



DOMINICAN REPUBLIC ALERT: The Dominican Republic: Economic Miracles, Political Uncertainties

by Howard J. Wiarda

The Dominican Republic continued its miracle economic growth in 1999 with a growth rate of 8.3 percent. This growth rate was one of the highest in the world for 1999; over the course of the previous four years, the *sustained* growth rate of the Dominican Republic (a little over 7 percent on average) has been *the highest in the world*.

Fueling this growth are tourism, remittances, telecommunications, construction, manufacturing free zones, and services. The Dominican Republic is no longer a sugar economy and society, with sugar dropping to less than 5 percent of GNP; new and diversified investment is coming into the country on an almost daily basis. Signs of the new affluence are readily visible throughout Santo Domingo: large sports utility vehicles, immense housing and construction projects, impressive economic *movimiento*, and a consumer-oriented middle class. But it is not just the capital city that is booming; medium-sized provincial centers like San Francisco de Macorís, La Romana, and Higüey are buzzing with activity, growth, dynamism, and motor scooters, to say nothing of pollution.

Overview

- **The Dominican Republic maintains miracle economic growth rates.**
- **But with elections in May there is considerable political uncertainty.**
- **It is an exciting electoral race with three main candidates.**
- **Despite political differences, there is a remarkable consensus on democracy and the main direction of economic policy.**

Political Uncertainties

Curiously, this new affluence has not been translated into political self-confidence and stability. Uncertainties abound. Despite the impressive economic growth, according to a March Hamilton Poll, only 29 percent of the population say they are better off than they were four years ago, while 39 percent say they are worse off, and another 30 percent say they have stayed the same. Part of this pessimism is the result of continued and real social and economic inequalities in Dominican development, but part of it is also the product of perceived inequities on the part of people who are themselves doing better but see others doing better still, and resent them for it. These class resentments are of rising importance in Dominican politics.

Nor has the recent impressive economic growth been translated into rising popularity for the current president, his party, or the party's candidate in the upcoming May elections. The

president, Leonel Fernández, an able, young politician who has tried to introduce a new, less patrimonial model into Dominican politics, has a 50 percent approval rating but a 47 percent disapproval score. Forty-two percent say they would not vote for his party, the Dominican Liberation Party (PLD) under any circumstances. The PLD's presidential candidate, Danilo Medina, is at 25 percent in the polls and falling. Fernández, the party's most popular leader, is unable to succeed himself until an intervening term has passed, in 2004.

The Election

The Dominican Republic has basically a three-party system in which none of the candidates is likely to get the required 50 percent of the vote to be elected. If no party gets a majority, a runoff is held a month and a half later to decide among the two top candidates. The system produces not only uncertainty but also ample opportunity for vote trading and deals among the candidates.

Former president Joaquín Balaguer, now ninety-four years old, blind, and physically infirm but mentally alert and politically as calculating as ever, has the highest personal approval rating among the candidates at 71 percent. His election poll ratings are at 24 percent, only 1% behind the PLD candidate, and rising. Balaguer is out campaigning every day, especially in his stronghold of the vote-rich Cibao. To demonstrate that he still has his boots on, Balaguer is regularly pictured with some smiling young woman, who never the less has to prop Balaguer up. Balaguer also shows surprising strength among young voters. Many analysts would not be surprised to see Balaguer surpass Medina and come in second in the election. And, given Balaguer's past record of manipulating elections, many Dominicans, including politicians and intellectuals, think "the Old Man" will still pull some magic rabbit out of his hat and steal the election again.

It is not just Balaguer's age and infirmities (for comparison, think of a physically weaker but mentally sharper Strom Thurmond) that has the U.S. Embassy and some Dominican groups worried it is his policies as well. Balaguer would probably stop the unpopular privatizations that Fernández has carried out, defy the IMF and U.S. policy preferences, pursue a more statist and nationalist economic policy, and rule as an old-fashioned corporatist politician. He also reflects the history tensions of many Dominicans regarding Haitians in the Dominican Republic, and his human rights record leaves much to be desired. But he could still, conceivably, be the next (after seven previous terms) Dominican president!

The current leader in the presidential race is Hipólito Mejía of the Dominican Revolutionary Party (PRD). Mejía has a lower personal approval rating (61 percent) than Balaguer but higher (44 percent) voter support. The PRD is a social-democratic party, a member of the Socialist International, close to the European socialist, and social-democratic parties and also to the left of the U.S. Democratic Party. The party has attracted numerous former communists and *fidelistas* to its ranks and, in office, would likely follow a "Third Way" course of fewer privatizations, less sympathy for globalization, less pro-business, and more redistributive policies.

Scenarios

While Mejía is leading in the polls and may well emerge the victor, he is widely seen as an uncharismatic technocrat. In fact, he was chosen by the party purposely for these "boring" characteristics, so as to avoid the strong negative vibes that previous PRD candidate, José Francisco Peña Gómez, who has since died, gave off in earlier runs for the presidency. But it is precisely Mejía's lack of charisma that opens the door for the wily Balaguer.

Here is the likely scenario. Suppose, as the current polls indicate, Mejía gets 44 percent and Medina and Balaguer get about 25 percent each. In that case, there is a runoff between the two leading candidates. If Medina comes in third, he will likely then throw his support to Balaguer in

the second round; if Balaguer comes in third, he will certainly throw his support to Medina in the second round-and all this accompanied by political deals involving cabinet slots, congressional seats, patronage, and money. The alliance of the second- and third-ranking parties against the first will certainly tighten up the second-round competition.

However, the polls are telling us that neither Balaguer nor the PLD can control their own voters as in 1996 when Balaguer swung *80 percent* of his votes to the PLD and Fernández, and thus prevented what seemed a certain PRD second-round victory. Now Balaguer, or the PLD, can only control two-thirds of their voters. But if the other one-third goes over to the PRD, that would be enough to push Mejía up to and just barely over the 50 percent mark.

But suppose, as seems quite possible, Mejía's poll numbers start to slip in the month before the election to the low 40s or even high 30s. And suppose Balaguer's continue to rise, let us say, to the low 30s. Then, for the second round, all bets are off. The wheeling and dealing would be intense; the political machinations would be on a grand scale. It is not just in the United States that elections can be tense, exciting, and downright fun.

The Future

Above and beyond the personal and party maneuvering, there is remarkable consensus in the Dominican Republic on future policy agendas. All the candidates are committed to democracy and human rights, albeit some more than others. All recognize the need to maintain a modern, mixed economy. In office the PRD would have to rein in its redistributive firebrands and Balaguer would reach his accommodations with the IMF and the U.S. Embassy. All the candidates would similarly have to adjust to the realities of globalization, some degree of open markets, greater transparency, freer trade, and the uncertainties of the post Cold War world. That is the nature of the world in which the Dominican Republic now lives, and it cannot withdraw into isolation.

President Fernández (35 trips abroad) has sought to adjust Dominican thinking to the new international and globalist environment; he has also sought (and paid for it in poll numbers) to provide a bridge between an older, patrimonialist style of politics and a newer, more open and democratic kind. He has opened up new relationships with Haiti, the broader Caribbean, and globalization. Despite impressive economic growth, it remains surprising how uncertain, fragile, and even fearful of the future the Dominican Republic remains. Under the surface there appears to be some confusion and even fear. The country's institutions remain weak its "miracle" economic growth is still fragile; and its modernization is still fragmented. After 40 years the Dominican Republic's transition to democracy is still incomplete; its economy is still precarious; its nationalism and future as a nation are still being redefined. Certainly, the accomplishments have been many and the Dominican Republic is not the same country it was in the 1960s; nevertheless, the future even after all these years and decades is still cloudy.

About the Author

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