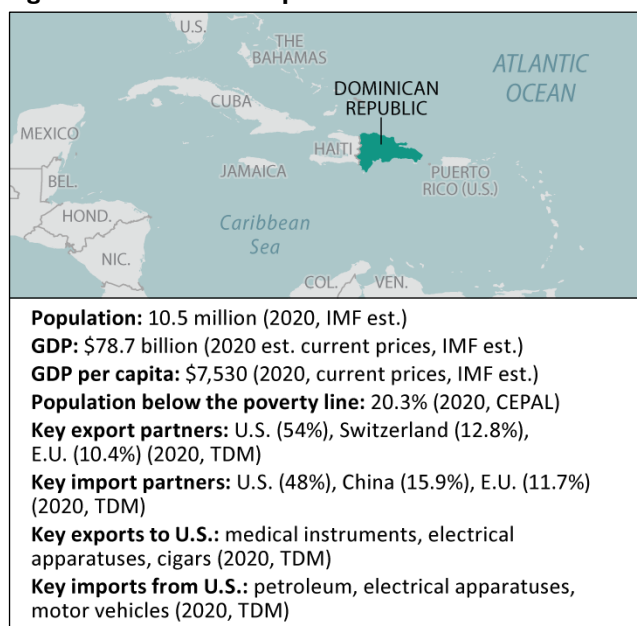


## Dominican Republic

The Dominican Republic occupies the eastern two-thirds of the Caribbean island of Hispaniola, which it shares with Haiti. The Dominican Republic is a key U.S. partner in the Caribbean due to its comparatively large size, strong economy, and relative stability. The United States and the Dominican Republic have maintained close commercial ties under the Dominican Republic-Central America-United States Free Trade Agreement (CAFTA-DR) and have cooperated on regional security concerns under the Caribbean Basin Security Initiative (CBSI).

**Figure 1. Dominican Republic Facts**



**Sources:** CRS graphic. Map data from the International Monetary Fund (IMF), U.N. Economic Commission on Latin America and the Caribbean (CEPAL), and Trade Data Monitor (TDM).

### Background

After fighting to achieve its independence from Haiti in 1844 and from Spain in 1865, the Dominican Republic embarked on a bumpy road toward democracy that included coups, dictatorships, and U.S. interventions (1916-1924 and 1965-1966). Rafael Trujillo ruled the country as a dictator from 1930 until his 1961 assassination, employing violent tactics to quell opposition. Trujillo's anti-communist stance earned him tacit U.S. support. His successor, Joaquín Balaguer, served as president from 1960 to 1962, 1966 to 1978, and 1986 to 1996. Due to these leaders' dominance, the Dominican Republic did not develop into a modern democracy until the 1990s. In 1994, an agreement commonly referred to as the Pact for Democracy removed Balaguer from power and paved the way for the country's first free and fair elections in 1996.

Since then, the Dominican Republic, for the most part, has seen steady economic growth and has developed democratic institutions. Led by former Presidents Leonel Fernández (1996-2000, 2004-2012) and Danilo Medina (2012-2020), the center-left Dominican Liberation Party (PLD) dominated Dominican politics.

### Political Situation

Internal divisions within the PLD led to the party's defeat in July 2020 elections, which were postponed from May due to the Coronavirus 2019 (COVID-19) pandemic. Opposition candidate Luis Abinader, a businessperson standing for the Modern Revolutionary Party (PRM), won the presidency with 53% of the vote, precluding the need for a runoff. The PRM also won a majority in the Senate and the Chamber of Deputies. The PLD now is the primary opposition party.

Abinader remains popular (67% approved of his mandate in an October 2021 poll). His government has managed the health and economic effects of the pandemic, prioritized transparency and anti-corruption, and developed a climate resilience plan focused on boosting renewable energy use.

### COVID-19

In August 2020, the Dominican Republic had the highest per capita infection rate in the Caribbean and its hospitals were at or over capacity for COVID-19 patients. The incoming government increased the number of citizens covered by the public health system and got commitments to secure enough vaccines to immunize all of its citizens, with a focus on vaccinating workers in key sectors, including tourism. As of December 23, 2021, the government had fully vaccinated 52.9% of the population. With 4,223 deaths attributed to COVID-19, the mortality rate in the Dominican Republic is low compared with other countries in Latin America and the Caribbean.

### Corruption

Reflecting the Dominican Republic's persistent challenge with corruption, the country ranked 137 out of 180 countries in Transparency International's 2020 Corruption Perceptions Index. The country's relatively weak judicial system has been ineffective in tackling most corruption. Upon election, Abinader named the local representative of Transparency International as head of government procurement and appointed an independent attorney general. The attorney general is pursuing high-profile corruption cases against her predecessor and former President Medina's chief of security and health minister. The Abinader government helped U.S. officials arrest a PRM legislator suspected of corruption in the United States.

## Drug Trafficking

According to the State Department's 2021 *International Narcotics Control Strategy Report* (INCSR), most cocaine transiting the Caribbean passes through the Dominican Republic, primarily through maritime routes. According to the INCSR, drug seizures by Dominican forces demonstrate their capacity to stop drug flows but corruption hampers U.S.-Dominican cooperation efforts. Dominican military data assert that cocaine seizures for the first half of 2021 totaled 7,000 kilos, nearly matching the total for all of 2020. A Dominican drug kingpin César Emilio Peralta, sanctioned in 2019 under the Foreign Narcotics Kingpin Designation Act (21 U.S.C. 1901 et seq.), has been arrested in Colombia and is to be extradited to the United States.

## Relations with Haiti

The Dominican Republic experiences periodic disputes with Haiti, its neighbor and second-largest export market. The citizenship status and treatment of people of Haitian descent living in the Dominican Republic has been a source of tension between the two countries. In June 2018, the Dominican Republic published a survey that found that, despite efforts to register people of Haitian descent since 2014, only 31% of that population possessed documents required for public benefits and formal sector jobs.

Tensions have been high along the Dominican-Haitian border, a porous region where migrant smuggling and other illicit activities are common. In February 2021, the Dominican government announced the construction of a border barrier would commence in late 2021. President Abinader closed the border following the July 2021 assassination of Haitian President Jovenel Moïse, but humanitarian aid has entered into Haiti from the Dominican Republic. Human rights groups have criticized the Dominican government for deporting more than 31,000 Haitians thus far in 2021 (30% more than in 2020).

## Relations with China

In May 2018, the Dominican Republic switched recognition of Taiwan in favor of establishing diplomatic relations with the People's Republic of China. China reportedly promised major investments, few of which have occurred. Abinader has stated that China is no longer welcome to invest in strategic sectors, such as ports and infrastructure. The Dominican Republic purchased a large percentage of its COVID-19 vaccines from Chinese manufacturers.

## Economic Conditions

The Dominican Republic has been among the fastest-growing economies in Latin America and the Caribbean. The country has the largest stock of foreign direct investment and the most diversified export structure of any U.S. partner country in CAFTA-DR. Foreign investment, strong telecommunications and mining sector performance, remittances, and tourism fueled pre-pandemic growth.

Due to the pandemic, the economy contracted by 6.7% in 2020, according to International Monetary Fund (IMF) estimates. The Abinader government used fiscal stimulus to cushion the economic impact of job losses. U.S. demand, combined with the vaccination campaign, have helped the construction, mining, and tourism sectors rebound, with the IMF estimating 9.5% economic growth for 2021. In

September 2021, the Dominican Republic, Costa Rica, and Panama formed the Alliance for Development in Democracy, a forum to address economics and trade, migration, and other issues of shared concern.

The Dominican Republic continues to face economic challenges. The country ranked 115 out of 190 countries included in the World Bank's 2020 *Doing Business* report, performing relatively poorly on the ease of starting a business, getting electricity, accessing credit, paying taxes, and enforcing contracts. Although the Dominican Republic has made progress in improving social indicators in recent years, income inequality persists and poverty increased from 21.0% in 2019 to 23.4% in 2020 due to the pandemic.

## U.S. Relations

The Dominican Republic enjoys a strong relationship with the United States, with extensive cultural, economic, and political ties. Currently, more than 2 million Dominicans reside in the United States. Total U.S. foreign assistance to the Dominican Republic (obligations, latest full-year available) amounted to \$52.4 million in FY2019. That total included bilateral aid, as well as CBSI funds, Department of Defense assistance, and Peace Corps funding. Under the CBSI, the United States has provided the Dominican Republic with support since FY2010 to reduce illicit drug trafficking, train police and prosecutors, and provide educational and job training programs for at-risk youth.

U.S. bilateral aid to the Dominican Republic totaled \$28.6 million in FY2020 and an estimated \$30.75 million in FY2021, some \$23.3 million of which was for global health. The Biden Administration requested \$28.5 million in bilateral aid for the Dominican Republic for FY2022. Neither the House (H.R. 4373) nor the Senate (S. 3075) version of the FY2022 State and Foreign Operations appropriations measure specifies an exact funding amount for the Dominican Republic. From FY2017 to FY2021, U.S. humanitarian aid to support the Dominican government in sheltering Venezuelan migrants (which numbered 115,300 as of July 2021) totaled some \$2.7 million. U.S. COVID-19 assistance for the Dominican Republic has exceeded \$4 million.

U.S.-Dominican investment, trade, remittance, and tourism ties are extensive. U.S. foreign direct investment on a historical-cost basis stood at roughly \$274.5 million in 2020. Total trade increased from \$9.8 billion (pre-CAFTA-DR) to \$14.7 billion in 2019 before falling to \$12.7 billion in 2020, due to the pandemic. In 2020, Dominicans abroad, primarily in the United States, sent a record \$8.3 billion in remittances. U.S. tourists account for the largest number of foreign visitors to the country.

Bilateral trade and labor disputes have arisen. The U.S. Department of Labor continues to monitor how the Dominican government is working to reduce the use of forced and child labor. The Dominican Republic earned a Tier 2 ranking in the State Department's 2021 *Trafficking in Persons* report, an improvement from its 2020 rank.

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