

## Decision making and ideology

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Volume: 36 | No: 23

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Issued : 06/12/2008

My son José Alfredo was interviewed on a television program last week, and he said something I did not remember but was true and prompted me to write this column. When asked by the interviewer what important advice I had given him during his life, he paused, and finally said that when he first went to the university, I had told him that what was most important in university studies was not the information or knowledge that you received, but rather learning how to think.

Having just emerged from the Democratic primary amid a recession, with our banks facing liquidity problems, José's assertion prompted me to reflect on the damage ideology has done to Puerto Rico and our need for straight thinking to get out from the mess we are in.

The problem with thinking patterns based on ideology is that on many occasions or circumstances they are not anchored in reality. This, in turn, leads to errors in decision making. Sometimes the error does not have serious consequences, while at other times the consequences can be very serious.

We saw some of this in the Democratic primaries. Within the Popular Democratic Party, which stands for permanent union based on common citizenship with the United States—recent rhetoric notwithstanding—there are those who did not participate in the primaries out of purely ideological concerns. They believe such participation is inconsistent with autonomy. If this were a majority view within the PDP, which it is not, it would have negative consequences for the well-being of the Puerto Rican people and for the autonomy we have or for the enhanced autonomy we seek.

As a result of Puerto Rico's participation in the Democratic primaries, both Barack Obama and Hilary Clinton made serious commitments to our economy, healthcare and the process of self-determination for Puerto Rico with due respect for Commonwealth. With a Democratic victory for the presidency in November, or with a Democratic majority in Congress, we will have important allies for our causes in Washington. This would have been thrown overboard if ideological patterns governed the entire PDP. Fortunately, the majority of the party followed clear thinking patterns.

Had we not participated, statehood and anti-Commonwealth commitments would have dominated the programs of both candidates. Some will then say, well, if you participate in the primaries of the Democratic Party, why don't you seek the presidential vote or statehood? Again, we must appeal to straight thinking on these matters.

If Puerto Rico goes out to seek the presidential vote the way Washington, D.C. did, we will raise the question of federal taxation. Washington, D.C., which paid federal taxes, sought the vote arguing "no

taxation without representation.” Since we do not pay federal taxes, the argument that will be leveled against us is no representation without taxation. So, there would be a price to pay if we went the route of Washington, D.C. Our economy cannot bear federal taxes, neither under Commonwealth with the presidential vote, nor under statehood.

Now, one can argue about the extent of the effects of federal taxation on the Puerto Rican economy and how earmarking in Congress can help us out, but one cannot deny the reality that it would have an effect on economic activity on the island and would put an end to our efforts to promote economic development based on tax incentives. Statehood as an ideology tends to blur thinking as to these matters.

Amid the recession, and with our banks facing liquidity problems, we are already suffering the effects of this skewed thinking based on ideology on the part of the Rosselló administration. Rosselló surrendered Section 936 to an ideological rationale and got nothing in return from the federal government. The recession we are suffering is due to errors of our past and current governments—the executive and the Legislature, external factors such as the price of oil and the meager investment capital that has flowed into Puerto Rico in recent years.

As 936 expired and the 10-year sunset period ended, Fomento’s pipeline dried up. Many plants left us, some stayed and made new investments, but the number of new companies coming into Puerto Rico, compared with those that were coming while 936 was in full force, trickled down to a precious few. This is one of the factors contributing to the current stagnation of our economy.

Another factor stemming from the flawed thinking that led to the surrender of Section 936 is that it is very hard for developers to get construction loans today. When 936 was in force, there were \$20 billion in our banks upon which they could draw to make construction loans. If it were in force today, the private construction industry could be a major contributor to help us emerge out of the recession.

Decision making based on ideology has done great harm to Puerto Rico. One would hope that the new generation of leaders can free themselves from these limitations so the people of Puerto Rico can achieve the promises of their potential.