Problems of IT-enabled globalization are a new kind of ethical problem and require new ethical principles for their solution. I will first discuss two examples to demonstrate this: these examples are the World Bank and its IT development, and Yahoo in China. These institutions are what I will call *ethically globalized institutions*, institutions which raise ethical problems that cannot be handled as problems belonging to existing nation-states. Then I will discuss some other recognized ethical problems of IT-enabled globalization which, at first sight, involve only older ethical principles. It will turn out that these problems also have globalized aspects.

In Section 1, this section, I will be using intuitive ethical principles in evaluating the cases. These evaluations are provisional and the reader should feel free to have other opinions. In Sections 2 and 3, I will develop and defend an ethical theory which will provide a firmer foundation for my evaluations.

**IT DEVELOPMENT AT THE WORLD BANK**

The Harvard Business School published in 2003 a case study of IT development at the World Bank. (McFarlan 2003) The IT staff was notably successful in improving the functioning of the World Bank,
enabling it to work better toward its stated goals. But the World Bank’s stated high ideals of improving life in developing countries are, according to economist Joseph Stiglitz, not realized in practice. Stiglitz, a Nobel Prize winner and himself a former Senior Vice President of the Bank, finds that the World Bank actually often makes conditions worse in developing countries. (Stiglitz 2003, 2007)

The mission of the World Bank is to fight poverty around the world by providing resources, sharing knowledge and enabling public/private partnerships. This is to be accomplished by attracting and maintaining a committed staff with exceptional skills. The World Bank is financed by investors in 184 member countries, primarily through bond purchases. In 2003, the Bank adopted a strategy of global decentralization and facilitating knowledge transfer to developing countries. In the face of numerous challenges, their IT department succeeded in enabling these goals.¹ (McFarlan 2003)

However, decentralized administration and knowledge transfer may not, in the context of World Bank administration, succeed in improving the lot of those in developing countries. The problem, according to responsible commentators such as Joseph Stiglitz, is that the World Bank (together with the International Monetary Fund) attaches conditions to its loans and grants which reflect more the ethics of international banking than that of alleviating poverty. Typically, keeping to agreements to repay loans and privatization of government services are required. During the 2002 Argentina default, enormous increases in debt service on its loans triggered by events in the U.S. and East Asia, together with loss of revenues caused by privatized services moving out of the country, were simply made worse by IMF and World Bank policies. (Stiglitz 2007, 220-225). Other problems include loans going to entrenched oligarchies rather than development projects. In general about 50% of World Bank projects fail. (Center for Economic Justice 2004)

There are several layers of ethical considerations to be untangled here. If one accepts Stiglitz’s account of the World Bank’s failings, then the IT staff at the World Bank has enabled a diminished future for many in developing countries. His views are shared by many and as of 2008 there is a boycott campaign against buying bonds issued by the World Bank. Participants include municipalities, the college pension organization TIAA/CREF, as well as a number of labor unions. (Support for the boycott is for financial risk reasons as well as socially conscious reasons). (Evans 2003)

The ethical situation has parallels to IT development for ethically flawed organizations, for example tobacco manufacturers, or, less controversially, distributors of child pornography. If, for example, an IT professional were to produce a first rate website and back office system for an outfit distributing child pornography, there would not be much question about the ethical status of his activity. The activity of the organization is highly unethical, so it is not ethical to aid and abet its implementation. Tobacco seems more of an intermediate case. Certainly tobacco manufacturers are operating legally, so ethically it is up to the IT professional whether he wants to work for this sort of company. But the difference in the case of the World Bank is that it is not immediately clear what ethical standards are appropriate for a globalized organization. Ought the IT professionals who did such a good job for the World Bank consider the Bank’s negative impact on developing countries? Or do ethical standards of international banking take precedence? What ethical conclusion should they draw?

When is “I only work here. I’m only following orders” an acceptable ethical defense? Clearly it matters how directly implicated people are in ethically questionable activities. The IT professional enabling child pornography distribution clearly cannot say “I only work here” to establish that he is acting ethically. We expect him to recognize that the activity he is enabling is both illegal and unethical. However, the IT professional enabling the sale of tobacco can say “I only work here.” Producing and developing tobacco products is legal. It is another question whether distributing a product which tends to kill people
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