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## The sad facts behind Rick Perry's Texas miracle

By [Harold Meyerson](#),

Rick Perry's Texas is Ross Perot's Mexico come north. Through a range of enticements we more commonly associate with Third World nations — low wages, no benefits, high rates of poverty, scant taxes, few regulations and generous corporate subsidies — the state has produced its own “[giant sucking sound](#),” attracting businesses from other states to a place where workers come cheap.

Perry's calling card in the presidential race is his state's [record of job creation](#) at a time when the national economy floundered. Yes, Texas has created lots of jobs, though that's partly a reflection of the surge in oil prices, which in turn created tens of thousands of jobs in the oil and gas industries. What Perry touts in his stump speech, however, isn't the oil boom but, rather, the low-tax, low-reg, handouts-to-business climate that prevails in Texas. It's the kind of spiel that businesses hear every day from leaders of developing nations — Mexico and, even more, China.

Consider the Texas that Perry holds up to the rest of the nation for admiration. It has the fourth-highest poverty rate of any state. It tied with Mississippi last year for the [highest percentage of workers in minimum-wage jobs](#). It ranks first in [adults without high school diplomas](#). Twenty-six percent of Texans [have no health insurance](#) — the highest percentage of medically uninsured residents of any state. It leads the nation in the percentage of children who lack medical insurance. Texas has an inordinate number of employers who provide no insurance to their workers, partly because insurance rates are high, thanks to [an absence of regulations](#).

Perry seems quite comfortable with the state's lagging performance in what we might term the pursuit-of-happiness index. Consider his indifference toward education: In 2008, the state comptroller found that 12 percent of Texans lacked high school diplomas and that the level [would rise to 30 percent by 2040](#) unless the state's commitment to education was considerably increased. This year, though, when confronted with a \$27 billion budget deficit, Perry did not raise taxes but instead slashed \$4 billion from K-12 schools. In this regard, the equation of Perry with China's leaders is unfair to China: The Chinese

understand that the better educated their people become, the more high-skill and high-compensating jobs their nation will attain. No such understanding seems to have permeated Perry's brain.

In one significant particular, though, Perry's policies fairly ape the Chinese. Over the past eight years, the state has [given businesses nearly \\$500 million in grants](#) and financial incentives to help them expand. Perry's economic vision is the kind of race-to-the-bottom mercantilism we've come to expect from developing nations in the globalized economy, although, as China, Brazil and India illustrate, many such nations have begun to provide citizens with more schooling and better jobs as they grow wealthier. No comparable developments can be seen in Rick Perry's Texas.

Now Perry wants to take his model national. In "Fed Up," his campaign manifesto, he says the federal government has gone too far by passing laws "regulating the environment, regulating guns, protecting civil rights, establishing the massive programs and Medicare and Medicaid, [and] creating national minimum wage laws." These are all endeavors, [he argues](#), that should be left to the states.

I could understand how a governor with a good record on providing medical insurance, for instance, could argue that his state's plan is one the nation should emulate. But when the governor of the state with the highest level of medical uninsurance calls for dismantling the national programs and letting states go their own way, that's industrial-strength chutzpah.

What Perry either ignores or doesn't know is how greatly Texas has benefited from the investments and regulations of the federal government he despises. He grew up, he tells all who will listen, on a small, hardscrabble Texas farm. But it was Franklin Roosevelt's Rural Electrification Administration that brought electricity to those farms, which, left to the mercies of the market, would have remained dark for decades. The New Deal threw money at Texas, bringing it dams, highways and schoolhouses. The cumulative effect of policies such as the federal minimum wage has been to diminish the disparity that long existed between the industrialized North and the more poverty-stricken South.

Perry wants to unravel the national social contract and once again have us go state by state, with the low-wage, low-reg states dragging down the others, much as Chinese mercantilism has dragged down wages and living standards across the United States. He is the 21st-century, homegrown version of the Manchurian candidate.

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