

An ARRA Critic's Flat-Earth Economic Views

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Tom Pauken, the chairman of the Texas Workforce Commission, is causing a stir by [challenging](#) the Obama Administration's recent [claim](#) that the Recovery Act is responsible for up to 2.8 million jobs through the first quarter of 2010. Pauken took particular umbrage at the [estimate](#) by the Council of Economic Advisers that Texas's share was 205,000 jobs. "This claim is completely misleading and inaccurate," Pauken declared. "There is no direct evidence that the Obama stimulus plan actually created any new private sector jobs in Texas."

That last statement is a dead giveaway. It's one thing to dispute the exact employment impact of ARRA. By claiming that the more than \$11 billion paid out in stimulus funds in Texas (according to Recovery.gov) did not create a single job, Pauken is revealing himself to be a member of the hardcore conservative fraternity that believes government spending, because it depends on taxation, never creates jobs.

In fact, a few minutes of research reveals that Pauken, who was apparently speaking for himself rather than the Commission (its website [press release archive](#) does not contain Pauken's ARRA statement), is in fact a rightwing ideologue. He worked in the Reagan Administration and later headed the Texas Republican Party. When Gov. Rick Perry named him to the Commission in 2008, Texas AFL-CIO President Becky Moeller [blasted the appointment](#), saying that Pauken "has a long record of advocacy for right-wing views and even battled George W. Bush and John Cornyn because he thought they were too liberal." His ARRA outspokenness may have something to do with the fact that Pauken has just published a [new book](#) called BRINGING AMERICA HOME that lays out his ultra-conservative creed.

Pauken's personal views aside, it is worth noting that the Council of Economic Advisers admitted that its state-specific estimates of ARRA job impacts, which were [issued](#) separately from the Council's formal [quarterly Recovery Act report](#), should not be given too much weight, calling the disaggregated numbers "inherently more speculative and uncertain" than the national estimates. Remember that the Council is responsible for estimating national ARRA employment impacts using macroeconomic models, not counting warm bodies. The state breakdowns were apparently issued for political reasons.

You can question the specifics of the Council's models and multipliers, but to state that ARRA spending has no positive employment effects on the private sector is flat-earth economics.

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