LIVING WAGE REPORT

SANTO DOMINGO, DOMINICAN REPUBLIC

NOVEMBER 2021 UPDATED TO MID-2022

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ABSTRACT

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This report estimates a living wage for Santo Domingo, the capital of the Dominican Republic, and in particular the areas around Free Trade Zones using the Anker Methodology. This living wage is estimated based on an analysis of primary data on food prices, housing costs, health care costs and education costs in Santo Domingo collected in November 2021 together with an analysis of secondary survey data on household expenditures, labor market conditions, and family size for the Dominican Republic. The gross living wage (aka living wage) for Greater Santo Domingo is Dominican Republic pesos (RD$) 33,275 (US$ 589) per month for November 2021. The living wage updated by inflation to mid-2022 is RD$ 35,177, with RD$ 2,079 in social security contributions.

Any questions, comments, or observations about this study and the results it reports should be directed to the Anker Research Institute leadership: marthaandrichard@ankerinstitute.org

Keywords: Living costs, living wages, Anker Methodology, Santo Domingo

JEL Classification Code: I30, J30, J50, J80.

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SECTION I. INTRODUCTION

1. BACKGROUND

This report estimates a living wage for Santo Domingo, capital of the Dominican Republic This report focuses on Santo Domingo, and more specifically in the urban areas of Bajos de Haina, San Cristobal and San Gregorio de Nigua which are located around Free Trade Zones in Santo Domingo. All calculations are done using the Anker Methodology described in Anker and Anker (2017), whereby secondary data from existing household surveys are combined with primary data collected during fieldwork (see Global Living Wage Coalition website for examples www.globallivingwagecoalition.org).

This report is part of a series of living wage reports done by the Anker Research Institute (ARI) using the Anker Methodology which has gained wide-spread acceptance as the gold standard for estimating living wages in rural and urban areas around the developing world. These studies have often been done for the Global Living Wage Coalition which brings together Richard Anker and Martha Anker in partnership with lead members of the GLWC Fairtrade International (FTI), Rainforest Alliance (RA), and Social Accountability International (SAI) and many other sustainability standards, and the ISEAL Alliance. ARI's and GLWC's shared mission is to provide high quality and consistent knowledge and information about living wage levels as well as to foster implementation, and impact necessary for stakeholders of all types to collaborate in a non-competitive environment toward wage increases globally in the farms, factories and supply chains participating in their respective certification systems and beyond, with the long-term goal for workers to be paid a living wage.[1]

2. LIVING WAGE ESTIMATE

Our estimate of a gross living wage (aka living wage) for Santo Domingo of Dominican Republic, for November 2021, is Dominican Republic Pesos (RD$) 33,275 (US$ 589) per month (using an exchange rate of RSD 56.53 = 1USD[2]). This gross living wage takes into consideration that workers have mandatory payroll deductions of RD$ 1,967 (US$ 35, or approximately 5.9%) for the country's social security system. This means that the take home pay net living wage required for workers paying these mandatory payroll deductions is RD$ 31,308 (US$ 554). Note that this is a net living wage of RD$ 33,098 and a gross living wage of RDS 35,177 for mid-2022 which takes into consideration inflation since the study date. Also note that the living wage which workers would need to receive each month is approximately 7.7% lower for formal workers who are guaranteed to receive the 13th month payment at the end of the year.

This living wage estimate applies to the Great Santo Domingo area, and we believe it cannot be generalized to other areas in the country. An analysis of the regional variation in the cost of the official basic family food basket in Dominican Republic (see Annex 1) supports this conclusion. The cost of this food basket in the Santo Domingo area (part of Ozama region) is substantially above the national average (16%), and differences with

1 The GLWC is committed to using the Anker Methodology as a basis for producing objective, consistent and high-quality information on living wages and gaps to living wage to support wage improvement strategies and programs for stakeholders of all types to collaborate in a non-competitive environment with global wage increases. This means that the estimates made do not or should not replace collective bargaining rights but should serve as tools to support dialogue between employers and workers.

2 This exchange rate was calculated as a three-month average around the month of the study.

other regions are quite large. The food basket cost in Ozama (Santo Domingo) is higher than in the East region of the country (26%), the Cibao Norte Region (22%), and the South region (45%). All these other regions are less expensive than Ozama (Santo Domingo), on average, which implies that this living wage estimate would be less for other regions of the country.

3. CONTEXT

3.1 The Dominican Economy

The Dominican Republic is an island-country located in the Caribbean, in Central America. The Spanish-speaking island country has an area of 48,670 km2, sharing a border with Haiti. Its population is 10,847,904, of which the vast majority live in urban areas (82.54%) and a much smaller rural population (17.46%) (World Bank, 2020). Because of its location, the country is known to be exposed to risks of natural disasters such as hurricanes, floods, and other weather events. Also, small island countries are known to be relatively expensive, since many products are imported.

The World Bank classifies the country as an upper middle-income country. Between 2015 and 2019, the Dominican Republic's annual real Gross Domestic Product (GDP) growth rate was 6.1% on average. Growth driven by tourism, remittances, foreign direct investment, mining revenues, free trade zones and telecommunications (World Bank, 2020). In 2019, the country's GDP was USD 88,941,000,000 and GDP per capita was USD 8,314. However, in 2020, GDP and GDP per capita fell to USD 78,844,702,000 and USD 7,268 USD, respectively, caused by the COVID-19 crisis. The Dominican Republic ranks 89th on the Human Development Index (HDI) according to World Bank.

The sustained economic growth over the last decade translated into favorable results for the reduction of poverty, as well as increases in social and public spending, which reached US$ 17,500 million by 2020. However, poverty levels are still high at 21% nationally (PIP, 2021), and inequality is still a problem, although for the Central American and Caribbean region, a Gini of 41.9 is not extreme (World Bank, 2020). Currently, unemployment in the Dominican Republic is 5.8% nationally (3.9% for men, 8.6% for women) (CEPAL, 2020). Unlike in other Latin American countries, the pandemic appears to have had only a minor impact on unemployment rates in the Dominican Republic, with similar national unemployment rates in 2018 (5.7%) and 2019 (6.2%). There is, however, a general fear that the pandemic may exacerbate social inequality in other forms.

Tourism is the country's main economic activity, driven by a wide range of hotels in beach areas around the country, including some of them surrounding Santo Domingo. Agriculture also constitutes an important sector, with crops such as sugar cane, rice, coffee, cocoa, bananas, and plantains, as well as a large commerce sector. Remittances are also key to the economic income of the population, especially from the United States. In 2021, there was a growth in remittances received, reaching a total of USD 8,675 million between January and October, 2 billion more than the amount received in 2020 in the same period (Central Bank, 2021).

3.2 The Location of the Study

The study was carried out in the capital of Dominican Republic, Santo Domingo, and focused on the areas of Bajos de Haina, San Cristóbal and San Gregoria de Nigua. Santo Domingo is officially classified as an urban zone, part of the Ozama region. The areas visited host several free trade zones that employ many workers and have been identified as one of the main reasons for the economic growth experienced in recent decades (MICM, 2021; World Bank, 2017). These three specific areas were selected because, in conversations with workers and companies in the surrounding free trade zones, they were the ones identified as the main (and almost exclusive) communities where their workers lived.

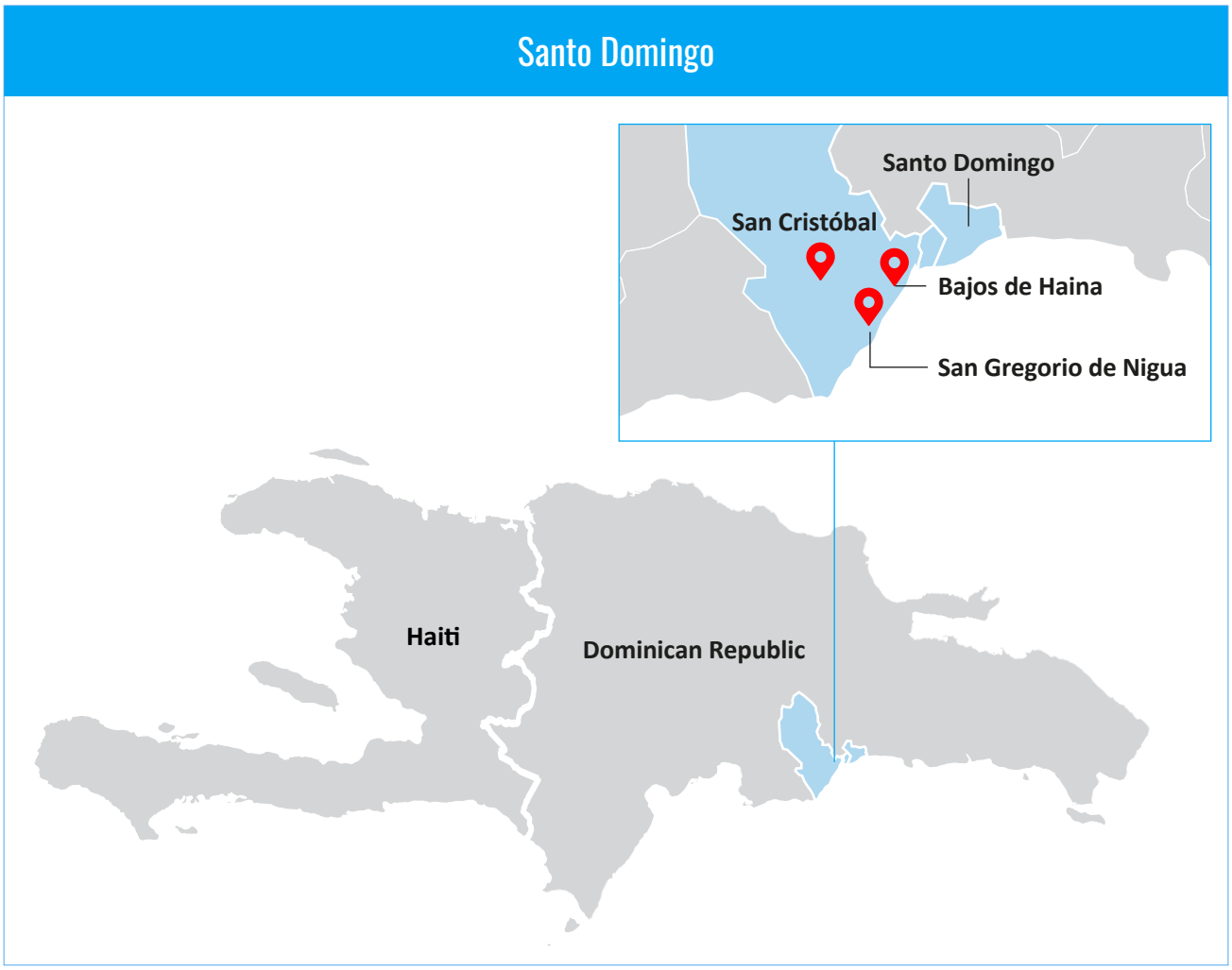
First, Bajos de Haina is a city area in the province of San Cristobal, with an area of about 39.7 km^2 and a population of about 120,000 people (Ayuntamiento Municipal Bajos de Haina, 2021). It is an electricity producing area, with over half of the country's electricity being produced here, and it is home to the only refinery in the country (Dominican Petroleum Refinery). Also, it hosts one of the Dominican Republic's most important ports. It is a lively area, with more than a hundred companies in industrial complexes in its territory, in areas such as manufacturing, chemicals, and pharmaceutical products. While this activity has generally brought employment and productivity to the area, it also has had repercussions on the environment, making it one of the ten most polluted places in the world, according to the Blacksmith Institute, based in New York (Ayuntamiento Municipal Bajos de Haina, 2021).

Second, San Cristobal is the central city of the province that bears the same name, with an area of 213.6 km^2 and a population of about 220,000 people. Located to the west of Bajos de Haina, it has a vast history as one of the cities where Christopher Columbus arrived on his first explorations to the American continent. Like Haina, it is also characterized by a high presence of factories and the growing presence of free trade zones. It also has a high tourist activity thanks to the presence of highly visited beaches, such as Palenque (Ayuntamiento Municipal San Cristobal, 2021).

Finally, San Gregorio de Nigua, commonly known as Nigua, is another city of the San Cristóbal province with an area of 47.7 km^2 and a population of approximately 40,000 inhabitants. Its history is marked by the presence of the sugar industry since colonial times. Nowadays, like the other cities, it has an important industrial presence with an established free trade zone. At the same time, it also has an important tourist activity for its beaches such as Nigua, Najayo and for the wetlands present in the area (Ayuntamiento Municipal San Gregoria de Nigua, 2021).

Figure 1 provides maps indicting locations where primary data was collected such as on food prices, housing costs, healthcare costs and education costs.

Figure 1. Locations of the study



Source: Author based on Google Maps.

3.3 The Methodological Strategy

This Anker Living Wage Benchmark study uses information from secondary and primary data sources for the Dominican Republic. For much of the required information from secondary sources, we used data from the National Statistics Office (*Oficina Nacional de Estadística* - ONE), specifically from the Multipurpose Household Survey (*Encuesta de Hogares de Propósitos Múltiples* - ENHOGAR) (2019 – there is a 2021 version, but at the time of the study the online consultation system was not yet online), the National Labor Force Survey (*Encuesta de Fuerza de Trabajo -ENFT*) (2014) and the National Population Estimates and Projections (*Estimaciones y Proyecciones Nacionales de Población*). For the household expenditure data, we worked together with a team of statisticians to identify the exact composition of the household expenditure data provided by ONE. This allowed for a more detailed breakdown of the data, necessary for the specific calculations.

As is common for Anker Benchmark living wage studies, secondary data are used to analyze the context and hypotheses for fieldwork, and to provide important input for the estimations of several elements required for the living wage estimate, such as the reference family size, the composition of household expenditure to determine the non-food non-housing costs, and the housing standard for decency. Another important

secondary sources of information, for example for the preliminary model diet, were the previous Dominican Republic Benchmark studies.

This secondary data was complemented with data collection from fieldwork, conducted in Santo Domingo in November 2021. With a team of four persons and support from the coordinating standards organization, our fieldwork focused on collecting food and house prices, as well as information that serves as input for the post check exercises for non-food, non-housing expenditures: healthcare and education. That is, we visited several schools, clinics, and hospitals. Finally, the fieldwork helped to gain a general understanding of labor relations and prevailing wages.

Concerning the methodology on the ground, initially fieldwork started with visits to the free trade zones. These visits served several purposes. First, they allowed us to talk to the managers and workers of the companies in the free trade zones. We carried out several interviews with workers, as well as three focus group discussions. These were mainly focused on their diet, spending patterns, access to healthcare and education and the costs implied, as well as their work situation. We corroborated where they lived, what products they consumed and where they purchased them, which kind of services they use, how much they pay for them and their general impressions of the cost of living. Second, these contacts served to coordinate visits to workers' houses, which we would do either after or before their work shift. The hospitality of the workers who invited us into their homes was exquisite. Third, the visit was also used to get a general impression of the companies where these people worked. Finally, in coordination with an interested company in one free trade zone, a survey of its workers was conducted. The survey was distributed through Google Forms to all the company's workers and was responded by 408 workers. The survey questions, attached in Annex 2, focused on family information, housing and utilities characteristics, and food habits. These data were mainly used as supplementary information to support and confirm our fieldwork findings since, while they are useful, they are not necessarily representative of the situation in all Santo Domingo.

On the fieldwork, we proceeded to visit the homes of the workers, as well as supermarkets, open markets and *colmados* (local mini-markets) where workers shop, and stores where other basic products and services were sold. This constituted the main data collection strategy for food prices, rental costs and other expenditures related to healthcare, education, transport, etc. As such, the research team visited local markets, shops, and supermarkets, where a total of 648 food prices were collected. On occasions when food items were not sold by weight but by unit, the food items were bought to determine their weight and then the price per kilo was calculated. This was not common in the supermarkets where people predominantly do their shopping, but it was more common for street vendors.

The cost of healthy housing was obtained through visits to rental homes. Specifically, home rental prices for twenty-five houses were obtained, with detailed documentation of the conditions of each house. Finally, for the non-food, non-housing post-checks, we conducted a series of visits to schools, health clinics and hospitals, and the team carried out short discussions with experts in the field, such as health specialists, principals, and teachers, as well as people on the streets, with the objective to understand the dynamics regarding local access to healthcare, education, and transport.

As will be explained in each section below, the authors strived to make a conservative estimate of living costs. For example, the living wage model diet is basic, with food items that are consumed locally, are relatively inexpensive and readily available. Also, for our housing standard, we relied on international standards previously used in the Anker Methodology and corroborate with local NGOs in housing. An interior living space of 48 m2 (517 ft2) was used, which is appropriate for an upper middle-income country like Dominican Republic (Anker and Anker, 2017).

4. LIVING WAGE: ITS DEFINITION AND CALCULATION

The definition of living wage is normative. Workers and their families should not live in poverty but should live decently. The idea of a living wage goes even further, by sustaining that the wage a worker receives should not only keep workers and their families out of poverty, but it should enable them to participate in social and cultural life. In other words, wages should be enough to ensure that workers and their families can lead a basic and decent lifestyle, considered acceptable by society at its current level of economic development. The living wage considers that this wage must come from normal working hours, without having to work overtime, and cannot include forced labor or child labor.

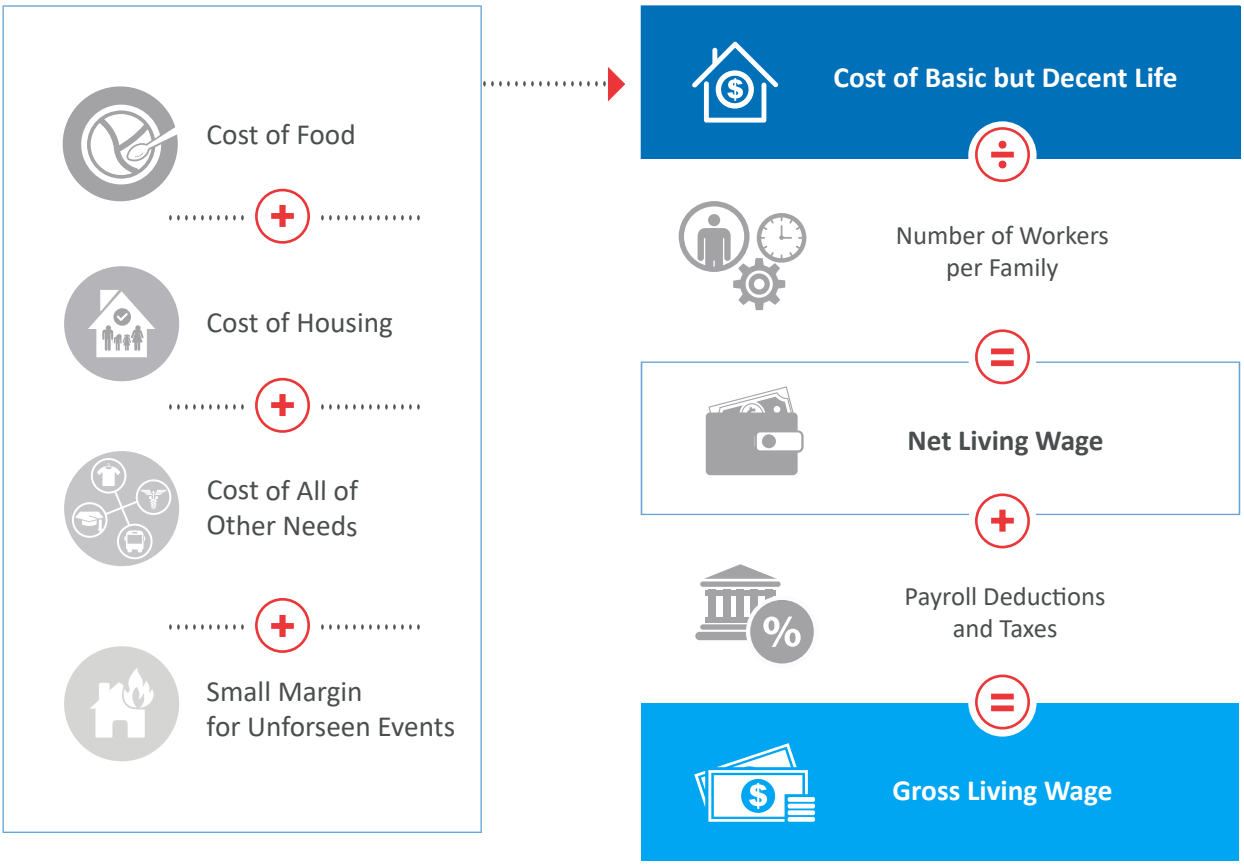
The GLWC's definition of living wage is:

> "Remuneration received for a standard workweek by a worker in a given location, sufficient to provide a decent standard of living for the worker and his or her family. Elements of a decent standard of living include food, water, housing, education, health care, transportation, clothing, and other essential needs, including provision for contingencies".

This section provides a brief introduction to how the living wage for urban Santo Domingo of Dominican Republic was estimated in this report based on the Anker Methodology (Anker and Anker, 2017). This process is depicted in figure 2, to estimate a living wage, cost of a basic but decent quality of life in urban Santo Domingo. The cost of a basic but decent life means that the worker and his or her family can afford a nutritious low-cost diet, healthy housing and utilities, healthcare, education, transport, communication, recreation and cultural activities and participation in social life, and have a little extra money to provide a buffer for emergencies and unexpected events. This is estimated for a typical size family in Santo Domingo with a typical number of full-time equivalent workers per couple.

To estimate the costs for each component such as food, housing and utilities, and education and healthcare at a basic decency level, secondary statistical data were combined with primary data collected in several locations within Santo Domingo in November of 2021. The estimates of costs for each of these components is discussed in detail in the following sections.

Figure 2. Components of a basic but decent life for a family



Source: Anker and Anker (2017).

As will be explained in each section below, we strived to make a conservative estimate for each component of living costs. For example, the living wage model diet is basic, with food items that are consumed locally, consistent with local food preferences, and relatively inexpensive. At the same time, it is nutritious in calories, macro- and micronutrients, and includes sufficient fruits and vegetables. For our local housing standard, we relied partly on the conservative social housing standard of the Habitat for Humanity mission, and partly on secondary data, as well as international minimum housing standards. This standard will be explained in detail below. It includes an interior living space of 48 m^2 (517 ft^2), which is appropriate, but conservative for an upper middle-income country like the Dominican Republic (Anker and Anker, 2017).

SECTION II. COST OF A BASIC BUT DECENT LIFE FOR A WORKER AND THEIR FAMILY

5. FOOD COSTS

In this section, the cost of a simple, relatively inexpensive, but nutritious diet is presented. The total daily food costs for the model diet for the study area was estimated at RD$ 145.97 (US$ 2.58) per person per day. For a family of four, two adults and two children, the daily food cost is RD$ 583.89 (US$ 10.33). In total this represents RD$ 17,760 (US$ 314) food costs for a reference family, per month. How the living wage model diet was set and how its cost was determined are explained in this section. Of important note is that this study does not consider a free school lunch, given that, in contrast with schools in rural areas, this was not common at all schools in urban areas.

5.1 Model Diet

The general principles used to establish a model diet for urban Santo Domingo, Dominican Republic, were the following. First, the diet had to be nutritious, that is, contain enough macro nutrients (calories, proteins, fats, carbohydrates), micronutrients and minerals as well as sufficient fruits and vegetables. For this, World Health Organization (WHO) standards were used as a reference, in accordance with the Anker Methodology. This includes acceptable amounts of calories and macronutrients (10-15% of calories from proteins, 15-30% of calories from fats, and 55-75% of calories from carbohydrates) and sufficient micronutrients. Second, the model diet needed to be consistent with local food preferences, to ensure that the food items therein are palatable and locally consumed and available, and amounts needed to be expressed in number of portions were easily understandable to any person. Finally, the model diet had to be as low in cost as possible given the above constraints and criteria.

The model diet for Santo Domingo contains 2,277 calories per person. This was determined using Schofield equations for estimating calorie needs as recommended by WHO. This uses average heights of adult males (1.73m) and females (1.59m) and assumes that all family members have a moderate level of physical activity.

To determine our model diet for Santo Domingo, we started from the previous model diet set in the 2013 Anker Benchmark living wage study. However, several changes were made. First, the number of required calories per person per day is slightly higher in this model diet (2,277) than the 2,183 calories used in the 2013 report. The reason for the small difference in calories required is because average height of adult Dominican people increased since 2013 and average adult height affects calorie needs in Schofield equations, and how the number of calories required is estimated in the Anker Methodology has slightly changed since the 2013 pilot study in the Dominican Republic. Second, there are other elements of the 2013 model diet that no longer align with the current Anker Methodology. For example, sugar consumption in the 2013 diet is higher (40 grams) than what the Anker Methodology now prescribes as a maximum of 30 grams. Third, general economic and social development in the Dominican Republic over the last decade, requires us to adjust the model diet to fit current development levels. This means that we increased the number of food items from 17 to 22, adding for example lentils (very much consumed), an extra vegetable and an extra fruit. Finally, we made small increases in high quality protein consumption (more eggs and meat/sausage), and slightly more weekly grams of fruits and vegetables. These small changes were made using the more developed Anker methodology tools to meet WHO/FAO nutritional standards, contemplating the required percentage of

calories from macronutrients (proteins, fats, and carbohydrates), and amounts of fruits and vegetables to help ensure sufficient micronutrients.[3]

During fieldwork, the model diet was discussed and validated with workers. All the food items in our model diet are widely consumed in the study locations. Then, for these items, local food prices were collected.

5.2 Food Prices

Table 1 indicates the food prices we found in our local market survey. Most food prices were collected in supermarkets and the popular *colmados* (local mini-markets) in the visited areas of Bajos de Haina, San Cristóbal and Nigua, where most of the working people and their families usually shop. We also visited open markets and street vendors. In total, 648 prices were collected for different food items.

According to conversations with local workers and families, the most popular options for weekly shopping were supermarket chains, such as *El Inés* or *El Bravo*, considered to be the cheapest. However, the *colmados*, available on almost every street corner, were also visited by workers for occasional purchases of products that they lacked during the week, especially food items that do stay well for long, such as vegetables and fruits. It is important to note that the *colmados* often sell their products "fiado", i.e., on credit, due to the greater proximity and affinity of the managers of these mini markets with the shoppers. The common practice for these arrangements is to pay off the accumulated debt at the end of the month. Product availability, however, is often more limited at the *colmados*, especially for fruits, vegetables, and meats.

Numerous food price references were recorded for each product defined in the model diet. In supermarkets, prices were collected by observing the price tags of the products, while at the fair and in grocery stores, vendors were asked directly about prices. When the food was sold by unit, not at a standard price per kilo or per pound, the products were bought and weighed to obtain a price per average weight.

For the price data analysis, we used the following strategy. First, price data considered as outliers were discarded. Second, we excluded the maximum and minimum price reference, which is standard practice for such price data analysis. Third, we used only the cheapest price for acceptable for venues that had multiple price references (this was only for supermarkets). Fourth, we excluded price references for items that came in unusually large or small packaging, given such references distort the price per kilo analysis: they either represent unrealistically cheap options, or unnecessary expensive ones. Then, we took the median food price for all the food items we collected price data for, thus including colmado and street vendor prices with supermarket prices. This median price was the price we used for our analysis.

5.3 Cost of the diet

The cost of the final model diet shown in table 1 was increased slightly by small percentages typical for an upper middle-income country like Dominican Republic, to account for (i) salt, spices, condiments, and sauces, (ii) waste and spoilage, (iii) needed additional variety. An extra 3% is added for salt, spices, sauces and condiments, required for food to be palatable. According to the latest Household Expenditure and Income Survey of the Central Bank of the Dominican Republic (2018)[4], the purchase of salt, natural and processed

3 The model diet used for this study is marginally more expensive than the urban diet estimated for Dominican Republic (see Benchmark Study for Urban Dominican Republic). While most food items are cheaper in the studied areas, vegetables and chicken are more expensive. The higher model diet cost is mainly explained by a higher number of calories necessary for the model diet in these areas where agricultural work is done, because lifestyles are physically more vigorous than in urban areas.

4 See: https://cdn.bancentral.gov.do/documents/estadisticas/encuesta-de-gastos-e-ingresos/documents/ENGIH_2018.pdf?v=1663801807386

condiments correspond to approximately 2.8% of consumption. Also, understanding that even under the best conditions, some food is wasted, and in accordance with the Living Wage methodology and the level of development of the Dominican Republic, we added 4% for food waste and spoilage. Finally, also in line with the Anker Methodology, 14% is added for variety, which is key for a nutritious diet. This is based on the Anker methodology's recommendation to add between 10 and 15%, depending on the number of products in the model diet and the level of development of the country.

Also, great care was taken to keep the cost of the model diet low, while respecting local food preferences and nutritional requirements. The cost of this model diet shown in table 1 is RD$ 145.97 per person (US$ 2.58). The cost of the 2013 Santo Domingo model diet, originally cost RD$ 79.04 (US$ 1.86, using the exchange rate from that year). At the current collected prices, this 2013 diet would cost RD$ 125.49 (US$ 2.22)[5]. Therefore, the difference between the 2013 model diet cost and the 2022 model diet cost is mainly explained by normal inflation (RD46.45, US$ 0.82) and partly by the general improvement of the model diet that reflects improved Dominican Republican's development level (RD$ 20.48, US$ 0.36).

Table 1. Model diet and costs for Santo Domingo, Dominican Republic, in RD$

Food item	Portion	Edible grams/1	Cost per kilo	Cost
Cereals and grains				
Rice, white average (3)	Approx. one cup of rice per day	207	60.6	12.54
Prepared cereals				
Bread, white	One small bun per day	55	131.3	7.22
Macaroni, spaghetti, dry	1 portion of pasta every two days.	29	77.1	2.20
Roots and tubers (starchy)				
Cassava	1/2 pound per week (227 grams)	32	41.4	1.60
Starchy fruit or vegetable				
Plantains	1/2 of a large plantain per week	89	59.4	8.11
Pulses, legumes, beans				
Beans	2 servings	56	139.9	7.83
Milk and dairy				
Milk (cow)	1 cup per day for children	120	65.0	7.80
Cheddar cheese	75 grams per week	11	438.3	4.70

5 The original 2013 diet included 18% for variety, salt, and spices etc. The 2022 diet uses a total of 22%, in line with the Anker Methodology and with the Dominican Republic's current development levels. For comparisons sake, the 2013 was calculated to 2022 prices, using the same 22% for variety etc.

Food item	Portion	Edible grams[/1]	Cost per kilo	Cost
Eggs				
Chicken egg	1 egg a day	49	133.9	7.50
Meats & Fish				
Chicken (whole)	5 portions per week	61	145.4	12.98
Salami, beef & pork	3 portions per week	36	264.3	9.63
Dark green leafy vegetables (GLV)				
Cabbage	1/4 of a medium-sized cabbage per week	60	59.7	4.48
Lettuce	1/2 pound of lettuce a week	32	110.1	5.58
Other vegetables				
Tomato	1/2 pound of tomato a week	32	77.2	2.75
Pepper (green)	1/2 pound of green pepper a week	32	77.1	2.78
Onion	1/2 pound of onions a week	32	94.7	3.41
Fruits				
Banana	4 medium-sized bananas per week	75	22.3	2.63
Papaya	1/2 pound of papaya per week	32	32.4	1.69
Oils & fats				
Oil	Maximum allowed by WHO	30	170.3	5.11
Sugar				
Sugar	Maximum allowed by WHO	30	60.0	1.80
Nonalcoholic beverages				
Coffee	2 cups a day for adults	7	616.5	4.32
Water	1.5 liters of water per day	1,500	2.0	3.00
Total cost of model diet excluding additional costs indicated below				**119.65**
Total cost of model diet including additional costs indicated below				**145.97**
Percentage added for salt, spices, sauces, and condiments				3%
Percentage for spoilage & waste				5%
Percentage added for variety				14%

[1] Edibles grams are reported here. To get to the model diet cost, one must multiply the cost per kilo by purchased grams (not reported here), and not by edible grams. /2 The total for vegetables, fruits and beans is 354 grams.

Source: Authors.

6. HOUSING COSTS

Housing costs are estimated by summing up the costs of rent for local acceptable healthy housing, utility costs, and costs for minor repairs and maintenance. In this, the Anker Methodology differs from other methodologies to measure living wages and poverty lines where all non-food costs (including housing costs) are estimated in one go. That is, in the Anker Methodology, housing costs are separated out from the non-food costs, and are based on the cost for a basic but acceptable housing standard, and not actual spending patterns. As such, it avoids reproducing poverty consumption patterns and provides better estimates of the cost of acceptable housing (Anker and Anker, 2017).

In the context of the Dominican Republic as an upper middle-income country and the fieldwork conducted in November 2021, housing in the visited areas of Santo Domingo is generally decent, although there are also many people who live in houses that do not meet our healthy housing standard and the minimum standards of WHO, UN-HABITAT and other international agencies.

Table 2 indicates housing conditions in urban and rural Dominican Republic as well as in the national level according to the National Multipurpose Household Survey (2018) from the National Statistics Office (ONE). Most houses in urban areas are made of strong materials. About 9 in every 10 houses has brick or cement walls, zinc or cement roof, and a cement or ceramic floor. Most have two or three bedrooms, are detached houses (although in Santo Domingo, many shared neighbors above or below them), and almost all cook with LPG gas.

Table 2. Housing conditions in Dominican Republic, according to the National Multipurpose Household Survey (2018)

Characteristics	% Rural	% Urban	% National
Walls			
Cement/brick/prefab	62.51%	87.84%	83.08%
Wood planks	25.19%	8.66%	11.77%
Palm board	8.20%	1.26%	2.56%
Zinc	3.33%	1.89%	2.16%
Other	0.75%	0.35%	0.42%
Roof			
Zinc	77.57%	40.40%	51.60%
Cement	21.16%	58.64%	47.38%
Other	1.26%	0.93%	0.99%
Floor			
Cement	47.45%	52.73%	50.39%
Ceramic	41.41%	36.82%	38.89%

Characteristics	% Rural	% Urban	% National
Mosaic	7.07%	5.99%	6.48%
Granite	2.62%	2.16%	2.37%
Earth/dung	0.70%	1.54%	1.16%
Other	0.71%	0.71%	0.71%
Number of bedrooms			
0	8.10%	6.80%	7.05%
1	15.83%	17.50%	17.18%
2	43.41%	38.29%	39.25%
3	28.81%	31.96%	31.37%
4+	3.85%	5.45%	5.15%
Cooking fuel			
Gas	72.21%	91.80%	88.12%
Wood or charcoal	18.08%	1.20%	4.37%
Carbon	3.45%	1.74%	2.06%
Electricity	0.01%	0.05%	0.04%
Do not cook	6.21%	5.18%	5.37%
Other	0.03%	0.01%	0.01%
Type of housing			
Detached house	89.41%	73.39%	76.40%
Piece in a room or in the back of the house	4.44%	6.08%	5.77%
Apartment	2.47%	16.28%	13.69%
Shared housing with business	1.70%	2.18%	2.09%
Dwelling under construction	0.73%	0.36%	0.43%
Shack	0.58%	0.05%	0.15%
Duplex dwelling	0.37%	1.28%	1.11%
Row house	0.22%	0.33%	0.31%
Premises not intended for habitation	0.05%	0.02%	0.03%
Other	0.04%	0.01%	0.01%

Source: Authors based on ONE (2018).

During fieldwork in Santo Domingo, we found that housing conditions in terms of materials were generally good, with cement floors and concrete or wooden walls and zinc roofs, although we came across several houses made of unsuitable materials (wood or zinc walls in bad repair, as well as dirt floors). However, many issues regarding housing relate to serious drawbacks regarding access to basic services. Most houses we visited did not have access to water on a consistent basis, and only received water once a day, or a couple of times per week. Safe drinking water is generally not available from the tap. Electricity blackouts were also quite common in the areas we visited. Also, while LPG for cooking is available to everyone, it must be purchased and brought to the house, implying additional transport costs. Finally, many houses we visited were quite small for the Dominican Republic's development level (interior space dimensions of less than 48m2) making them non-compliant.

The most typical house encountered in the fieldwork had an interior space of approximately 35-45 square meters with cement walls, a zinc roof, and a cement floor. It usually had 4.5 rooms, consisting of two bedrooms, a kitchen, a bathroom, and a small living room. However, it is important to note that there were also houses with wooden walls, with much smaller dimensions than those indicated and in deplorable conditions. In addition, it should be noted that all the houses visited were contiguous to other houses, as is common in urban areas.

6.1 Standard for basic acceptable local housing

The standard of acceptable basic housing for Santo Domingo, Dominican Republic was based on a combination of different sources of information. First, the minimum standards defined by the WHO, UN-HABITAT and other international organizations and international conventions and agreements were taken as a reference. These are international minimum standards. They consider characteristics such as adequate living space, adequate ventilation, adequate light, safe water, sanitary toilet, solid walls, roof, and floor, and safe outside environment. They do not allow certain conditions such as earth floor, mud or stick walls, thatched or leaky roof, slum surroundings, or environmental hazards nearby (Anker and Anker, 2017). See Table 3 for these minimum international standards. To double check this, also a brief consultation was made to UN-Habitat in Santo Domingo, where these parameters were discussed and how they were applied in the Dominican Republic, which served as an additional reference.[6]

Next, data from the National Statistics Office (ONE) for the Ozama region (Santo Domingo) and the urban area of the Dominican Republic were collected to determine how to apply these international standards to Dominican Republic. This provides a broader overview of the actual housing conditions throughout the country and in the specific areas where the study was done. Finally, these survey data were contrasted with the field work carried out, where the observation technique was used to determine if the standard of acceptable basic housing was representative for the regions of the study.

The standard determined for acceptable and decent housing for a reference family of four persons includes the series of elements indicated in Table 3 below. These are consistent with international principles for healthy housing and local conditions that satisfy these principles.

6 It was stated that UN-Habitat usually built prefabricated houses, with a minimum size of 45 square meters, with 2 bedrooms, a bathroom with toilet, living room and an integrated kitchen.

Table 3. Minimum housing standard for Santo Domingo, Dominican Republic

Element	International standard	Minimum Local Standard
Structure, Roof and Floor	Durable materials.	Structure and walls of permanent material: cement, prefabricated material.
Walls	Durable material providing protection from elements.	No zinc/iron sheet or wood walls that are not very well joined.
Roof	Durable material without leaks.	Steel sheet or concrete roof without leaks.
Floor	Durable material	Cement or ceramic floor.
Electricity	Required depending on the location.	Continuous, either by pre or post payment.
Cooking Fuel	Required depending on the location.	Gas or electricity.
Water source	Safe water not far from home.	Water is piped to the house or yard. Often stored in large tanks. Drinking water is bought separately and stored in large tanks.
Toilet	At least pit latrine with slab.	The sanitary facilities have a flush toilet, either linked to the sewage system or to a septic tank.
Number of rooms	2 persons per room excluding kitchen and toilet or bath.	Two bedrooms One living room One bathroom One separate kitchen
Minimum Number of square meters	Over 30 m^2	50 m^2, consistent with the Dominican Republic's development level. This considers the fact that a room is needed for water storage.
Other	Good ventilation – especially important when cook indoors. Adequate lightning Sufficient windows for adequate lightning and ventilation. Not a slum, no site hazards such as: surface water drainage, industrial pollution, danger of landslides, flood zone.	A minimum of one window per room. Ceiling at least six feet high. Safe food storage in a separate area. Minimal indoor contamination for cooking, with good ventilation. Low outside contamination. And acceptable public safety.

Source: Authors.

Figure 3 shows some photos of acceptable and not acceptable housing founded in the fieldwork. Annex 3 presents a complete table with the information of the registered houses, their rental cost, size, and number of rooms.

Figure 3. Photos of local houses.

Notes: Houses to the left met the decent housing standard. Houses to the right were not considered acceptable. Top-right: small and in bad conditions house, of wood and no separated rooms. Center-right: no decent protection, unfit walls, and very small size. Bottom-right: Unfit walls, not enough space, too few windows.

Source: Authors´ own photos.

6.2 Rent for basic acceptable housing

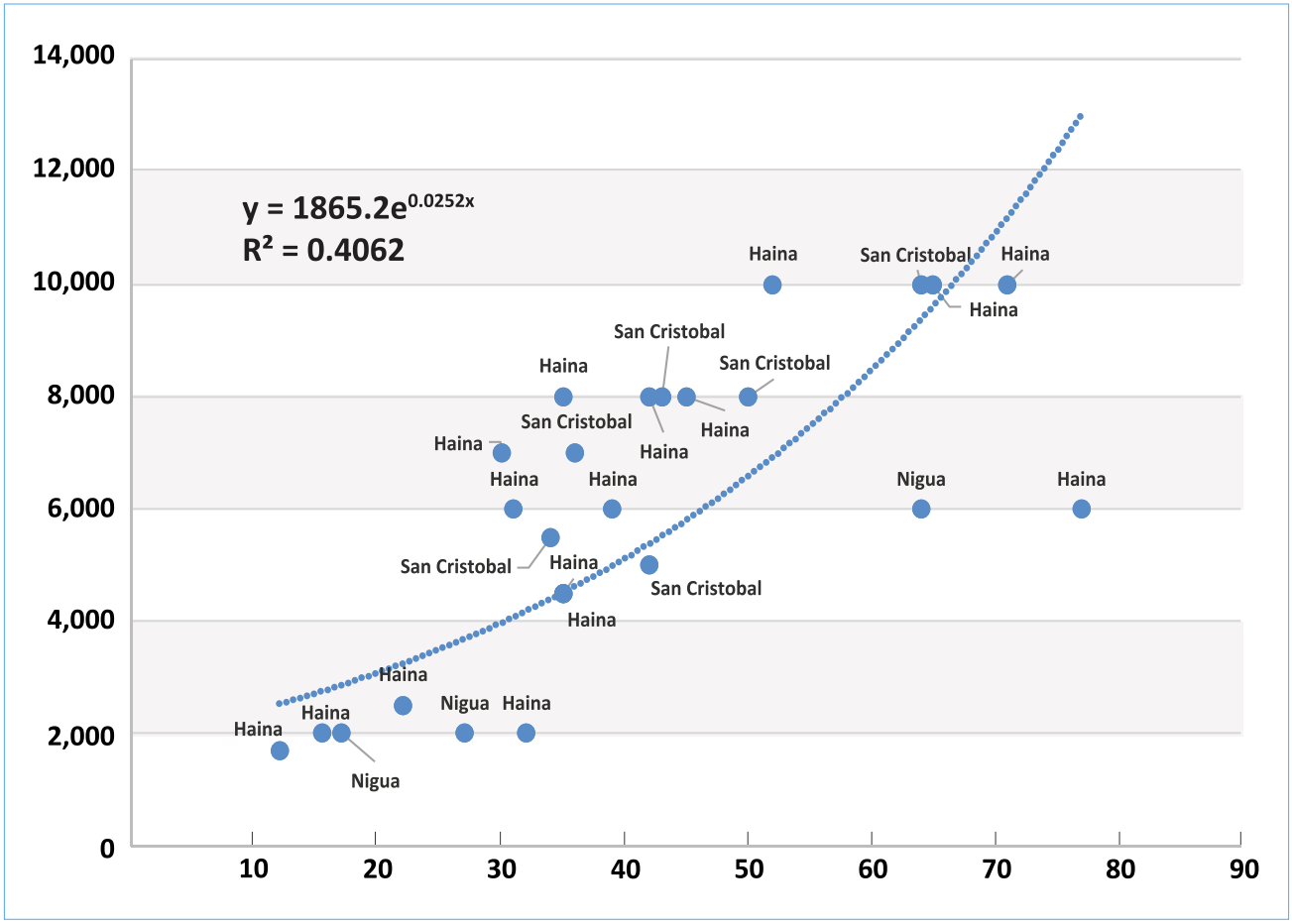
To determine the rental cost of decent housing, we used the following strategy. We relied on information from the field visit. A total of twenty-five houses were visited during the field work in Santo Domingo. We primarily tried to select houses that, from our initial observation from the outside, seemed to meet the standard. However, wherever we stopped to visit these houses, there were other houses around that we were invited to visit, which means we also visited houses that cannot be considered health housing. In the visited areas of Bajos de Haina, San Cristóbal and Nigua healthy housing was not difficult to come by. We talked to the people who lived in these houses to obtain information on the basic costs associated with housing. Without exception, everybody was open and generous, allowing the research team to enter the houses and to share information required for the study.

Rental markets were generally well developed, so it was not difficult to obtain information on rental prices. Both the rental prices and rental estimates were plotted against the size of the housing in a scatterplot. We then regressed rental prices against house size for those houses that meet the standard, which is shown as the exponential tendency line in Figure 6. The regression equation was then used to calculate the predicted rental price for a 48 m^2 house.[7]

For this exercise, we included only houses that do meet the standard, save for the minimum size-requirement of 48 m^2. In layman's terms, we considered houses that were in good shape and complied with all the elements of the housing standards but did not discard any such houses that were smaller than 48. In other words, smaller houses that were in good shape, were also included. This was necessary to ensure a sufficient sample size for these calculations. When the resulting equation is used for a 48 m^2 size house, the cost is RD$ 6,250 (US$ 111). We compared this amount with an average rental price for all houses that complied with the standard, which resulted in RD$ 6,667 (US$ 118). The scatterplot is shown below in Figure 4.

7 We did this exercise twice, once including all the houses we visited and thus also included houses that do not meet the standard. The full information of the houses visited are in Annex 3.

Figure 4. Rent in local currency by size in sq meters



Source: Authors.

Second, we analyzed the self-reported data from our survey among free trade zone workers. These houses were not visited, but we did obtain information on rental prices, number of (bed)rooms and whether there is a separate kitchen and other key information (see Annex 2). In total, we obtained information for 298 respondents. We first excluded outliers, and then excluded any rental references below RD$ 5,000, because the previous living wage benchmark report set RD$ 5,000 as the minimum amount necessary for decent housing. The assumption, then, is that any house below this amount is very likely to not meet the standard, so these were excluded. The remaining observations that complied with the basic standard requirements of having two bedrooms and a separate kitchen were then averaged. This gave an estimate of RD$ 6,313 (USD 112).

Based on these different inputs, for Santo Domingo, Dominican Republic, the cost of renting basic but decent housing is determined at RD$ 6,500 (US$ 115) as a reasonable amount for acceptable cheap accommodation, per month for the reference family of four persons. This amount does not include utilities and maintenance and repair costs, which are estimated below.

6.3 Utilities and other housing costs

Utilities are unusually expensive in the Dominican Republic, and in Santo Domingo in particular, and typically not included in the rental prince, as most utilities must be bought separately. Secondary data show that

utilities represent about 6% of total spending for the 30th percentile of the household expenditure distribution in Santo Domingo. These high utilities costs were confirmed during fieldwork. This section includes expenses related to basic services such as electricity, water, and other costs that may be associated with housing. For its estimation, the research team gathered first-hand information from workers and households of the locations of the study. In addition, direct visits were made to places where electricity and water services were paid for and purchased to obtain more information on the subject. Usually, in response to inquiries, people were able to provide us with an exact amount, or a good estimate of the cost of these services. Also in addition, we analyzed household expenditures from the ONE household expenditure survey. Finally, another very important reference for the utility costs were the self-reported survey data from free trade zone workers who were asked about their monthly costs for water, gas, and electricity; these were averaged, after taking out outliers that were more than 50% away from the mean.

Drinking water must be purchased in shops or delivered and was included in the cost of the model diet. Water for other purposes is typically stored at home in large water tanks once it arrives, irregularly, through the water pipes. The availability of this water varies from neighborhood to neighborhood: some got water every day at a certain hour, others only once a week. With the data collected for the house visits, most families told us that they spend around RD$ 500 for water per month, for a family of four persons and a house of around 50 m2. This was largely confirmed by data from a survey we did of 225 EPZ worker which indicated an average of RD$ 520, excluding outliers. Both references are quite similar to the average amount households spend on water according to 2018 ONE household expenditure data, updated for inflation to 2022, of RD$ 473. All of these three estimates are similar at around RD$ 500. Therefore, we decided to include an amount of RD$ 500 (US$ 9) for water.

To determine the cost of electricity, electricity companies were visited in Santo Domingo, Dominican Republic. We were repeatedly informed that a four-person family spends around RD$900-1000 per month on electricity. As a complementary reference, we asked families what they spent on electricity. They told us they spent anywhere between RD$ 900 and 1,300 per month on electricity, depending on the exact neighborhood and their family size. Again, the survey results of 225 EPZ workers confirmed this. They spent on average (after excluding outliers) RD$ 1,184 (US$ 21) per month. These costs are higher than what is nationally spent by an average household on electricity (RD$ 790) in 2021 according to ONE data. We decided to include an amount per month of RD$ 1,000 (US$ 18) for electricity, which seemed reasonable for a family of four in Santo Domingo especially given that ONE data is for 2021.

Finally, fieldwork visits made it clear that LPG gas is commonly used to cook food, which is another basic service that implies a cost. However, estimates from fieldwork visits were quite varied because it depended on how often people cook and their cooking habits. Most people told us they used between 5 and 6 gallons of gas per “quincena” (15 days). As gas costs around RD$ 140 per gallon, this means that a household spends around RD$ 770 per month per LPG. This is very similar to average household spending on LPG according to ONE household expenditure survey data of RD$ 809 updated for inflation to 2022. However, these two estimates are slightly lower than the survey data of EPZ workers, where the average (after excluding outliers) of the 209 valid references was RD$ 936 (US$ 17). We decided to include RD$ 850 (US$ 15) for gas, based on these three references.

Finally, a small cost is added for routine maintenance and repairs associated with the house. Since we are concerned with decent houses, it was decided to add an amount of RD$ 100 (US$ 2) per month for these expenses, which represents under 4% of total utilities costs and just over 1% of total rental cost. These are not fixed expenses for each month but conditioned to unforeseen events that will not necessarily imply expenses every month.

Table 4: Overview of housing costs

Item	Average cost per month for reference family (rounded amounts in local currency)	in US$
Water	500	9
Electricity	1,000	18
Gas	850	15
Total services	2,350	42
Maintenance and repair	100	2
Total Utilities and Repair	**2,450**	**43**
Average monthly rental price	6,500	115
Total monthly cost of Housing	**8,950**	**158**

Source: Authors.

As shown in Table 4, the total housing cost estimate is RD$ 8,950 (US$ 158) per month for a basic but decent standard of housing in the communities visited. These estimates represent 16.71% of total household costs per month, much in line with what ONE secondary data indicates for Santo Domingo (15.35%).

7. NON-FOOD AND NON-HOUSING COSTS

Another key element involved in estimating a living wage has to do with non-food and non-housing costs (NFNH), which are calculated differently from food and housing. While food and housing costs were estimated based on normative standards - such as a nutritious diet and an adequate housing standard - NFNH costs are mainly based on secondary data, drawn from major household surveys available in the Dominican Republic. This decision is made because it is much more complicated and time-consuming to collect data and estimate adequate and representative NFNH standards and costs due to the diversity of items that are involved (e.g., clothing, footwear, household furniture and equipment, recreation, transportation, education, healthcare, communications, personal care, etc.) and the differentiation of needs that one family has with respect to another in this regard. However, two of these expenses are exceptionally considered separately: healthcare and education since they are key elements for a dignified life and are considered human rights around the world and in the Anker Methodology. For that reason, inquiries and subsequent reviews are made separately to adjust these amounts, if necessary, and to ensure that sufficient funds are included in NFN for their satisfaction.

Non-food and non-housing costs were estimated based on household expenditure data from ONE (2019). The raw micro data was processed by a team of expert statisticians, which allowed for a 2-digit breakdown of the data, by areas and by expenditure deciles. We focused on the data for the Gran Santo Domingo area, where the cost of life is considerably higher than the national average, including other urban areas. We used the data for the 30th percentile of income distribution, to ensure that the data represents spending patterns of people who do not live in poverty but are not far above the poverty line.[8]

8 It is worth noting that spending patterns and the NFNH/Food ratio for households at the 40th percentile of the distribution for San Santo Domingo are very similar to those for households at the 30th percentile.

From the spending data, several small adjustments were made. Specifically, tobacco and drug expenditures were excluded because these are unhealthy and are not considered in the Anker Methodology. Also, half of private transport expenditure was excluded. That is because we do not consider the ownership of a private vehicle necessary for decency in Santo Domingo. Despite this, transport expenditure is high, in line with what we encountered on the fieldwork. People complained that every errand implies spending on transport. In short, transport is expensive, and people must spend a lot on it, something the secondary data shows: almost 11% of household expenditure is spent on transport by households at the 30th percentile.

Also, the food costs from the "restaurants" expenditure group were included in the food-group in Dominican Republic. For this reason, 50% of the eating-out expenditure was included in the food expenditure, while the other 50% was considered for NFNH expenditure, since it relates to profits, service costs, taxes, etc. These percentages are based on fieldwork, during which the food contents of typical simple restaurant meals were weighed and the cost of the food in these meals was calculated. On average, between 35-50% of the price paid in a "restaurant" are for food costs.

After these exclusions and adjustments, the expenditure distribution is given in Table 5. This analysis gives a NFNH/Food ratio of 1.37.

Table 5. Household expenditure distribution by expenditure group in Santo Domingo, for the 30th percentile of expenditure distribution.

Expenditure group	% of total expenditure distribution
FOOD /1	**36.29**
HOUSING /2	**11.88**
NFNH	**49.63**
Healthcare	7.12
Education	4.32
Transport /3	7.41
Clothing and footwear	3.79
Communication	4.51
Culture and recreation	1.49
Furnishing/Domestic	3.32
Miscellaneous	10.43
Restaurants (Only non-food cost) /4	6.26
Alcohol	0.99
OUT /5	**2.23**

/1 Includes food and non-alcoholic beverages, including bottled drinking water, and the food cost of eating out.
/2 Includes rent and utilities.
/3 Includes transport fares and transport acquisition, maintenance, and operation
/4 Includes only 50% of restaurant (eating out) expenditure, which is the profit, service costs, taxes, etc.
/5 Not included: expenditure on tobacco and drugs and 50% of transport acquisition.

Source: Authors based on ONE (2019).

8. POST CHECKS OF NON-FOOD AND NON-HOUSING COSTS

In the Anker Living Wage Methodology, post-checks of the secondary data are made for healthcare and education costs using data from fieldwork. Blind and uncritical use of an extrapolation method to estimate NFNH costs based solely on secondary data runs the risk of underestimating amounts required for NFNH needs that meet a decent standard. Therefore, it is considered important to make sure that there are sufficient funds available for healthcare and education, as these are considered as human rights in the Anker methodology and throughout most of the world.

To estimate how much is implicitly included in the preliminary NFNH estimate for healthcare and children's education, we used the percentages of NFNH that are for these human rights according to household expenditure data. This is done in table 6 for the 30th percentile of household expenditure distribution in Santo Domingo. This table indicates that healthcare expenditure represents 7.1% of total household expenditure while education expenditure represents 4.3% in total household expenditure. [9]

Table 6. Monthly spending on healthcare and education included in preliminary NFNH estimate before possible post check adjustments

NFNH Sub-Major Expenditure Group	% of total urban household expenditure, 30th percentile (ONE, 2019) (2)	Percent of NFNH (3) = % / 49.6	Monthly amount in RD$ in preliminary NFNH (4) = (3) x preliminary NFNH
Adjusted NFNH	49.6	100.0	24,292
Healthcare	7.1	14.3	3,485
Education	4.3	8.7	2,114

Source: Authors.

During fieldwork, data was collected on local healthcare and education costs so that we could compare these fieldwork estimates with the amounts for health care and education included in the preliminary NFNH estimate indicated in table 6. The objective was to evaluate whether the latter estimates are enough to ensure access to decent health care and education through secondary school.

9 The secondary data reports, for health, an absolute number of RD$ 540 per person per month, or RD$ 2,159 for a family of four, per month. For education, the monthly per capita amount is RD$ 311, or RD$ 1,245 per family of four, per month.

8.1 Health care post-check

In the Dominican Republic, there is both a public and a private healthcare system. Both are overseen by the Ministry of Health, which is not only the responsible governing body but also the largest provider of public health services in the country. The public health system provides affordable care for free or at low costs. In principle, health services are not charged for if patients have a Sickness and Maternity insurance (health insurance) from the Dominican Social Security Board. For patients without health insurance, services are available but are charged for, although fees are low.

The organization of health care is through a multi-layered system, with hospitals (both public and private), and for coverage of especially rural areas, such as in the South, through regional and rural clinics. Some of the most important ones are the Clínica Unión Médica del Norte (private), the Child´s Hospital Dr. Robert Redi Cabral (public) or the Hospital Dr. Salvador B. Gautier Hospital (public). Access to public health care is directly linked to social security affiliation and labor market status. Affiliation percentages hover around 65.6% for the national population (67.2% in urban areas, 60.8% in rural areas) and vary by sex from 64.1% in men to 70.3% in women (OPSD, 2019).

The quality of services has been positively assessed by over 85% of the population (Santos, 2019) as in recent years have seen substantial improvements to the country's health system, based on recent legislative reforms (General Health Law 42-01), and increases in health insurance coverage by the Health Risk Administrators. During fieldwork, it became clear public services were generally accessible, although the people mentioned the need to buy medicines regularly, because of shortages in the public system, and specific health services needed to be bought in the private sector. Also, services like ultrasounds or blood tests are generally not covered by the public sector or health insurance and therefore imply a fee, even in the public system.

In this context, it is reasonable to assume that the public health system does not cover all health needs. In our estimation of local healthcare costs, based on the extensive fieldwork we did, we assume that some of the reference family's healthcare visits are to private clinics, and that they sometimes buy medicine in a private clinic or pharmacy. We also account for the fact that not all people have health insurance by including the small fee the public system charges for uninsured patients. Fieldwork included visits to seven health care centers in Santo Domingo (Bajos de Haina, San Cristóbal and San Gregorio de Nigua) including both pharmacies and hospitals. We also visited two private hospitals, to compare costs in case people used this service.

In Table 7, our calculation of the health care costs for our reference family of four based on our field visits is explained. We conservatively assume that a person needs health services 3 times per year, meaning 12 health visits per family of four: 8 to public health centers, 4 to private health centers. Each family member would need more specialized health services (blood tests, ultrasound etc.) twice a year: once in the public system, once in the private system. Finally, each person buys medicine five times a year, for some of the most common medicine treatments (high blood pressure, diabetes, diarrhea etc.).

Table 7. Estimate of yearly health care costs for a reference family in Santo Domingo, Dominican Republic

Health services per reference family	Yearly costs in RD$	In US$
Visits to a health centers, public and private		
8 visits to public health center/clinic with insurance at RD$ 200	1,600	28
4 visits to a Specialized private health center at RD$ 1500	4,500	80
Specialized services		
4 times (one per person) additional cost for blood tests/ ultrasound in public system at RD$ 1000	4,000	71
4 times (one per person) additional cost for blood tests/ ultrasound in private system at RD$ 5,000	20,000	354
Private medicine purchase		**0**
20 times purchase medicine per family per year at RD$ 315	6,300	111
Total: Minimum healthcare costs for reference family per year	**36,400**	**644**
Estimate of monthly healthcare costs for reference family	**3,033**	**54**

Source: Authors.

Based on our fieldwork and quick assessment, we estimate that a reference family has a minimum cost for healthcare of RD$ 3,033 (US$ 54) per month for healthcare services of a minimum acceptable quality. This amount is quite similar, but inferior to the amount for healthcare included in our preliminary NFNH estimate from secondary sources: RD$ 3,485 (US$ 62). Therefore, this amount is enough for decency and no NFNH adjustment was made following this healthcare post-check.

8.2 Education post check

Similarly, we did a post-check for children's education. Dominican Republic has a public education system that provides pre-primary, primary, secondary, and tertiary education. Pre-primary education covers two educational cycles from 0 to 5 years of age (including nursery, kindergarten, prekindergarten). Primary education is for boys and girls from 6 to 11 years of age and the secondary level from 12 to 17 years of age (with two cycles: intermediate and specialized, which includes an extra year for technical education) (SITEAL, 2019). Enrolment in primary education exceeds 95%, while for secondary education it exceeds 80%, showing relatively high access to educational services. In terms of quality, significant progress has been made in recent years, leading to improvements in performance, which has traditionally been below the average for the region (EFE, 2021). During the fieldwork, conversations with the local population corroborated this positive outlook with respect to education.

The Economic Commission for Latin America and the Caribbean (www.cepal.org) considers completion of secondary school as minimum requirement for breaking the poverty cycle, and the Anker living wage methodology considers completion of secondary school as a human right and necessary for decency. For

our rapid assessment of education costs, we assume that education must extend through all primary and secondary levels.

The information used in the post-check comes from fieldwork visiting primary and secondary schools (both public and private) and asked staff and parents about the costs of education. Shops were also visited where school uniforms, utensils, bags, and other school materials were sold, to document their prices. In table 8, our calculation of the education costs for our reference family of four is explained.

For Santo Domingo, we assumed that for pre-school, pre-primary (kinder) and primary school, the public system suffices, but we do acknowledge a small monthly fee in recognition of the fact that the public school system does not seem to cover all students and that private schools are typically more expensive.

Table 8. Education post-check: estimate of average monthly education costs for a reference family in Santo Domingo, Dominican Republic

Type of expense	Pre-school (2 yrs)	Kinder (2 yrs)	Primary (6 yrs)	Lower (2 yrs) and Upper (4 yrs) Secondary (6 yrs total)
Registration	500	500	500	500
Yearly fees (monthly fees * 10)	0	0	0	0
Materials (pens, pencils, notebooks, uniforms, schoes, schoolbag)	2,813	3,750	5,000	7,000
Yearly education cost per child	3,313	4,250	5,500	7,500
Number of years in each level	2	2	6	6
Total education cost per child per level	**6,625**	**8,500**	**33,000**	**45,000**
Total costs				
Total cost of education per child (1)				**93,125**
Average yearly cost of education per child (18 yrs) (2) = (1)/18				**5,174**
Average yearly cost of education for reference family (3) = (2) x 2 children				**10,347**
Estimate of monthly cost of education for reference family (4) = (3) / 12 months				**862**

Source: Authors.

The estimate, based on this very rapid assessment with data collected during fieldwork, suggests that monthly education costs are around RD$ 862 (US$ 15) per month for two children, an amount less than what was included in the preliminary NFNH estimate based on secondary source of RD$ 2,114 (US$ 37). Therefore, no adjustment was made in this education post-check.

9. PROVISION FOR UNEXPECTED EVENTS TO ENSURE SUSTAINABILITY

Since large unforeseen expenses and events can quickly throw workers with a basic lifestyle into poverty and debt from which they may not be able to recover, it is common when estimating a net living wage to add a small margin above the cost of a basic quality life to allow for unexpected events. Margins of 5% and 10% percent have been the most common in other living wage methodologies (Anker, 2011). For Santo Domingo, Dominican Republic, it was decided to use a 5% margin for sustainability to allow for unforeseen emergencies. This percentage is recommended in the Anker and Anker (2017) methodology and has been used in all GLWC living wage studies. Note that interest and debt payments are ignored in our calculations. It is assumed that a living wage would be sufficient to enable workers to stay out of crippling debt.

10. COST FOR BASIC BUT DECENT LIVING STANDARD

The distribution of the costs of a basic but decent life for Santo Domingo, Dominican Republic, is summarized in Table 9. This estimate is based on a combination of Dominican Republic-specific data consisting of new primary fieldwork data (on food prices, housing costs, education costs, and healthcare costs) and secondary data (on number of calories required, family size, and number of workers per family, and NFNH costs).

Table 9. Monthly cost structure of basic, decent life in urban Santo Domingo, Dominican Republic

Item	RD$	US$
Food cost per month for reference family (1)	**17,760**	**314**
Food cost per person per day for model diet	145.97	2.58
Daily food cost per reference family	583.89	10.33
Housing costs per month (2)	**8,950**	**158**
Rent per month for acceptable housing	6,500	115
Utilities and minor repairs per month	2,450	43
Non-Food Non-Housing per month after post check adjustments (3)	**24,292**	**430**
Non-Food Non-Housing - Preliminary estimate	24,292	430
Health care post check adjustment	0	0
Education post check adjustment	0	0
Additional 5% for sustainability and emergencies (4)	**2,550**	**45**
Total household costs per month for basic but decent living standard for reference family (5) [5=1+2+3+4]	**53,552**	**947**

Source: Authors.

11. FAMILY SIZE NEEDING TO BE SUPPORTED BY LIVING WAGE

Living wage is a family concept. This is clearly shown by the ILO comprehensive review of living wages (Anker, 2011). The need for a living wage to support a family is also included in the living wage definition of the Global Living Wage Coalition (see above). It is, therefore, necessary to determine an appropriate reference family size for Santo Domingo, Dominican Republic, to estimate a living wage.

A family size of 4 persons (two adults and two children) is used for this study (and for Dominican Republic in general). This family size is based on information on: (i) total fertility rate and child mortality rate and therefore number of surviving children's women in Dominican Republic are typically having, and (ii) average household size in Dominican Republic.

The total fertility rate for Dominican Republic for 2020 was 2.30, slightly down from 2.4 in 2018 according to World Bank indicators. For urban areas, the fertility rate has been around 1.8 (Knoema, 2021). The child mortality rate is 34 per thousand births (World Bank, 2022). Therefore, the child mortality adjusted total fertility rate is 1.74 which implies an urban household of 3.74 persons.

Second, household data suggests that the average household size varies somewhat according to the specific source. However, all data suggest that the differences between rural and urban family sizes are small. For example, according to DHS (2013) data, average household size is almost identical for urban and rural areas at around 3.45 members. When one-person households (that definitively do not have children) and large households (that probably have more than two potential earners) are excluded, following the Anker Methodology, average household size is 3.8. More recent data, nationally, suggests that this adjusted household size is 3.9 (ONE, 2020). It is also important that in urban areas, 42% of households are female-headed. The information from secondary data suggests then that the average household size is just around 4.

Based on these considerations, we chose to use a family size of four persons for the study (2 adults and 2 or more children). This value is consistent with the child mortality adjusted total fertility rate for our study areas which is slightly more than an implied family size of 4, and an adjusted average household size of slightly less than 4.[10]

10 It is worth noting that the workers surveyed in the cooperating factory had an average family size of 3.9 with a median family size of 4.

12. NUMBER OF FULL-TIME EQUIVALENT WORKERS IN FAMILY PROVIDING SUPPORT

Given that the living wage is a family concept, it is appropriate to expect more than one adult in a family to provide support through work.[11] Therefore, it is necessary to determine the number of full-time working adults per reference family that provide financial support. In this report, we use 1.71 full-time equivalent workers per family to estimate the living wage for Santo Domingo.

To determine the number of full-time equivalent workers per household to use to estimate our living wage, data was gathered from the 2020 ONE labor force survey for males and females ages 25+ on: (i) labor force participation rates (LFPR), (ii) unemployment rates, and (iii) number of hours worked to determine the extent of part-time employment.[12] From this data, the likelihood of full-time employment was calculated as follows (see table 10):

$$\text{Likelihood of full-time employment} = \text{LFPR} \times (1 - \text{unemployment rate}) \times \left(\frac{1 - \text{part-time employment rate}}{2}\right)$$

Table 10. Estimate of percentage of adults who are full-time equivalent workers for urban Santo Domingo, Dominican Republic

Variable	Age group	Urban		
		Men	Women	Average
Labor force participation rate	25+	90.00	63.56	76.78
Unemployment rate	25+	2.70	7.10	4.90
Part-time employment rate *	25+	5.80	6.70	6.25
**Estimated percentage of persons working full-time ** **	**25+**	**85.03**	**57.07**	**71.05**

* Part-time employment is defined as less than 35 hours work per week. This data was only available at the national level.
** Calculated as: LFPR × (1-Unemployment rate/100) × (1- (Part-time employment rate/100/2)).
Source: Authors.

Assuming that one adult in the family works full-time, this means that there are 1.71 full-time equivalent workers in the reference family. Therefore, the net living wage monthly take home pay required for a basic but decent living standard for a family of 4 persons in Santo Domingo is RD$ 31,308 (US$ 554).

11 In the Anker living wage methodology, it is considered unacceptable for children to work and be expected to provide support for the family. Therefore, in our living wage benchmark calculations, it is assumed they do not work, which is consistent with the decency concept of a living wage.

12 This was done in the following way. Labor force participation rate and unemployment rate were calculated separately for men and women age 25+ based on labor force survey data for urban Dominican Republic. The part-time employment rate was only available as a national average, by sex.

13. TAKE HOME PAY REQUIRED AND TAKING TAXES AND MANDATORY DEDUCTIONS FROM PAY INTO ACCOUNT

To estimate a gross living wage, it is necessary to consider income tax and mandatory deductions from pay to ensure that workers have sufficient take home pay to be able to afford a decent standard of living for their family. In Dominican Republic, the first annual RD$ 416,220 are exempt from paying income tax, which means that people earning our living wage would pay no income tax (see: https://dgii.gov.do/cicloContribuyente/obligacionesTributarias/principalesImpuestos/Paginas/impuestoSobreRenta.aspx).

There are, however, contributions by workers to the social security system and this is mandatory. Specifically, there is an old age and disability pension fund (*Seguro Vejez, Discapacidad y Sobreviviencia*) which is 2.87% of total wage for workers. Workers also pay 3.04% for family health insurance. Work risk insurance tax of 1.20% is charged fully to the employer. In all, workers pay 5.91% over their wage in mandatory payroll deductions (see: http://www.dida.gob.do/index.php/preguntas-frecuentes).

Thus, workers with a formal labor contract would pay RD$ 1,967 (US$ 35) per month on the living wage for the social security system, and no income tax. Therefore, the gross monthly living wage for Santo Domingo, Dominican Republic, is RD$ 33,275 (US$ 589).

SECTION III. ESTIMATING GAPS BETWEEN LIVING WAGE AND PREVAILING WAGES

14. PREVAILING WAGES

14.1 Basic wage, cash allowances and bonuses

Net living wage for urban Santo Domingo, Dominican Republic is RD$ 31,308 (US$ 554), payroll taxes are RD$ 1,967 (US$ 35), and the gross monthly living wage is RD$ 33,275 (US$ 589). This report does not consider the 13th month bonus (A*guinaldo*), for reasons of clarity. However, if the 13th month bonus is paid (as it should be for formal workers – exempt from taxes), its prorated value would lower the gross living wage by about 7.7%.

14.2 In-kind benefits as partial payment of living wage

In-kind benefits are allowed as partial payment of a living wage based on guidelines set forth in the Anker methodology (Anker and Anker, 2017). Typical in-kind benefits include things such as housing, meals, transport, food rations, and health clinic. There is, however, a 30% maximum limit on the portion of the total wage that can be paid in in-kind benefits according to the Anker Methodology. In addition, for in-kind benefits to be counted as partial payment of a living wage, they generally should be provided at a basic standard of decency.

In Dominican Republic, some in-kind benefits are offered by companies in free trade zones. Some companies provide transport service to and from the company, while others do not. Similarly, some companies offer free lunch, or medical support for their workers or free school supplies, but this is not the case for other companies. When a particular in-kind benefit is provided throughout an industry of focus, its fair and reasonable value is estimated in an Anker Methodology living wage report, and the cash living wage required is reduced accordingly on the assumption that most workers in the industry receive this in-kind benefit. However, when there is a great deal of variation among establishments in the in-kind benefits provided in an industry, it is not considered appropriate to reduce the cash living wage for the industry, since there would be too much variation in the value of in-kind benefits. Instead, fair and reasonable values of in-kind benefits (and therefore cash living wage) and gap to a living wage would need to be calculated on a company-by-company basis. For example, when company A provides free meals, company A should be given “credit” for this and the gap to a living wage for company A would be reduced.

Given the large variation of in-kind benefits in the free trade zones companies in Dominican Republic, specifically in Santo Domingo, we did not feel that it was appropriate to consider the value of in-kind benefits as partial payment of a living wage for the industry as a whole in this report, although it is appropriate to consider this on a company by company basis.

15. LIVING WAGE IN CONTEXT AND COMPARED TO OTHER WAGES

To provide context for our living wage estimate, in this section we compare our living wage to prevailing wages that we were able to determine from published secondary references for the urban labour activities in Dominican Republic. Figure 5 provides a wage ladder that compares our living wage to the national minimum wage and prevailing wages. All prevailing wages in Figure 5 were, when it was required, adjusted for inflation to 2021. It also includes international and national poverty line wages.

First, we used two minimum wage references from the National Salary Council (*Consejo Nacional de Salarios*) of the Dominican Republic for the year 2022: specifically, a minimum wage for export processing zones, as well as a minimum wage for large companies' workers.[13] The monthly values of these two minimum wages were originally calculated based on different number of working days per month, so it was necessary to harmonize them. We calculated these minimum wages using 25 working days per month, considering Sundays (53), holidays established by Dominican law (12) and sick days (3). That implies a total number of working days of 297 per year. On average, this gives a total of 25 working days per month, which we use to calculate the minimum wage per month for this study.[14]

Second, we used national and international poverty line wages. These poverty lines were converted to poverty line wages for our reference family by multiplying by four (number of family members in our reference size family) and dividing by the number of full-time equivalent workers of 1.71 in our reference family. Third, we used the average wage for the manufacturing sector from ILOSTAT.

15.1 Wage Ladder

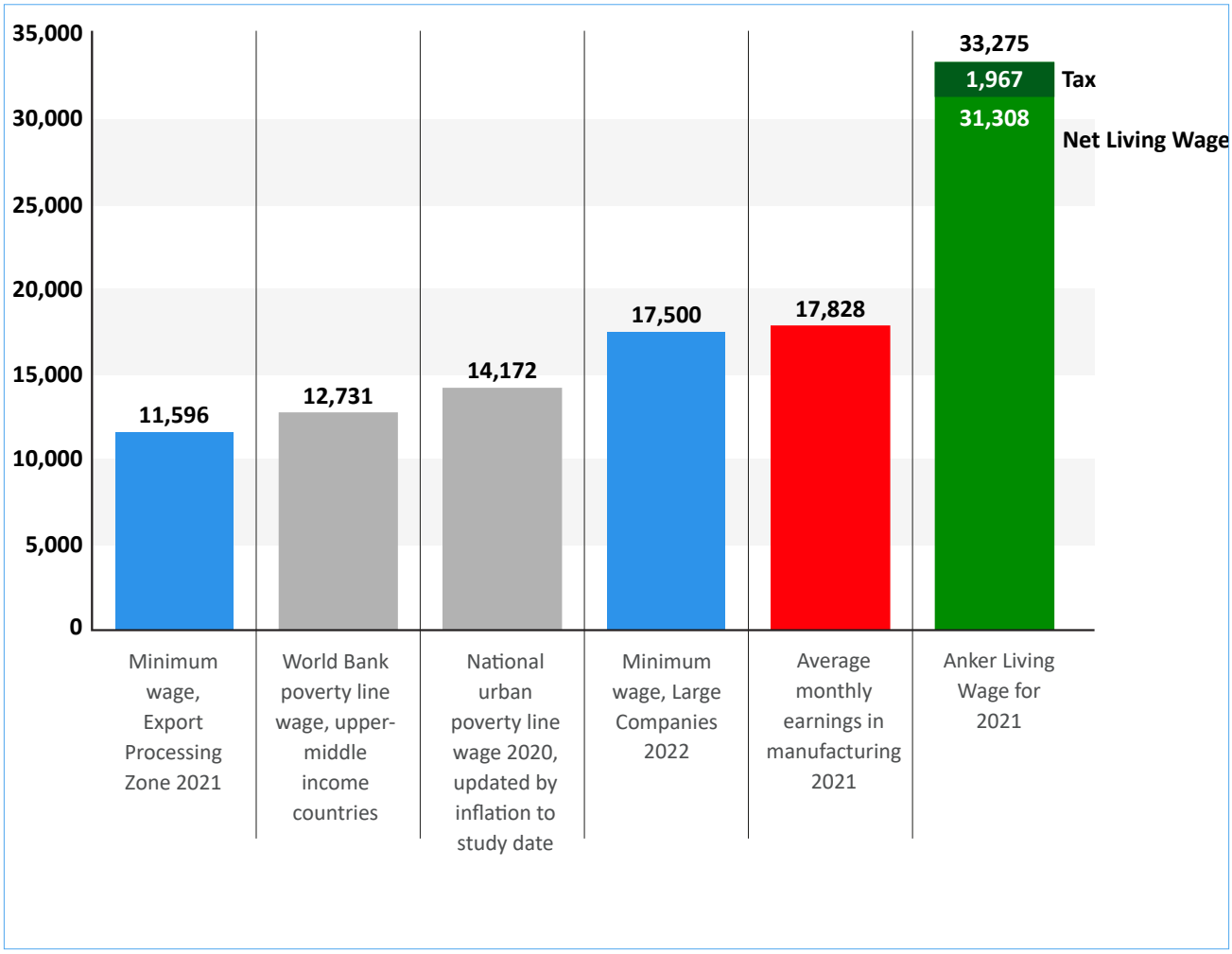
Figure 5 provides a wage ladder that compares our living wage to poverty line wages, minimum wages, and prevailing wages. For comparison, prevailing wage estimates were, where appropriate, adjusted for inflation to 2021. The comparisons presented in Figure 5 paint a picture of a situation where current wages are well below a living wage.

As can be seen from Figure 5, our gross living wage is around 90% higher than minimum wage for large companies' workers and about 187% higher than the minimum wage for export processing zones. Also, our living wage is around 135% higher than the national urban poverty line wage and around 160% higher than the World Bank international poverty line wage – demonstrating how inappropriately low these poverty lines are for measuring decency in Dominican Republic. Finally, our living wage estimate is around twice as high as the average income in Santo Domingo, as reported by the Interactive Poverty Portal (2019) and 87% higher than average monthly earnings in manufacturing in Dominican Republic.

13 The National Wage Council establishes that to be considered a large company, it must have one hundred and fifty-one (151) workers or more, or annual gross sales of more than two hundred and two million Dominican pesos (RD $202,000,000.00).

14 For comparison, the National Salary Council of the Dominican Republic, particularly for workers in the free trade zones, establishes the wage references based on 23.83 days worked per month, similarly considering holidays, sick days, and weekends. For this study, however, we used 25 working days per month as the general reference, but it is important to consider that this is a conservative estimate and that prevailing wages may in fact be slightly lower. Both the exporting processing zones wage and the large companies' workers wage were recalculated to 25 days. We do not include a prorated amount for the 13th month bonus (aguinaldo).

Figure 5. Wage Ladder for Santo Domingo, Dominican Republic



Source: Authors.

It should be clear from this report that current gaps to a living wage reflect low wages rather than extravagant standards for our living wage estimate, as throughout this report rather conservative assumptions of a basic but decent living standard were used to estimate our living wage for Santo Domingo, Dominican Republic. This presents a big challenge for the sector and meeting this challenge will require the involvement of all the stakeholders in the international value chain.

SECTION IV. CONCLUSIONS

16. CONCLUSIONS

This report estimated a living wage for Santo Domingo, the capital of the Dominican Republic, with a specific although not exclusive focus on the Free Trade Zones industries. Table 11 provides a summary of the details of the living wage estimate, while Table 12 provides some of the key assumptions used to make our living wage estimate. The fieldwork, during which information on food prices, housing costs and other costs was collected, focused on three communities in Santo Domingo: Bajos de Haina, San Cristobal and San Gregorio de Nigua

Our net living wage in November 2021 for urban Santo Domingo, Dominican Republic, is RD$ 31,308 (US$ 554), and the gross living wage is RD$ 33,275 (US$ 589) that takes into consideration that workers have mandatory payroll deductions for the public social security system and workers' protection insurance.

There are large gaps between our living wage and prevailing wages, minimum wages, and poverty line wages. Our living wage is 87% higher than average wages in the manufacturing sector, 90% higher than the minimum wage for large companies, 135% higher than the urban poverty line wage, 160% higher than the World Bank poverty line wage, and 187% higher than the EPZ minimum wage. It is clear that all of these comparators are much too low to allow for basic decency for workers and their families. This can be partly explained by the fact that wages have not kept up with general development in the Dominican Republic over the last decade or capture the significant rise in inflation in recent years, especially following the Covid-19 pandemic and more recent price increases following the Russian war in Ukraine.

It is important to keep in mind that these large gaps to our living wage estimate for Santo Domingo, Dominican Republic, is not due to our living wage being extravagant in any way, as we used conservative and very basic assumptions throughout this report to estimate living costs and a living wage. For example, we used cheaper foods in our model diet, excluding for example red meats and fish which are more expensive. Also, the decent housing standard we used to determine housing costs included 48 square meters of living space for a family with four persons, which is quite small for an upper-middle income country like Dominican Republic.

Appropriate mechanisms need to be worked out to narrow the gap between our living wage and prevailing wages of Free Trade Zones workers in Dominican Republic and to eventually move toward payment of a living wage so that workers can eventually afford a decent living standard. To achieve this objective, it is important to involve the entire supply chain/value chain, since employers in Dominican Republic alone cannot be expected to cover the costs that paying a living wage implies without involving other players in the value chain. That is, while producers hold part of the responsibility to pay a living wage, so do buyers and developed country markets who should be actively engaged in ensuring that the costs of paying a living wage to workers are spread out through the entire value chain.

Table 11. Living wage and monthly cost structure of basic, decent life in urban Santo Domingo, Dominican Republic

	RD$	US$
PART I. FAMILY EXPENSES		
Food cost per month for reference family (1)	**17,760**	**314**
Food cost per person per day for model diet	145.97	2.58
Daily food cost per reference family	583.89	10.33
Daily value of Free Lunch program	0	0
Housing costs per month (2)	**8,950**	**158**
Rent per month for acceptable housing	6,500	115
Utilities and minor repairs per month	2,450	43
Non-Food Non-Housing per month after post check adjustments (3)	**24,292**	**430**
Non-Food Non-Housing - Preliminary estimate	24,292	400
Health care post check adjustment	0	0
Education post check adjustment	0	0
Additional 5% for sustainability and emergencies (4)	**2,567**	**45**
Total household costs per month for basic but decent living standard for reference family (5) [5=1+2+3+4]	**53,552**	**947**
PART II. LIVING WAGE PER MONTH		
Net Living Wage per month (6) [6 = 5/# full-time workers]	**31,308**	**554**
Statutory deductions from pay	1,967	35
Income tax	0	0
Total mandatory deductions (7)	**1,967**	**35**
Gross Living Wage per month (8) [8 = 6+7]	**33,275**	**589**

Source: Authors.

Table 12. Key values and assumptions for living wage estimate

Parameter	Value
Study date	November 2021
Location (& industry if relevant)	Urban Dominican Republic, Santo Domingo (Free Trade Zones)
Exchange rate of local currency to US$	56.53
Number of full-time workdays per month	25
Number of hours in normal workweek	48
Number of workers per couple	1.71
Reference family size	4
Number of children in reference family	2
Preliminary ratio of non-food non-housing costs to food costs	1.37

Source: Authors.

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ANNEXES

ANNEX 1. COST OF BASIC FAMILY FOOD BASKET BY REGION, DOMINICAN REPUBLIC

Month of 2022	Basic food cost per regions					Differences between Santo Domingo and other regions			
	Ozama Region*	Cibao Norte Region	East Region	South Region	National	Cibao Norte Region	East Region	South Region	National
January	47,178.83	38,503.26	37,279.59	32,403.93	40,547.92	1.22	1.27	1.46	1.16
February	47,561.30	38,900.31	37,643.14	32,724.63	40,921.55	1.22	1.26	1.45	1.16
March	47,846.91	39,180.48	37,904.73	32,970.83	41,195.04	1.22	1.26	1.45	1.16
April	48,243.93	39,595.90	38,305.75	33,313.96	41,588.84	1.22	1.26	1.45	1.16
May	48,417.29	39,829.66	38,522.06	33,528.87	41,793.70	1.22	1.26	1.44	1.16
June	48,669.64	40,134.54	38,763.12	33,779.50	42,060.48	1.21	1.26	1.44	1.16

*The Ozama Region includes the province of Santo Domingo.

Source: Encuesta Nacional de Gastos e Ingresos de los Hogares (ENGIH 2018), Banco Central de la República Dominicana (BCRD).

ANNEX 2. UPDATING THE LIVING WAGE TO 2022

The primary data used in this report on food prices, housing costs, health care costs and education costs to estimate our living wage were collected in November 2021. This annex updates this to mid-2022 by taking into consideration Inflation in the Dominican Republic. Inflation has been relatively high since 2021. In total, inflation between November 2021 and June 2022 was 5.72%. This means that the updated mid-2022 net living wage is RD$ 33,098 and the gross living wage for mid-2022 is RD$ 35,177, with RD$ 2,079 in social security contributions.

ANNEX 3. FULL INFORMATION ON HOUSES VISITED, SANTO DOMINGO, DOMINICAN REPUBLIC

Sample of rented housing units and their costs

*R = Rooms, LR = Living Room, K = Kitchewn, WR = Washing Room, BR = Bathroom.

Acceptable standard?	Rent in local currency	Size in m^2 & rooms	Comments	Price per m^2
LOCATION 1: Bajos de Haina				
Yes	10,000	71 m^2, 3R, 1K, 1WR, 1BR, 1LR	Large house with good conditions. Double-decker, the owner has a highly skilled job. They do not pay rent as they own the house, price is an estimate.	140.85
Yes	10,000	65 m^2, 2 R, 1 K, 1 BR, 1 LR	Large house with good conditions. They do not pay rent because they are owners. The cost is an estimate.	153.85
Yes	10,000	52 m^2, 2 R, 1 K, 1 BR, 2 LR	Good house in good conditions. They do not pay rent because they are owners. The cost is an estimate.	192.31
No (size)	8,000	35 m^2, 2 R, 1 K, 1 WR, 1 BR, 1 LR	Decent house in relatively good conditions, but of small dimensions. Kitchen and living room are not separated.	228.57
No (Size)	8,000	45 m^2, 3 R, 1 K, 1 WR, 1 BR, 1 LR	Good house in good conditions but too small. They actuallly pay RSD 6000 but the house is estimated at RSD 8000 per month. The special conditions are because they are family of the owners.	177.78
No (size)	8,000	42 m^2, 3R, 1K, 1BR, 1LR	The house was being remodeled and painted for rental. No one lived there. Good house in good condition, but too small.	190.48
No (size)	7,000	30 m^2, 2R, 1K, 1BR, 1LR	Decent house in relatively good conditions, but small. They do not pay rent as they own the house, price is an estimate.	269.23
Yes	6,000	77 m^2, 2 R, 1 K, 1 BR, 1 LR	Large house with good conditions. The rent price is exceptional because they are charged less than usual.	77.92

Acceptable standard?	Rent in local currency	Size in m^2 & rooms	Comments	Price per m^2
No (size)	6,000	39 m^2, 2 R, 1 BR, 1 WR, 1 LR	Decent house in relatively good conditions, but small. Does not separate the kitchen from the living room and store water because it does not arrive regularly.	153.85
No	6,000	31 m^2, 1R, 1K, 1BR, 1LR	Small house in decent conditions. The walls are made of wood, and have poor ventilation quality. They do not pay rent as they own the house, price is an estimate.	193.55
No (size)	4,500	35 m^2, 2R, 1BR, 1LR	Decent house in good conditions, but very small.	128.57
No (size)	4,500	35 m^2, 2R, 1BR, 1LR	Decent house in good conditions, but very small.	128.57
No	2,500	22 m^2, 2R, 1 LR, 1BR	Small house in bad condition. The walls are made of wood, and have poor ventilation quality. The bathroom does not have a toilet, it is a latrine. Kitchen is not separated from the living room.	113.64
No	2,000	16 m^2, 1R, 1LR	Small house in bad condition. The walls are made of wood, they share a bathroom with other houses and have poor ventilation quality. Kitchen is not separated from the living room.	129.03
No	2,000	32 m^2, 1R, 1K, 1BR, 1LR	Small house in decent conditions. The walls are made of wood and have poor ventilation quality. Kitchen is not separated from the living room. Rent price is exceptional.	62.50
No	1,700	12 m^2, 1R, 1BR, 1LR	Small house in bad condition. The walls are made of wood, they store water because it does not arrive regularly and have poor ventilation quality. Kitchen is not separated from the living room.	141.67
LOCATION 2: San Cristóbal				
Yes	10,000	64 m^2, 2R, 1K, 1WR, 1BR, 1LR	Good house in good conditions. There is a large garage of 18m2, but still the house has a good size.	178.57

Acceptable standard?	Rent in local currency	Size in m^2 & rooms	Comments	Price per m^2
Yes	8,000	50 m^2	Good house in good conditions. It was for rent. The dwelling was not accessed. It was a reference from a neighbor who knew about this other house.	166.67
No (size)	8,000	43 m^2, 2R, 1K, 1BR, 1LR	Good house in conditions, but quite a bit too small. All cement (floor, walls, roof). They do not pay rent as they own the house, price is an estimate.	186.05
No (size)	7,000	36 m^2, 2R, 1K, 1BR, 1LR	Decent house in good conditions. But very small.	194.44
No (size)	5,500	34 m^2, 2R, 1K, 1BR, 1LR	Decent house in good conditions. But very small. The rental price is special because it has not increased over the years due to being a long time resident.	161.76
No (size)	5,000	42 m^2, 2R, 1K, 1BR, 1LR	Decent house in relatively good conditions. But a quite bit too small. All cement (floor, walls, roof).	119.05
LOCATION 3: Nigua				
Yes	6,000	64 m^2, 2R, 1WR, 1BR, 1LR, 1K	Good house in conditions. All cement (floor, walls, roof).	93.75
No	2,000	27 m^2, 2R, 1WR, 1LR	Small house in bad condition. The walls are made of wood, they store water because it does not arrive regularly and have poor ventilation quality. Kitchen is not separated from the living room.	74.07
No	2,000	17 m^2, 2R, 1WR, 1LR	Small house in bad condition. The walls are made of wood, they store water because it does not arrive regularly and have poor ventilation quality. Kitchen is not separated from the living room. The house belongs to the resident's mother so she only charges her RS$ 500 but it is estimated at RS$ 2,000.	117.65

*R = Rooms, LR = Living Room, K = Kitchen, WR = Washing Room, BR = Bathroom.

Source: Authors.