

By : RAFAEL HERNANDEZ COLON

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The industrial wheel was the symbol Teodoro Moscoso gave Fomento (the Economic Development Administration) when it started almost 60 years ago. A muscular worker appeared turning the wheel with great effort. Moscoso, Luis Muñoz Marín, or some unknown publicist, gave Fomento's operation the name of *Manos a la Obra*, which they translated into English as "Operation Bootstrap." The objective was to transform—now we use the term reinvent—Puerto Rico's agricultural economy into an industrial economy. From 1948 to the present, 6,753 factories were opened and 556,508 workers were employed.

Jorge Silva Puras, with the enthusiastic support of Gov. Aníbal Acevedo Vilá, has set out to reinvent the Fomento wheel to turn operation *Manos a la Obra* into *Mentes a la Obra*. A most appropriate policy direction suited to the informed, global, and highly competitive context in which Puerto Rico's economy must function in the beginning of this 21st century. Perhaps, we should call this in English "Operation Brain Power."

Last week, Silva Puras began to feel the heat from Fomento or the Puerto Rico Industrial Development Co. (Prideco) workforce that will be affected by this reinvention. He has a daunting task. The pressures that will be brought upon him by those affected will force our usually unfocused and misinformed public opinion to perceive a petty bureaucratic squabble stemming from his efforts rather than the enlightened objective that he pursues.

The policy directions for a new administration come from the mandate of the people through the ballot and the judgment of those elected to fulfill that mandate. Governmental departments and agencies are the instruments to carry out that mandate. Acevedo Vilá received a mandate to take Puerto Rico into the 21st century. To do that, he must reshape the governmental instruments he has. He must overcome entrenched bureaucratic resistance. The objective pursued is well worth the effort, but not merely because it reduces the number of government jobs.

A few weeks ago, I wrote a column for CARIBBEAN BUSINESS on the reinvention of the economy of Finland brought about by focusing on research & development (R&D) and the reshaping of governmental agencies to bring that change about. That strategy has made Finland's economy the most competitive in the world. A strong consensus to move in the direction of R&D allowed the government of Finland to overcome bureaucratic resistance.

Silva Puras' strategy to relaunch Fomento's efforts will concentrate on a horizontal expansion of the value chain of the industries Fomento calls the life sciences—pharmaceuticals, biotechnology, medical instruments, and health services. By focusing on the entire value chain, Fomento will seek to promote and develop industries rather than plants, industries that have been proven competitive in the world market

for Puerto Rico; industries that are sustainable long into the 21st century; industries that won't be moving to India, Ireland, Southeast Asia, or China. This is the goal.

I fully endorse this effort because there are 43 pharmaceutical firms operating here, with 63 manufacturing plants, creating 26,200 direct jobs, paying more than \$16.29 an hour, and 50,800 indirect jobs. These firms manufactured 17 of the top-20 prescription drugs sold in the U.S. last year. The pharmaceutical industry is the linchpin on which biotechnology turns. Through biotechnology, miracle drugs are made, right here in Puerto Rico, drugs that slow the aging process, treat diabetes, and combat Alzheimer's; medication that will permit us all to live longer, happier, more productive lives.

Four pharmaceutical manufacturers, Amgen, Abbott Health Products, Eli Lilly, and Ortho Biologics, already are involved in the high-tech manufacture of biotechnological medications. They employ 4,194 Puerto Rican workers.

As Silva Puras says, we are qualified to carry out these sophisticated labors because such visionaries as Luis Muñoz Marín, Jaime Benítez, physician Guillermo Arbona, and Teodoro Moscoso created the educational, health, and social systems that gave us a workforce that knows more than how to read, write, and follow instructions. From engineers and doctors down to laborers, we have a workforce that knows how to read, write, and reason, a requirement essential to virtually everything related to the precise manufacture of biotechnical medicines.

In addition, the health system created by Dr. Arbona is essential to evaluating the work being carried out to make certain it meets the standards—in all its phases—established by the National Institutes of Health, which closely monitors the quality of all medications.

Puerto Rico must build on these assets. They provide the critical mass on which to concentrate our efforts to create a substantial and meaningful amount of jobs in highly competitive and sustainable industries that will be the driving force of our 21st-century economy. Concentration in these areas, however, doesn't mean abandoning others such as information technology or tourism. Developmental efforts must be incremental, but we must be strategically focused.

Such concentration on expanding the economic activity connected with the life-sciences value chain has a tremendous potential when we consider R&D is the first part of the value chain in these industries and almost none of that is done in Puerto Rico today. Distribution, another important part of the value chain, also is undertaken beyond our shores. With the Las Américas Port, which makes viable ocean shipping through post-Panamax vessels to the world market, distribution from Puerto Rico will become very attractive for many of these industries.

Pursuing these goals requires sophisticated knowledge of the life sciences, of their operations in Puerto Rico, and of their needs and possibilities. It requires planning and aggressive proactive engagement of the

companies involved and incentives adequate to the activities Fomento intends to promote. The existing bureaucracy in Fomento isn't up to such an endeavor.

Fomento today is a highly bureaucratic, inefficient, and costly organization. Its rules and regulations require about 70 steps to promote a new plant. With luck—lots of it—it can be done in two years. Countries such as Ireland and Singapore take care of this in less than two weeks. Fomento has 80 offices and divisions with 14 directors, all which report directly to Silva Puras. It has 649 employees at an annual cost of \$40,462,533, which represents 75% of all operating costs.

These aren't, however, all the inefficiencies that beset Fomento. Pridco has hundreds of millions of dollars invested in industrial buildings throughout the island that can be put to much better use by selling off such properties and using the resources to finance a first-class operation to engage the pharmaceuticals, new flexible incentives required by the concentration in the life-sciences industries, and the creation of a trust for science and technology that could make the hefty investments necessary to put R&D at the meaningful level Puerto Rico requires. This is what Silva Puras intends to do.

The struggle of Fomento's bureaucracy against change, which we witnessed last week, should be viewed against the highly important objectives pursued by the Acevedo Vilá administration concerning our economic development. The effort to reinvent Fomento's wheel deserves the support of all Puerto Ricans.