Chapter XV

Ethics and E-Business: An Oxymoron?

Dianne Waddell
Edith Cowan University, Australia

ABSTRACT

This chapter attempts to give an outline of some of the contemporary ethical issues related to technological innovation associated with e-business, in particular the notion that e-business and ethics is an oxymoron (‘a figure of speech ... seeming self-contradiction’). The question is, has innovation in e-business resulted in unethical behaviour because of the new media and technology and the fact that businesses are embarking on something new therefore the old rules do not apply? Is it easier to behave unethically over the net? The author reviews the various methods used for dealing with on-line security and investigates the notion of trust which is implied in on-line transactions and business dealings. Also typical e-business ethical dilemmas are proffered as a catalyst for further debate.

The author concludes that as e-businesses deal with intangible products and services over the Internet, the potential for ethical dilemmas and
shonky practices to develop is far higher than a bricks-and-mortar business. The challenge is for e-businesses to establish trust based on consistent good ethical practice and an industry approach to abusers of the system. Ethics and innovation are not mutually exclusive and will continue to challenge e-businesses.

**INTRODUCTION**

“For some people, the Internet is an anarchic space in which even the criminal can roam freely. For others, it is a place of liberty in which citizens can swap information and ideas free from risk of censorship by any vested interest. At least for the time being, there is neither corporation nor government capable of controlling the ‘net’” (Longstaff, 2003).

The system of moral principles—or ethics—is a set of rules determining right and wrong behaviour (Delbridge et al., 2001, p. 645). Ethics can be applied to any human action and the study of business ethics is a growing phenomenon. Given the relatively new concept of e-business, and the rate of change that is measured in months rather than years, the rules are constantly changing and ethical dilemmas have become common. A literature search on e-business ethics will produce references to corporate collapses and mismanagement, spam, the illegal use of intellectual property and abuse of privacy laws, to name just a few. There are many articles available that discuss the science of ethics and the business ethics approach of understanding the social responsibility of e-businesses beyond legal implications. Many of the theories and studies are beyond the intention of this chapter, which attempts to give an outline of some of the contemporary issues related to technological innovation associated with e-business. The references supplied at the end of the chapter are a starting point for a more detailed analysis of e-business ethics.

**IS THERE A NEED FOR ETHICS IN E-BUSINESS?**

Harrison (2001, p. 40) refers to the individual’s moral development as opposed to the corporation’s. He mentions the years of debate about whether