

BUSINESS, SOCIETY & ETHICS

The Permissibility of Price Gouging

As you read the material for our next class, keep the questions below in mind. To answer these questions you will have to reflect critically on what you have read and possibly re-read important passages. Keep in mind that there are two basic kinds of information that you need to look for in the reading:

1. What are the main points or conclusions that an author accepts with respect to a particular issue?
2. What are the reasons, important considerations, and evidence that lead the author to accept that conclusion?

For our purposes, *it is information of the second sort that will be our primary concern* since our most basic task is to *evaluate the reasons and evidence* that are offered to support accepting one possible conclusion about an issue, rather than another.

Although I strongly suggest that you write out brief answers to these questions, you do not have to turn in written responses. You do, however, need to be prepared to speak intelligently about these issues at our next class meeting.

Reading

- Zvolinski, M. (2008, July). The Ethics of Price Gouging. *Business Ethics Quarterly*, 18(3), 347–378.
- *Optional*: Evans, L. (2013, December 16). Uber's Snow Storm Surge Pricing Gouged New Yorkers Big Time. *Gothamist*. Retrieved August 16, 2016, from http://gothamist.com/2013/12/16/uber_surge_pricing.php.

Questions

1. Uber is a tech company whose mobile app allows users to submit a trip request which is then fulfilled by an Uber driver. During snow storms and other instances of extreme weather, the Uber is known to raise its prices dramatically (For more details, see the optional reading by Evans.) Why is this thought to be price gouging? Why is price gouging commonly thought to be immoral?
2. In sections 4A and 4B, Zvolinski attempts to refute two major criticisms of price gouging. How does he respond to these arguments? (Hint: You might review Maitland's defense of sweatshops, since Zvolinski's strategy is very similar.)
3. In sections 4C, 4D, and 4E, Zvolinski attempts to show that price gouging is actually morally permissible. What are his arguments?
4. Can Zvolinski's arguments be used to defend Uber's surge pricing?