



Please Go Away

If like me you are tired of Texans gloating about their supposed “miracle,” [today’s post from Kevin Drum](#) brings some good news:

For years, business lobbyists complained about what they derided as “job killer” laws that drive employers out of California. Rival state governors, notably former Texas Gov. Rick Perry, made highly publicized visits to the Golden State in hopes of poaching jobs.

But new numbers from the U.S. Bureau of Labor Statistics tell a different story. Total jobs created in the 12 months ending Jan. 31 show California leading other states. **California gained 498,000 new jobs, almost 30% more than the Lone Star State’s total of 392,900 for the same period.**

This isn’t just a one-month blip: it’s a one-year trend. Kevin has a typically thoughtful explanation, which deeply implicates both international and local environmental policies:

There’s no more “Texas Miracle” for either Cruz or Rick Perry. We’re in the middle of a California Miracle right now. So how is Sodom on the Pacific pulling this off? Actually, that’s pretty easy to answer. California was hit hard by the housing bubble, while Texas wasn’t. So California’s economy took a big hit

during the recession and the slow recovery, while Texas did pretty well—aided and abetted by a rise in oil prices. Now everything has turned around. California is rebounding strongly from the housing crisis while Texas is suffering from the global collapse in oil prices. There is, frankly, nothing very miraculous about either story. It's just the business cycle at work in a fairly normal and predictable way.

So first, the international oil market –and by implication, the energy policies that create that market — dictate the economic fortunes of states. But what about local environmental policies?

Kevin leaves out an important aspect of *why* Texas was able to avoid the housing bubble. [It has strict regulations on mortgage lending](#), for one thing — a fact that conservatives generally don't want to talk about. But another of its key policies is that it lets builders build: the Lone Star State has some of the most permissive land use controls in the country. That protects against house price inflation, which in turn means that people are less inclined to borrow against their house prices that will surely skyrocket — because they won't. They will thus be less likely to find themselves upside down in a housing sector crash.

The local land use sector is probably the most overregulated in the country, and as the University of Michigan's [Jonathan Levine has demonstrated](#), smart growth policies serve to deregulate this sector. This is an important place where progressives and conservatives could actually find common ground, if the Right would just stop [screaming about how smart growth is some nefarious UN plot](#) to rob us of our [precious bodily fluids](#). That's one more good reason for Texans to shut up.