

The Obama White House report



BY RAFAEL HERNÁNDEZ COLÓN

There are high expectations regarding the report of the President's Task Force on Puerto Rico's Status, due soon from the Obama White House. Contrary to the infamous, politically driven, superficial reports on the status of Puerto Rico issued by the administration of George

W. Bush, the upcoming White House report purports to be fair and equitable as to status, deep in its treatment of economic matters, and relevant in terms of education, healthcare and energy. This is welcome news on an island in its fourth year of a depression and much in need of federal policies to help achieve a respectable and sustainable growth rate for its economy.

Federal legislation has imposed the burdens of the most advanced and developed economy on Earth on the productivity of our island economy. Businesses must pay the federal minimum wage, even though the average wage on the island is less than half the average wage in the U.S. A minimum wage is good for those who are employed, but stifling as to the creation of new jobs in an economy where only 41% of the labor force is employed. Other burdens are imposed by federal law, such as the costs of the most expensive maritime transportation in the world for an island that imports over 90% of what it consumes, and federal requirements regarding occupational safety and hazards, environmental protection, etc. All these costs add up, and place our labor costs above and beyond those of our neighbors in the Caribbean Basin and Latin America. Those economies are growing while ours is contracting.

The constraints imposed upon our economy by federal legislation place upon the federal government the responsibility of providing the tools—policies and instruments—for us to enhance our productivity, generate investment and recapture a meaningful growth rate. The federal government hasn't discharged this responsibility for quite some time. There is no integral focus on Puerto Rico in the federal government, neither in the executive branch nor in Congress. Piecemeal legislation has provided some patchwork, but no substitute has been provided to stimulate growth in our economy since Section 936 was repealed by then-President Bill Clinton with the complicity of the administration of former Gov. Pedro Rosselló. This lack of policies from the federal government, plus reckless spending and fiscal mismanagement by commonwealth governments, has resulted in the depression in which we find ourselves.

One would have to go back to the administration

of Franklin Delano Roosevelt to find an integrated approach to the problems of Puerto Rico such as we expect from President Barack Obama. After the initiatives of the Roosevelt administration—the Puerto Rico Reconstruction Administration, et al—during the Great Depression, the Popular Democratic Party used the framework provided by our special relationship with the U.S. to devise the industrialization program that lifted us from underdevelopment and provided steady growth for three decades. This framework has been eroded for ideological reasons by the statehood administrations, witness: the repeal of Section 936 and the imposition of the federal minimum



- “They are already late, so they think it's better to get it right, even if it means waiting a few more weeks...”
- “While political status is perhaps the largest individual section of the report, it ranges over so many different areas that status is not the dominant feature.
- “What also distinguishes the report from previous White House efforts is that the report is designed as a starting point for a concerted effort by the federal government regarding the several issues it covers. The report contains specific recommendations and lays out goals on how and when to implement the actions.
- “White House officials view the report as a ‘starting point’ for long-term efforts between the island and the federal government to address the different issues that it raises. In some areas, the report also recommends meetings between federal and local officials, as well as community members, to forge additional strategies beyond what the report recommends.”

Integrating federal initiatives with commonwealth initiatives into a coherent policy for economic development for Puerto Rico is not only the way out of the depression, but also, and most importantly, the way to sustained economic growth. It is also important in education,

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wage. All of this, the statehooders tell us, has been done in the name of “equality.”

In the name of equality, the statehooders pursued status reports from the Bush White House, which disqualified commonwealth as an option alongside statehood in a status plebiscite. The Obama White House report has taken a different turn. It deals with status, but only as a part of our problems. The approach is integral and goes to our core problems: the economy, education, healthcare, transportation and energy. This is a quantum leap from the Bush reports. We are on the right track. This is the way the Obama report has been described by CARIBBEAN BUSINESS:

- “The report, which weighs in at about 100 pages, will offer a host of specific recommendations in several areas, including political status, economic development, education, healthcare, transportation and energy.

healthcare, transportation and energy. It must be a cooperative effort between governments, each one with its own responsibilities. Status considerations must be supportive, not destructive, of these joint initiatives. The Obama White House report should provide us with the tools with which we can draw a federal and commonwealth strategic-development plan for Puerto Rico. Let us keep our fingers crossed that the report will have the breadth, the depth and the creative responses our situation requires. ■

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