

PANDEMIC PREPARATION, DEMOCRACY, AND THE MORALITY OF THE MARKET

David Silver¹

A COMMENTARY IN THE **BUSINESS ETHICS IN TIMES OF PANDEMIC VIRTUAL SYMPOSIUM** ON Joseph Heath (2014), *Morality, Competition, and the Firm: The Market Failures Approach to Business Ethics* (Oxford: Oxford University Press),

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ABSTRACT

This Commentary investigates ethical issues surrounding the US government's attempt to partner with a private company to produce a new low-cost ventilator as part of its pandemic preparation plans. I argue that firms have distinct duties with respect to such public-private partnerships. In contrast to approaches that analyze these duties in terms of an "implicit morality" of the market, I analyze them in terms of democratically authorized plans regarding how to structure the market.

THE CASE: IN 2006, the US government enacted the Pandemic and All-Hazards Preparedness Act (PAHPA), which established the Bio-medical Advanced Research and Development Authority (BARDA). One issue the new agency sought to address was the high cost of ventilators. The approximately \$10,000 cost for each unit was making it difficult for societies to develop a "surge capacity" of ventilators in preparation for a pandemic which attacked the respiratory system.

BARDA came up with a plan to simultaneously stimulate the development of a new low-cost ventilator, targeted to cost less than

¹ The University of British Columbia. Email: david.silver@sauder.ubc.ca