

# The Role of IT in the Ethics of Globalization

**Robert A. Schultz**

**Professor Emeritus, Woodbury University, Burbank, CA, USA**

[bobschultz\\_lvt@yahoo.com](mailto:bobschultz_lvt@yahoo.com)

## Abstract

The purpose of this paper is to determine the ethical role of Information Technology within globalization. Globalization is considered to be ethically neutral with both good and bad aspects. The question is how to implement it ethically. The method used in the paper is *reflective equilibrium* which is to make less general intuitive ethical judgements consistent with an ethical theory. The social contract theory of John Rawls provides a starting point. My proposed global ethical theory is a pair of social contracts, one for relations between nations and one for participants in the global economy. This theory is shown to be better than some popular alternatives. Finally, IT professionals turn out to have a special role in guaranteeing that these social contracts are workable.

**Keywords:** information technology, ethics, globalization, social contract, transnational

## Introduction

Information Technology (IT) has been an enabler of economic and cultural globalization. Indeed, it is likely that without IT, current levels of globalization would be impossible. Thus as an essential enabler of globalization, IT has some ethical responsibility for the implementation of globalization. This paper discusses the nature of IT's responsibility within ethical globalization.

I will first briefly characterize globalization and then outline a social contract theory of ethics which I believe is the most appropriate ethical theory to apply to the problem. (These results build on the results of Schultz, 2009.) Finally, I will suggest the appropriate ethical principles and practices for IT to follow to aid the ethical implementation of globalization.

Figure 1 indicates the general relations of different levels and kinds of ethics that will be discussed in this paper. Note that IT ethics draws from many different levels of ethics.

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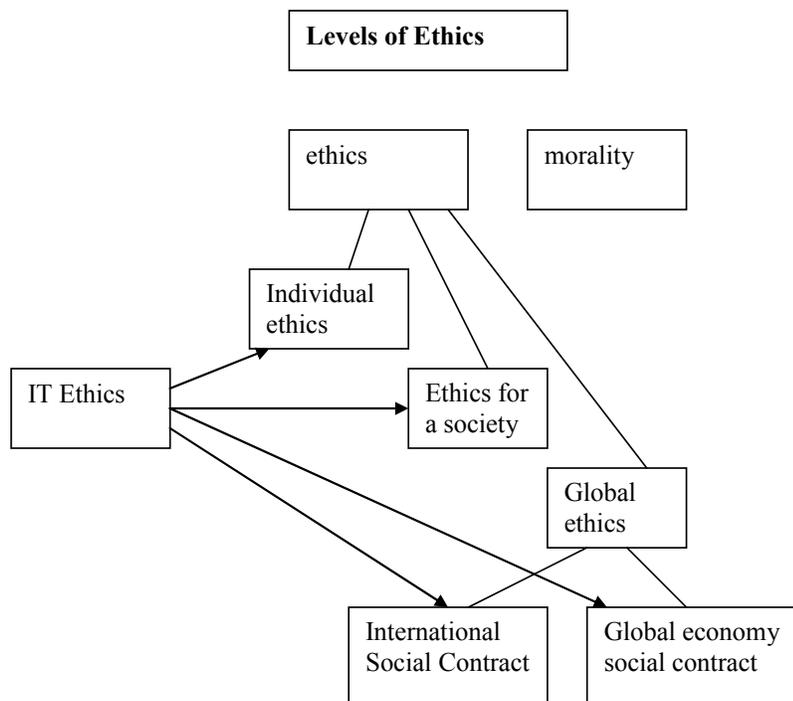


Figure 1. Levels of Ethics

## Globalization

Globalization can be described as the coalescence of the economies and cultures of this planet. The reason for the coalescence is technological advances, both in information technology and transportation technology. It is not as though people all over the world suddenly decided to globalize for no special reason. Globalization so characterized is a recent phenomenon. Without IT, for example, it would just not have been possible to manage parts of a business as a single transnational supply chain. The IT applications which made such supply chains possible did not begin to emerge until the 1970s, and were dramatically enhanced by the arrival of the Internet for business use in 1994. Also, transportation technology improvements such as containerization in the late 1950s and early 1960s made it more feasible to do manufacturing on the other side of the world.

A fuller description of the globalization would discuss political and legal aspects as well as economic and cultural aspects. Each of these aspects of globalization cannot be considered completely in isolation. Economic globalization forces changes in culture, and cultural globalization forces changes in politics and law. Farmers in Mexico who cannot compete with subsidized US agribusinesses are forced to become manufacturing laborers or illegal immigrants to the US. Cultural globalization has made child labor and battering of women less acceptable. As these examples illustrate, globalization has both positive and negative aspects.

For this reason, globalization has become a contested concept. My aim here is neither to condemn globalization nor to praise it. Globalization is a form of human social cooperation with both good and bad aspects. To try to prove that globalization is in itself good or bad would be just as nonsensical as to try to prove that human social cooperation is in itself good or bad. Human social

cooperation has produced a technologized lifestyle which is dramatically better for many people. Human social cooperation has also produced great evils such as wars and the potential collapse of the ecosystem. Globalization has also produced benefits and harms. So instead of trying to determine whether globalization is good or bad, I consider how globalization can be implemented in a just and ethical way. My ultimate concern in this paper is to show IT's potential contribution to such an implementation.

IT is much more, I think, than a mere enabler of globalization. Within globalization, IT produces new ethical problems all by itself. For example, around 2002, Yahoo provided the Chinese government with information about two pro-democracy journalists who were subsequently jailed and apparently tortured. The journalists successfully sued Yahoo. Yahoo initially claimed that it was merely complying with Chinese law (Elias 2007). The obvious ethical issue is whether Yahoo should do this, whether the law of a country not recognizing basic human rights should be followed. The background question is whose law, if any, should be followed by a transnational company? Again, the fact that this is an IT company makes the question a lot harder to answer. With outsourced manufacturing, the choice would be the country where operations take place. With Yahoo, it is not so clear, although Yahoo itself seemingly followed some such principle by selling its Chinese e-mail operation to a Chinese company.

At Yahoo's 2007 annual meetings, Yahoo shareholders voted overwhelmingly against a proposal for Yahoo to reject censorship. (BBC News, 2007) Obviously Yahoo, as a corporation, is bound by the vote of its shareholders. But ethically do the shareholders of transnational corporations have the last word? What IT has produced in the case of Yahoo and other Internet communications companies are *ethically globalized* companies, companies whose ethical problems cannot be solved by dividing them between different nations.

## Social Contract Ethics

How do we determine what is a "just and ethical way" to implement globalization? Ethics and morality are areas where there are notoriously conflicting opinions and the possibility of getting agreement may seem slim. I believe this opinion is based on failing to distinguish rules of conduct for social cooperation on the one hand and, on the other hand, rules of conduct based on beliefs which we don't expect to be shared, such as religious beliefs, cultural customs, philosophical ideals, and so on. In this paper I will alter ordinary usage and *define* ethics as principles of social cooperation. I will also *define* morality as principles of conduct based on beliefs held by some less-than-universal group.

Almost all of human life is lived in a context of effective social cooperation. Human beings are perhaps the most social of social animals, with ants, bees and termites as possible rivals. Social cooperation normally requires acting against immediate self-interest, as illustrated in the *payoff matrix* in Table 1.<sup>1</sup>

Table 1. Cooperative Benefits Payoff Matrix

	Person A obeys principle	Person A disobeys (acts selfishly)
Person B obeys principle	(2,2)	(4,1)
Person B disobeys (acts selfishly)	(1,4)	(3,3)

The payoff matrix in Table 1 reflects that one can always do better from a selfish or self-interested point of view if everyone else obeys the (cooperative ethical) principle but you do not.

For example, obeying traffic signals. If I obey, I may have to wait extra time. But if I am thinking in a purely self-interested (selfish) manner, I may go through the red light when it looks safe to me. I am attempting to avoid whatever disadvantage or burden there is for obeying and at the same time get the cooperative benefit. Of course, the rub is that if everyone acts this way, the cooperative principle with its cooperative benefits is no longer available--we are at alternative (3,3), which means everyone is *collectively* worse off than if everyone obeyed (2,2). (In other words, we are living in urban Massachusetts or Hong Kong.)

Therefore, the only way we can have ethical principles is if we treat principles which are cooperatively rational (produce 2,2 as opposed to 3,3) as of higher priority than considerations of self-interest (Schultz, 1971, pp. 211-217). A more extreme but maybe more compelling example is that we agree not to use deadly force against each other and relegate the use of deadly force to a sovereign. The philosopher Hobbes thought this agreement was the essential social contract which removes us from a state of nature, described by Hobbes as a "war of all against all," guaranteeing that our lives will be "solitary, poore, nasty, brutish and short" (Hobbes, 1651, Ch. XIII).

Obviously not all principles of social cooperation are ethical principles. The mafia's principle of executing members violating its code is not. However, working out a tidy definition is a philosophical question which I will defer to philosophers. The answers of Kant (1787) are plausible: Cooperative principles of action are ethical which are categorical imperatives (that is, principles that could be willed to be universal law) rather than hypothetical imperatives (that is, depend on your having particular interests or ends).

The reasoning involved in giving any principles yielding cooperative benefit higher priority than self-interest can be applied at higher levels: Whenever principles conflict for a type of action, there is the possibility of higher-level principles resolving the conflict in a way that adds value. Thus there is the possibility of higher-level principles for the behavior of nations which add value if they are treated as higher level. A principle not to settle disputes with other nations by making war would be an example. Without such principles, we are left with wars which are rarely in any society's interest.

By contrast, the beliefs underpinning morality are not shared and often fiercely contested. Beliefs justified by "God says..." are very difficult to discuss in a rational way. It may be that moral beliefs are best treated as relative and impervious to rational discussion. There are clearly conflicts between morality so defined and principles of social cooperation. If a Sikh family in Canada has their daughter murdered because she has married an inappropriate lower class man, principles of social cooperation against murder take priority over religious feelings (LiveLeak.com, 2009).

Another major source of cooperative ethical principles is hypothetical agreements under a *social contract*. Principles for the members of a particular society can be thought of as Principles of Justice. In this paper I accept John Rawls' derivation of his Principles of Justice as social contract cooperative ethical principles governing the institutions of the society. Rawls two Principles of Justice are: (1) (Greatest Equal Freedom) Institutions are to be arranged that all have the greatest equal (political) freedom possible for all; (2) (Difference Principle) Economic institutions must tend to make the worst off members of society as well off as possible. (Rawls, 1999a, Ch 2)

Rawls' justification for these principles is through fair conditions on the social contract. In making the choice of principles binding in society, no one is allowed to bias the decision in favor of their own self-interest. So they do not know their own position in society. Without that knowledge, there is no reason to give anyone greater political liberty than anyone else. For the Difference Principle, since economic inequalities can make even the worst off better off, inequalities can be accepted. But these inequalities must benefit those who are worst off.

## Ethics for Globalized Institutions

Rawls' principles apply *within* a society whose members share benefits and burdens. When we come to consider ethical principles for globalized institutions, they must be revised. Basically, there need to be *two* social contracts: A *political* social contract between nations or appropriate proxies such as the citizen of nations; and a *global economic* social contract between participants in the global economy. The reason for this division is that a social contract must be between those to whom the principles decided upon apply. Thus it is *nations* or the peoples of nations who decide on the political principles that apply in their dealings with each other. And it is those who share the benefits and burdens of the global economy who need to decide the principles governing that economy.

The failings of other attempts to provide global ethical principles give more plausibility to this two-contract view. The political theorist Charles Beitz (1999) simply generalizes Rawls' Principles of Justice (Greatest Equal Freedom and the Difference Principle) directly to globalized institutions. Both of Beitz' generalized principles lead to unwelcome results. Rawls himself criticizes Beitz' generalization of the Difference Principle. He produces a different set of political principles (called the Law of Peoples) intended to apply between the citizens of nations.<sup>2</sup> With some corrections, Rawls' principles will serve as our global political social contract. However, Rawls' Law of Peoples (1999b) has nothing to say about global economic institutions.

The flaws in Beitz' account largely stem from his acceptance of *cosmopolitanism*, the view that all people on the globe must be treated as equals, both politically and economically. Beitz generalizes the Greatest Equal Freedom Principle to include all inhabitants of earth equally. Beitz's global principles of justice have priority over any domestic considerations of justice or any ethical claims of sovereign states. Thus a principle of nonintervention in the affairs of sovereign states is, for Beitz, completely subordinate to the global principles of justice. Only just states (or states in the process of becoming just) have any right not to be interfered with.

The cosmopolitan refusal to give any ethical significance to membership in a less-than-global society produces many unwelcome ethical conclusions. With Beitz's theory, the amount of justified intervention would be very great because any ethical significance of boundaries has vanished. We can turn his argument on its head about there being no difference between domestic and international justice. If national boundaries are not ethically relevant, we could justify as much economic and social intervention between countries as we now see internally within states. Just imagine Scandinavia imposing their fuel efficiency standards on the US. Or the EU jailing the CEOs of American health care corporations. Or Islamic states requiring all French women to wear scarves and long pants. Beitz cannot properly factor in the disruption caused by intervention in other states, because for him there is no ethically relevant disruption other than individual harms.

By contrast, Rawls' Law of Peoples includes a principle of non-intervention in a society. The basis for a transnational social contract is that the representatives of any society must be able to agree to principles without knowing how their society would be favored or disfavored by those principles. Most of Rawls' principles regulating relations between societies are analogous to domestic principles of justice. First, honor human rights, respect each others freedom, and respect cooperative agreements made between societies. Second, societies do not intervene in each others affairs and only make war in self-defense. (These principles are parallel to the Greatest Equal Freedom Principle). Third, societies have a duty to assist other societies living under unfavorable conditions<sup>3</sup> (This principle is parallel to the Difference Principle.) (Rawls. 1999b, p. 37)

A closer examination of Rawls' account of nonintervention reveals a problem which calls for an important revision to the Law of Peoples. The problem is that for Rawls full membership in the Society of Peoples is open only to "almost just" societies. Rawls acknowledges that states exist

which are not almost just and which do not honor human rights. They may not suffer from unfavorable conditions and they may not intend to attack their neighbors. For Rawls, they are nevertheless outlaw states because they violate human rights. They may be subject to intervention “in severe cases” (1999b, p.90, note1). Rawls’ example of a severe case would be a society driven by slavery and human sacrifice. Even though they are no threat internationally, he would exclude them from the international cooperative benefits of the Society of Peoples. But why should internal behavior determine a country’s rights with other countries?

Rawls recognizes that in practice, intervention by democracies in other countries has sometimes been a subterfuge for “monopolistic and oligarchic interests” seeking economic expansion. But according to Rawls, a people (or its state) has no claim of justice for non-intervention unless it honors human rights (1999b, p. 92) This seems incorrect. Even though a commitment to human rights is not just another Western belief, and even though such a commitment is rightly enshrined in Article I of the Universal Declaration of Human Rights, yet as political theorist Hans Morgenthau noted,

[to] know that nations are subject to the moral law is one thing, while to pretend to know with certainty what is good and evil in the relations among nations is quite another. There is a world of difference between the belief that all nations stand under [ethical] judgement . . . , and the blasphemous conviction that God is always on one’s side and that what one wills oneself cannot fail to be [right]. (1993, p. 13)

In other words, who is to judge that intervention is called for in unjust states? Given the real possibility of duplicitous or egregiously incorrect judgements on the part of the most developed states, a casual and blanket permission for intervention does not seem ethically appropriate. Given the history of past and current US intervention, it seems best to me to limit intervention in another state to self-defense and genocidal behavior, as the ethicist Peter Singer advocates. (2004, pp. 139-144)

Singer has other plausible solutions besides limiting intervention to self-defense and genocidal behavior. Singer defines a *minimalist democracy* as one that has been ruling indefinitely with the apparent acquiescence of its people, without severe restrictions on civil liberties, and without using repression to maintain its power (2004, p. 101). These are the states which one can ethically deal with on external issues. So this is one revision of Rawls’ Law of Peoples for my International Social Contract: This contract will be between minimalist democratic societies.

We now turn to Beitz’s cosmopolitan generalization of Rawls’ difference principle, and then to cosmopolitanism itself. We are aiming for a more correct form of the two global social contracts. For Beitz, Rawls’ Difference Principle (make the worst off as well off as possible) would be applied to the entire globe even though a massive redistribution of goods between richer and poorer countries would be required. It would mean that, *regardless of whatever society an individual belonged to*, justice requires making the worst off person as well off as possible.

Beitz thinks that “enough” background global social and political institutions exist so that there can be global principles of justice. He mentions extensive trade between nations and “a global regulative structure” consisting of financial and monetary institutions, international property rights, treaties, and a rule of nonintervention (1979, pp. 148-149) But how do these institutions become vehicles for a global difference principle? There is clearly room for and need for principles of international justice. There are lots of major unresolved transnational problems. Current institutions do not address them. And simply extending domestic justice for individuals is not a good way of addressing them. Who, for example, proposes and enforces World Bank reforms to make it more responsive to the needs of developing countries? And what globalized institution can see to it that multinational corporations obey antitrust principles? Or that they don’t engage in tax shifting? The domestic principles of justice, globalized, provide almost no guidance. We need

instead principles of justice especially for the economic structure of transnational institutions, principles that recognize and build on the justice of societies.

Consider, for example Yahoo's problem with Chinese law. If we just "go global" with the principles of justice, we would have to say that Chinese law is irrelevant; it conflicts with the principle of Greatest Equal Freedom, which is for Beitz a priority principle of global justice. Of course we know that it is a correct principle of justice, and if the Chinese don't accept it, that is their problem. "We" can require China not to censor the internet or impose sanctions as executors of global justice. All social contracts are based on consent of those subject to the agreement. But instead Beitz's global social contract requires us to impose our own beliefs on others. And it is not clear who should be doing the imposition.

In *The Law of Peoples*, Rawls notes three differences between domestic and international justice and then criticizes Beitz's global difference principle (1999b, pp. 115-120). The differences Rawls cites are these:

1. Within a society, justice requires that the worst off has sufficient means to make use of their freedom and lead a worthwhile life. No redistribution is called for to better the worst off, even if there are great inequalities. Among societies, as long as the society has the means to maintain a just government, no redistribution is called for to improve the justice of its institutions.
2. If there is justified resentment on the part of the less well off because of their being treated as inferior, redistribution is called for, domestically. Internationally, as long as aid to improve justice has been provided, the society should consider saving or borrowing to improve the lot of the less advantaged.
3. Domestically, fairness in procedures and in opportunity is required. Internationally, fairness would require guidelines for cooperative organizations and standards for trade.

Beitz believes natural resources are analogous to talents of the individual and thus should be subject to redistribution by principles of justice. Rawls notes that a country's well being is determined more by its political culture than by the presence or absence of resources. Think of Singapore, very successful with no natural resources, and the Congo Republic (Zimbabwe), not very successful with loads of natural resources. Rawls' point seems to be correct, and so redistribution of resources may not help in creating just states.

In criticizing Beitz's global difference principle, Rawls asks us to imagine two societies. Both start in the same place, both are just and economically secure. Society A decides to industrialize and succeeds in increasing the wealth of all its citizens. Society B decides to retain a leisurely pastoral society. In a few decades society A is twice as wealthy in all respects as society B. Is there any ethical requirement for society A to transfer the extra wealth to society B? Rawls thinks not, and I agree. Although the cases are hypothetical, they include a feature that cosmopolitans ignore, namely that benefits are the result of shared burdens and plans that were agreed to by the participants in that society (Rawls, 1999b, pp. 117-118).

In Rawls' Law of Peoples, Rawls thinks the relevant obligation on states toward less advantaged states would be only to bring them to the point where they are capable of becoming just societies. Rawls believes in the optimistic assumption that if a country's internal institutions are just, a decent economy will follow, or at least an economy decent enough to enable satisfaction of the Difference Principle. For Rawls, the ethical requirement would only be to contribute toward the establishment of a just state. But so long as there are countries who fall on hard times, benevolence at the country level seems to be ethically required--more than simply contributing to the establishment of a just state.

How much more? The global difference principle requires too much and in the wrong way. Perhaps the duty of benevolence extended to countries would be enough. This would require helping countries suffering from poverty when the cost to ones' own country was not too great. The Millennium Development Goal of 0.7% of a country's annual gross national product going to poor countries could be regarded as benevolence at the country level. But countries are not ethical individuals, although they are composed of them. In actual practice, in a recent year, the US gave 0.1% of its gross national product for development aid. Most other developed countries gave from two to seven times as much percentage wise (Singer, 2004, pp. 180-181).

## The Two Global Social Contracts

I will set out in this section the two global social contracts. The first is the *International Social Contract*, and the second is the *Global Economy Social Contract*. The International Social Contract is my revised form of Rawls' Law of Peoples. Societies adopting this contract follow these principles:

- I-1. Their governments maintain a minimalist democracy and respect cooperative agreements made between them.
- I-2. Societies do not intervene in each others affairs and only make war in self-defense.
- I-3. Societies have a duty to assist other people living under unfavorable conditions.
- I-4. Societies agree to have a procedure for dealing with violations of these principles. <sup>4</sup>

This contract will take care of primarily political ethical problems between societies. As noted before, this contract has no bearing on globalized economic institutions. So for these institutions, we need a second *Global Economy Social Contract*. Since Beitz's global difference principle is unacceptable, we might consider using utilitarianism (the view that the ethical thing to do is whatever produces the greatest good for the greatest number) as a global economic principle. Peter Singer (2004) argues forcefully for this combination of cosmopolitanism and utilitarianism. But although cosmopolitans have great concern with the welfare of the global poor, their utilitarianism leads to problems. Aggregate total value is what matters to utilitarianism; distribution is irrelevant.

Consider two possible transnational distributions of resources, which could take the form of World Bank loans. Distribution 1 gives a lot to one country, Needia, but very little to a second country, Desperia. Distribution 2 gives both Needia and Desperia equal small amounts. A utilitarian must use *consequences* to decide between the distributions. The consequences are: With Distribution 1, Needia would be able to use the increased resources to provide really good lives for everyone in the country, but Desperia would be sunk in abject poverty (short lives, poor health, etc.). With Distribution 2, people in both countries have hard lives but decent ones. The possibilities can be summarized in the matrix of Table 2:

**Table 2. Distribution of resources between two countries**

	Needia	Desperia	Aggregate value
Distribution 1	A lot→ really good lives	Very little→ Abject poverty	
Distribution 2	Small→hard but decent lives	Small→hard but decent lives	

A utilitarian must be able to give numerical utility values to the consequences in order to decide between the distributions. Here are some possible values. (Average utility in each country is probably the most reasonable choice of value.) In Table 3 I have simply averaged the averages. One might also weight the averages for the number of people in each country for aggregate value.

**Table 3. Value results of distribution**

	Needia	Desperia	Aggregate value
Distribution 1	really good lives = 75 average	abject poverty = -5 average	35 average
Distribution 2	hard but decent = 20 average	hard but decent = 20 average	20 average

These values are arbitrary, but there could easily be actual distributions with the same pattern. And so there will be cases where a utilitarian has to choose Distribution 1, even though that choice leaves people in the abject poverty cosmopolitans were trying to avoid. By contrast, for a social contract theory, distribution by itself is not decisive. We need to consider the institutions within those countries producing the benefits. Any sort of social contract will very likely include an analogue of Rawls' Difference Principle, to make the worst off as well off as possible. If so, in the example in Table 3, Distribution 2 would be the more likely choice. On a social contract theory, the choice would depend on the institutions producing these results rather than just on the distribution itself. So on a social contract view we can't declare Distribution 2 the winner just on the basis of these numbers. I believe this choice squares with our ethical beliefs.

Since my purpose with the example is to discredit utilitarianism, I see no point in pursuing refinements indefinitely. Any alternative here has problems. Considering average utility makes more sense than just adding all utilities. Otherwise an increased population with lower utility would be chosen. Simply adding the average utilities of the two countries seems somewhat arbitrary. But weighting the averages by population has the same problem. In terms of the countries in the example, if Desperia has four times as many people as Needia, the result would still be the same provided that Needia's inhabitants had really *really* good lives averaging a value of 145. The weighted aggregate value for Needia is then  $(1 * 145 + 4 * -5)/5 = 25$  average. There is always a problem when values must be summed across countries

Thus the failings of the preceding global ethical theories point to the proper formulation of the Global Economy Social Contract. A contract is appropriate when institutions with ethically justified authority are needed to implement a fair distribution of benefits and burdens. The global economy, as we have seen, consists of cooperatively produced benefits and burdens currently under no effective ethical authority. So a social contract is appropriate for participants in the global economy.

Here are the main conditions<sup>5</sup> on the Global Economy Social Contract:

- The parties agreeing to the contract must be ethical individuals--those benefiting from or contributing to globally produced benefits. Corporations and governments are not ethical individuals and thus should not help to decide what the contract is.
- The parties should not know what class they belong to. This guarantees fairness in the same way as for the domestic social contract. All that is known about the global economy and its participating societies are general facts.

- The impact on individuals determines whether the institutional applications of the principles chosen to regulate the global economy are just or not.
- Each contract should include a principle to respect the principles of the other contract (applies also to the International Social Contract).

Here are the principles that would be chosen under the above conditions:

G-1. Global Economy Greatest Equal Freedom Principle: All individuals in the global economy have an equal claim to basic liberties. (Except corporations and states are not individuals)

G-2. Global Economy Difference Principle: Globalized institutions implement rules arranged to make the worst off participating in the global economy, as well off as possible. (But not rules which diminish the productivity of institutions to the extent of making everyone, even the worst-off person in the global economy, still worse off).

G-3. Principle of Respect for Other Social Contracts. The actions of global institutions must not impair the application of either domestic principles or international principles of justice .

The parties will choose principles not on utilitarian grounds but rather on maximin grounds. (Maximin is choosing the alternative that will make you best off in the worst case.) Thus they have to adopt rules for institutions which will maximize the benefits of individuals participating in the global economy, but not rules which may cripple the productivity of institutions in such a way as to make everyone, even the worst-off person, still worse off. They will also choose an analog of Rawls' greatest equal freedom principle, but for individuals, not institutions such as corporations or states.

Before turning to the consequences of these principles for IT professionals working in the global economy, I will give brief examples of the application of these principles.

Under the Global Economy Greatest Equal Freedom Principle, all individuals in the global economy have an equal claim to basic liberties. So what should a global economic agent do when human rights are violated in a country? The Yahoo in China case mentioned at the beginning of this paper is an example. Violation of labor rights in sweatshops and in using child labor would be another. I will here consider only the Yahoo case.

China demanded information from Yahoo which Yahoo supplied and which led to the violation of the human rights of dissidents. There was also a subsequent vote of the shareholders not to uphold a ban on censorship on the Internet. Yahoo claimed that it was merely following Chinese law in providing the information but subsequently lost a lawsuit to the Chinese dissidents who were tortured as a result of their releasing information. Without some acknowledged transnational policy, Yahoo is stuck with obeying the law of one state (China) and getting punished (successfully sued) in another (the US). We can conclude that the Global Greatest Equal Liberty principle requires the establishment of some such transnational policy or institution guaranteeing freedom of speech on the Internet. The recent Global Network Initiative (<http://www.globalnetworkinitiative.org>) seems to be such a policy. This initiative, agreed to by companies including Yahoo, Google, and Microsoft, acknowledges that global internet and communication companies are committed to respecting freedom of expression and privacy. These companies will respect these rights even when confronted with countries which do not obey international standards. These companies in effect acknowledge freedom of expression and privacy, the parts of the Greatest Equal Freedom Principle applicable to their dealings in electronic communication.

The shareholder's vote against a ban on censorship is another ethical matter. Yahoo's shareholders have equal rights, but not the right to deny equal rights to participants in the global economy including Internet users. Thus they do not have the right to prevent Yahoo from enforcing equal rights (that is, banning censorship). This follows from the Global Economy Principle of Greatest Equal Liberty.

Applying the Global Economy Difference Principle may be complicated by domestic national policies. NAFTA (the North American Free Trade Agreement) was intended to improve the lot of everyone in the three countries involved, namely Canada, Mexico, and the US. The implementation of NAFTA resulted in widespread agricultural unemployment in Mexico. Applying the Global Economy Difference Principle, it is not enough to say, so what? Efficiency is not justice. In this case, the US, the primary beneficiary of NAFTA, needs to provide some compensation to those losing in Mexico. Worse, the loss of agricultural jobs in Mexico was not due solely to greater US agricultural efficiency. US farmers (mainly agribusinesses) received massive agricultural subsidies for corn. Domestic US political influences make it virtually impossible to eliminate these subsidies. The point of the story is that even if economic practices can be made just globally, domestic national politics may still produce results not in accordance with the Global Difference Principle.

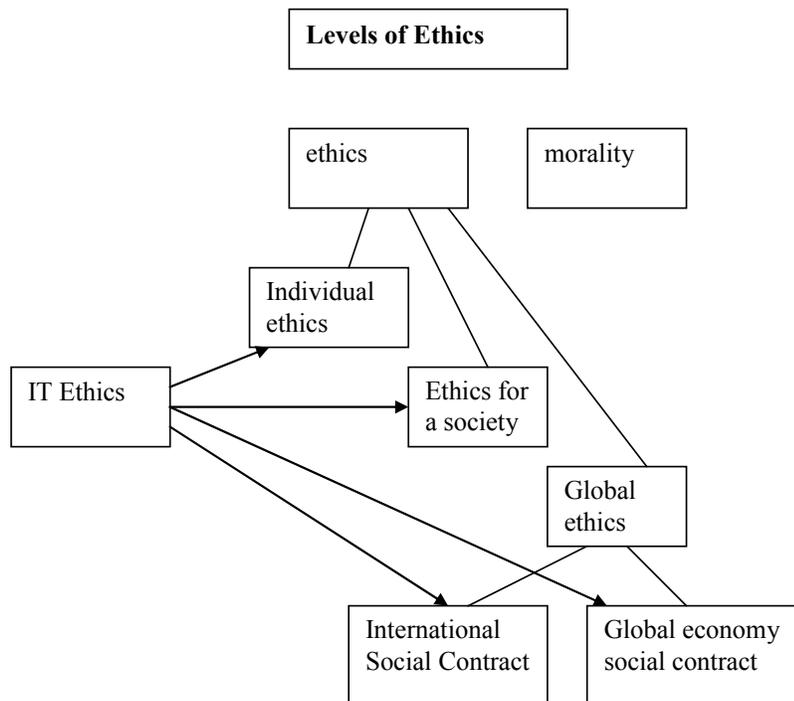
The third principle of the Global Social Contract is respect for the International Social Contract and domestic justice. Since the international contract includes respect for the domestic arrangements of different societies, we could regard the global social economic contract as by default including respect for justice within a society. Although the international contract is primarily political, it has a secondary transnational economic aim expressed in its principle I-3: A society has a duty to help needy people in other societies when the cost to itself is not excessive.<sup>6</sup> And although the Global Economy contract is primarily economic, transnational legal and political institutions or policies will be required to enforce its principles of economic justice.

There are still going to be conflicts in the inevitable areas of overlap. Nation states making war on each other can disrupt segments of the global economy. Unfortunately, the institutions of the global economy don't seem to have great influence on the behavior of nation-states. At the beginning of the Iraq War, commentators including the editors of *BusinessWeek* expressed great concern about the impact of the war on the global economy (Editorial statement, 2003). Regrettably, the global economy did not turn out to be a sufficient force for peace. But the economic impact of the global economy on nation states is one of the main reasons for considering a Global Economy Social Contract. So the Global Economy Social Contract should explicitly include respect for domestically just regimes (or minimalist democracies).

## IT's Role in Globalized Ethics

As indicated in Figure 1 (repeated on the following page for ease of reference), IT ethics impacts and is impacted by ethics at all levels: Individual, societal, and global. Individual IT ethics, besides ethical considerations common to all human beings, includes the enabling and substantive duties of IT professionals. Societal ethics includes the principles of justice for one's society, which apply to IT professionals just as much as any other members of society.

The place of IT professionals in global ethics is more complicated. As essential enablers of the scheme of social cooperation embodied in the global economy, IT professionals have a special place in the construction of the global social contract. There are two considerations: First, the principles chosen must provide a place for the enabling and substantive duties of the IT professional. (For a discussion of these duties, see Schultz, 2006, Chapter 4.) If any candidate principles actually conflicted with fulfilling these duties, they would have to be rejected. Second, the principles chosen must not undermine the basis for the global system of cooperation they apply



**Figure 1. Levels of Ethics**

to. It may turn out that cosmopolitan principles, for example, require an unfeasible extra amount of information gathering and reporting.

How might the principles chosen allow appropriately for the enabling and substantive duties of the IT professional? The IT professional does not have the role of guaranteeing background justice in choosing the principles to govern global social cooperation. His or her role is to ensure that whatever principles are chosen will not interfere with the ability of the IT profession to maintain its professional duties or to maintain the ability to carry out its duties to system users, for system development and for system maintenance.

The Global Economy Principles of Justice do not conflict with the enabling and substantive duties of the IT professional. In fact, they help IT professionals fulfill their duties by mandating freedom of expression, requiring competition within the global economy, and restricting intellectual property rights within the global economy. Freedom of expression has always been essential for technological and scientific advancement, and so it is also essential in enabling IT professionals to create and maintain the best IT applications and systems. Although competition has always been a requirement for a functioning market economy, some corporate commentators feel it is unnecessary in IT. Corporate commentators hold that maximizing their profits is more important than the traditional social goal for patent and intellectual property of stimulating development.<sup>7</sup> This corporate view is not surprising, but it is ethically wrong. Stifling development for the sake of greater profits violates the Global Difference Principle.<sup>8</sup> And clearly IT development is diminished if software copyrights are extended in perpetuity.

The IT professional must also ensure that principles chosen do not undermine the basis for the global system of cooperation they apply to. We can get an idea of why this is so by comparing the

social contract global principles of justice with cosmopolitanism, a global ethical theory we rejected. Cosmopolitanism would definitely undermine the IT basis for the global system of cooperation. Cosmopolitanism requires us to transfer resources to the worst off until the greatest average level of well-being is reached worldwide. We know that there are about one billion people in the developed economies, about one billion in the poorest economies, and about 5 billion in between. Cosmopolitanism leads to counterintuitive consequences concerning those at the bottom and those at the top. As my earlier distribution example established, cosmopolitanism requires us to leave the worst off in their suffering if the average would be improved thereby. (In fact, this may be the actual situation right now.) Also, if the average would be improved by diverting the resources now used to implement high-end technology such as Internet 2, cosmopolitanism would require us to do so. So it would require us to underserve the IT necessary for global cooperation. By contrast, the Global Economy Difference Principle, like domestic Difference Principles, would require us not to worsen the lot of the worst off group in the global economy, even if the average were improved. By the same token, the Global Economy Difference Principle would not require us to divert resources from high-end technology just because the average would be improved. It is very plausible that improvements to the IT infrastructure of the global economy can contribute to making the worst off, better off, and that is all that is required by the Global Economy Difference Principle.

So IT professionals actually have a distinctive role in deciding on a social contract for the global economy. But since both IT and logistics are major enablers of the global economy, why shouldn't logistics also have a special role? Note also that neither IT nor logistics have seats at the table for deciding on the domestic social contract for the principles of justice. Domestic principles of justice were chosen to enable social cooperation and to insure that its benefits were distributed fairly. The parties to the domestic social contract were individuals representing the main different starting points in the system of cooperation (Rawls, 1999a, section 24, "The Veil of Ignorance."). They know general facts about human society, and in particular they regard themselves as belonging to the society for which they are choosing principles of justice. It follows that they are part of the same economic system and share benefits and burdens.

The global economy is instead superimposed on the economies of a number of different societies. Almost as long as there have been human groups, there has been economic exchange or trade between groups--certainly as long as there has been civilization and states. Charles Beitz incorrectly concludes that any interdependence--that is, any trade--makes the economy a global one. Most benefits and burdens are still shared within societies, and individual countries still pursue their own economic policies. So the global social contract necessary to ground authority to regulate the global economy is also superimposed on the social contracts of the separate societies. The parties are not part of the same underlying economic system, but they do share the benefits and burdens enabled by global cooperation. It is these benefits and burdens which are the subject of the global social contract. Their existence depends upon IT. By contrast, no single component of any particular domestic society is needed for the benefits and burdens of that society to exist. But IT must function well for the global economic system to exist. So IT needs to be at the table to ensure that whatever principles are chosen do not undermine the basis of the system of global cooperation. As part of this responsibility, IT must ensure that it can fulfill its own ethical duties.

Does logistics also deserve a seat at the global social contract table? I don't think so. Logistics is a different kind of enabler than IT, and becoming clearer about the differences will make us clearer about IT's unique role in the global social contract. The difference is this: Without improved logistics--containerization--much global trade would not have been feasible because it would have cost too much. (See the discussion in Schultz, 2009, Chapter 3.) We could have shipped Spider Man action figures from China by older methods, but it would have been pointless because they would not have been cost competitive at US destinations. By contrast, multinational

corporations, especially those with complex transnational supply chains, could not exist without IT. A typical Dell Inspiron notebook is co-designed in Texas and Taiwan, and assembled in Malaysia with parts from the Philippines, Japan, Korea, Costa Rica, Mexico, Taiwan, Israel, or China. Even without such supply chains, it is impossible to manage a transnationally distributed company as an integrated whole without an excellent integrated transnational company-wide IT system to handle operations, financials, and management.

Our current economic arrangements--and any global social contract built upon them--may turn out to be provisional. I think it is unlikely that a single world economy completely integrating all separate national economies will emerge. But there is no reason social contracts cannot change when the social structure of benefits and burdens changes. It is appropriate to formulate a new social contract or change an old one whenever principles and authority are needed to insure the fair distribution of benefits and burdens from some new system of social cooperation.

Because many if not most IT applications are implemented within corporations, the status of corporations in the Global Economy Social Contract is important. Corporations--not being ethical persons--are not parties to the global social contract and do not have rights under the Global Greatest Equal Freedom Principle. In particular, they do not have free speech rights. Actually, this is also ethically true for the domestic greatest equal freedom principles of justice even though the courts have found otherwise (See Center for Corporate Policy, 2008). An IT professional is thus faced with an organization which has a great deal of power which does not justify itself ethically. I believe it is a personal decision--not even an ethical one--whether to continue facilitating an organization whose flaw is not realizing ethical goals.

However, corporations can be guilty of more than just not realizing ethical goals. They can actively pursue disinformation campaigns, stonewall court decisions against them, support repressive governments in exchange for resources, and lobby for laws to decriminalize their criminal behavior--all of this both domestically and globally.<sup>9</sup> What is the IT professional to do when faced with this behavior? The choice may be to comply with unethical or unjust orders or to quit. Being a whistle-blower usually costs a fair amount--even with legal protections whistleblowers commonly lose their jobs. It is easy to say one should not obey unethical orders, but if your job depends on the judgement of possibly unethical higher-ups, the disruption to one's career and to family that may be caused by this refusal require careful consideration. It may be that refusal is more than one can be ethically required to do. It may be what is called *supererogatory*, meaning literally "above what is asked."

But even then, if you feel the best thing to do is to acquiesce in the injustice, the higher level principle of justice has to be acknowledged by what you do. Even if reasons of interest make it difficult or impossible for you or your company to do what you believe is ethical, it is still necessary in what you do to acknowledge the higher-level ethical principle. And this acknowledgement is ethically required. It is easy to see why. If the fact that other people are not behaving well was a sufficient reason for you not to behave well, the situation could never improve. But fortunately people are ethically optimistic and in most circumstances believe that improvement is possible. Of course, it may be foolhardy and completely unproductive to do the right thing in circumstances where ethical principles do not hold sway. It may also be supererogatory or heroic.

Exactly what form an acknowledgement of the higher-order Global Principles of Justice should take will thus depend very much on details of the circumstances. It is common that one has personal ethical family obligations which make it necessary to keep one's job. Then the extent to which a company will allow criticism of its policies and actions will determine what one can do. At a minimum, one could express regret to peers that the company could not see its way to a more ethically enlightened policy. If the company allows anonymous criticism through suggestion boxes and the like, that is another possibility.

Do such corporate environments violate the Greatest Equal Freedom Principle? I don't think that's the way to look at the situation. Corporations are not parties to the social contract and are subject only to external ethical oversight. They have their place in the global economy (and in domestic economies) because of their economic efficiency and productivity. I don't believe that the corporate goal of maximizing profits should always be *replaced* by ethical goals. Corporate Social Responsibility is a matter of making ethical considerations congruent with making profits. This requires some ingenuity. (See Arena (2004) for some excellent examples.) But if restriction of speech for those working for the corporation, is necessary for the corporation to achieve its goals, that is not ethically objectionable. However, if the restriction extends to employees when not in their role as employees, that would be a violation of the Greatest Equal Freedom Principle.

## Concluding Remarks

The social contract ethical framework developed here is relevant to many other ethical problems involving IT and globalization. It is also relevant to many other ethical problems involving globalization. Extensive discussion of current and future global institutions would be required for these applications. Such topics, however, would easily require a full book. (Schultz, 2009, discusses many of these issues.)

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## Biography



**Dr. Robert A. Schultz** is Professor Emeritus and Chair Emeritus of Information Technology at Woodbury University, Burbank, CA. He was Professor and Chair of Information Technology and Director of Academic Computing at Woodbury from 1989 through 2007. He regularly taught courses in database applications and design, systems development tools, and the management of information technology. He has numerous publications and presentations in the areas of database design, I.T. education, and the philosophy of technology. His book *Contemporary Issues in Ethics and Information Technology*, was published by IRM Press (the former name of IGI-Global) in 2006. His book *Information Technology and the Ethics of Globalization* was published by IGI-Global in 2009. He continues to teach and publish in the

areas of IT and ethics and has taught online courses in IT and ethics in the Applied Information Management Program at the University of Oregon in 2009, and in the MBA program at Woodbury University in 2010. Schultz received his Ph.D. in philosophy from Harvard University in 1971, with a dissertation in ethics under the direction of John Rawls. He was a member of the philosophy faculty at several universities. From 1980 to 1985 he was Data Processing Manager at A-Mark Precious Metals, a Forbes 500 company, then in Beverly Hills, CA

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<sup>1</sup> The application of the matrix to ethical principles is due to David Gauthier, (1967).

<sup>2</sup> Rawls is emphatic that international principles of justice apply between *peoples*, the inhabitants of a country, rather than states or governments (Rawls, 1999b, sec. 2). This is one of many ways Rawls' formulation embodies a democratic international order. I follow Rawls, although I will use the term 'society' rather than 'people.' I believe 'society' has the same meaning as Rawls' 'people.' That is, a society is not a state or government.

<sup>3</sup> In *Law of Peoples*, Rawls states eight principles. "No World State" is not itself regarded as a principle, and I have condensed a few others.

<sup>4</sup> This is my new addition to Rawls' principles in the *Law of Peoples* (Rawls, 1999b, p. 37).

<sup>5</sup> I omit one other important condition because there is not space to discuss it adequately here:

As in the domestic social contract, we exclude knowledge or possession of two psychological traits: A high propensity to choose very risky alternatives; and the propensity to destructive envy.

<sup>6</sup> Recall that this was an alternative to the cosmopolitan solution of eliminating any differences in resources between people in different countries.

<sup>7</sup> See Arrison, 2008, for the nearly self-contradictory argument that reducing competition by preventing antitrust suits will stimulate IT development. Consider the history of Microsoft. Vista, anyone?

<sup>8</sup> For a discussion of the traditional correct basis for intellectual property and its ethical status, see Schultz, 2006, chapter 9.

<sup>9</sup> See Schultz, 2009, chapter 15, "Corporations and *being*." The fact that corporations view everything they say as a means to greater profits rather than as a contribution to truth may in the near future lead to the extinction of human beings unless ethical constraints are imposed on them.