

COUNTRY PROFILE



**Dominican Republic**

GLOBAL RANK: 58th= of 104



The Dominican Republic scores an overall ranking of 58th, tied with Venezuela, with a wide disparity between its 78th place in Economic Competitiveness and its 41st position for Comparative Liveability. It scores highly on the subjective indicators of freedom of choice and religious faith.

● BACKGROUND

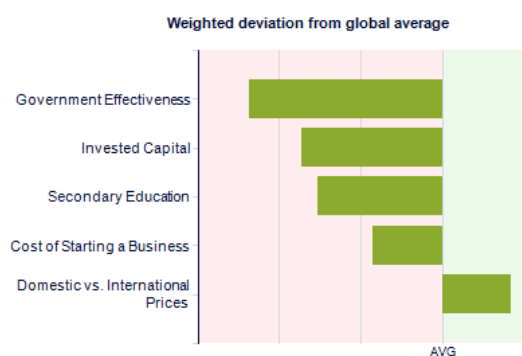
Since 2005, the formerly volatile public finances of this Caribbean nation have stabilised, and economic growth has once again been strong, propelled by agricultural exports and a burgeoning tourism sector. Remittances from the 1.5 million Dominicans living abroad total an estimated 13% of GDP. A free trade agreement with the USA, which came into force in 2007, is expected to provide a further spur to growth and market-based reform. The country is also set to benefit from \$1 billion of investment in tourism infrastructure. Despite these advances, unemployment is high, and poverty widespread, particularly among workers on the many rural smallholdings.

FAST FACTS

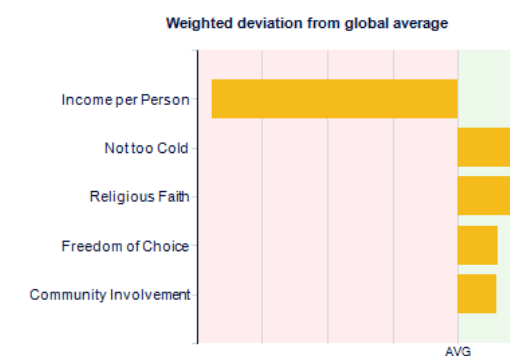
<b>Population:</b>	9.5 million (2008 est.)	<b>FDI (net inflow):</b>	1.70% (2005 est.)
<b>Life Today</b>	5.2 (2007 est.)	<b>Exports</b>	0.50% (2006 est.)
<b>GDP (PPP)</b>	\$61.79 billion (2007 est.)	<b>Imports</b>	31.83% (2006 est.)
<b>GDP (Growth)</b>	8.5% (2007 est.)	<b>Unemployment:</b>	15.6% (2007 est.)
<b>GDP (per Capita)</b>	\$7,000 (2007 est.)	<b>Life Expectancy</b>	73.39 years (2008 est.)
<b>Political System:</b>	Democratic Republic		
<b>Foreign Aid:</b>	0.05% (2006 est.)		

● KEY SCORE DRIVERS

ECONOMIC COMPETITIVENESS



COMPARATIVE LIVEABILITY



Currently, the Dominican Republic has one of the fastest rates of economic growth in the world, owing to continued macroeconomic stability and a gradual shift toward private-sector participation in the economy. Successful entrepreneurs in tourism and maquila factories have stimulated domestic and foreign investment in the country. The rebound from the economic crisis has provided a boost to international competitiveness. However, capital investment remains limited and will need to be increased if this growth is to be sustainable.

As in other Latin American countries, remittances, which are estimated at more than \$2 billion a year, are an important source of

The Dominican Republic scores nearly forty places higher on Comparative Liveability than on Economic Competitiveness. This performance is driven by very high scores in key subjective indicators: for example, 86%<sup>9</sup> of people report satisfaction with their freedom of choice, according to the Gallup World Poll.

Although the Dominican Republic has a wide range of resources, these resources are not well- managed due to a problematic political life. Improvements are hindered by government corruption and lack of political consensus on major reforms such as the privatisation and decentralisation of social services and budget management.

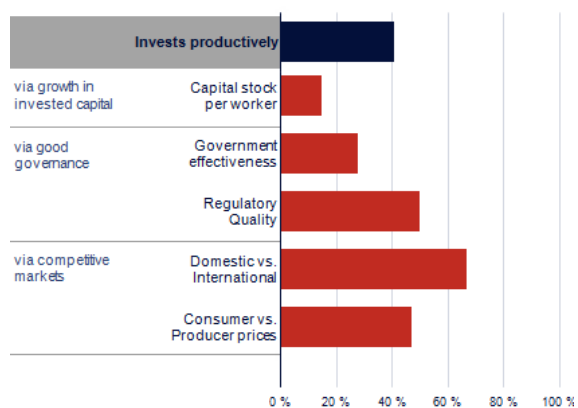
funds for the economy. These are a significant factor in the ability of the Dominican Republic to avoid dependence on foreign aid. Further progress has been made in the areas of decentralisation, privatisation, and infrastructure, and this should allow the high rates of economic growth to continue, at least in the short term. However, these positive signs are compromised by the marked ineffectiveness of governance.

The Dominican Republic is also severely vulnerable to a range of natural disasters that destroy the means of production. Chronic energy shortages cause frequent blackouts. Added to this picture are the internal pressures that characterise a society highly divided between rich and poor. Mass education levels are low, and there are serious geographical pockets of poverty, especially along the Haitian border.

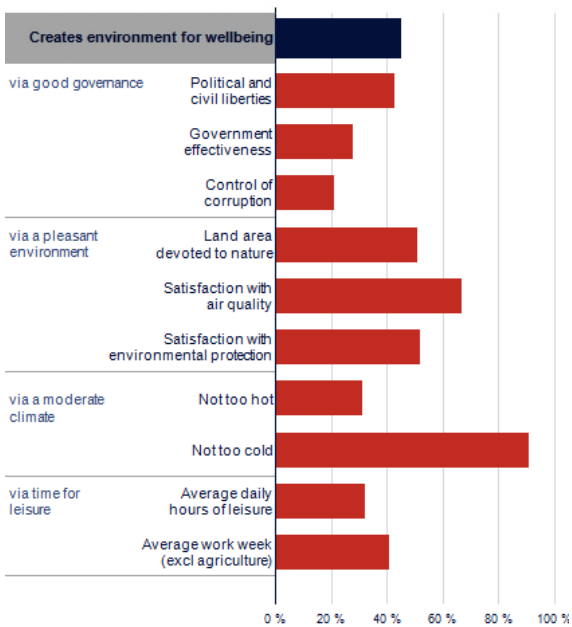
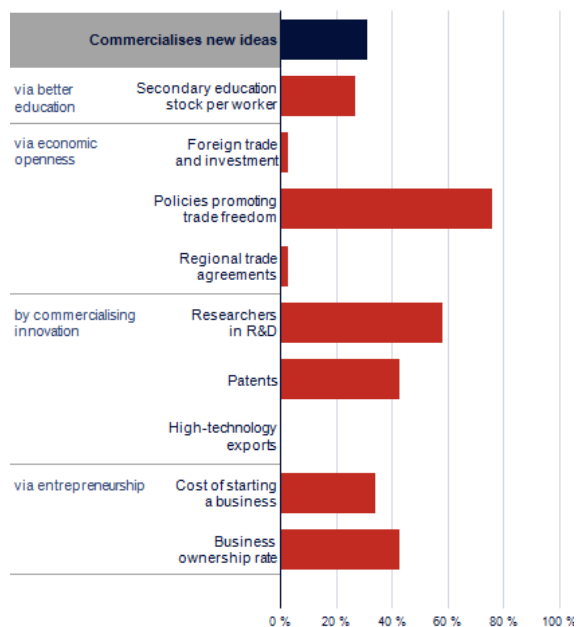
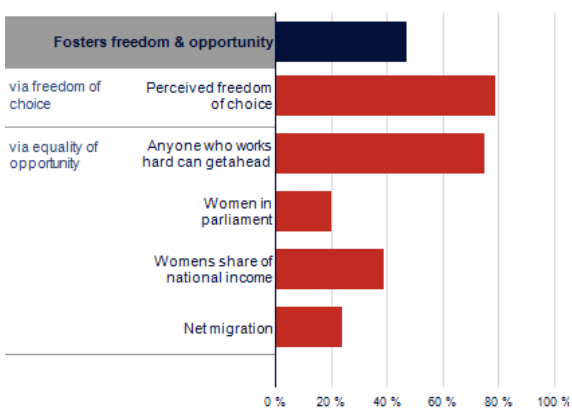
A key challenge is the uneven distribution of income. Poverty levels are particularly high in rural areas, where illiteracy and infant mortality rates surpass other countries in the region. There is also a significant inequality in the distribution of opportunities, notably along gender lines.

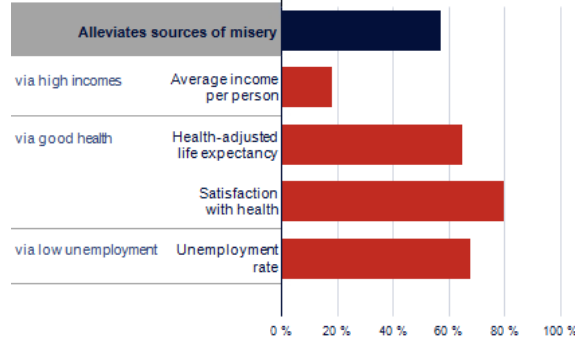
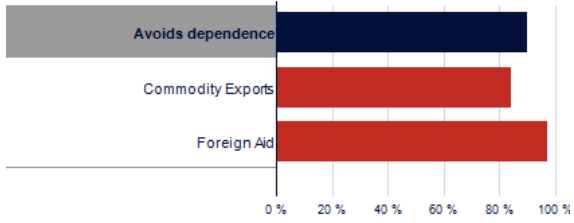
Nonetheless, the Dominican Republic shines on many subjective indicators. Community life and religious faith score highly, with low social trust being offset by a high level of community involvement, as reported to the World Values Survey. Also positive is the rate of satisfaction with personal health, which at 85%<sup>9</sup> is outstanding for the income level of the country. The climate helps too, as even those in poverty enjoy warm weather throughout the year.

### ECONOMIC COMPETITIVENESS: SCORECARD

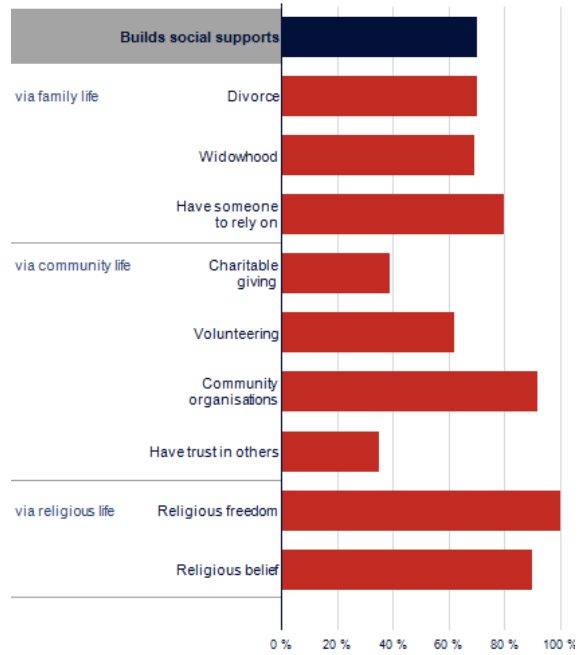


### COMPARATIVE LIVEABILITY: SCORECARD





All subindicator scores in the Index are shown unweighted, expressed as a percentage of the score for the best-performing country in the Index. Indicator scores (in dark blue) are derived from the weighted average of relevant subindicators. For more information on how the subindicator scores are weighted to produce indicator scores and an overall Index score and ranking, see Chapter Two of this report.



**References:**

<sup>9, w</sup> See [www.prosperity.com/references.aspx](http://www.prosperity.com/references.aspx) for further details including date of survey, sample size, and margin of error.