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The Dominican Republic, Jobs & Surplus Crops

Sugar Cane, Jobs, and Legos in the Dominican Republic

The Dominican Republic has a population of 10.77 million people. A total of 10.77 million people that are supposed to be fed a meal every day, three times a day. Ten point seventy seven million people working a job every day, for eighthours a day. Think about the 10.77 million people that are supposed to have a home, electricity, running water, and a real floor. For a third world country such as the Dominican Republic, what you consider a basic day to day thing is a luxury for them. The ratio between jobs and Dominican people are unbalanced and its shows in their everyday life. The Dominican Republic is an island nation that has three major concerns, water sanitation, pollution, and unemployment. The one aspect I'm going to be focusing on is the growing lack of sugarcane farms which is leading to the unemployment rate of the Dominican people which I believe the toy company LEGO could play a role in helping fix. The Dominican Republic needs more jobs to support its growing population; otherwise the weak food sustainability they currently have will become a thing of the past for their country.

The Dominican Republic is located on the Caribbean island of Hispaniola and occupies over $\frac{2}{3}$ of the island that it shares with the country of Haiti (Wiarda, Howard J.). The capital as well as the largest city in the Dominican Republic is the city of Santo Domingo which is located on the southern coast. The main language in the Dominican Republic is Spanish and this is mainly because the Dominican Republic was part of the Spanish empire until the late 18th century. Another result of the Spanish empire occupying the country for almost three hundred years is that $\frac{4}{5}$ of the Dominican Republic's people are apart of the Roman Catholic Church (Wiarda, Howard J.). According to ArcGIS, the average family size in the Dominican Republic is three to four people, which is larger than the average American two person family size. The average family home in the Dominican Republic have wood stoves, sticks for a roof, and a dirt floor. Most homes are run down shacks, tiny homes, or little apartments ("Dominican Republic - Houses."). Most Dominican families purchase their food from local outdoor markets or their own yards (Irimia). The typical diet of families include seafood/meat, rice, corn, fruits, and milk ("Dominican Republic."). A large variety of birds are hunted for food including ducks which leads to over poaching. Poultry is the most common meat eaten by the locals because beef and pork are to expensive and mainly only eaten by tourists (Gale, Thomsan).

The Dominican Republic has a moderate, relatively mild tropical climate; although it lies well within the tropical zone (Wiarda, Howard J.). The annual temperature is 77 °F (25 °C); temperature rarely goes below 69 °F (21 °C) and rarely goes above 90 °F (32 °C). Northeast trade winds blow steadily from the Atlantic Ocean year long by in the Caribbean Sea (Wiarda, Howard J.) Some of the major exports include bananas, coffee beans, cocoa, sugar cane, and coconuts ("Dominican Republic Exports."). The Dominican

Republic includes the highest and lowest elevations in the West Indies. Its major mountain ranges and elongated, fertile valleys mainly extend from northwest to southeast (Wiarda, Howard J.). The climate in the Dominican is tropical, making it a giant attraction for tourists and vacationers causing a booming profit in the Dominican Republic's corporate hospitality industry. The nation lies within the

hurricane belt, and tropical storms constitute a major weather hazard (Gale, Thomsan). The rainy season in the Dominican Republic generally is from June to November where the dry season extends from December to May. According to Encyclopedia Britannica, "The Dominican Republic includes the highest and lowest elevations in the West Indies. Its major mountain ranges and elongated, fertile valleys mainly extend from northwest to southeast". The northernmost range in the country, the Cordillera Septentrional which looms above a coastal plain. (Wiarda, Howard J.) The plain is drained by the short, wide rivers such as the Balabonico and the Yasica river (Gale, Thomsan). Weather in the Dominican Republic contributes to their economy positively a majority of the time.

In the Dominican, 79% of the population lived in an urban area and the other 21% lived in rural areas ("Dominican Republic."). In the Dominican Republic, health care is free but people are still forced to pay out of pocket for most medical expenses (Irimia). Barriers that a typical Dominican family must face is a lack of proper education and adequate housing. Education is free from kindergarten to 6th grade and just over 7.7% of Dominican people are illiterate ("Dominican Republic Adult Illiteracy,

1970-2018."). A major contributing cause to illiteracy is most people's inability to pay to further their own and their children's education after the 6th grade. Half of the Dominican Republic's population doesn't have access to clean water ("Dominican Republic."). Fortunately though, 79% of the country has access to electricity and payphones ("Dominican Republic"). Most people use bicycles to travel from place to place but some people own motorcycles or mopeds. If one owns a car or truck in the Dominican Republic, one tends to fall under three categories: either they are wealthy enough to own a car, they are a taxi driver or they are a delivery person (Irimia). Almost all of the nation's railroads are used to transport sugarcane across the country (Gale, Thomsan).

The Dominican Republic is a representative democracy, where the President functions as both the head of the government as well as the head of the multi party system (Wiarda, Howard J.). On Encyclopedia Britannica it states, "Dominicans have experienced political and civil disorder, ethnic tensions, export-oriented booms and busts, and long periods of military rule, including a Haitian occupation (1822-44), the oppressive dictatorship of Rafael Trujillo (1930-61), and military interventions by the United States (1916-24 and 1965-66)." The current President of the Dominican Republic is Danilo Medina. He has been serving as the Dominican Republic's president since 2012 which has been roughly 7 years since he was elected. Medina has been a politician since the late 80's and has been hands on in the government since 1996 (Gale, Thomsan). Even with politics Haiti has had a rougher time than its

neighbor has had. Haiti had its first free election in 1990 after 200 years of dictators (Lawless, Robert, et al). The Dominican Republic's problems have not been as unfortunate as their neighboring countries. Haiti's problems have been when it comes to weather. Even though the Dominican Republic has not faced the turmoil that Haiti has when it comes to vicious weather and the damage that comes with that,

but what they both have in common is that the majority of both country's population lives below the poverty line.

A majority of people have jobs as fishermen, farmers, or street vendors while there are a few that become hotel managers or doctors. Even when someone in the country is a doctor the average Dominican doctor makes \$42,052 a year which is almost the amount a beginning American school teacher makes (Arcgis.com). Over 17% of the workforce is unemployed which is approximately 1,830,900 million

people without jobs where the United States has 5,975,00 unemployed but that's only 3.7% of the US population ("United States Unemployed Persons."). A good 17% of the labor force is involved in farming which has become one of the country's primary occupations. A lot of the workers on sugarcane plantations are seasonal or temporary, some of them even coming from Haiti (Wiarda, Howard J.). The labor code prohibits the employment of children under 14. However, economic and social conditions have forced many children to work to help support their families (Gale, Thomsan). A regular work week for an everyday person in the Dominican Republic is 44 hours with an eight hour day. The minimum wage is about \$119-\$164 per month, however this is insufficient to support a worker and their families (Gale, Thomsan). Stated in Encyclopedia Britannica, "About three-fifths of Dominicans remain below the poverty level, despite improvements in the national economy, and the vast majority of the population belongs to the lower-income segment, including most farmers, landless agricultural workers, itinerant merchants, and unskilled manual labourers. However, the middle class has grown markedly since the mid-20th century, and the nation's economic and social oligarchy has become somewhat fragmented as newly affluent families have joined its ranks". It's almost unheard of in the Dominican Republic that a person can have only one job and still be able to support a family that belongs in the middle class or lower.

The job problem in the Dominican Republic is apparent but very few countries are offering any relief to them. The present status and severity of this problem is mild and should be solved before it becomes a crushing economic time in the Dominican Republic. After years of a decrease in Dominican jobs, the trend has come to a halt, not improving or getting worse (Horwell). However, just like the rest of the world, the growing population is continuity contributing to a new negative trend. High tariffs tend to affect rural populations more than the urban populations because the tariffs impact crops and materials made in the more rural areas of the Dominican (Horwell). These tariffs can impact crops and materials by rising prices of Dominican goods over U.S. goods causing their not to be much profit. Even though the US is one of the main buyers of Dominican goods. There are a good amount of men and women who hold steady jobs in the Dominican Republic ("About the Industry"). The topic of more jobs affects the agricultural industry greatly even though there has been a rise in jobs in that particular industry. Stated in the Inter nations article, "Unfortunately, the unemployment rate is still at an alarming 14%" ("Working in the Dominican Republic"). A real trouble that also is being seen is that gaining a job is becoming harder then ever for locals, which is also contributing to the crisis ("Working in the Dominican Republic.").

In the Dominican Republic, the job problem has an effect on the economy as well as the sugarcane industry. As artificial sweeteners become more popular to buyers and investors, the need and value of sugarcane has the potential to go steeply down ("Dominican Republic Exports."). As people are slowly no

longer using sugarcane in their coffees, teas, and baked goods, instead using artificial sweeteners, farmers are beginning to have to make cuts to their farms (“About the Industry.”). This can include cuts to farm staffs which will mean more people will not have jobs to support their families, potentially leading to a rise in crime and homelessness.

Here is where a potential solution comes into play. The Lego Company has been recently trying to come up with a way to leave a smaller imprint on the world (Woloszyk). According to Business

Insider, Lego hopes to make most of their products from sustainable sugarcane by 2030 (Woloszyk). Stated in Business Insider, "At the LEGO Group we want to make a positive impact on the world around us, and are working hard to make great play products for children using sustainable materials," said Tim Brooks, Vice President of Environmental Responsibility at the LEGO Group in March (Woloszyk). LEGO's new blocks are 98% polyethylene, made from sugar cane (Woloszyk). With the potential decline in sugarcane production, I propose that the Denmark located company LEGO buy and produce their sugarcane blocks in the Dominican Republic. Because of the need of jobs in the Dominican Republic, minimum wages are much lower than most countries causing a highly profitable operation for the LEGO company. If factories were built in the Dominican Republic for the production of these sugarcane plant based legos, it would open new jobs to local people that aren't farmers. The workers in these factories would not be abused in terms of low pay and long hours because of guidelines that LEGO sets for itself and what countries set for its products. Another reason that LEGO would not be able to abuse their power with the Dominican workers would be the rules that the European Union (EU) sets for them because of their location in Denmark as well as the United Nations guidelines they must follow. The LEGO company would need to hire local farmers or Dominican Republic farms that are already in business. This could save failing plantations or possibly bring back old sugarcane farms. If LEGOS would bring back multiple local farmers/plantations and bring competition into the Dominican Republic sugarcane market.

In the Dominican Republic about $\frac{3}{5}$ of people live below the poverty line. The LEGO company would have to set up a headquarters there to watch over production. Also, labs and other such facilities to continue developing the plant based Legos, possibly making them biodegradable. The government of the Dominican Republic along with the community members at the actual town or village the main factory would be built would have to be very cooperated with the LEGO company otherwise this will not work. The government would need to negotiate with the countries, including the United States, that have high tariffs on them. They would need to lower tariffs they have against Denmark and other countries that also would work with the LEGO company. The local people might have opposition towards the LEGO company “taking their land” but local people probably would be able to overcome this feeling after seeing the potential opportunities that this would offer to their community.

When someone thinks of the Dominican Republic, they like of tropical beaches and a great vacation. As many people know, one of the Dominican largest industries is hospitality and tourism. After agriculture, tourism is the leading revenue in the Dominican Republic. With tourists, they will obviously what to take tours of the locals homes, villages and basically the everyday life of Dominican people. Another way LEGO could make money would be to open there facilities and plantations for tours to vacationers/public which would be a year round profit. Another way this could benefit LEGO, is that it would be a way to not just advertise their legos but to sell their legos as well. A possible positive outcome could also be

tourists are more inclined to go visit the island which could help Haiti as well, helping not one but two countries.

The big question/ roadblock in every solution, idea or action is whos going to pay for it. Stockholders in the LEGO would be a major contributor to paying the bill. The LEGO company has been

a globally successful business so doing something like this wouldn't hurt them money wise. Also, when big businesses and stock market holders see opportunities like this that improve their chances of making money, its appealing to them more to put money into a project such as this one. Another set of people who are willing to put money into this would be supporters of the Dominican Republic. Whether that's vacationers that felt for the local poor and their way of living or even a neighboring countries government.

This proposal could possibly change the Dominican Republic's economy forever for the better. This project would take tremendous effort and time but would ultimately be effective towards furthering growth in the Dominican Republic. The quality of living in the Dominican Republic would improve and people could find new opportunities. Important issues such as, furthering their education or their children's education as well. They also would gain the ability of being able to pay for medical expenses and insurance that they might not have been able to do before . If the LEGO company would start their sugarcane production in the Dominican Republic, they wouldn't just be leaving a smaller footprint on the world but also helping a third world country in need reinvent itself. This project won't bring the Dominican Republic out of poverty or change it into a first world country, but it will start its economy on a new foot. The Lego Group's motto is *det bedste er ikke for godt* which means roughly "only the best is the best"(Augustyn, Adam). This motto, which is still used today, was created by Christiansen to encourage his employees never to skimp on quality, a value he believed in strongly (Augustyn, Adam). These family owned company has high morals and beliefs in the way they make their products and the way they treat their employees. Other than the fact this would help the country out economically, a sugarcane based LEGO is also extremely good for the environment let alone the ability of the lego being to biodegrade itself. The LEGO company has been striving to make children's lives fun and more bearable in tough times for almost 87 years and this project would continue to bring them into the 21st century with innovative solutions furthering the idea to entertain children.

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