As one of the fastest-growing and more dynamic economies in Latin America and the Caribbean between 2015 and 2019, the Dominican Republic entered the COVID-19 crisis in a relatively solid macroeconomic position. GDP contracted by 6.7 percent in 2020, but by mid-2021, the economy had reopened, and tourism rebounded, leading to estimated GDP growth of 10.8 percent in 2021.
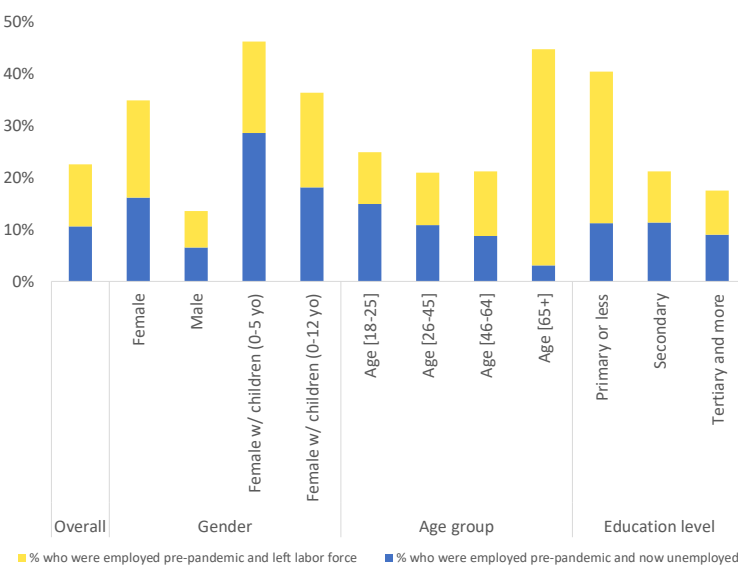
Despite the quick economic recovery, the crisis has had severe effects on the labor market, still felt by mid-2021, according to the High-Frequency Phone Surveys (HFPS). 22.4 percent of pre-pandemic workers lost their job, and more than half of them had left the labor force altogether. The negative impact on employment was more prevalent for women and even more so for women with small children. Women were 2.6 times more likely to lose their pre-pandemic job than men, and almost one out of every two working women with children under the age of five lost their job. 76.0 percent of those who left the labor force had secondary education or less, and 65.8 percent were women, most of them (57.6 percent) with children under 18. The quality of employment was also affected. Around 21.5 percent of the formally employed before the pandemic had transitioned into an informal job by mid-2021, particularly young adults (18 – 25 years old). Most striking, however, is the share of previously inactive people who entered the labor force during the pandemic (41.2 percent). By mid-2021, the formerly inactive population made up 11.2 percent of the employed and 29.2 percent of the unemployed. Most of the new active were low-skilled people with secondary education or less (67.1 percent), and 63.6 percent were women, more than half of them (62.1 percent) without children under 18. While more than two-thirds of the previously inactive and three-quarters of the unemployed had found jobs, most new jobs were informal.

Transitions from inactivity to activity suggest that government aid was insufficient to compensate for lost income, and Dominicans were forced into activity to contain the fall into poverty. Indeed, the drop in family incomes due to job losses and the erosion of wages outweighed the benefits from temporary support programs like the cash transfer Quédate en Casa. While 41.1 percent of households reported receiving government transfers during the pandemic, 47.8 percent of families said their income remained below pre-pandemic levels. More than one-third of households reported running out of food in the 30 days before the survey for lack of money (compared to 22.0 percent before the pandemic).
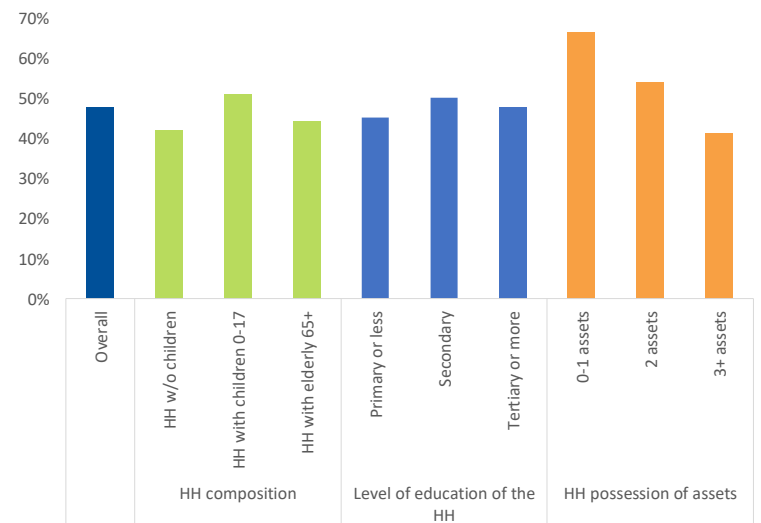
By mid-2021, 83.6 percent of school-aged children were attending school (either in person or online), and 69.1 percent participated in learning activities involving direct interaction with a teacher. However, only 7.9 percent of enrolled children had attended school in person. The lack of access to a reliable internet connection represents a challenge for accessing quality distance learning. In the DR, 62.3 percent of households with an internet connection reported problems with the quality of service (and only 55.7 percent had internet at home).

Access to digital financial services, is still elusive to families in the Dominican Republic, as only 7.0 percent of households reported using mobile wallets.

JOB LOSS (% OF PRE-PANDEMIC WORKERS)

% who were employed pre-pandemic and left labor force   % who were employed pre-pandemic and now unemployed

HOUSEHOLDS (%) WITH REDUCED INCOME

Source: World Bank and UNDP LAC High Frequency Phone Surveys, Phase II, Wave 1.

KEY INDICATORS: INDIVIDUALS (18+ years old)

Distribution among groups	Labor			Childcare responsibilities	Health	Finance
	% of employed population (pre-pandemic) who lost their pre-pandemic job	% of inactive population (pre-pandemic) who became active (employed or unemployed)	% of formal workers (pre-pandemic) who became informal	% of population who spent more time accompanying children's education	% of population who is not planning to get vaccinated or unsure (vaccination hesitancy)	% of population using mobile wallets
Overall	22.4%	41.2%	21.5%	48.3%	4.9%	7.0%
Females	34.7%	36.7%	16.3%	48.3%	6.0%	6.6%
Males	13.5%	52.7%	24.7%	48.4%	3.7%	7.4%
18 to 25 years old	24.7%	72.8%	42.2%	34.7%	4.4%	9.6%
26 to 45 years old	20.9%	53.3%	19.3%	55.0%	5.6%	8.2%
46 to 64 years old	21.2%	25.5%	16.5%	49.9%	5.4%	4.4%
65 and older	44.6%	18.3%	17.4%	16.9%	0.6%	4.7%
Primary or less	40.3%	23.8%	14.2%	39.8%	3.5%	5.6%
Secondary	21.1%	47.3%	30.9%	47.7%	6.1%	6.6%
Tertiary and more	17.4%	51.5%	12.1%	53.6%	3.6%	8.3%

Source: World Bank and UNDP LAC High Frequency Phone Surveys, Phase II, Wave 1.

KEY INDICATORS: HOUSEHOLDS AND CHILDREN

Distribution among groups	Income		Food Insecurity	Education (6-17 yo)		Connectivity
	% HH that report a reduction in total income (current v. pre-pandemic)	% HH that received Emergency Government Transfers during the pandemic	% HHs that ran out of food (last 30 days)	% of children in school age who attended school (in person or virtually)	% of children in school age who interacted with teacher (in-person or online classes)	% HHs that had problems with internet service due to poor access quality / speed
Overall	47.8%	41.1%	34.0%	83.6%	69.1%	62.3%
HH w/o children (0-17)	42.1%	38.9%	29.5%	-	-	59.3%
HH with children (0-17)	51.2%	42.5%	36.7%	83.6%	69.1%	63.9%
HH with elderly (65+)	44.4%	50.0%	36.3%	79.8%	64.4%	55.6%
0-1 assets	66.4%	27.9%	63.5%	83.2%	59.7%	74.6%
2 assets	54.1%	46.1%	43.6%	77.7%	66.2%	70.3%
3+ assets	41.2%	41.6%	23.7%	86.3%	71.7%	57.5%
HH education - Primary or less	45.2%	42.7%	42.9%	79.2%	62.9%	58.4%
HH education - Secondary	50.1%	41.2%	36.9%	82.4%	68.0%	63.2%
HH education - Tertiary or more	47.7%	35.3%	18.7%	94.0%	83.8%	66.7%

Source: World Bank and UNDP LAC High Frequency Phone Surveys, Phase II, Wave 1.

HIGH FREQUENCY PHONE SURVEY

The World Bank and UNDP conducted a multi-wave High-Frequency Phone Survey (HFPS) in 2021 to assess the impact of the coronavirus pandemic on the welfare of Latin American and Caribbean households. The first wave was collected between May and July 2021, and the data is nationally representative for 24 countries: Antigua & Barbuda, Argentina, Belize, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominica, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Saint Lucia and Uruguay. The data for Brazil was collected between July 26 and October 1. The HFPS provides information on the welfare impacts that households experienced with respect to food insecurity, changes in employment, income changes, access to health and education services, and coping mechanisms. Key indicators on socioeconomic effects are available at the COVID-19 monitoring global dashboard, which provides 96 harmonized indicators across 50 countries in Latin America and the world. For further information, see World Bank and UNDP (2021).