Bernie Sanders has a book called *It's OK to be Angry at Capitalism*. There are certainly a lot of people across the political spectrum who feel that way. Capitalism is blamed for environmental destruction by many of the more radical segments of the Left. That's not too surprising given the historic connection between the more radical Left and various forms of socialism. What may be more surprising is the number of people on the far Right who apparently have the same theory.

Although the anger may be a common factor, there may be less clarity about the target and what alternatives to favor. Sanders himself blames "unfettered capitalism." Mainstream economists would definitely agree about the need for government intervention to make capitalism work (for instance, to maintain competition), to deal with income inequality, and to protect the environment.

That's not to say that most economists would agree with Sanders's proposal, but the real debate is about what "fetters" to apply and how. I have some sympathy with his suggestion that we've let things get a bit out of hand and need a course correction. Regardless, the upshot is that Sanders wants major economic reforms rather than eliminating the economic role of markets.

Some other critics aim their ire at globalism or at the finance sector. They seem to favor a kind of localism, in which there would be much less international trade, little movement of capital beyond borders, or a return to locally based banks rather than national or international sources of capital like investment banks, private equity, etc. Others, whether on the left or the right, may favor a much larger publicly owned sector or more government micromanagement of prices, wages, and investment.

Whatever else can be said about these ideas, I don't see much reason to think they will matter one way or the other for environmental protection in general or climate change in particular. State-owned enterprises in places like the old Soviet Union and in China have terrible environmental records. In the U.S., one of the few areas where state ownership and co-ops are important relates to public utilities. There doesn't seem to be a clear connection between whether a utility is investor owned and its environmental performance. One reason is probably that voters and co-op members differ a lot in their environmental preferences, and non-investor owned utilities tend to reflect those preferences. So investor owned utilities, which are responsive to shareholder interests but are also government regulated, may be more environmentally responsive than alternatives whose controlling stakeholders may or may not care about the environment.

Drastic reductions in international trade or capital flows also do not seem especially helpful to the environment. Closing borders is something we usually do to other countries as economic sanctions. In this case, we'd be essentially applying those sanctions to ourselves. It's true that cutting international trade would reduce marine shipping, which would reduce emissions. On the other hand, locally sourced materials and interstate transport might or might not have smaller environmental footprints. Localism also cuts off cheaper sources of the materials and products needed for the energy transition, which would slow efforts to cut emissions. The same is true for cutting off international flows of capital or severely downsizing the financial sector, since doing so would reduce the amount of funding for the energy transition and raise the cost of capital.

Don't get me wrong. I'm not arguing that more free trade or free flow of capital is always better, only that the effects of trade and capital barriers on the environment are unclear. As with capitalism generally, completely unfettered trade or financial sectors aren't an attractive options. It's one thing, however, to say that we need more "fetters." It's another to say that the root cause of the problem is the existence of markets.