

It is the economy, not status

By : RAFAEL HERNANDEZ COLON

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During the month of March of this year, unemployment in Puerto Rico rose to 14.7%, reaching the highest level in 14 years. Year after year, companies shed more than 109,000 jobs. The total number of jobs in Puerto Rico plummeted to 1,127,000, the lowest level since 1996. Our labor-participation rate has come down to 43.2%, almost half the 78% labor-participation rate in the U.S., and the lowest in the world. Puerto Rico's real gross national product has remained in a free fall ever since our recession started in March 2006.

Given these conditions, HR 2499, providing for self-determination for the people of Puerto Rico, is a serious mistake because it will lead Congress and the Obama administration to lose the true focus that it must have regarding Puerto Rico: the Puerto Rico economy, which was in deep and structural trouble long before the current recession hit the U.S. H.R. 2499 will hinder all the more the efforts that should now be made for the recovery and development of the Puerto Rico economy because it lacks consensus among the Puerto Rico political parties. Once again, a status bill initiated by the statehood party will end up in gridlock. Gridlock over status breeds an economy in distress. Let us review the lessons of history.

Ever since the U.S. invaded Puerto Rico July 25, 1898, in the wake of the Spanish-American War, the issue of self-determination for the Puerto Rico nation has been raging with acute intensity. The momentous question of whether to accede to full independence, complete integration as the 51st state of the union or to perfect the current commonwealth relationship on the basis of a strengthened compact with the U.S. remains the single most prominent matter facing the Puerto Rico electorate in each election cycle. While the status debate drags on with no end in sight, Puerto Rico's economic condition—mired by consecutive negative growth rates and arresting levels of unemployment and poverty—worsens with unforeseen consequences. The gap is widening for the residents of Puerto Rico who have a median income of 34% of that of the residents of the U.S.

Since the 1950s, the U.S. has adhered to the notion that no major policy decisions regarding Puerto Rico should be taken until the people of Puerto Rico freely decide their political future. Essentially, the U.S. policy of self-determination, as applied to Puerto Rico, consists of a hands-off approach premised on the notion that the U.S. has no obligation to seriously engage the Puerto Rico government to jointly address the island's problems until the political leadership in San Juan disentangles the Gordian knot of status.

Disentanglement isn't likely to happen anytime soon. The results of elections in Puerto Rico aren't identical with support for the status options. According to plebiscite and poll data, there exists a stark structural division in Puerto Rico's electorate between perfected Commonwealth with a simple majority, statehood with a respectable minority and independence with a very small minority. More than 90% of

the electorate favors a continued relationship with the U.S. either through Commonwealth or statehood. A solid majority for Commonwealth or statehood isn't in the cards for the foreseeable future. Meanwhile, conditions on the island are seriously deteriorating. The idea that nothing should be done in Puerto Rico until the status issue is finally put to rest must be discarded. The systemic malaise afflicting the Puerto Rico economy, long before the financial crisis had set in in the U.S., along with the concomitant grave social ills such a severe meltdown has brought along with it, must be addressed now with creative and agile solutions. Time is of the essence.

The gridlock over status has grown during the last half of the 20th century, which witnessed a series of failed Puerto Rico initiatives to enhance the Commonwealth relationship on the basis of the return of meaningful installments of political authority to the island. The 1959 Fernós-Murray and 1963 Aspinall bills, the 1975 new compact proposals put forward by an ad hoc committee appointed by President Nixon and the plebiscite initiatives of 1989 and 1998 all died quiet deaths in Congress. The White House of George W. Bush further complicated matters by issuing a highly controversial report ruling out improvements to the Commonwealth arrangement as an option for a future relationship, leaving only statehood or independence as allegedly constitutionally viable alternatives. The report in reality was a clumsy partisan maneuver to appease the Bush statehood supporters. If statehood and independence were the only alternatives in a plebiscite, statehood would win handily.

The report by the Bush White House was an affront to the people of Puerto Rico who entered into the Commonwealth compact with Congress, to the United Nation's recognition of the noncolonial nature of the Commonwealth relationship and to Latin America, which views statehood for Puerto Rico as an overt act of territorial annexation by the U.S. Should Congress pursue a policy of statehood cram-down, as the Bush White House recommended, and as H.R. 2499 pretends, a cloud of uncertainty will come over Puerto Rico's economy. The people will vote for statehood because Commonwealth won't be an alternative on the ballot. But statehood won't be forthcoming because there is no commitment to that effect by Congress. Puerto Rico and its economy will be in a political limbo.

H.R. 2499 escalates the gridlock over the status question, while the island's economy is at the verge of implosion. At no point in recent history has the economic and social picture been as bleak as it is today—so bleak that the New York Times editorialized it as an “Island in Distress.”

This topic will be continued.