

Media Ignoring Puerto Rico's 'Shock Doctrine' Makeover

By [Reed Richardson](#)

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Nearly five months after Hurricane Maria struck Puerto Rico, more than a hundred thousand US citizens there [still lack clean drinking water](#), and almost one-third of the island has no reliable electric power. As initial life-sustaining recovery efforts still grind toward completion, Puerto Rico's Gov. Ricardo Rosselló (image below) has wasted no time using his territory's recovery as an opportunity to push a number of policy proposals right out of the "disaster capitalism" playbook: from privatizing the island's power utility to converting nearly all of its public schools to charters.

And while the mainstream US press has been mainly focused on the Trump administration's woeful institutional response to the storm, it has barely noticed this much more radical political transformation of Puerto Rico, and the potentially disastrous long-term consequences for the citizens who live there.



Ever since Maria made landfall on September 20, the corporate press has been neglecting the island in its coverage. Despite ranking second behind 2005's Hurricane Katrina for property damage and lives lost, Maria has drawn markedly less media attention than the two major hurricanes that preceded it last summer. For example, according to a [survey](#) by the **Tyndall Report**, broadcast network evening news reports in 2017 devoted 30 percent less coverage to the aftermath of Maria than to Houston's recovery from Hurricane Harvey. Likewise, Maria drew 12 percent less evening news coverage than Hurricane Irma's devastation of Florida and the US Virgin Islands.

To be sure, major US news outlets have produced some notable pieces of accountability journalism about the storm's aftermath. Intrepid reporting by the **Daily Beast** ([10/24/17](#)) uncovered how a tiny Montana energy contractor won an exorbitant \$300 million no-bid contract to help restore the island's power grid, a story that ultimately cost the head of the

island's power utility his job. A **New York Times** story this week ([2/6/18](#)) found similar incompetence and recklessness in Trump's FEMA, which hired a one-woman company to provide 30 million meals to needy Puerto Ricans, only 50,000 of which were ever delivered.



The screenshot shows the top portion of a New York Times article. At the top left is a hamburger menu icon. In the center is the "The New York Times" logo. To the right is a search icon. Below the logo is the article title in a large, bold, black serif font: "FEMA Contract Called for 30 Million Meals for Puerto Ricans. 50,000 Were Delivered." Underneath the title is a link that says "Leer en español". Below that is the byline: "By PATRICIA MAZZEI and AGUSTIN ARMENDARIZ FEB. 6, 2018". At the bottom of this section are social media sharing icons for Facebook, Twitter, Email, and Print, followed by a bookmark icon and a comment bubble containing the number "711".



New York Times ([2/6/18](#))

However powerful, the focus of these breakout stories is mainly anecdotal, and the outrage they engender tends to fade from headlines and cable news talk shows after a few days. In her seminal report on “disaster capitalism” (**The Nation**, [4/14/05](#)), author and activist Naomi Klein noted how these stories can also have the perverse effect of distracting from much larger, systemic transgressions happening out in the open:

If anything, the stories of corruption and incompetence serve to mask this deeper scandal: the rise of a predatory form of disaster capitalism that uses the desperation and fear created by catastrophe to engage in radical social and economic engineering. And on this front, the reconstruction industry works so quickly and efficiently that the privatizations and land grabs are usually locked in before the local population knows what hit them.

Nowhere was this “shock doctrine,” as Klein christened it, more evident than in New Orleans in the aftermath of Katrina. Mere weeks after the storm hit—with many victims still missing or their bodies unrecovered—Republicans were already planning an onslaught of right-wing policy changes for the ravaged city, but few in the mainstream press took notice.

One example was an [email list of policies](#) sent from Congress’s Republican Study Committee, at the time chaired by then-Indiana Rep. Mike Pence. The memo proposed dozens of “pro-free market” ideas for the Bush administration to consider for the still-suffering city, which were little more than a wish list for corporations and private enterprise.

Similarly, Rep. Richard Baker, a Republican from New Orleans, offered this famously macabre [comment](#) on the storm’s devastating impact: “We finally cleaned up public housing in New Orleans. We couldn’t do it, but God did.” He got his wish, and accompanying the subsequent massive makeover of the New Orleans public housing was a rapid, wholesale restructuring of the city’s troubled school system.

2 weeks after announcing the privatization of the electricity system, Puerto Rico’s governor just declared the school system will be privatized (charters, vouchers), just like post-Katrina New Orleans. Don't let anyone tell you it was a success: <https://t.co/OKQPAbVqoU> <https://t.co/l9OKCTxpPX>

— Naomi Klein (@NaomiAKlein) [February 5, 2018](#)

Klein’s 2007 book, *Shock Doctrine*, zeroes in on the bifurcated response post-Katrina and its impact on the schools:

In sharp contrast to the glacial pace with which the levees were repaired and the electricity grid was brought back online, the auctioning off of New Orleans’ school system took place with military speed and precision. Within 19 months, with most of the city’s poor resident still in exile, New Orleans’ public school system had been almost completely replaced by privately run charter schools. Before Hurricane Katrina, the school board had run 123 public schools; now it ran just four. Before that storm, there had been seven charter schools in the city; now there were 31. New Orleans teachers used to be represented by a strong union; now the union’s contract had been shredded, and its 4,700 members had all been fired. Some of the younger teachers were rehired by the charters, at reduced salaries; most were not.

More than a decade later, Klein’s book sounds eerily prophetic of Puerto Rico Governor Roselló’s post-Maria plans. Under his education reform proposal, announced just this week, the island would closely follow the roadmap of New Orleans, creating a voucher system and converting more than 800 public schools to charters that would be run by non-profits or corporations. If implemented—the plan would require approval of the Puerto Rican legislature, but many in the majority party have already come out in support of it—the move would represent a seismic shift for the island’s struggling school system, and a major milestone for US education policy.

But mainstream US news organizations mostly shrugged at the news. Many, like the **Washington Post**, **CBS News**, **CNN** and **MSNBC**, didn’t even bother to cover it. For its part, the **New York Times** didn’t bother to write its own story. Instead, it just ran the same

syndicated **Associated Press** article ([2/5/18](#)) that **NBC News** ([2/5/18](#)), **ABC News** ([2/5/18](#)) and **Fox News** ([2/6/18](#)) did.

ENGLISH VERSION

Ricardo Rosselló announces his education reform plan

The Governor bets on charter schools, educational vouchers and decentralization of the agency

Tuesday, February 6, 2018 - 8:14 AM

By Gloria Ruiz Kuilan



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El Nuevo Dia ([2/6/18](#))

Tellingly, none of the national news coverage saw fit to mention New Orleans' post-Katrina experience with charter schools, even though it closely resembles what Rosselló is proposing. Local news outlet **El Nuevo Dia** ([2/6/18](#)) did, however, giving its readers key context that the **New York Times** and **Associated Press** left out. It painted a much different picture than Rosselló's rosy outlook:

In Louisiana, which is one of the models the Island tries to follow, all public schools in the city of New Orleans were converted into charters after Hurricane Katrina, but did not reach the expected academic achievement.

On the contrary, education and civic organizations have denounced segregation in the education system and that the poorest or most vulnerable did not have the same access to high-quality educational opportunities.

In fact, a three-month investigation of New Orleans charter schools in 2015 by **In These Times** ([8/28/15](#)) found even more systemic failures. Formerly tight-knit communities were

disrupted by the voucher system, teachers unions were gutted in favor of younger, cheaper and less experienced staff, and many students were left out or left behind because they were considered too difficult to teach, and thus threatened the charter schools' standardized test scores track record. And a **New Orleans Times-Picayune** analysis ([4/20/16](#)) found that dozens of the city's charter school executives ended up earning well over six-figure salaries, while teachers' pay averaged closer to \$50,000.

A similar scenario played out at the end of January, when Rosselló announced plans to privatize PREPA, Puerto Rico's antiquated, bankrupt public utility. Again, news organizations like **ABC News** ([1/29/18](#)), the **New York Times** ([1/29/18](#)), the **Washington Post** ([1/29/18](#)) and **Fox News** ([1/29/18](#)) all relied on one or two of the same news briefs from the **AP** for their coverage. However, few of these news organizations chose to include critical, historical detail from the **AP**, buried deep in one of its stories ([1/23/18](#)):

Puerto Rico once privatized its water and sewer company only to have the government take it back in the early 2000s after problems with service, billing and quality requirements set by the U.S. Environmental Protection Agency.

How would Rosselló's plan avoid these same past mistakes? You won't find any answers.

CNN ([1/22/18](#)) and **NBC News** ([1/22/18](#)) wrote their own short articles on privatizing PREPA, but front-loaded Rosselló's claims, with only cursory skepticism over selling off such a critical public asset. With no other alternative sources or plans presented, their coverage made privatization seem like a *fait accompli*.

Left unmentioned were some of the reasons for PREPA's dreadful state. To appease bondholders of Puerto Rico's skyrocketing debt, the island instituted austerity measures in 2014, prompting hundreds of experienced PREPA employees to retire early to claim their pensions before the cuts kicked in (**Economist**, [10/19/17](#)). They were never replaced, leaving maintenance and upgrades languishing. Similarly, Rosselló recently began stacking PREPA's board with political cronies that had little to no experience in running a public utility.

A **Wall Street Journal** article ([1/22/18](#)) on PREPA's possible privatization waited until the final paragraph of the story to point out this detail, as well as the fact that Roselló intentionally undermined a regulatory appointee charged with oversight of the agency—something particularly relevant to how well a future privatized Puerto Rican power company might respond to public needs.

Exacerbating nearly all of the many crises facing Puerto Rico is the territory's broader fiscal situation—it currently suffers from \$70 billion in debt—and federal oversight more focused on Wall Street bondholders than American citizens living in Puerto Rico. Again, only the **Associated Press** ([1/17/18](#)) seems to have paid much attention to the fact that, last month, the Trump administration withheld an already-approved billion-dollar emergency disaster loan, claiming Puerto Rico had too much cash on hand. This follows a little-reported announcement in late 2016 that the federal control board overseeing the territory's finances rejected legislation creating a \$100 million emergency fund for municipalities struggling in Maria's aftermath—no matter that most of the island's power, water and sewer systems have little to no funds left for operations.

A rare **Washington Post** story ([1/23/18](#)) on the territory's fiscal problems noted that Republicans in Congress are still intent on forcing it to honor its crushing financial burden, despite projections that the island's economy will be devastated by a massive diaspora of nearly 500,000 people by 2020, according to one [Hunter College](#) study. As the **Post** story noted, House Natural Resources Committee chair Rob Bishop (R.-Utah) said the goal of the federal oversight legislation was "to return Puerto Rico to fiscal accountability and the capital markets, and this can only occur if the fiscal plans respect the lawful priorities and liens of debt holders." Servicing a monumental debt in the midst of the island's 11-plus-year recession while trying to rebuild from one of worst natural disasters in US history is tantamount to fiscal *harakiri*. But it does provide a handy excuse for Puerto Rican officials looking to tear down or sell off whatever is left of the public commons for pennies on the dollar.



WSJ



THE AMERICAS

Puerto Rico Doesn't Want Reform

The Promesa law, not Hurricane Maria, is the real culprit behind the island's troubles.



Puerto Rico Electric Power Authority employees fix power lines in San Juan, Oct. 19.
PHOTO: XAVIER GARCIA/BLOOMBERG NEWS



By [Mary Anastasia O'Grady](#)

Nov. 26, 2017 4:08 p.m. ET

Wall Street Journal ([11/24/17](#))

When not ignoring the the pillaging of Puerto Rico, some in the corporate press were not so subtly trying to make it worse. In late November, a **Wall Street Journal** op-ed by "Americas" columnist Mary Anastasia O'Grady ([11/24/17](#))—headlined "Puerto Rico Doesn't Want Reform"—criticized the territory's unwillingness to extend its own post-Maria misery

when it dared to reject a predatory funding offer from PREPA bondholders.

Puerto Rico rejected the offer. “The bondholders’ proposal is not viable and would severely hamper and limit PREPA’s capacity to successfully manage its recovery,” Puerto Rico’s Fiscal Agency and Financial Advisory Authority said at the time. It added that the offer had the “appearance” of “being made for the purpose of favorably impacting the trading price of existing debt.” Heaven forbid.

The arch condescension in that “heaven forbid” sums up the disaster capitalism mindset. It also speaks to a broader failure of the press to cover more radical solutions to Puerto Rico’s formidable struggles. One such proposed solution, co-authored by Nobel Prize-winning economist Joseph Stiglitz back in September, has been all but blacked out of corporate media’s post-Maria coverage of the territory, although **Bloomberg** ([1/16/18](#)) did mention it when the territory’s new fiscal plan was rolled out early this year. Coincidentally, this plan rejects the conventional wisdom that the island should further retrench into austerity while stripping down its assets and selling it off for parts. Instead, Stiglitz calls for more borrowing and expansion, coupled with massive write-offs of Puerto Rico’s debt—as much as 80 to 90 percent—and canceling interest payments on the remaining debt for at least five years.

Ironically, none other than President Trump endorsed the idea of radical debt forgiveness during his post-Maria visit to the island in October. “They owe a lot of money to your friends on Wall Street, and we’re going to have to wipe that out,” he said about Puerto Rico in the **Washington Post** ([10/3/17](#)). “You’re going to say goodbye to that. I don’t know if it’s Goldman Sachs, but whoever it is, you can wave goodbye to that.”

This off-the-cuff comment, from someone whose White House is chock full of Goldman Sachs alums, clearly caught his staff off guard. A day later, it fell to his budget director, Mick Mulvaney, to do damage control, reassuring bondholders that they could safely ignore the president’s comments. In statements to the press, Mulvaney made it clear that a Puerto Rican debt jubilee, like so many of this president’s populist-sounding promises, would *not* be happening (**New York Times**, [10/4/17](#)).

But just because the White House wants to memory hole the inconvenient truth about Puerto Rico’s indentured servitude at the hands of Wall Street doesn’t mean the press should willingly oblige. Nor should journalists continue to ignore the long-term impacts of the privatization schemes its governor is intent on pushing through, or how the federal government enables them—not merely through its woeful emergency response, but in its failure to fund a full recovery.

Though last week’s government shutdown budget deal did allocate more money for the island, the new disaster relief package—for Hurricanes Harvey, Irma and Maria, as well as California wildfires—only totaled \$89 billion, whereas Puerto Rican officials have estimated more than \$94 billion would be needed for the island’s recovery alone. And good luck seeing any news coverage point out that this shortfall could have easily been made up by taking some of the [extra \\$165 billion that Congress happily added to the military budget](#). But then, under the “shock doctrine,” disasters are to be exploited, not mitigated—and the main role of the corporate press is not to notice.

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Reed Richardson is a media critic and writer whose work has appeared in The Nation, AlterNet, Harvard University's Nieman Reports and the textbook Media Ethics (Current Controversies).

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