



## 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 democratic institutions. The two countries 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). As the country most directly impacted by the ongoing crisis in Haiti, the Dominican Republic has urged increased international efforts to stabilize Haiti (See also CRS Report R47394, *Haiti: Recent Developments and U.S. Policy*).

Figure 1. Dominican Republic at a Glance



**Sources:** CRS graphic. 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 achieving its independence from Haiti in 1844 and from Spain in 1865, the Dominican Republic entered a period of prolonged instability marked by coups, dictatorships, and U.S. interventions (1916-1924 and 1965-1966). For much of the twentieth century, authoritarian leaders Rafael Trujillo and Joaquín Balaguer ruled the country. Due to these leaders' dominance, the Dominican Republic did not develop democratic institutions until the mid-1990s, when an agreement commonly referred to as the Pact for Democracy removed Balaguer from power and paved the way for free and fair elections.

Since its transition to democracy in 1996, the Dominican Republic has experienced robust economic growth, reduced poverty, and strengthened its democratic institutions and civil society. 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 during this period.

### Political Situation

The Dominican Republic held general elections in July 2020, during the height of the Coronavirus 2019 (COVID-19) pandemic. Despite below-average voter turnout of 55%, independent observers deemed the elections credible. The results delivered a major upset to the PLD, which lost both the presidency and the control of congress to the opposition. 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, as the PLD became the primary opposition party.

President Abinader took office for a five-year term in August 2020. His government has prioritized managing the pandemic's health effects and overseen an economic recovery, launched independent anti-corruption investigations, strengthened border controls, and collaborated more closely with democratic peers through the Alliance for Development in Democracy (ADD). President Abinader has also set ambitious goals for improving the Dominican Republic's energy independence and climate resilience. Midway through his term, Abinader remains popular (59% approval rate, according to a March 2023 CID Gallup poll). However, corruption and criminal activity, reduced economic growth prospects, and the severe crisis in Haiti pose ongoing challenges.

### Corruption

The Dominican Republic's challenges with corruption—much of it linked to organized crime—persist. Upon taking office, President Abinader appointed an independent attorney general and pledged not to interfere in corruption cases. The attorney general has pursued high-profile cases against networks implicating several high-ranking members of former President Medina's government, as well as members of his immediate family, in a range of corruption schemes. In March 2023, authorities arrested twenty people, including the former finance and public works ministers, Medina's ex-chief of staff, and the ex-comptroller general, in connection with the investigation. While Medina himself has not been charged, two of his siblings and his former attorney general have faced corruption charges. Prosecutors have also charged former army and air force generals, and members of President Abinader's party, including the former lottery director and PRM legislators, with corruption and collusion with drug traffickers.

## Drug Trafficking

According to the State Department's 2023 *International Narcotics Control Strategy Report* (INCSR), most cocaine transiting the Caribbean passes through the Dominican Republic, primarily through maritime routes. Dominican military data assert that cocaine seizures for the first nine months of 2022 totaled 24,450 kilos, with a street value of \$733.6 million. Most seizures have occurred at ports, including Caucedo, a port certified to screen for security threats by U.S. Customs and Border Protection.

## Climate Resilience

The Dominican Republic is highly vulnerable to the effects of climate change and natural disasters. In December 2020, the government launched an \$8 billion national climate action plan. The plan focuses on reducing emissions in transportation, expanding renewable electricity generation, and bolstering reforestation and other mitigation efforts. The Dominican Republic is participating in the U.S.-Caribbean Partnership to Address the Climate Crisis 2030 (PACC 2030) to increase Caribbean countries' energy security and climate resilience.

## Relations with Haiti

The Dominican Republic experiences periodic disputes with Haiti, its neighbor and major export market. The citizenship status and treatment of people of Haitian descent living in the Dominican Republic is a long-standing source of tension. Despite efforts to register people of Haitian descent since 2014, according to non-governmental organization Human Rights Watch, many eligible people still cannot resolve their situation, and large-scale expulsions and deportations continue.

President Abinader has framed the use of restrictive migration policies as a national security response to the crisis in Haiti; his government has also banned 39 Haitian gang leaders, politicians, and executives from entering its territory. In February 2022, Abinader ordered the construction of a border fence with Haiti. Human rights groups criticized the fence's construction and the Dominican government's deportation of some 154,000 Haitians in 2022. Although the government has granted visas to some 100,000 Venezuelan migrants, the Dominican Republic did not sign the 2022 Los Angeles Declaration on Migration and Protection, in which countries pledged to increase regional cooperation on migration.

## Economic Conditions

The Dominican Republic has been among the fastest-growing economies in Latin America and the Caribbean. It 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 the International Monetary Fund (IMF). The Abinader government used fiscal stimulus to cushion the economic impact of job losses. U.S. demand and a vaccination campaign targeting workers in key sectors helped construction, mining, and tourism rebound. The

economy grew 12.3% in 2021, and 4.9% in 2022; the IMF predicts it will expand by 4.2% in 2023.

The Dominican Republic is a top tourism destination and receives investment from a range of countries. Although the People's Republic of China promised major investments after the countries established diplomatic relations in 2018, few have occurred. President Abinader has barred China from investing in strategic sectors, such as ports.

The Dominican Republic continues to face economic and social challenges. The IMF has urged the government to address its fiscal debt and use targeted social benefits to address persistent income inequality. The poverty rate, which had declined from 25% to 21% in the three years prior to the pandemic, rose to 23% in 2020, and remained at that level as pandemic-era public support measures expired.

## 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. 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.

The United States allocated \$43.5 million in bilateral aid to the Dominican Republic in FY2022, including \$21.3 million in global health funding (GHP) and \$21.8 million in Development Assistance (DA). The Biden Administration requested \$46.5 million for the Dominican Republic for FY2024 including \$24.0 million in GHP and \$21.9 million in DA. Since FY2017, U.S. humanitarian aid to support Venezuelan migrants in the Dominican Republic has totaled some \$3.7 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 \$2.7 billion in 2021. Total trade increased from \$9.8 billion (pre-CAFTA-DR) to \$31.1 billion in 2022. In 2021, Dominicans abroad, most residing in the United States, sent a record \$10.4 billion in remittances. U.S. tourists account for the largest number of foreign visitors to the country.

Some bilateral trade and labor concerns have arisen, including U.S. concerns over lax enforcement of laws against forced and child labor in the Dominican sugar industry, and the Dominican Republic's desire to extend tariffs on imported U.S. rice beyond their December 2024 expiration under CAFTA-DR. See also CRS In Focus IF10789, *Caribbean Basin Security Initiative*, and CRS Report RS22164, *DR-CAFTA: Regional Issues*.

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