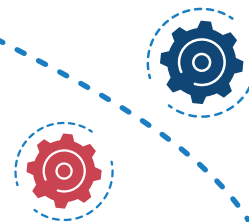




# LABOR OBSERVATORY OF THE AMERICAS



## Country Profile Dominicana

2021



### Total Area:

756,950 km<sup>2</sup>



### Population (2010 Census):

9,445,281  
people<sup>1</sup>



### Population (2021 Census):

10,524,167  
people

### Population composition



**5,400,727**

WOMEN 50.3%



**5,123,440**

MEN (49.7%)



### Economically active population:

(April - June 2021 Quarter)

4,906,657 people  
2,837,288 men  
2,069,369 women



### Gross Domestic Product (GDP) in 2020:

78,84 billion  
US dollars<sup>2</sup>



### GDP in 2021:

GDP grew by  
12.7% from Janu-  
ary to September  
2021, compared  
to the same  
period of the  
previous year.

<sup>1</sup> The information contained herein was sought and verified with the National Statistics Office (ONE for its acronym in Spanish) of the Dominican Republic, and with the Central Bank based on the Continuous National Labor Force Survey (ENCFT for its acronym in Spanish).

<sup>2</sup> <https://statistics.cepal.org/portal/cepalstat/national-profile.html?theme=2&country=dom&lang=en>



# Analysis of socio-economic situation

For the April-June 2021 Quarter

## Employment.

The total number of employed persons was 4,532,708, an increase of 6.7% compared to the same period of the previous year. The employed population is at 96.1% of the pre-Covid-19 crisis level; 183,482 net employed persons would be short of the pre-pandemic employment level.

## Economically Inactive Population.

2,907,725 people. The population out of the labor force, or inactive, represented on average 38.7% of the working age population in the last four quarters.

## Informal employment.

2,619,468 people. The percentage of people in informal employment stood at 58.0% in April-June 2021, registering a year-on-year increase of 4.1 percentage points with respect to the second quarter of 2020.

## Unemployment.

373,949 people; 117,266 men, 256,683 women. The official unemployment rate reached 7.6% in April-June 2021, down 0.4 percentage points from the previous quarter.

## Poverty.

The overall monetary poverty rate increased from 21.0% in 2019 to 23.4% in 2020. This means, in absolute terms, that 268,515 Dominicans fell into general poverty. In 2020, 24.6% of women lived with incomes below the general poverty line compared to 22% of men. Women lost 7.5% of their jobs and men lost 4.9%. Within informal employment, women saw a relative reduction of more than double that of men. The femininity index of poverty has continued to increase during the crisis, reaching 118 women in poverty for every 100 poor men.

# Context Highlights 2021

The global health crisis had a considerable impact on the economy of the Dominican Republic, mainly in sectors of great importance to the country, such as tourism, construction, and mining. The GDP contracted by 6.7% in 2020. Even though the country had seen a reduction in the poverty rate in the last decade, the pandemic made evident problems that continue to affect primarily the popular working classes. The population continues to face difficulties in fulfilling their right to water and to energy as public services, and the majority of Dominicans continue to face a lack of economic opportunities.

It is also important to note that poverty mainly affects the rural population and that injustice towards women persists, not only in terms of the labor gap – as evidenced in the statistics compiled – but in all structural aspects related to gender equity and justice.

Considering the comparison between 2020 and 2021, it can be affirmed that the Dominican Republic has had an important labor recovery, but informal employment is still prevalent in the country, and formal employment has not reached the 2019 rate.

In general terms, the country faces structural challenges that existed before the pandemic, centered on the fragility of rule of law, social unrest caused by the economic gap between the rich and poor, and high levels of institutional bureaucracy. Structural reforms are needed in these areas – that can simultaneously enable the formalization of employment for the work-

ing class, provide guarantees to local and regional small and medium-sized enterprises, and update business regulations to support this same population.

According to ECLAC estimates, the reactivation of the economy in 2021 will be driven by the construction sector based on medium and low-cost housing projects, and by the development of a tourist area in the southeast of the country. A greater recovery of the U.S. economy may contribute to the growth of the Dominican economy, as it would boost the flow of tourists, remittances, and investments. “June saw lower year-on-year inflation (9.32%) compared to May (10.48%), thanks to greater stability in global and local supply chains. However, international fuel prices could continue to put pressure on the price level.”<sup>3</sup>

On the other hand, analysis by World Bank highlights that the possibility of supporting the country’s poorest population depends on the development of productive linkages between domestic companies – strengthened by structural policies – and exporting companies, a significant reduction in bureaucracy costs, and improved access to public services.<sup>4</sup>

<sup>3</sup> [https://repositorio.cepal.org/bitstream/handle/11362/47193/47/EI2021\\_DominicanRep\\_en.pdf](https://repositorio.cepal.org/bitstream/handle/11362/47193/47/EI2021_DominicanRep_en.pdf)

<sup>4</sup> <https://www.worldbank.org/en/country/dominicanrepublic/overview#1>



# Actions/Denunciations (national and international) by Trade Unions and other social sectors

The trade union movement denounced that although there are rules for enterprises such as microenterprises to pay a minimum wage, some of them were found to pay below the minimum wage. On the positive side, they point out that microenterprises currently have to comply with regulations and make social security contributions for their workers. They believe it is an achievement in countering the situation of informal employment affecting the country, and see it a transition towards formalizing employment and implementing rights.

Meanwhile, they point out that there is a direct connection between the problem of informal employment and the pandemic, due to the loss of jobs in public institutions. They believe that Law 41 08 hinders the creation of proper working conditions and pay in the public service, and they request a dialogue regarding ILO Convention 151, which the Dominican Republic has not ratified.

With regard to the platform economy, the trade union movement alerts about the risk of public-private partnerships that can lead to greater indebtedness for the country, exploitation of workers, and corporate favoritism. The trade union movement is working hard to prevent these risks from becoming a reality that would be detrimental to social rights.

Regarding the consolidation of the freedom to form unions and collectively bargain, a dialogue is sought with the ILO to reaffirm its collaborative accompaniment in the process, so that affiliated unions have the necessary tools and backing of these bodies that were set up for this purpose.

The union movement has acted to prevent changes in the Labor Code, which they see as regressive and which they believe are proposed and pushed by private companies.



# Trade union proposals and initiatives

Consulting support is recommended for the tripartite dialogue on social security, which is currently proposed by the government. International support and advice is crucial in order to hold this dialogue within the framework of the Economic and Social Council. They see the government as having expressed interest in opening a dialogue with the trade union sector, and a discussion and agreement on a living wage is crucial.

Another proposal is to work in convergence as a workers' movement within the Trade Union Roundtable, which is recognized in the country to advance tripartite consultations. This is an accomplishment of the working class that must be strengthened in order to achieve results towards the guarantee of rights.

Joint work is proposed to approach the membership base of the working class, with special focus on young people and women, promoting innovative forms of relationship-building and thus ensuring the expansion of the movement and political action. National work can be coordinated with regional work in order to strengthen the capacity of affiliates to face the reality of the country. The Dominican unions are facing the challenges and working on proposals that have been raised in dialogue with the government, but also on the construction of a union self-reform process, receiving the necessary support from TUCA to bring the process to a successful conclusion.

The trade union movement believes a research process should be initiated to build a more accurate understanding of the current situation in the country, in order to verify the official data and have a more positive dialogue with Dominican institutions. They believe that research on how minimum wages are established in the country, and contrasting this with models in other countries in the region, can contribute greatly to the search for joint solutions in the Trade Union Roundtable and in the spaces gained for tripartite dialogue. The workers' movement is developing detailed proposals to address the 13 most important points of the reforms under debate, seeking to present unity proposals that strengthen the working class in the spaces that were won in the dialogue with the government, and consequently in decision-making and implementation.

In addition to conducting the research, they believe it is necessary to build their own plan that includes political formation, communications, and organization as essential cross-cutting elements for strengthening the movement. They believe that strategic planning and monitoring of proposals to the Economic and Social Council is necessary.

In addition, they are conducting activities in the country to press for the ratification of ILO Convention 190, and for the implementation of ILO Convention 189, which has not been implemented despite it already having been ratified.



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