting the initiative compromises net neutrality.[13] So the jury is out on how we as a one-world community will deal with net neutrality issues. If this is any indication of what lies in the future, we are destined to face greater challenges and difficult, almost unsolvable, ethical puzzles.

Endnotes

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