

Many thought that the BP Oil Spill would lead to new environmental legislation, as happened after past environmental disasters. That didn't happen. But something else *did* happen: BP paid \$24 billion in civil and criminal penalties. In an era where any effort at government regulation is immediately denounced as a dire threat to liberty, there was nary a peep out of Republican politicians about these massive penalties. Nor do I hear Trump, Cruz, or Rubio defending Volkswagen from penalties. The moral is that the public is much more united behind punishment for corporate wrongdoers than it is about new regulation.

This makes sense if you think about the arguments that are made against regulation.

Opponents of regulation have successfully spun their position as protecting consumers from higher prices and workers from lost jobs. Corporate shareholders, and corporations as entities, don't get such a respectful hearing. Indeed, "corporate welfarism" is reviled by the Tea Party, and big business remains low in public esteem. Punishing corporate wrongdoers also fits well with the populist anger at both ends of the political spectrum — it's something Trump supporters and Sanders supporters can both support. Indeed, on both the Right and Left, few things have caused as much anger as the government's bailout of banks rather than punishing the financial institutions responsible for the financial crash.

The main benefit of punishing corporate wrongdoers is deterrence, which is partly due to the punishment itself but also due to the public stigma that comes along with penalties.

After the Exxon Valdez spill, the company became a paragon of safety offshore. But there is another benefit, because it reinforces the idea that environmental law is stopping companies from doing something morally wrong.

It would be wrong to oversell the potential role of punitive actions. There are other incentives for compliance that often make more sense, and corporate officials are by no means all enemies of the environment. But in a time when new regulations are so fiercely resisted, coming down hard on corporate violators of existing regulations may be a sound strategy.