

Puerto Rico to shut down 179 public schools

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10 May 2017

It has not taken long for the formal declaration of bankruptcy by Puerto Rican Governor Ricardo Roselló to be followed by a savage attack on social and pension rights.

On Friday, May 5, the Roselló administration followed up its May 3 request for bankruptcy protection for the US Commonwealth of Puerto Rico, with plans to shut down 179 schools across the US territory. The closures will force at least 27,000 students to seek alternative schools, in many cases far away from their homes.

This will have a devastating effect on families too poor to afford transportation, and students in special education programs, which are provided to 30 percent of all students. In addition, 2,000 teachers will be fired as a result of the school closings.

The school closures represent more than 14 percent of Puerto Rico's 13,000 schools. This is on top of the 150 schools closed between 2010 and 2015. The government plans to transform the empty buildings into homeless and animal shelters, or both.

Roselló made the announcement in an executive order creating a committee that will oversee the transfer of school buildings to municipalities and NGOs. The governor also raised the possibility of other uses for the school sites, such as centers for drug treatment, business startups, or tutoring. There is no word on how any of this will be financed, considering the island's financial implosion. Most of the schools shut down between 2010 and 2015 remain empty.

With regard to the school closures it has been alleged that, as a consequence of three decades of population exodus, school enrollment has declined by 42 percent. Thousands of teachers, with sought-after bilingual skills have also migrated to the United States, together with medical doctors and highly skilled workers.

In March, the Puerto Rico Fiscal Agency and Financial Advisory Authority, established in June 2016

under the US Congress' PROMESA Act to manage the Puerto Rican budget in the interest of Wall Street banks and hedge funds, demanded that Roselló impose a much harsher wave of budget and job cuts than had been originally agreed upon.

The latest financial board plan outlined in March includes yearly budget cuts of \$7 billion (10 percent), slashing working hours and pensions, forcing unpaid furloughs, and a \$450 million budget cut for the University of Puerto Rico, which is now asking for financial contributions from the public. This was coupled with a yearly debt service of \$3.5 billion.

Such a strategy is bound to provoke explosive struggles among teachers and public employees. On Monday, parents, students and their supporters marched in San Juan and other communities, rejecting the closures. In some schools, protesting parents kept their students from attending

In contrast, the reaction of National Union of Puerto Rican Educators and Education Workers (*UNETE PR*), has signaled that it fully accepts the government's school-closing plan. It also signaled its willingness to negotiate, saving this or that school at the expense of another, on the grounds that some the targeted communities have not been properly consulted.

UNETE, the Puerto Rican Teachers Federation, and other education unions, part of the Broad Front in Defense of Public Education (*FADEP*), as well as the Puerto Rican Independence Party (PIP) all share the same outlook, to contain community and working-class opposition to the school closures and austerity policies at the level of protest appeals to the corporate-controlled parties.

Except for the school closures, the government has yet to announce a budget that reflects the demands of the financial control board, as part of the restructuring of Puerto Rican finances and taxes.

With each new downward adjustment in government

spending, the prospect of economic recovery for Puerto Rico becomes more distant. Confirming widespread expectations that the new austerity measures will be unbearable, Brad Setser, an economist with the Council of Foreign Relations, predicted a further decline of 15 percent in the Puerto Rico's income, equivalent to the entire decline in output since 2016; creating conditions of economic depression like the Greek economy.

Setser estimates that the Fiscal Agency's demand that Puerto Rico cut its state budget by \$7 billion a year (a 10 percent budget cut), combined with an increase in US interest rates by the Federal Reserve Board, would further exacerbate the economic implosion.

Officially Puerto Rico owes some \$72 billion to various vulture funds and another \$50 billion for so-called unfunded pension liabilities to public employees. In 2015 then Puerto Rican Governor Alejandro García Padilla hired former bankruptcy judge Stephen Rhodes who oversaw the slashing of city worker pensions and the fire sale of public assets during the 2013–2014 bankruptcy of Detroit.

The big Wall Street hedge funds that control municipal bond debt see Puerto Rico as new precedent for a further wave of bankruptcies and the looting of pensions and public resources.



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