

Thursday, May 27, 2010

Editorial: California's green jobs fleeing, too?

Such jobs, no bargain since they require subsidies, aren't immune to state's oppressive environment.

Advocates for government picking and choosing winners and losers tout "green jobs" as the saviors of the economy. Although it is sometimes grudgingly conceded that higher taxes and Draconian regulations to curb greenhouse gas emissions harm conventional businesses, the idea is that green employers and green jobs will more than pick up the slack. At least, that's the argument.

But will they? Or will green employers, excuse the phrase, seek greener pastures, as have so many conventional businesses?

At a town hall meeting last week on jobs and the economy sponsored by state Sen. Bob Huff, R-Diamond Bar, there was an answer to that question, which green-job advocates don't want to hear. Irvine business relocation expert Joseph Vranich said he already sees jobs in the touted green sector migrating to other states,.

Amonix Inc., a Seal Beach company, "plans to build a \$20 million factory in the Las Vegas area that will employ about 280 workers to build photovoltaic solar panels," Mr. Vranich reported.

"MiaSolé of Silicon Valley is planning one of the largest solar factories in Georgia along with 1,000 jobs," he said, adding that the company is reported to be planning a 500,000-square-foot plant, one of the largest of its type in the nation, not near its in Santa Clara headquarters, but instead in Atlanta, Georgia, where its workforce eventually could exceed 1,000. "I could tell similar stories about Solaicx, SolarWorld, Schott Solar, Barefoot Motors, CalStar Products and Mariah Power."

Perversely, California's "green" companies are being lured, partly, with federal tax credits. In that sense, California taxpayers are partially financing the exodus of California business out of California. Mr. Vranich has compiled an admittedly incomplete list of 140 companies, the majority of which have left California for other states in the past decade.

"I fear the situation will worsen with the sledgehammer approach to the environment that comes with the implementation of AB32, the California Global Warming Solutions Act," he said. "If we had truth-in-labeling for legislation, AB32 would be named the California Economic Destruction Act."

Cash-strapped California probably cherishes its revenue stream too much to compete with other states by offering more lucrative tax incentives. But the state can retain businesses if Sacramento would simply reverse its tax-and-regulate mentality that drives companies away. Companies won't need to seek tax-friendly deals elsewhere if they aren't taxed and regulated into the red in California in the first place.

Even so, green jobs largely rely on tax subsidies, directly or in the form of tax credits, which make them bad investments and divert money from investment in businesses that don't require taxpayer support. The Spanish newspaper La Gaceta reported May 21 on Spain's green job boondoggle, which President Barack Obama cites as a model for the U.S. This admission by a leftist Spanish publication vindicated a university study that showed every green job created in Spain costs more than 2.2 traditional jobs. Subsidies in Spain increased fivefold from 2004-10, driving energy prices higher.

Spain and other European socialist "models" are teetering on the brink of insolvency. Mr. Obama and California would do well to learn from that example.