

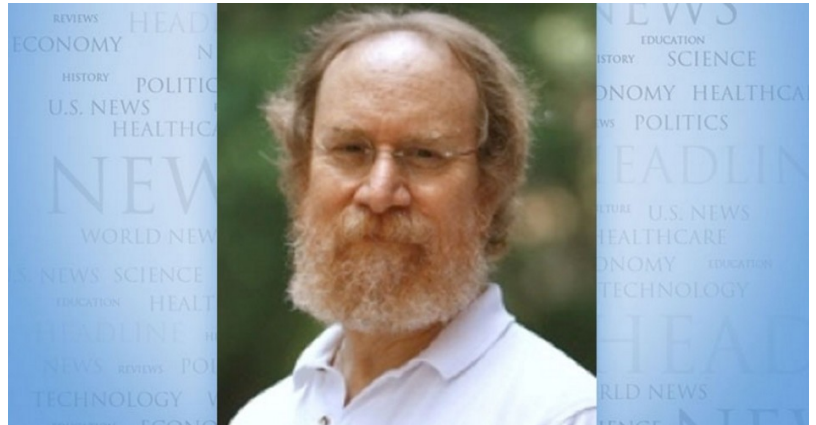


Written by [Sheldon Richman](#) on November 12, 2014

Stop Those Who Would Stop Uber

The nerve of some people! Imagine coming to a city and doing business without first asking permission from local officials!

That's what Uber has done in cities all over the United States and Europe, and it's created quite a storm among politicians and licensed taxi drivers, who have held up traffic in, among other places, Boston, London, and Paris just to stamp their feet at the high-tech competition.



What is Uber? It's an innovator, and you know what that means. It disturbs the regulatory landscape where protected firms have long settled in safely and comfortably. Suddenly, the advantage of being an "in" flies out the window. No wonder the regulation-spawned monopolies are upset.

To be more specific, Uber (and its competitor, Lyft) is a company whose smartphone app efficiently matches riders and drivers. When Uber enters a market, it carefully recruits and certifies local drivers. Then, using the app, people who need a ride can quickly find drivers to get them where they want to go. Customers are told fares in advance and how long they'll wait to be picked up. After the trip, driver and rider are asked to evaluate each other.

Sounds wonderful, doesn't it? You're probably thinking "yes" — unless you're a licensed cab driver, a politician, a regulator, or a progressive. (Recent progressive headlines include "Of Course Uber Should Be Regulated" [[Slate](#)] and "Why Uber Must Be Stopped" [[Salon](#)].) They're all going bananas.

Clearly the welcome wagon rolls out of sight when innovators come to town. In Paris, the government tried to mandate a 15-minute delay between ordering a ride and receiving a pickup. Fortunately, a court said no. The commonwealth of Virginia has told Uber to "Halt!," while Austin and Miami have (figuratively) posted "Uber Stay Out!" signs.

The only [losers](#) from thwarting Uber are riders, who must suffer the inefficiency and backwardness of the local monopoly, and would-be drivers who can't break into the business because of that protectionist, interest-ridden system. Did you know New York City had [fewer taxi licenses \(medallions\)](#) in 2012 than in the late 1930s?

What happened in Little Rock, Arkansas, is typical. Uber came to town to recruit drivers, so the city's board of directors frantically began discussing what kind of regulations they should enact. Uber says it's not a transportation company and should not be subject to the regulations governing taxis. Uber maintains no fleet of vehicles and employs no drivers. It merely helps drivers and riders find each other. But the discussion of regulations went on. Then Uber did something guaranteed to upset any government and its favored interests: it started doing business.

A member of the board of directors quickly let it be known that he would seek an injunction. It's called "injunctive relief," but who would be relieved? I've already indicated the answer: no one who deserves to be.

The statewide newspaper, the *Arkansas Democrat-Gazette*, assumed the voice of the ruling elite when it



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reported that Uber “began operating in the city without approval.... The company is known for moving into cities across the nation without complying with transportation codes that are in place.”

Regarding Uber’s decision to proceed without waiting for the government to act, the newspaper reported, “Ward 4 Director Brad Cazort, who had a role in negotiating terms with Uber, said the company’s sudden start without following city guidelines meant they should no longer have input in the drafting of Little Rock’s regulations.”

That’ll show them. You won’t play ball with us? Fine, we’ll regulate you without your input.

What is the world coming to when any company can come to a city and arrogantly do business without asking permission, in essence, of those against whom it would compete? Does the new kid in town think this is America or something? Oh. Never mind.

Americans live under the delusion that enterprise here is both private and free. It may be nominally private, but it’s anything but free. Unfortunately, most people don’t know what freedom is. So they are unfazed when they hear that before you can do anything of a commercial nature, you need government permission.

You were taught monopolies are bad, right? Apparently not government-created monopolies.

Land of the free? In your dreams.

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