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# **Cuba Data Gap Analysis for Standard Country Analytic Template**

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# Cuba Data Gap Analysis for Standard Country Analytic Template

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# 1. Introduction

Economic Performance Assessments provide USAID missions and regional bureaus with a concise evaluation of key, pre-selected indicators covering a broad range of issues relating to economic growth performance in designated economies. The assessments, which are based on a template, draw on a variety of international data sources<sup>1</sup> and use international benchmarking against reference group averages, comparator countries, and statistical norms to identify constraints on, trends in, and opportunities for strengthening growth and reducing poverty.

The Economic Performance Assessments contain three sections: Overview of the Economy, Private Sector Enabling Environment, and Pro-Poor Growth Environment. Table 1-1 summarizes the topic coverage.

Table 1-1  
*Standard Economic Performance Assessment Topic Coverage*

Overview of the Economy	Private Sector Enabling Environment	Pro-Poor Growth Environment
<ul style="list-style-type: none"><li>• Growth performance</li><li>• Poverty and inequality</li><li>• Economic structure</li><li>• Demographic and environmental conditions</li><li>• Gender</li></ul>	<ul style="list-style-type: none"><li>• Fiscal and monetary policy</li><li>• Business environment</li><li>• Financial sector</li><li>• External sector</li><li>• Economic infrastructure</li><li>• Science and technology</li></ul>	<ul style="list-style-type: none"><li>• Health</li><li>• Education</li><li>• Employment and workforce</li><li>• Agriculture</li></ul>

In response to USAID EGAT/EG's request, Nathan and J.E. Austin Associates prepared this analysis of the gaps in the data available for Cuba to determine which indicators used in the Country Analytic Template are available for Cuba and which can be found in alternative sources.

In general, data on Cuba present problems of availability, reliability, timeliness, and transparency. Distortions in the domestic price system and multiple exchange rates add to the problems. Macroeconomic data, although regularly reported, are published only annually, and usually only toward the end of the following year. Many gaps exist, and the definitions of the official statistics

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<sup>1</sup> Sources include the most recent data from the World Bank, the International Monetary Fund, the Millennium Challenge Corporation, the United Nations (including the Millennium Development Goals database), the World Economic Forum, other international data sets, and accessible host-country/protectorate documents and data sources.

as well as the methodology used in deriving the indicators are not always clear. The absence of support from the IMF and the World Bank make international comparisons difficult. Finally, national security concerns prevent authorities from releasing many economic indicators. For all of these reasons, completing an Economic Performance Assessment presents special challenges.

In this paper, we review the availability of data for Cuba topic by topic. We identify the indicators for which data are available from the Country Analytical Template standard sources and the most recent year of the data. We also identify alternative sources of data for indicators for which the standard source does not report data on Cuba. (Appendix A lists sources that include Cuba in their data sets and those that do not.) We also make observations about the suitability and quality of the data from the alternative source. On the basis of this analysis, we make a recommendation on the feasibility of conducting a full Economic Performance Assessment, using the Country Analytic Template.

## 2. Data Availability for Cuba

### GROWTH PERFORMANCE

Although only two of growth performance indicators are reported by the template's standard sources—and for which the latest year is 2004—data can be obtained for most other indicators from the Cuban National Statistics Office, the U.N. Economic Commission for Latin America (ECLAC), and the Economist Intelligence Unit (EIU). The reliability of the data is questionable, however, and the data therefore must be interpreted with caution.

The EIU reports that in 2003, Cuba adopted a methodology to calculate GDP that differs from the international standard: the Cuban method does not value freely provided government services (health care and education) at cost, but rather using an estimate of the market value of the services, which is higher. In justifying this methodology, Cuban authorities argue that the cost of these services is lower in Cuba than in other countries because no income tax is paid on state salaries. EIU estimates give a nominal GDP of about 20 percent below that reported by the Cuban authorities. The EIU also reports that growth in the rest of the economy was outstripped by real increases in freely provided services during 2003–2006, so that the new methodology gives higher income growth rates than the standard methodology. The EIU therefore estimates real GDP growth rates for 2004, 2005, and 2006 to be 25–30 percent lower than the official figures.<sup>2</sup>

The CIA and EIU have published estimates of GDP using the purchasing power method, and the UNDP *Human Development Report* (HDR) annually publishes very gross estimates, which lag behind two years and are usually flagged as being unreliable. Notwithstanding these estimates, Cuba's PPP GDP per capita is impossible to calculate for the following reasons:

- GDP statistics are highly unreliable, particularly since 2003/04, when the government added the value of free social services and subsidies to rationed consumer goods (explained above).
- The official adjustment of GDP to inflation cannot be checked because the data on the basket of goods and services used to calculate the cost of living *have never been published*, and the prices of goods sold in hard-currency shops are excluded from the calculation. Furthermore, in 2001 the base year used to estimate GDP in constant pesos was shifted from 1981 to 1997, which led to an artificial annual average increase of 56 percent in GDP value for 1989–2000 (the period for which the old and new series are available).<sup>3</sup>

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<sup>2</sup> Economist Intelligence Unit, *Cuba Country Profile*, February 2007, p. 32

<sup>3</sup> According to the old series, per capita GDP in 2000 was 7 percent below the 1989 level (after 11 years of the “Special Period”), but under the new series, per capita GDP in 2000 was 147 percent *above* the 1989 level, a feat accomplished in just six years.

- The conversion of pesos to U.S. dollars is arbitrarily set by the Cuban government (the peso is not traded in the world market).
- Cuba is not part of the U.N. International Comparison Project and does not publish the statistics needed to estimate GDP per capita in PPP U.S. dollars.

Finally, a serious assessment of trends in gross capital formation and in domestic investment as a percentage of GDP is difficult because Cuba's the National Statistics Office and ECLAC publish multiple series with significant contradictions—which are compounded, of course, by the change in the base year for GDP in constant prices. Not surprisingly, gross fixed private investment data are not available.

In tables, an “X” in the availability column identifies data reported for Cuba by standard sources for the country analytical template.

Table 2-1  
*Growth Performance Indicators*

Indicator	Availability	Alternative Source(s)	Most Recent Year
Per capita GDP, purchasing power parity dollars <sup>a</sup>	N/A	CIA, EIU, and UNDP HDR make estimates.	
Per capita GDP, current U.S. dollars	N/A	CIA and EIU make estimates.	
Real GDP growth	X	WDI reports up until 2004; based on constant local currency units. More recent information is available from ECLAC, EIU, and the Office of National Statistics (the National Statistics Office), although the latter uses a methodology not comparable to international standards.	2004
Growth of labor productivity—based on GDP/working age population; GDP/labor force, or GDP/employment <sup>b</sup>	X	-	2004
Investment productivity—incremental capital-output ratio (ICOR)	N/A	It is possible to calculate from data available at the National Statistics Office.	
Share of gross fixed investment in GDP, current prices	N/A	Gross fixed capital formation is available from the National Statistics Office.	
Share of gross fixed private investment in GDP, current prices	N/A	-	

<sup>a</sup>Neither Cuban authorities nor ECLAC reports GDP on a PPP basis.

<sup>b</sup>Can be updated from alternative sources.

## POVERTY AND INEQUALITY

Few data from standard sources on poverty and inequality are available. The only two indicators available (aside from the PRSP status) are the UN Human Poverty Index (measuring deprivation in terms of income, education, and health) and the percentage of the population living on less than minimum dietary energy consumption.

Table 2-2

*Poverty and Inequality Indicators*

Indicator	Avail-ability	Alternative Source(s)	Most Recent Year
Human poverty index (0–100, excellent to poor)	X	-	2004
Income share accruing to poorest 20%	N/A	-	
Population (%) living on less than \$1 PPP per day	N/A	-	
Poverty headcount (%), by national poverty line	N/A	-	
PRSP status	X	-	
Population (%) below minimum dietary energy consumption	X	WDI reports until 2004	2002

Unfortunately, timely alternative measures of income inequality, such as the Gini coefficient, are also unavailable. Cuban scholars—not Cuban officials—have published scattered estimates of poverty incidence and inequality on the basis of population surveys. In 1997 Cuba introduced the concept of “population at risk” of poverty, defined as those without sufficient income to acquire a basic basket of food and non-food goods (equivalent to the poverty line). This is calculated as the cost and nutritional contribution of the foodstuffs sold at subsidized prices, assuming that the rest of the basic basket is obtained on the free market at prevailing prices; it also incorporates into the population’s income the value of the social services provided free of charge. Amartya Sen’s “poverty severity index” was estimated for the total Cuban population in 1995, as well as the poverty incidence, without taking into account free social services and price subsidies. A Survey on the Economic Situation of Households, apparently conducted yearly by the National Statistics Office from 1996 through 2006, allows the measurement of a personal perception of poverty in Havana City based on income, food, health, housing, and other factors.<sup>4</sup> Interviewees were asked to classify themselves into categories: “poor,” “almost poor” and “not poor.” Table 2-3 summarizes the results of the poverty and inequality measurements for 1988 through 2002.

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<sup>4</sup> Survey takers defined poverty to a sample of 120 interviewees as lack of income, malnutrition, low access to health care, and deteriorated housing.

Table 2-3  
*Estimates of Poverty in Cuba and Havana City, 1988–2002*

Estimates	1988	1995	1996	1999	2002
Population at risk (% of the total urban population)	6.3		14.7	20.0	a
Population at risk (% of the urban population in Havana City)	4.3	20.1	11.6		
Sen poverty severity index (% of the total population)		39.7 or 41.8			
Poverty incidence (% of total population)		61 or 67			
Perception of poverty by income (% of the population of Havana City)					31.0 <sup>b</sup>

Sources: Cuban economists cited in Mesa-Lago 2005c, "Social and Economic Problems in Cuba during the Crisis and Subsequent Recovery," *CEPAL Review*, 86 (August): 177-199

<sup>a</sup> Stagnated in 2001. <sup>b</sup> In addition, 23% are "almost poor."

Table 2-4 shows the estimates of inequality and income distribution based on Gini coefficients by Cuban and foreign economists. These figures underestimate the Gini because they are based only on peso income, excluding hard currency from foreign remittances, reportedly received by 65 percent of the population.

Table 2-4  
*Estimates of Inequality, 1986-1999*

Years	Gini Coefficient	Income Quintile		
		Poorest (0–20%)	Wealthiest (81–100%)	Wealthiest:Poorest Ratio
1986	0.22	11.3	33.8	3.3
1989	0.25	8.8	33.9	3.8
1995	0.55			
1996	0.399	4.8	54.4	11.3
1996-98	0.38			
1999	0.407	4.3	58.1	13.5

Source: Cuban and foreign economists cited in Mesa-Lago 2005c.

## ECONOMIC STRUCTURE

The share of the labor force by economic activity in Cuba is reported in the template's standard source until 2004. For the share of the output produced by each sector, two alternative sources can be used: the CIA, and the National Statistics Office and ECLAC, which publish the share of output per economic activity (although broken down into more than three broad categories).

Table 2-5  
*Economic Structure*

Indicator	Availability	Alternative Source(s)	Most Recent Year
Labor force in agriculture, % total	X	The National Statistics Office has data as recent as 2006.	2004
Labor force in industry, % total	X	The National Statistics Office has data as recent as 2006.	2004
Labor force in services, % total	X	The National Statistics Office has data as recent as 2006.	2004
Output structure (agriculture, value added, % GDP)	N/A	The CIA has estimates for 2006; it could also be derived from the National Statistics Office.	
Output structure (industry, value added, % GDP)	N/A	The CIA has estimates for 2006; it could also be derived from the National Statistics Office.	
Output structure (services, etc., value added, % GDP)	N/A	The CIA has estimates for 2006; it could also be derived from the National Statistics Office.	

## DEMOGRAPHIC AND ENVIRONMENTAL CONDITIONS

All demographic and environmental indicators for Cuba are available from the standard sources of the country analytical template; no serious problem of availability, timeliness, or reliability is observed (see Table 2-6).

Table 2-6  
*Demographic and Environmental Conditions*

Indicator	Availability	Alternative Source(s)	Most Recent Year
Adult literacy rate	X	-	2006
Youth dependency rate	X	-	2005
Elderly dependency	X	-	2005
Environmental Performance Index	X	-	2006
Population size (millions)	X	-	2005
Population growth	X	-	2005
Urbanization rate	X	-	2005

## GENDER

All indicators on education, life expectancy, and labor force disaggregated by gender for Cuba are available from the standard sources of the country analytical template and their timeliness is reasonable (see Table 2-7).

Table 2-7

*Gender*

Indicator	Availability	Alternative Source(s)	Most Recent Year
Girls' primary completion rate	X	-	2005
Male gross enrollment rate	X	-	2004
Female gross enrollment rate	X	-	2004
Male life expectancy at birth	X	-	2005
Female life expectancy at birth	X	-	2005
Male labor force participation rate	X	-	2005
Female labor force participation rate	X	-	2005

## FISCAL AND MONETARY POLICY

Although none of the indicators for fiscal and monetary policy is available from the standard sources (Cuba is not an IMF or World Bank member), most primary performance indicators in this section are available from ECLAC and the National Statistics Office (government expenditure, revenue, growth in the broad money supply, and overall budget balance).

Measuring inflation in Cuba is difficult because retail spending is divided among a number of markets (those in local currency, a convertible peso, state and private, legal and illegal), and prices behave differently among these outlets. In state-run shops, rationed basic goods are sold at highly subsidized fixed prices, while in stores that sell goods in convertible pesos, prices are inflated by the distorted unofficial domestic exchange rate. According to the EIU, the National Statistics Office collects data on price movements in all markets but does not publish them routinely.<sup>5</sup> For its part, ECLAC publishes an inflation figure for local currency markets.

Level II diagnostic indicators (the composition of government revenue, composition of government expenditure, and composition of money supply growth), however, are difficult to obtain because the breakdown provided by the Cuban authorities often does not correspond to the categories in the template (Table 2-8).

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<sup>5</sup> Ibid, p. 33

Table 2-8  
*Fiscal and Monetary Policy*

Indicator	Avail-ability	Alternative source(s)	Most Recent Year
Government expenditure, % GDP	N/A	ECLAC publishes figures based on the National Statistics Office data	
Government revenue, excluding grants (% GDP)	N/A	ECLAC publishes figures based on the National Statistics Office data	
Growth in broad money supply	N/A	ECLAC publishes figures based on the National Statistics Office data	
Inflation rate	N/A	The EIU provides its own estimates; ECLAC reports an inflation figure identified as pertaining to local currency markets.	
Overall government budget balance (% of GDP)	N/A	ECLAC publishes figures based on the National Statistics Office data	
<b>COMPOSITION OF GOVERNMENT EXPENDITURE<sup>A</sup></b>			
Wages and salaries	N/A	”	
Goods and services	N/A	”	
Interest payments	N/A	”	
Subsidies and other current transfers	N/A	”	
Capital expenditures	N/A	”	
<b>COMPOSITION OF GOVERNMENT REVENUE<sup>A</sup></b>			
Taxes of income, profits and capital gains	N/A	”	
Taxes on goods and services	N/A	”	
Taxes on international trade	N/A	”	
Non-tax revenue	N/A	”	
<b>COMPOSITION OF MONEY SUPPLY GROWTH<sup>A</sup></b>			
Net credit to government	N/A	”	
Credit to the private sector	N/A	”	
Net credit to non-financial public enterprises	N/A	”	

<sup>a</sup> Some categories may not be accurately derived because of the categories the National Statistics Office uses to break down revenue.

## BUSINESS ENVIRONMENT

Only 4 of the 15 indicators used in the template are available for Cuba, because most data on the business environment come from the World Bank's Doing Business indicators, which do not cover Cuba. Except for the Ease of Doing Business ranking, all the other primary performance indicators—CPI, rule of law, regulatory quality, and government effectiveness—are available and suitable for international benchmarking. Information in background reports could complement the analysis of the business environment (Table 2-9).

Table 2-9

### *Business Environment*

Indicator	Availability	Alternative source(s)	Most Recent Year
Corruption Perceptions Index	X	-	2006
Ease of doing business ranking	N/A	-	
Rule of law index	X	-	2006
Regulatory quality index	X	-	2006
Government effectiveness	X	-	2006
Cost of starting a business, % GNI per capita	N/A	-	
Procedures to enforce a contract	N/A	-	
Procedures to register property	N/A	-	
Procedures to start a business	N/A	-	
Time to enforce a contract	N/A	-	
Time to register property	N/A	-	
Time to start a business	N/A	-	
Total tax payable by business (% operating profit)	N/A	-	
Business costs of crime, violence and terrorism	N/A	-	
Senior manager time spent dealing with govt regulations (%)	N/A	-	

## FINANCIAL SECTOR

With the exception of broad money (M2 as a percentage of GDP), none of the other financial sector indicators in the template is available for Cuba. Background reports could be used to provide some analysis of the characteristics of financial services in Cuba (see Table 2-10).

Table 2-10  
*Financial Sector*

Indicator	Avail-ability	Alternative source(s)	Most Recent Year
Domestic credit to private sector, % GDP	N/A	-	
Interest rate spread, lending rate minus deposit rate	N/A	Only deposit rates are available from Central Bank website	
Money supply (M2), % GDP	N/A	Both the office of national statistics and ECLAC report data on this indicator	
Stock market capitalization rate, % GDP	N/A	-	
Credit information index	N/A	-	
Legal rights of borrowers and lenders index (0 for poor to 10 for excellent)	N/A	-	
Real interest rate	N/A	-	

## EXTERNAL SECTOR

Considerable data gaps exist in reserves, remittances, private capital flows, and foreign direct investment. Many of these data are deliberately not released by the Cuban authorities because of national security concerns, according to the EIU.

Data on current transfers are limited. Transfers include remittances sent by families living abroad and money earned by Cubans operating in the informal sector. The U.S. government tightened restrictions on remittance transfers from the United States to Cuba in 2004, and the Cuban authorities, similarly, restricted informal sector earning from remittances.<sup>6</sup> Foreign direct investment is not regularly reported.

Cuba is not a member of the World Bank, IMF, or Inter-American Development Bank and so receives little multilateral agency development assistance. The indicator “Aid as percentage of GNI” is not reported by the World Bank’s World Development Indicators, although the figure for foreign aid per capita in current U.S. dollars is available through ECLAC.

According to the EIU, in 1986 all servicing on bank and official debt with Western governments was suspended. Cuba’s central bank reports that 56 percent of the total debt consists of principal and interest arrears on debt contracted before then. Less than half the amount is therefore active debt (on which debt service is being paid). The National Statistics Office and ECLAC publish data on debt and break it down into short-term and long-term debt, but the present value of debt as a percentage of GNI (the indicator used in our template) cannot be derived from these data.

No data on the level of reserves have been published (for national security reasons), although a data series on the annual variation of reserves is reported by national authorities and ECLAC. The EIU has estimated reserves assuming that they were at a very low level in 1993 (see Table 2-11).<sup>7</sup>

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<sup>6</sup> EIU, op. cit., 43

<sup>7</sup> EIU, op. cit., 45

Table 2-11  
*External Sector*

Indicator	Availability	Alternative source(s)	Most Recent Year
Aid, % GNI	N/A	Aid per capita in current USD is reported in WDI.	
Current account balance, % GDP	N/A	ECLAC and the National Statistics Office publish data on current account balance.	
Debt service ratio, % exports	N/A	EIU reports an estimate.	
Exports growth, goods and services	N/A	ECLAC publishes data series on exports of goods and services.	
Foreign direct investment, % GDP	N/A		
Gross international reserves, months of imports	N/A	EIU gives an estimate based on data published by ECLAC on the yearly variation of reserves.	
Private capital inflows, %GDP	N/A	-	
Present value of debt, % GNI	N/A	-	
Remittance receipts, % exports	N/A	Some estimates are provided by ECLAC based on official figures, which report only current transfers.	
Trade, % GDP	N/A	Not reported, but can be calculated from ECLAC and National Statistics Office figures.	
Trade in services % GDP	N/A	Not reported, but can be calculated from ECLAC and National Statistics Office figures.	
Concentration of exports (top three exports, 3-digit SITC)	X	More recent data can be obtained if a different classification is used, such as HS-2 digit level.	2003
Inward FDI potential index (0 for poor to 1 for excellent)	N/A	-	
Net barter terms of trade (1995=100)	N/A	ECLAC publishes an index on terms of trade with the base year 2000.	2004 (preliminary)
Real effective exchange rate index (1995=100)	N/A	-	
Structure of merchandise exports		WDI	2003
Agricultural raw materials	X	WDI	2003
Fuel	X	WDI	2003
Manufactured goods	X	WDI	2003
Ores and metals	X	WDI	2003
Food	X	WDI-	2003
Trade policy index	X	-	
Ease of trading across borders	N/A	-	

## ECONOMIC INFRASTRUCTURE

Statistics on Cuba's economic infrastructure exist, but not for most indicators used in the template. These indicators come from the WEF Global Competitiveness Report, (GCR) which does not cover Cuba. Background reports and other statistics can be used for analysis in this area.

Table 2-12

### *Economic Infrastructure*

Indicator	Availability	Alternative source(s)	Most Recent Year
Internet users per 1,000 people	X	The National Statistics Office has data as recent as 2006.	2005
Overall infrastructure quality index (1–7, poor to excellent)	N/A	-	
Telephone density, fixed line and mobile	X	The National Statistics Office has data as recent as 2006.	2005
Quality of infrastructure index (1–7, poor to excellent)		-	
Air transport	N/A	-	
Ports	N/A	-	
Railroads	N/A	-	
Electricity	N/A	-	
Roads, paved (% total)	N/A	-	

## SCIENCE AND TECHNOLOGY

For most developing countries, timely indicators in this area are rarely available. For Cuba, data is available for Expenditure in research and development, and science and technology journal articles per million population. As in the previous section, the remaining indicators (reported by the WEF Global Competitiveness Report) are not available.

Table 2-13

### *Science and Technology*

Indicator	Availability	Alternative source(s)	Most Recent Year
Expenditure for R&D, % GDP	X	-	2003
FDI technology transfer index	N/A	-	
Availability of scientists and engineers	N/A	-	
Science and technology journal articles, per million population	X	-	2003
IPR protection	N/A	-	

## HEALTH

Most indicators on health for Cuba are available from our standard sources with reasonable timeliness. The exceptions are the Maternal Mortality Rate and Prevalence of Child Malnutrition, where the latest year of data is 2000.

Table 2-14

*Health*

Indicator	Avail-ability	Alternative source(s)	Most Recent Year
HIV prevalence	X	-	2005
Life expectancy at birth	X	-	2005
Maternal mortality rate, per 100,000 live births	X	-	2000
Access to improved sanitation	X	-	2004
Access to improved water source	X	-	2004
Births attended by skilled health personnel	X	-	2005
Child immunization rate	X	-	2005
Prevalence of child malnutrition (weight for age)	N/A	MDG has data for 2000; Ministry of Health reported data for 2006	2000
Public health expenditure, % GDP	X	the National Statistics Office reported expenditures in public health for 2006 of 6.3% of GDP	2004

## EDUCATION

Most indicators on education are available with reasonable timeliness, except for education expenditure in primary education, which is reported by MCC. Total public expenditure in education can be used instead.

Table 2-15

### Education

Indicator	Avail-ability	Alternative Source(s)	Most Recent Year
Net primary enrollment rate (total)	X	-	2005
Female	X	-	2005
Male	X	-	2005
Persistence in school to grade 5 (total)	X	-	2004
Female	X	-	2004
Male	X	-	2004
Youth literacy rate (total)	X	-	2006 <sup>a</sup>
Male	X	-	2006 <sup>a</sup>
Female	X	-	2006 <sup>a</sup>
Net secondary enrollment rate (total)	X	-	2005
Gross tertiary enrollment rate (total)	X	-	2005
Education expenditure, primary, %GDP	N/A	Total expenditure in education can be used instead.	
Expenditure per primary student, % GDP per capita	X	-	2004
Expenditure per secondary student, % GDP per capita	X	-	2004
Expenditure per tertiary student, % GDP per capita	X	-	2004
Pupil-teacher ratio	X	The National Statistics Office has data as recent as 2006.	2005

*a - It is the only year it is reported in WDI recently.*

## EMPLOYMENT AND WORKFORCE

The majority of indicators for employment and workforce are available for Cuba, with the exception of two—the rigidity of employment index and firing costs (weeks of wages). These indicators are not very relevant in the Cuban context in any case because data on unemployment probably understates the level of underutilization of the workforce. Furthermore, Cuba’s government has maintained a policy of full employment, whereby workers are kept nominally at work and cannot be laid off unless alternative employment is available.<sup>8</sup> Additionally, the government counts as employed those who are paid to enroll in several “study as employment” programs, are dismissed from their jobs and are being retrained, receive unemployment compensation at home because their companies have closed, or work part time in backyards and urban gardens. Furthermore, unemployment figures put together by the Ministry of Labor and Social Security are based on reports from municipal offices on people requesting employment. These municipal figures are unreliable because few unemployed people seek employment from municipal offices, many preferring to work in the informal sector than in the agricultural work usually put forward by municipal unemployment offices.

Other indicators could be more relevant to the Cuban context, such as self-employment as a percentage of the labor force.

Table 2-16  
*Employment and Workforce*

Indicator	Avail-ability	Alternative Source(s)	Most Recent Year
Labor force participation rate (total)	X	-	2004
Rigidity of employment index	N/A	-	
Labor force (size)	X	-	2004
Labor force (growth)	X	-	2004
Unemployment rate	X	ECLAC and National Statistics Office for updates.	2002
Economically active children (% children aged 7–14)	N/A	-	
Firing costs (weeks of wages)	N/A	-	

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<sup>8</sup> EIU, Cuba Country Report, May 2007, p. 22

## AGRICULTURE

Except for the WEF-GCR Agriculture Policy Costs index, all the indicators are available or could be derived from the National Statistics Office statistics.

Table 2-17

*Agriculture*

Indicator	Availability	Alternative Source(s)	Most Recent Year
Agriculture value added per worker	N/A	Can be estimated from the National Statistics Office data, but the figure will not be comparable to benchmarks which are reported in the standard sources in constant 2000 US\$.	
Cereal yield	X	-	2005
Growth in agricultural value-added	N/A	Can be derived from the National Statistics Office data up to 2006.	
Agricultural policy costs index	N/A	-	
Crop production index	X	-	2004
Livestock production index	X	-	2004
Agricultural export growth	X	Updates can be estimated from the National Statistics Office data.	2003



## 3. Recommendations

For Cuba, less than half the data (about 48 percent) is available from our standard data sources. Other data sources, however, notably ECLAC and the EIU, which make estimations based on official figures from the National Statistics Office, report on some of the gaps. Taking into account these alternative sources, 63 percent of the indicators used in the template are available. An additional 15 percent of the indicators can be researched and calculated for diagnostic and analytical purposes. The largest gaps—the 22 percent of the data on the financial sector, poverty and inequality, infrastructure, fiscal and monetary policy, the external sector and the business environment—require significant research using proxy data and other literature to fill. This will be difficult, particularly for time-series and country comparisons, because of differences in methodology from national and other sources. Nonetheless, sufficient data are available for meaningful socioeconomic analysis. We therefore recommend undertaking a full Economic Performance Assessment.

Our recommendations for comparator countries for the Cuba Economic Performance Assessment are Costa Rica and the Dominican Republic. The three countries have similar economic structures, with the services sector the primary output generator, followed by industry and agriculture. Income comparisons will have to be made with caution because of the differences in methodology. According to the World Bank income group classification, Dominican Republic and Cuba are both lower-middle-income countries, and Costa Rica is a high-income country. In this respect, the two countries make reasonable comparators for Cuba, both for short-term benchmarking as well as for setting medium-term goals. Undertaking a full Economic Performance Assessment will require the usual labor allocation: 5 days of Level I expertise, 10 days of Level II expertise, and 11 days of Level III expertise.



# Appendix. Data Sources Coverage

## **DATA SOURCES THAT DO NOT COVER CUBA**

- IMF WEO Database
- IMF Article IV
- World Bank Doing Business
- World Economic Forum Global Competitiveness Report
- UNCTAD Inward FDI Potential Index
- Millennium Challenge Corporation

## **DATA SOURCES THAT REPORT INDICATORS ON CUBA**

- Economic Commission for Latin America and the Caribbean (ECLAC)
- CIA World Factbook
- UNDP Human Development Index and Report
- UN MDGs Database
- CIESIN Environmental Performance Index
- World Bank Governance Indicators
- Transparency International
- ITC World Trade Statistics (latest year for Cuba 2003); HS 2 level 2005
- World Trade Organization
- Heritage Foundation Trade Policy Index
- World Bank World Development Indicators