

## WHAT ABOUT “PRICE GOUGING” BY EMPLOYEES?

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A COMMENTARY IN THE **BUSINESS ETHICS IN TIMES OF PANDEMIC VIRTUAL SYMPOSIUM**

### ABSTRACT

The Covid-19 pandemic reveals a new phenomenon, unaddressed by the existing literature on “price gouging” in times of emergency. While merchants – getting large(r) remuneration for providing desperately needed goods – evoke public moral outrage for assumed “price gouging”, employees – getting large(r) remuneration for providing desperately needed services – do not cause such outrage but rather experience moral appraisal for their valuable commitment. To address this inherent inconsistency of moral judgment, we propose to embrace insights from research on folk economics. By understanding the folk perception underlying public outrage at “price gougers,” business ethics might better enlighten the moral (il-)legitimacy of anti-“price gouging” measures.

IN RECENT YEARS, there has been an extensive debate about the moral legitimacy of “price gouging” and anti-“price gouging” laws. Following the distinction between *market advocates* and *market moralists* (Wempe and Frooman 2018), market advocates have argued that in times of emergency radical price increases provide appropriate incentives for supplying the goods and services that are urgently needed, whereas market moralists have argued that, irrespective of the immediate material consequences, such “price gouging” also has a symbolic meaning that contradicts or even undermines the norm – and social practice – of solidarity as selfless help.

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