

# A “PAQUETAZO” OF PAIN AND PRIVATIZATION IN PUERTO RICO



**BY NELSON A. DENIS**

**I**n colloquial Spanish, the word *paquete* means “an elaborate lie.” In Puerto Rico, a current “labor reform” program has been called the *paquetazo* — because a pack of lies will soon create a billion dollar bonanza for several dozen vulture funds and Wall Street speculators. A US-appointed

Financial Control Board (FCB) will now execute the *paquetazo*, and force Puerto Rico to accept it.

But not all of Puerto Rico will pay the price of the *paquetazo*. Only the bottom 99 percent will pay — and as usual, the hardest hit, will be the working man and woman, including thousands of public employees who, like DC 37 members, are part of the American Federation of State, County and Municipal Employees (AFSCME).

The *paquetazo* will cut public pensions by 10 percent; reduce vacation and sick days; reduce the Christmas bonus by 67 percent; eliminate overtime pay for working on Sundays or holidays; convert thousands of employees into “freelance contractors” without benefits or job protections; heighten the burden of proof for illegal terminations, and increase probationary periods from three to eighteen months.

In addition, the FCB is considering a \$4.25 minimum wage for workers aged 19-25, and Sen. Marco Rubio introduced a bill to lower the minimum wage to \$5 for *everyone* on the island. With Orwellian finesse, the Rubio bill is called EMPLEO.

Even the governor of Puerto Rico is pushing the *paquetazo*. Three months ago, Gov. Ricky Roselló announced his intention to close down 75 percent of all state agencies in Puerto Rico. When this occurs, thousands of public workers will be immediately unemployed. The work of those state agencies will then

be performed by dozens of new Public Private Partnerships, also known as “P3s.” In fact, Gov. Roselló has announced that at least 30 “Public Private Partnerships” are being planned by his administration.

A current Puerto Rico P3 is already generating over \$1.25 billion in profits for Goldman Sachs and Abertis Corp. Public Private Partnerships are being planned for schools, highways, hospitals, water supply, electrical grid, public buildings, and even the public beaches of Puerto Rico. The profits from these partnerships will immediately flow to the vulture funds and Wall Street operators, who are holding Puerto Rico’s \$73 billion “debt.” The Puerto Rican government will get the small fraction of whatever — if anything — is left over.

Puerto Ricans became U.S. citizens in 1917. One hundred years later, they enjoy only the illusions of the American dream and instead have found themselves on the wrong side of a double-edged sword. They are free to be poor, under-educated and unemployed; free to be invisible and unheard; free to lose their homes to Wall Street; free to flee the island in utter desperation, as hundreds of thousands have

done in recent years.

After a century of “citizenship,” it is not time for a Financial Control Board, an imperial regime of P3s, or a cynical and self-serving *paquetazo*.

It is time to eliminate the Jones Act — which hurts the economy by requiring Puerto Ricans to purchase American-made goods transported by American ships with American crews — and allow Puerto Ricans to negotiate their own international trade relations. If the U.S. Congress will not allow this, then it is time for Puerto Rico to be set free.

*Nelson A. Denis was a member of the New York State Assembly and the editorial director of El Diario/La Prensa. He is the author of War Against All Puerto Ricans (Nation Books, 2015).*

**A pack of lies  
will soon create a billion  
dollar bonanza  
for several  
dozen vulture  
funds and Wall  
Street speculators.**