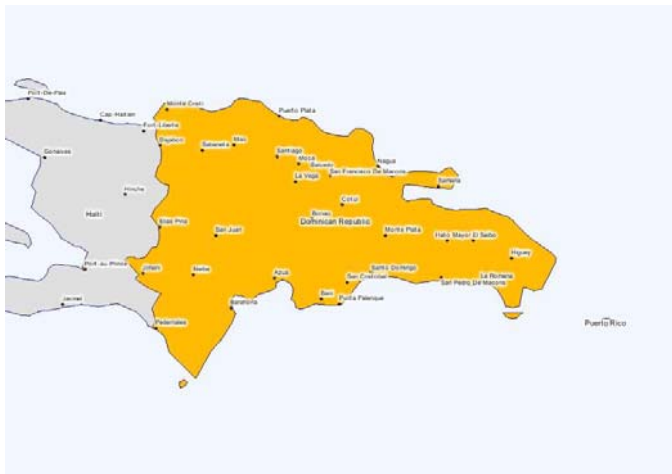


dgPoverty Highlight - March 2nd, 2007

Standing the Test of Time: Economic Growth, Gender Inequalities and Poverty Reduction in the Dominican Republic (DR)

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Poverty Gap Ratio (latest year)

Poverty gap ratio: The mean distance below the \$1 (1993 PPP US\$) a day poverty line. The mean is taken over the entire population, counting the non-poor as having zero poverty gap. The measure reflects the depth of poverty as well as its incidence.

Source: *UN Common Database (WB)*
Map from Globalis.gnu.unu.edu

Legend:

0.2 – 0.5

0.5 – 1.2

1.2 – 5.4

5.4 - 12

12 - 52

Over the last couple of years, in the evaluation of economic policies it has become interesting to note that a mixture of appeals toward the understanding of the process of growth has taken aims and emphasized multi-pronged and pluralistic approaches vis-à-vis research utilization and policy analysis.

In a nutshell, a typology that claims the role of evidence in policy-making which is seen as a lever to steer the directions of debates and broaden the knowledge-base when it comes to matter of economic growth, distribution of income, and how dynamics of inequalities could be taken in hand to position national and redistributive policies within the span and purpose of integrated frameworks for poverty reduction ([Addison et Cornia, 2001](#); [Cornia et Reddy, 2001](#)).

And if in the conventional wisdom, the designs of public policies are viewed as means to level the playing field in order to

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balance change, and in our case, in the distribution of income across societies, individuals, and households these angles convey a clear challenge in *the ways* that methodological approaches come across the measurement of incomes for the lowest income groups, see [Deininger et Squire, 1997](#); and how to combine indicators of inequality within comprehensive development strategies to deal with the multi-dimensional outlooks of poverty.

However, there are no short calls in these debates, given the needs to ponder and identify effective investment strategies to sustain growth, productivity, and on the same token to also focus on the 'problematique' of **equal access to economic opportunities between women and men**.

Hence, nexus under which the socio-economic impacts of reforms have raised many eye-brows about the relationships between economic growth, structural adjustments and inequalities between women and men; a landscape that has driven many observers to question the process of reforms in relation to gender perspectives, and how reliance on market-centered policies can affect the status of women whether in terms of opportunities, choices or well-being ([Rittich, 2001](#); [Strier, 2005](#); [Mayer, 2005](#)).

Despite the many views that want to sketch some rosy pictures about the role of growth, the distribution of income and the dynamics of inequalities under the facets or criterion of 'import substitution industrialization' or 'Market-Friendly approach', see for example, [Panagariya, 2005](#); however, for developing and emerging economies it is essential to unlock the interactions between gender roles and adjustment policies, and how to target programs and policy measures to counter the dire effects of

massive techno-structural interventions at societal levels, which are directly linked to the vacuum and shrinking of government policies toward public expenditures.

On one hand, these reasons are significant pleas as to capture the impacts and variations of structural changes on livelihoods, well-being or equity, while on the other hand they also enlarge the assessments of such dynamics in the context of public policies.

Thus, I can say that such configurations cannot be left behind, as to better gauge and weigh the various determinants behind the expansion of labor market, economic growth, and differentials between male and female which more often than not tend to reflect themselves on the terms of employability, vulnerabilities, time allocation and time burden among others.

In these contexts though, serious gaps in policy coupled with strong institutional weaknesses have to be dealt with, to enable access to assets and services in order to combat gender inequalities, and the high levels of poverty that directly strains the capabilities and functioning of poor households.

As development planning has evolved over-time, due to the many various conditions that shape societies in any part of the world, some important questions have emerged in regards to the type of effective economic choices to tackle matters of human development, as they evolve around overarching conditions of liberal market-oriented economic reforms; and the prospects for growth, investments and income, as they cut across the dynamics of gender relations and women's agencies.

And as pointed by some experts, a good balance for socio-economic development requires that policy-makers pay close attention to the variables that affect the

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status of women, gender inequalities, and also of the correlations that come with measures of income and per capita growth in the case of market failures, see *Dollar et Gatti, 1999*.

And I think that it is not an understatement to advance that by combining a close examination in income distribution and wage distribution it can prove useful as to shed some lights on the impacts of market failures on gender inequalities, and how redistributive policies tackle these thorny questions of inequalities and notions such as the social value of incremental income.

In short, these perspectives underscore a line of thinking where policy changes should consider some functional arguments to measure the level of well-being and the factors that lower capabilities between genders in order to support integrated poverty-reducing growth.

Moreover, it is also important to stress that in the midst of the debates about economic policies, growth, poverty reduction and income, gender inequalities are no static phenomena, due to the many dimensions that revolve around some indicators, and not the least, of the imprints of the regional/cultural contexts under which some structural changes have been taking place, and how they interact with the provisions and access to socio-economic assets.

Some Snapshots: Growth, Gender Inequalities, and Poverty Reduction in the Dominican Republic

And in the lights of the processes of change that have been set in motion through various macro-economic policy regimes, an introspective look into the Caribbean and more exactly on the Dominican Republic

can give us some insights about the relations between these variables.

With the aims of joining the Fora to discuss and understand the interactions between gender, and the extent to which inequalities and economic policies come to be analyzed or perceived, this note will try to briefly summarize the main elements to consider in regards to the country's stance and how priority policies and operational interventions are looked upon in respect to gender inequalities, poverty reduction and growth.

For the Dominican Republic the evolution of the economic climate has taken many variations, which came after the ill-fated period of the 80s, when the country experienced very little growth and direct exposures to inflationary crises.

The growing concerns at these times were how to juggle macro-economic policies and adjustments in fiscal policies to ease openings for foreign investments in order to overcome striking negative growth rates and revamp productivity factors, see, *Guzman et Lizardo, 2002*.

It is along these dots, that the application of the Washington Consensus came (from the 1990s onward) gradually into place, and for the country it was thought to be an attractive model to achieve macro-economic stability, low inflation and reduction in fiscal deficits.

With the combination and a strong focus on tourism and the expansion of free-trade zones (that mostly came into the forms of assembly plants), successive government administrations and policy-makers tended to lean toward the implementation of privatization and re-structuring schemes to stimulate market expansion, and increase in productivity gains.

It is true that the adaptation of these measures has been conducive to a certain

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extent to some economic changes for the country ([USAID, 2005](#)).

However, some questions are still lingering in regards to the nature of this economic growth, and how improvements in sectoral activities could be approached to move forward reform processes.

It goes without saying that these issues fall right into the core and objectives of comprehensive development strategies, where the role of women and gender equality is *sine qua non* to positively impact upon the drivers of transformational growth and poverty reduction, see [ECLACC/CDCC, 2005](#). Dimensions that further carry the dialogues to allow the setting of inquiries that dig deeper into the conditions that foment social exclusions and the relationships behind income inequalities within the country, and the indicators needed to enlarge the understanding of variations between individual and households traits ([Hammill, 2005](#)).

Under such proposal though, it would be interesting to review the terms and differentials that come to play vis-à-vis access to 'Decent Work', between women and men in the Dominican context and how the integration and supply of public goods

and services can become powerful tools to substantiate an equitable model for human development.

In this respect, thinking about the adaptation of budget reforms/spending programs and institutional strengthening are significant steps to further the objectives of creation and access to paid employment opportunities in professional sectors for women, and also guarantee proper distribution of income and resources within households.

To open new space for debates with respect to the situation of the labor market in the country, and the fundamental axis of development has to embrace issues of equity for Dominican women, and how economic and social strategies should weigh the impacts of persistent occupational segregation and patterns of discrimination. As many experts tend to believe, employment opportunities for women can go a long ways as to better respond to societal demands toward the provisions and access to basic services, and enhancement of capabilities, see [Deutsch, Duryea et Piras, 2001](#); [Henriquez, 2002](#).

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Appendix - Human Development Indicators

Country Fact Sheets

Dominican Republic

Source: *UNDP Human Development Report 2006*

The HDI for Dominican Republic is 0.751 which gives Dominican Republic a rank of 94th out of 177 countries with Data (Table 1)

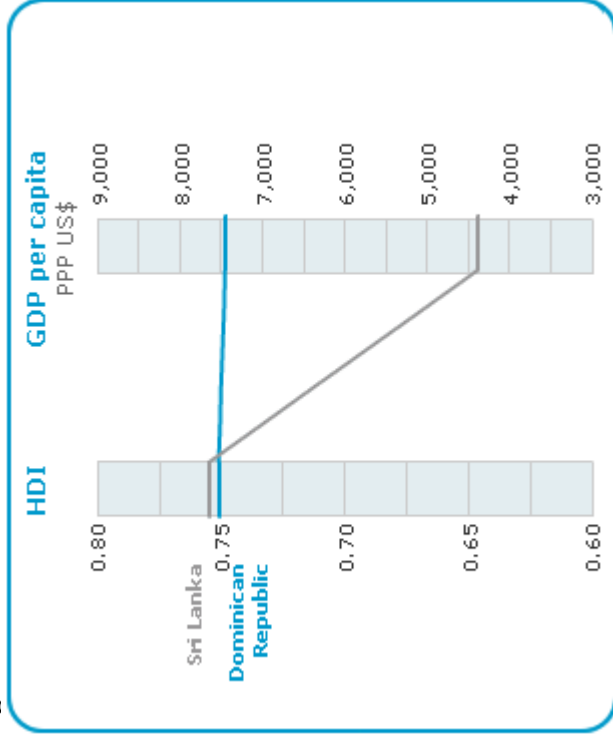
Table 1: Dominican Republic's human development index 2004				
HDI value	Life expectancy at birth (years)	Adult literacy rate (% ages 15 and older)	Combined primary, secondary and tertiary gross enrolment ratio (%)	GDP per capita (PPP US\$)
1. Norway (0.965)	1. Japan (82.2)	1. Georgia (100.0)	1. Australia (113.2)	1. Luxembourg (69,961)
92. Turkey (0.757)	105. Fiji (68.0)	66. Peru (87.7)	76. Mauritius (74.5)	71. Libyan Arab Jamahiriya (7,570)
93. Sri Lanka (0.755)	106. Guatemala (67.6)	67. Turkey (87.4)	77. Venezuela, RB (74.2)	72. Iran, Islamic Rep. of (7,525)
94. Dominican Republic (0.751)	107. Dominican Republic (67.5)	68. Dominican Republic (87.0)	78. Dominican Republic (74.1)	73. Dominican Republic (7,449)
95. Belize (0.751)	108. Indonesia (67.2)	69. Equatorial Guinea (87.0)	79. Armenia (74.0)	74. Kazakhstan (7,440)
96. Iran, Islamic Rep. of (0.746)	109. Kyrgyzstan (67.1)	70. Bolivia (86.7)	80. Uzbekistan (73.8)	75. Namibia (7,418)
177. Niger (0.311)	177. Swaziland (31.3)	128. Mali (19.0)	172. Niger (21.5)	172. Sierra Leone (561)

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Figure 1 illustrates that country on the same level of HDI as Dominican Republic can have very different levels of income and life expectancy.

Figure 1



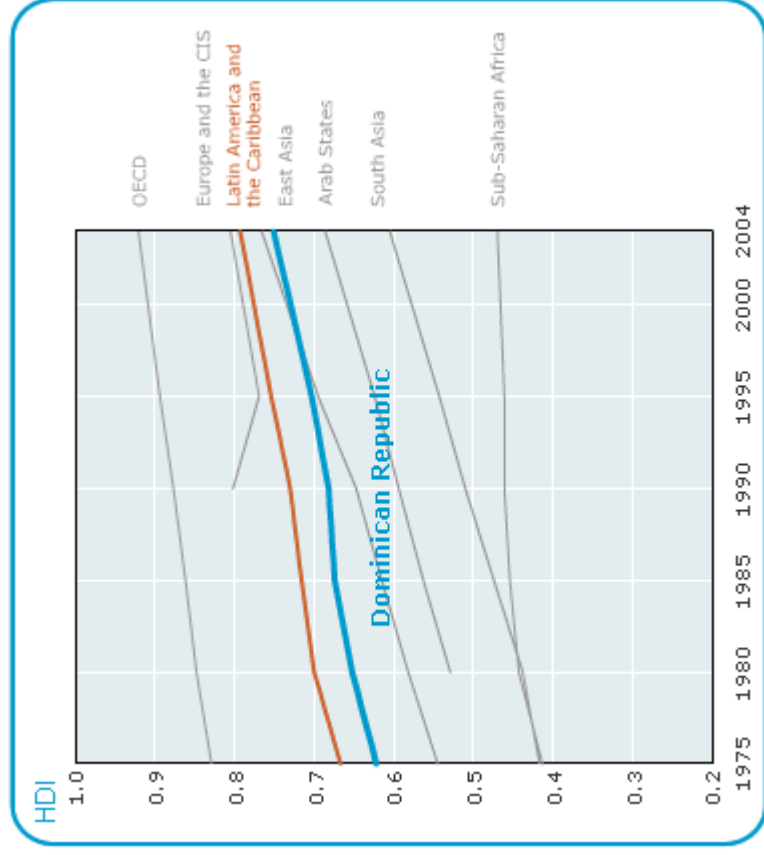
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Human poverty in Dominican Republic: focusing on the most deprived in multiple dimensions of poverty

The HPI-1 value for Dominican Republic, 11.9, ranks 27th among 102 developing countries for which the index has been calculated.

Figure 2



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The HPI-1 measures severe deprivation in health by the proportion of people who are not expected to survive age 40. Education is measured by the adult illiteracy rate. And a decent standard of living is measured by the un-weighted average of people without access to an improved water source and the proportion of children under age 5 who are underweight for their age. Table 2 shows the values for these variables for Dominican Republic and compares them to other countries.

Table 2: Selected indicators of human poverty for Dominican Republic

Human Poverty Index (HPI - 1) 2004	Probability of not surviving past age 40 (%) 2004	Adult illiteracy rate (% ages 15 and older) 2004	People without access to an improved water source (%) 2004	Children underweight for age (% age 0-5) 2004
1. Uruguay (3.3)	1. Hong Kong, China (SAR) (1.5)	1. Cuba (0.2)	1. Bulgaria (1)	1. Chile (1)
25. Peru (11.6)	107. Mongolia (13.3)	62. Peru (12.3)	18. Argentina (4)	21. Libyan Arab Jamahiriya (5)
26. China (11.9)	108. Bahamas (13.4)	63. Turkey (12.6)	19. Botswana (5)	22. Dominican (5)
27. Dominican Republic (11.9)	109. Dominican Republic (14.1)	64. Dominican Republic (13.0)	20. Dominican Republic (5)	23. Dominican Republic (5)
28. Bolivia (13.9)	110. Solomon Islands (14.1)	65. Equatorial Guinea (13.0)	21. Chile (5)	24. Costa Rica (5)
29. Syrian Arab Republic (14.4)	111. Kazakhstan (14.7)	66. Bolivia (13.3)	22. Grenada (5)	25. Argentina (5)
102. Mali (60.2)	172. Swaziland (74.3)	117. Mali (81.0)	125. Ethiopia (78)	134. Nepal (48)

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Building the capabilities of women

Dominican Republic's GDI value, 0.745 should be compared to its HDI value of 0.751. Its GDI value is 99.2% of its HDI value. Out of the 136 countries with both HDI and GDI values, 78 countries have a better ratio than Dominican Republic's.

Table 3 shows how Dominican Republic's ratio of GDI to HDI compares to other countries, and also shows its values for selected underlying values in the calculation of the GDI.

Table 3: The GDI compared to the HDI - a measure of gender disparity

GDI as % of HDI	Life expectancy at birth (years) 2004	Adult illiteracy rate (% ages 15 and older) 2004	Combined primary, secondary and tertiary gross enrolment ratio 2004
	Female as % male	Female as % male	Female as % male
1. Luxembourg (100.4%)	1. Russian Federation (122.4%)	1. Lesotho (122.5%)	1. United Arab Emirates (126.0%)
77. Kuwait (99.2%)	18. Poland (111.5%)	7. Costa Rica (100.5%)	17. Palau (110.7%)
78. Sri Lanka (99.1%)	19. Moldova, Rep. of (113.3%)	8. Brazil (100.4%)	18. Niue (110.7%)
79. Dominican Republic (99.1%)	20. Dominican Republic (111.1%)	9. Dominican Republic (100.4%)	19. Dominican Republic (110.6%)
80. Tanzania, U. Rep. Of (99.1%)	21. Slovakia (111.1%)	10. Maldives (100.2%)	20. Lithuania (110.3%)
81. Indonesia (99.0%)	22. Thailand (111.0%)	11. Tonga (100.1%)	21. St Lucia (110.2%)
136. Yemen (94.0%)	191. Kenya (95.8%)	115. Afghanistan (29.2%)	189. Afghanistan (40.9%)

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