



Assessing the Impact of Agricultural Research: Data Requirements and Quality of Current Statistics in Europe

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ABSTRACT¹

Assessing the impact of agricultural research on sustainability targets often implies to face two main issues: the complexity of the causal path, and the lack of appropriate data. In this paper, we discuss which data would be necessary to measure short- and long-term impacts in Europe, and suggest a set of indicators to evaluate their quality, considering both metadata and collected data from the Eurostat database. An application is shown for a selection of 20 variables. In our results, qualitative and quantitative indicators often provide conflicting information. We believe that such contrast is due to the fact that metadata can describe data quality only partially, while collected data can emphasize further quality features like the pattern of missing values and the presence of outliers.

Keywords: Data quality indicators; Data quality dimensions; Impact of agricultural research.

1. Introduction

Agriculture is an important target of EU and national policies. In particular, there is an increasing demand of knowledge on the effects of agricultural research on the EU sustainability targets. The achievement of such knowledge depends on two main factors: the complexity of the causal path, and the lack of appropriate data. Agricultural activities produce effects through a large number of pathways, from short-term impacts on agriculture production to long-term impacts on people's sustainable well-being. Ideally, a unified analytical approach would jointly consider impacts across all the relevant sustainability dimensions at a local, national and over-national level. Methodologies in the literature range from disaggregate to aggregate analysis, from the assessment of economic rate of return to the assessment of multi-dimensional impacts. However, the extent of available statistical methods often contrasts with a general lack of appropriate data. This paper provides an insight into the quality of available statistics (Eurostat data) when analysing the effect of agricultural research on multiple targets in Europe. The paper is organized as follows. In Section 2, we concisely focus on the themes of interest of data required to investigate the short- and long-term effects of agricultural research in Europe. In Section 3, we suggest some synthetic indicators for the quality of data. In Section 4, we compute such indicators for a selection of variables representative of the themes of interest above. Conclusions are provided in Section 5.

2. Data: themes of interest

Following Bartolini et al. (2014), we delineate the impact pathway from agricultural research expenditure to multiple sustainability dimensions through five interconnected levels: context/external drivers, investment, research activity, outcome and impact.

The context/external drivers level accounts for countries' specific characteristics, which may act as a confounder of the relationships among the other levels. Context variables include macroeconomic variables (e.g. gross domestic product) as well as the disposal of agricultural resources (e.g. land and labour). External drivers take into account policies, regulations and laws, as

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well as technology innovations from economic sectors other than agriculture (for instance, chemical and mechanic patent applications as pointed out by Thirtle et al., 2008).

The investment level includes the variables describing how agricultural research is funded within each country (e.g., general government and business enterprise expenditure).

Outputs of research activity represent the first and most immediate results of research investments. Campbell et al. (2013) consider human resources (e.g., number of high qualified researchers), quality of research (e.g., number of EU funded projects), innovation (e.g., number of patent applications), research infrastructures, industrial specialization and publications.

The outcome level includes the immediate impact of research activity on farm production. Productivity of the agricultural sector is the representative variable of this level.

The impact level contains variables non-immediately affected by research investment and encompasses multiple dimensions. This level includes for instance, changes in farmers' economic conditions and wellbeing, changes in environmental conditions (pollution emissions; biodiversity; soil and water quality) and changes in social conditions (health, education, food security, poverty, migration, etc.).

Output, outcome and impact variables identify the possible targets of European agricultural research. Applying textual mining techniques on the abstracts of EU funded research projects in agriculture², Bartolini et al. (2016) analyse changes in the share of budget among different research targets from 1994 to 2009, and found that, during late 90s, economic competitiveness and reduction of environmental pressure were the highest priorities of research projects, while, since 2000, the larger share of budget was finalized to support projects having an expected impact on the health of European consumers and citizens.

Assessing the impact of agricultural research requires recovering adequate data for each theme of interest (level) above. Eurostat, FAO, OECD, ILO, the World bank and other international institutions disseminate data on most of them. However, due to the heterogeneity of the issues covered, availability and quality of data vary significantly across countries and time. Along with well-established and harmonized statistics (e.g., labour or national accounts statistics), we find poor quality data. Statistics seem adequate at first glance but sometimes conceal missing values, short time series or breaks in the series. In our view, it would be helpful if statistics were disseminated along with synthetic quality scores, in order to make immediately clear their actual usability. In the next sections, we suggest some quality indicators and present results for a selection of 20 variables representative of the impact pathway from agricultural research expenditure to multiple sustainability dimensions.

3. Quality indicators

Assessing the impact of agricultural research in European countries requires managing both time series and cross-section data sets. On the one hand, long time series for investment and research variables are required since their effects on target variables occur at different time lags. On the other hand, complete and comparable cross section statistics are needed to allow international comparisons. Thus, comparability over time and among countries represent the most important quality requirements.

Several institutions disseminate time series and cross-section data sets on the themes of interest detailed in Section 2, so that the identification of the best data source for each variable is a necessary first step. In this paper, we focus on Eurostat statistics only, as Eurostat is the primary data source for European countries, and disseminates the best metadata on data quality through single reports for each statistic (Euro-SDMX Metadata Structure files; ESMS files henceforth).

²4th FP (1994-1998), 5th FP (1999-2002) and 6th FP (2002-2006) projects. Only projects with main topic 'Agriculture and food' or subtopic 'Agriculture' within the 'Biotechnology' topic were selected.

However, basing on Eurostat available metadata it is not immediate to detect the overall quality level of each variable, nor to understand for which analysis each variable could be fruitfully used (time series or cross sectional analysis, or both). In this section, we propose some quality indicators to be provided along with data in order to make users immediately aware of their actual usability. We consider both metadata and collected data.

3.1 Qualitative indicators based on Eurostat metadata

A detailed report on data quality (ESMS file) is available for all the statistics in the Eurostat database. ESMS reports contain very useful information but their length (no less than 5 pages) and their level of detail may discourage the user.

We summarize ESMS reports into four variables. The first variable considers the typology of data sources used to collect/produce data, assuming that the level of comparability and accuracy decrease going from Censuses to National Accounts, Surveys, Administrative data sources and Mixed data sources (such as inventories derived from various data sources). The second variable takes into account the 'Institutional mandate' section of ESMS files, which specifies if statistics are produced/collected on behalf of EU regulations and if they are disseminated on a mandatory, gentlemen's agreement or voluntary basis. In this case, we assume that data quality improves if the collection, production and transmission of data are regulated. The third and fourth variables assign a quality level (low, medium, good and high) on the temporal and the geographical comparability, respectively. The quality level is derived directly from the assessments given in the 'coherence and comparability' section of ESMS documents.

3.2 Quantitative indicators based on data evidence

We develop several quality indicators on the basis of the evidence stemming from collected statistics. We considered two features of quality: missing data and outlier data. First, we focus on missing values, providing measures of their incidence both in time and space (i.e. across countries). Then, we consider the incidence of contiguous values in each time series. Finally, we focus on the detection of outliers, once all the time series are made stationary. The value of each indicator varies from 0 (minimum quality) to 1 (maximum quality).

Notation is the following. The set of countries is denoted as $j = 1, \dots, J$, and $X_{i,j,t}$ denotes the i -th variable ($i = 1, \dots, I$) in the j -th country at time slice t ($t = 1, 2, \dots, T$).

Missing data incidence

Let $o_{i,j,t}$ be a dummy variable such that $o_{i,j,t} = 1$ if the value of $X_{i,j,t}$ is available (not missing), otherwise $o_{i,j,t} = 0$. We define three indicators measuring the incidence of missing data.

- **Spatial Availability Index.** Proportion of available data for a certain variable in a certain country:

$$SAI_{ij} = \frac{1}{T} \sum_{t=1}^T o_{i,j,t}$$

- **Temporal Availability Index.** Proportion of available data for a certain variable at a certain time slice:

$$TAI_{it} = \frac{1}{J} \sum_{j=1}^J o_{i,j,t}$$

- **Contiguity Index.** Contiguity of available data for a certain variable in a certain country, computed as the proportion of available data adjacent to an available datum:

$$CI_{ij} = \frac{1}{T-1} \sum_{t=1}^{T-1} o_{i,j,t} o_{i,j,t+1}$$

Outlier data incidence

The distribution of a time series may change through time, that is it may contain an unit root or may not be stationary. If this is the case, the detection of outlier data does not make sense. For each variable i and for each country j , denote the order of integration as d_{ij} , that is the minimum number of differences required to obtain a significant result of the Dickey-Fuller test (rejection of the unit root hypothesis). Consider the *Skewness-adjusted Outlyingness* (Brys et al., 2005), a robust measure of outlyingness for skewed distributions:

$$\zeta_{ijt} = \begin{cases} \frac{\tilde{X}_{i,j,t} - M_{ij}}{R_{ij} - M_{ij}} & \tilde{X}_{i,j,t} \geq M_{ij} \\ \frac{M_{ij} - \tilde{X}_{i,j,t}}{M_{ij} - L_{ij}} & \text{otherwise} \end{cases}$$

with:

$$L_{ij} = \begin{cases} Q_{ij} - 1.5e^{-4MC_{ij}}(QQ_{ij} - Q_{ij}) & MC_{ij} \geq 0 \\ Q_{ij} - 1.5e^{-3MC_{ij}}(QQ_{ij} - Q_{ij}) & \text{otherwise} \end{cases}$$

$$R_{ij} = \begin{cases} QQ_{ij} + 1.5e^{-3MC_{ij}}(QQ_{ij} - Q_{ij}) & MC_{ij} \geq 0 \\ QQ_{ij} + 1.5e^{-4MC_{ij}}(QQ_{ij} - Q_{ij}) & \text{otherwise} \end{cases}$$

where $\tilde{X}_{i,j,t}$ represents $X_{i,j,t}$ after applying d_{ij} differences, whereas M_{ij} , Q_{ij} , QQ_{ij} and MC_{ij} are the median, the first quartile, the third quartile and the medcouple (an adjusted measure of skewness: Brys et al., 2004) of the i -th variable in the j -th country after applying d_{ij} differences, respectively. According to such outlyingness measure, $\tilde{X}_{i,j,t}$ is an outlier if $\zeta_{ijt} < L_{ij}$ or $L_{ij} > R_{ij}$. If this is the case, let $u_{i,j,t} = 0$, otherwise $u_{i,j,t} = 1$. We define the **Outlyingness Index** as the proportion of non-outlier data for a certain variable in a certain country:

$$OI_{ij} = \frac{1}{T} \sum_{t=1}^T u_{i,j,t}$$

4. Results

We selected a total of 20 variables representative of each level of the research impact pathway from agricultural research expenditure to multiple sustainability dimension, excepting the Output level, as we were not able to find Eurostat statistics on total factor productivity for Agriculture. Actually, according to Schreyer (OECD, 2015), in Europe only Statistics Denmark, Statistics

Finland, Statistics Sweden and ONS deliver estimates of total factor productivity for the A and B sectors of NACE classification.

We downloaded data and metadata from Eurostat website (<http://ec.europa.eu/eurostat/data/database>) in May 2016. We considered 15 EU countries (AT, BE, DE, DK, EL, ES, FI, FR, IE, IT, LU, NL, PT, SE and UK) in the period 1980-2015. For each of the selected variables, we computed quantitative (columns 4, 5 and 6) and qualitative (columns 8, 9, 10 and 11) indicators as defined in Section 3.2. Also, we derived an overall quantitative indicator I1 (column 7) and an overall qualitative indicator I2 (column 12). Indicator I1 is obtained as follows: quartiles of each quantitative indicator are computed, then values from 1 to 4 are assigned to each quantitative indicator for each variable depending on the nearest quartile (1 for the first quartile, 2 for the second, and so on), and finally such values are averaged for each variable. Indicator I2 is subjectively derived from the values taken by qualitative indicators. Results are shown in Table 1.

Figure 1 compares the I1 and I2 values after the variables under analysis are clustered into four groups: blue dots correspond to Economic variables, grey dots to Research variables, yellow dots to Social variables and orange dots to Environmental variables. We see that indicators I1 and I2 do not provide unanimous indication on data quality (Pearson correlation coefficient equal to -0.09): Research variables are characterized by low values of I2 and high values of I1, Economic and Social variables show a balance between the values taken by the two overall indicators, Environmental variables exhibit a heterogeneous combination.

Figure 1. Comparison of overall qualitative and quantitative indicators for a selection of variables.

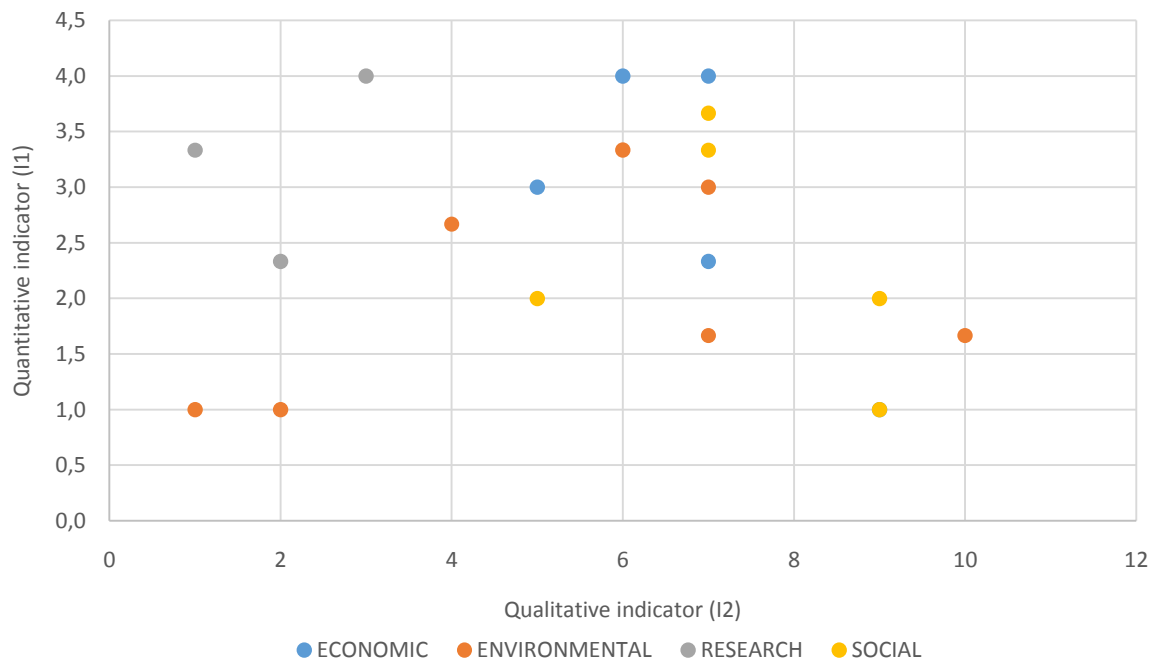


Table 1. Quality indicators based on collected data and quality reports from the Eurostat database on the 20 selected variables.

Description	Level of the impact pathway	Indicators computed on collected data			Indicators based on Eurostat ESMS files			12: Overall qualitative	
		Non-missing values	Contiguous over time	Non-outliers	11: Overall quantitative	Primary data source	Institutional mandate		Comparability across countries
HA of arable land	ECONOMIC	0.86	0.83	0.99	4.0	Mixed sources (Economic Accounts for Agriculture)	EU Regulations (2004) sets harmonized methodology. Provision is on gentlemen's agreement	high	7
Business enterprise research expenditure for Agriculture	RESEARCH	0.31	0.29	0.98	2.3	Survey/Administrative	From 2004, collection is mandatory and regulated	Low	2
Greenhouse gas emissions from agriculture	ENVIRONMENTAL	0.64	0.63	0.98	3.0	Mixed sources (data produced by EEA)	Regulation in 2013. It is not clear if provision of data is mandatory	good	7
Energy for primary production	ENVIRONMENTAL	0.67	0.66	0.99	3.3	Censuses/Surveys (agricultural structure surveys)	Several EU Regulations. Provision is mandatory	good	6
Share of energy from renewable sources in gross final energy consumption	ENVIRONMENTAL	0.28	0.26	0.98	1.7	Survey/Administrative	EC Regulations on methodologies. data collection is voluntary	good	7
Net entrepreneurial income of Agriculture—2005=100	ECONOMIC	0.85	0.84	0.99	3.0	Mixed (Economic Accounts for Agriculture)	EU Regulations (2004) sets harmonized methodology. Provision is on gentlemen's agreement	Medium	5
consumption estimate of Nitrogen	ENVIRONMENTAL	0.38	0.37	0.98	2.7	Survey/Administrative	Eurostat has no legal act in place requiring these data. The data are requested by gentlemen's agreement.	low	4
Government research expenditure for Agriculture	RESEARCH	0.9	0.89	0.99	4.0	Administrative	From 2004, collection is regulated and mandatory	Medium	3
Green house gas emission per capita	ENVIRONMENTAL	0.36	0.34	0.95	1.7	Mixed sources	Regulated and mandatory since 2004	high	10
Gross value added of Agriculture	ECONOMIC	0.88	0.88	0.99	4.0	Mixed (Economic Accounts for Agriculture)	EU Regulations (2004) sets the legal basis for a harmonized methodology. Provision is on gentlemen's agreement	Good	6
Quota of persons with a good health status in rural areas	SOCIAL	0.27	0.25	0.93	1.0	Surveys/Administrative	Up to 2004(ECHP survey), data collection was based on a gentleman's agreement. From2005 (Eusic instrument) collection becomes mandatory.	High	9
Mean familiar income in rural areas	ECONOMIC	0.29	0.26	0.94	1.0	Surveys/Administrative	Up to 2004(ECHP survey), data collection was based on a gentleman's agreement. From2005 (Eusic instrument) collection becomes mandatory.	High	9
Annual work units salaried	SOCIAL	0.88	0.88	0.97	3.3	Mixed (Economic Accounts for Agriculture)	EU Regulations (2004) sets harmonized methodology. Provision is on gentlemen's agreement	high	7
Annual work units	SOCIAL	0.91	0.9	0.98	3.7	Mixed (Economic Accounts for Agriculture)	EU Regulations (2004) sets harmonized methodology. Provision is on gentlemen's agreement	high	7
Fully converted crop area (ha)	ENVIRONMENTAL	0.3	0.26	0.96	1.0	Administrative data	Gentlemen's agreement up to 2007. Then, transmission based on EU regulations	low	2
Number of agricultural patent applications: Agriculture, forestry, fishing	RESEARCH	0.84	0.81	0.99	3.3	Administrative	No official legal acts. Provision is voluntary	Low	1
People at risk of poverty or social exclusion in thinly-populated area	SOCIAL	0.31	0.29	0.97	2.0	Surveys/Administrative	Up to 2004(ECHP survey), data collection was based on a gentleman's agreement.	High	9
Utilised agricultural area (1000 ha)	ECONOMIC	0.84	0.81	0.97	2.3	Mixed (Economic Accounts for Agriculture)	EU Regulations (2004) sets harmonized methodology. Provision is on gentlemen's agreement	high	7
Unemployment rate in rural areas	SOCIAL	0.61	0.6	0.97	2.0	Survey (EU-LFS)	Regulated and mandatory collection since 1998	medium	5
Water used in Agriculture, forestry and fishing	ENVIRONMENTAL	0.01	0.01	-	1.0	Survey/Administrative	Data collection is voluntary	low	1

5. Concluding remarks

The evaluation of the short- and long-term impacts of agricultural research in Europe is an important theme for EU decision-making. To investigate this phenomenon, it is necessary to dispose of high quality time and cross section data for a large numbers of variables. At a first sight, official statistics supply a plenty of information on the themes of interests (levels of the impact pathway from agricultural research expenditure to multiple sustainability dimensions). However, quality deficiencies due to missing values, outliers, short time series and break in the series may considerably affect the reliability of statistical analysis.

In this paper, we propose some quality indicators to be provided along with data in order to make users immediately aware of their actual usability. We compute such indicators on a subset of variables representative of each levels of the research impact pathway from agricultural research expenditure to multiple sustainability dimensions. These measures combine qualitative information on data quality published by Eurostat with quantitative evidence stemming from data. By comparing the values of overall quality indicators I1 and I2, we find contrasting indication: quality level stemming from metadata does not to match the one stemming from collected data. We believe that such contrast is due to the fact that metadata can describe data quality only partially, while collected data can emphasize further quality features like the pattern of missing values and the presence of outliers.

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