

Draft Documents

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```
# required library  
library(knitr)  
library(readr)  
library(tidyr)  
library(dplyr)  
library(ggplot2)
```

2. Data Characteristic

2.1. Nature of Data

The data set is collection The World Bank Data, the variables of interest are extracted from the raw data files and combined into a single data frame for analysis. The final data set includes:

1. **country.code**: Country code
2. **country.name**: Country name
3. **year**: Year
4. **income**: Income class
 - Low income (L)
 - Lower middle income (LM)
 - Upper middle income (UM)
 - High income (H)
5. **reg**: Region
6. **pov**: Poverty headcount ratio
7. **mpi**: Multidimensional Poverty Index
8. **edu.total**: Total expenditure on education (% of GDP)
9. **edu.pri**: Total expenditure on primary education (% of total education expenditure)

10. **edu.sec**: Total expenditure on secondary education (% of total education expenditure)
11. **edu.ter**: Total expenditure on tertiary education (% of total education expenditure)
12. **hlth**: Total expenditure on health (% of GDP)
13. **mil**: Total expenditure on military (% of GDP)
14. **fdi**: Foreign Direct Investment
15. **lbr.part**: Labour force participation (% of population ages 15+)
16. **unemp**: Unemployment rate
17. **pop.gwth.total**: Total population growth rate
18. **pop.gwth.rural**: Total rural population growth rate
19. **pop.gwth.urban**: Total urban population growth rate
20. **gdp.dflt**: GDP deflator
21. **gdr.eql**: Gender equality rating
22. **gcf**: Gross Capital Formation
23. **trade**: Trade = import + export (% of GDP)

Data imports and combining:

```
# helper functions
importWDI <- function(filepath, value_name) {
  df <- read_csv(filepath, skip = 4)

  colnames(df) <- tolower(gsub(" ", ".", colnames(df)))

  df <- df %>%
    pivot_longer(5:ncol(), names_to = "year", values_to = "value") %>%
    filter(!is.null(value) & !is.na(value)) %>%
    mutate(country.code = factor(country.code), country.name = factor(country.name),
           year = as.numeric(year)) %>%
    select(country.code, country.name, year, value)

  colnames(df)[4] <- value_name

  df
}

importRegionClass <- function(filepath) {
  df <- read_csv(filepath, skip = 4)

  colnames(df) <- tolower(gsub(" ", ".", colnames(df)))

  df %>%
```

```

    mutate(country.name = factor(country.name), region = factor(region)) %>%
    select(country.name, reg = region)
}

importIncomeClass <- function(filepath) {
  df <- read_csv(filepath, skip = 4)

  colnames(df) <- tolower(gsub(" ", ".", colnames(df)))

  df %>%
    pivot_longer(3:ncol(), names_to = "year", values_to = "income") %>%
    filter(!is.null(income) & !is.na(income)) %>%
    mutate(country.code = factor(country.code), country.name = factor(country.name),
           year = as.numeric(year), income = factor(income)) %>%
    select(country.code, country.name, year, income)
}

```

```

# import data
setwd("../data")

poverty.headcount <- importWDI("poverty.headcount.215dollar.csv",
  "pov")
mpi <- importWDI("mpi.csv", "mpi")
education.expenditure.total <- importWDI("total.education.expenditure.csv",
  "edu.total")
education.expenditure.primary <- importWDI("primary.education.expenditure.csv",
  "edu.pri")
education.expenditure.secondary <- importWDI("secondary.education.expenditure.csv",
  "edu.sec")
education.expenditure.tertiary <- importWDI("tertiary.education.expenditure.csv",
  "edu.ter")
health.expenditure <- importWDI("health.expenditure.csv", "hlth")
military.expenditure <- importWDI("military.expenditure.csv",
  "mil")
fdi <- importWDI("fdi.csv", "fdi")
labour.force.participation <- importWDI("labour.force.participation.csv",
  "lbr.part")
unemployment.rate <- importWDI("unemployment.csv", "unemp")
population.growth <- importWDI("population.growth.csv", "pop.gwth.total")
rural.population.growth <- importWDI("rural.population.growth.csv",
  "pop.gwth.rural")
urban.population.growth <- importWDI("urban.population.growth.csv",
  "pop.gwth.urban")
gdp.deflator <- importWDI("gdp.deflator.csv", "gdp.dflt")
gender.equality <- importWDI("gender.equality.csv", "gdr.eql")
gross.capital.formation <- importWDI("gross.capital.formation.csv",
  "gcf")
trade <- importWDI("trade.csv", "trade")
region.class <- importRegionClass("region.class.csv")
income.class <- importIncomeClass("income.class.csv")

setwd("../src")

```

We found that the data sets collected from World Bank's Data helpdesk and The World Bank's Data have

different naming convention for certain countries (e.g. “Czechia” vs. “Czechia Republic”). So we need to rename these countries to avoid some error when joining.

Furthermore, WDI’s data sets rate also account for non-country (e.g. country.name = “Low income” or “South Asia”). These special groups are not in our scope of interest, which is national, so we eliminate them.

```
# using poverty.headcount as a naming standard (as other
# data from WDI also use this convention) join a subset of
# data to process the names
d <- poverty.headcount %>%
  select(country.name) %>%
  mutate(inPov = T) %>%
  full_join(income.class %>%
    select(country.name) %>%
    mutate(inIncome = T), by = "country.name") %>%
  full_join(region.class %>%
    select(country.name) %>%
    mutate(inReg = T), by = "country.name") %>%
  mutate(inPov = !is.na(inPov), inIncome = !is.na(inIncome),
    inReg = !is.na(inReg))
```

d

```
## # A tibble: 62,759 x 4
##   country.name inPov inIncome inReg
##   <fct>         <lgl> <lgl>   <lgl>
## 1 Angola       TRUE  TRUE    TRUE
## 2 Angola       TRUE  TRUE    TRUE
## 3 Angola       TRUE  TRUE    TRUE
## 4 Angola       TRUE  TRUE    TRUE
## 5 Angola       TRUE  TRUE    TRUE
## 6 Angola       TRUE  TRUE    TRUE
## 7 Angola       TRUE  TRUE    TRUE
## 8 Angola       TRUE  TRUE    TRUE
## 9 Angola       TRUE  TRUE    TRUE
## 10 Angola      TRUE  TRUE    TRUE
## # ... with 62,749 more rows
## # i Use 'print(n = ...)' to see more rows
```

First, remove special economic groups from `poverty.headcount`. We figured these regions will not appear in `income.class` or `region.class`, so we might find something from looking at the countries **only** appear in `poverty.headcount`.

```
d %>%
  filter(inPov & (!inIncome | !inReg)) %>%
  distinct(country.name)
```

```
## # A tibble: 18 x 1
##   country.name
##   <fct>
## 1 Cote d'Ivoire
## 2 Czechia
## 3 East Asia & Pacific
```

```
## 4 Europe & Central Asia
## 5 Fragile and conflict affected situations
## 6 High income
## 7 IDA total
## 8 Latin America & Caribbean
## 9 Low income
## 10 Lower middle income
## 11 Low & middle income
## 12 Middle East & North Africa
## 13 South Asia
## 14 Sub-Saharan Africa
## 15 Sao Tome and Principe
## 16 Turkiye
## 17 Upper middle income
## 18 World
```

Lucky! We can look through these 18 results and compose a list of special regions.

```
spec.reg <- c("Fragile and conflict affected situations", "IDA total",
  "World", "East Asia & Pacific", "Europe & Central Asia",
  "Latin America & Caribbean", "Middle East & North Africa",
  "South Asia", "Sub-Saharan Africa", "Low income", "Low & middle income",
  "Lower middle income", "Upper middle income", "High income")
```

Then, we rename those countries with inconsistent naming convention. Since we should only care about countries whose poverty headcount is available, reusing the list generated above, we can identify:

1. Cote d'Ivoire (also Côte d'Ivoire)
2. Czechia (also Czechoslovakia or Czech Republic)
3. Curacao (also Curaçao)
4. Turkiye (formerly known as Turkey, also Türkiye)
5. Sao Tome and Principe (also São Tomé and Príncipe)

```
# mapping standard name and variation
nameMap <- tibble(standard = c("Cote d'Ivoire", "Czechia", "Czechia",
  "Curacao", "Turkiye", "Turkiye", "Sao Tome and Principe"),
  variation = c("Côte d'Ivoire", "Czechoslovakia", "Czech Republic",
  "Curaçao", "Turkey", "Türkiye", "São Tomé and Príncipe"))

correctName <- function(name) {
  tibble(name = name) %>%
    left_join(nameMap, by = c(name = "variation")) %>%
    mutate(standard = ifelse(is.na(standard), name, standard)) %>%
    select(standard) %>%
    pull()
}

orig.name <- c("Vietnam", "China", "Turkey", "Czechia Republic")
correctName(orig.name)
```

```
## [1] "Vietnam"          "China"            "Turkiye"          "Czechia Republic"
```

Let's test this out!

```

d <- poverty.headcount %>%
  # correct name here
  mutate(country.name = correctName(country.name)) %>%
  select(country.name) %>%
  mutate(inPov = T) %>%
  full_join(income.class %>%
    # correct name here
    mutate(country.name = correctName(country.name)) %>%
    select(country.name) %>%
    mutate(inIncome = T), by = "country.name") %>%
  full_join(region.class %>%
    # correct name here
    mutate(country.name = correctName(country.name)) %>%
    select(country.name) %>%
    mutate(inReg = T), by = "country.name") %>%
  filter(!(country.name %in% spec.reg)) %>%
  mutate(inPov = !is.na(inPov), inIncome = !is.na(inIncome), inReg = !is.na(inReg))

# countries not in region list, but is in Pov list
d %>%
  filter(!inReg & inPov) %>%
  distinct(country.name) %>%
  nrow()

```

```
## [1] 0
```

```

# countries not in income list, but is in Pov list
d %>%
  filter(!inIncome & inPov) %>%
  distinct(country.name) %>%
  nrow()

```

```
## [1] 0
```

We are *pretty* confident that there's no inconsistent naming left unprocessed in the data sets.

```

# Rename countries in all data sets.
poverty.headcount <- poverty.headcount %>%
  mutate(country.name = correctName(country.name))
mpi <- mpi %>%
  mutate(country.name = correctName(country.name))
education.expenditure.total <- education.expenditure.total %>%
  mutate(country.name = correctName(country.name))
education.expenditure.primary <- education.expenditure.primary %>%
  mutate(country.name = correctName(country.name))
education.expenditure.secondary <- education.expenditure.secondary %>%
  mutate(country.name = correctName(country.name))
education.expenditure.tertiary <- education.expenditure.tertiary %>%
  mutate(country.name = correctName(country.name))
health.expenditure <- health.expenditure %>%
  mutate(country.name = correctName(country.name))
military.expenditure <- military.expenditure %>%

```

```

mutate(country.name = correctName(country.name))
fdi <- fdi %>%
  mutate(country.name = correctName(country.name))
labour.force.participation <- labour.force.participation %>%
  mutate(country.name = correctName(country.name))
unemployment.rate <- unemployment.rate %>%
  mutate(country.name = correctName(country.name))
population.growth <- population.growth %>%
  mutate(country.name = correctName(country.name))
rural.population.growth <- rural.population.growth %>%
  mutate(country.name = correctName(country.name))
urban.population.growth <- urban.population.growth %>%
  mutate(country.name = correctName(country.name))
gdp.deflator <- gdp.deflator %>%
  mutate(country.name = correctName(country.name))
gender.equality <- gender.equality %>%
  mutate(country.name = correctName(country.name))
gross.capital.formation <- gross.capital.formation %>%
  mutate(country.name = correctName(country.name))
trade <- trade %>%
  mutate(country.name = correctName(country.name))
region.class <- region.class %>%
  mutate(country.name = correctName(country.name))
income.class <- income.class %>%
  mutate(country.name = correctName(country.name))

```

Join the data

```

countries <- poverty.headcount %>%
  # We used a full join here so we can conduct a separate
  # analysis on mpi later
full_join(mpi, by = c("country.name", "country.code", "year")) %>%
  left_join(income.class, c("country.name", "country.code",
    "year")) %>%
  left_join(region.class, by = "country.name") %>%
  left_join(education.expenditure.total, by = c("country.name",
    "country.code", "year")) %>%
  left_join(education.expenditure.primary, by = c("country.name",
    "country.code", "year")) %>%
  left_join(education.expenditure.secondary, by = c("country.name",
    "country.code", "year")) %>%
  left_join(education.expenditure.tertiary, by = c("country.name",
    "country.code", "year")) %>%
  left_join(health.expenditure, by = c("country.name", "country.code",
    "year")) %>%
  left_join(military.expenditure, by = c("country.name", "country.code",
    "year")) %>%
  left_join(fdi, by = c("country.name", "country.code", "year")) %>%
  left_join(labour.force.participation, by = c("country.name",
    "country.code", "year")) %>%
  left_join(unemployment.rate, by = c("country.name", "country.code",
    "year")) %>%
  left_join(population.growth, by = c("country.name", "country.code",

```

```

    "year")) %>%
  left_join(rural.population.growth, by = c("country.name",
    "country.code", "year")) %>%
  left_join(urban.population.growth, by = c("country.name",
    "country.code", "year")) %>%
  left_join(gdp.deflator, by = c("country.name", "country.code",
    "year")) %>%
  left_join(gender.equality, by = c("country.name", "country.code",
    "year")) %>%
  left_join(gross.capital.formation, by = c("country.name",
    "country.code", "year")) %>%
  left_join(trade, by = c("country.name", "country.code", "year")) %>%
  # filter special groups
  filter(!(country.name %in% spec.reg))

```

Data preview

```
head(countries)
```

```

## # A tibble: 6 x 23
##   count~1 count~2 year  pov  mpi income reg  edu.t~3 edu.pri edu.sec edu.ter
##   <fct>   <chr>   <dbl> <dbl> <dbl> <fct> <fct>   <dbl>   <dbl>   <dbl>   <dbl>
## 1 AGO    Angola    2000  21.4   NA L    Sub~~   2.61     NA     NA     NA
## 2 AGO    Angola    2008  14.6   NA LM   Sub~~   2.69     NA     NA     NA
## 3 AGO    Angola    2018  31.1   NA LM   Sub~~   2.04     NA     NA     NA
## 4 ALB    Albania    1996  0.5    NA LM   Euro~   3.08     NA     NA     NA
## 5 ALB    Albania    2002  1.1    NA LM   Euro~   3.12     NA     NA     NA
## 6 ALB    Albania    2005  0.6    NA LM   Euro~   3.28     NA     NA     NA
## # ... with 12 more variables: hlth <dbl>, mil <dbl>, fdi <dbl>, lbr.part <dbl>,
## #   unemp <dbl>, pop.gwth.total <dbl>, pop.gwth.rural <dbl>,
## #   pop.gwth.urban <dbl>, gdp.dflt <dbl>, gdr.eql <dbl>, gcf <dbl>,
## #   trade <dbl>, and abbreviated variable names 1: country.code,
## #   2: country.name, 3: edu.total
## # i Use 'colnames()' to see all variable names

```

```
str(countries)
```

```

## tibble [1,901 x 23] (S3: tbl_df/tbl/data.frame)
## $ country.code : Factor w/ 272 levels "AGO","ALB","ARE",...: 1 1 1 2 2 2 2 2 2 ...
## $ country.name : chr [1:1901] "Angola" "Angola" "Angola" "Albania" ...
## $ year         : num [1:1901] 2000 2008 2018 1996 2002 ...
## $ pov          : num [1:1901] 21.4 14.6 31.1 0.5 1.1 0.6 0.2 0.6 1 0.1 ...
## $ mpi          : num [1:1901] NA NA NA NA NA NA NA NA NA NA ...
## $ income       : Factor w/ 4 levels "H","L","LM","UM": 2 3 3 3 3 3 4 4 4 ...
## $ reg          : Factor w/ 7 levels "East Asia & Pacific",...: 7 7 7 2 2 2 2 2 2 ...
## $ edu.total    : num [1:1901] 2.61 2.69 2.04 3.08 3.12 ...
## $ edu.pri      : num [1:1901] NA NA NA NA NA ...
## $ edu.sec      : num [1:1901] NA NA NA NA NA ...
## $ edu.ter      : num [1:1901] NA NA NA NA NA ...
## $ hlth         : num [1:1901] 1.91 3.32 2.54 NA 6.91 ...
## $ mil          : num [1:1901] 6.39 3.57 1.87 1.38 1.32 ...
## $ fdi          : num [1:1901] 8.79e+08 1.68e+09 -6.46e+09 9.01e+07 1.35e+08 ...

```



```
## $ lbr.part      : num [1:1901] NA NA NA 38.8 59.6 ...
## $ unemp         : num [1:1901] NA NA NA 12.3 15.8 ...
## $ pop.gwth.total: num [1:1901] 3.277 3.711 3.276 -0.622 -0.3 ...
## $ pop.gwth.rural: num [1:1901] 0.921 1.91 1.338 -1.546 -2.169 ...
## $ pop.gwth.urban: num [1:1901] 5.682 5.02 4.312 0.812 2.181 ...
## $ gdp.dflt      : num [1:1901] 418.02 19.37 28.17 38.17 3.65 ...
## $ gdr.eql       : num [1:1901] NA 3 NA NA NA 4 NA NA NA NA ...
## $ gcf           : num [1:1901] 30.5 30.8 17.9 18.1 35.3 ...
## $ trade         : num [1:1901] 152.5 121.4 66.4 44.9 68.5 ...
```

```
summary(countries)
```

```
## country.code country.name year pov
## BRA : 36 Length:1901 Min. :1967 Min. : 0.00
## CRI : 34 Class :character 1st Qu.:2002 1st Qu.: 0.20
## ARG : 32 Mode :character Median :2009 Median : 1.50
## USA : 32 Mean :2007 Mean :10.04
## DEU : 30 3rd Qu.:2014 3rd Qu.:11.60
## HND : 30 Max. :2021 Max. :91.50
## (Other):1707 NA's :58
## mpi income reg edu.total
## Min. : 2.37 H :644 East Asia & Pacific :167 Min. : 1.033
## 1st Qu.:18.30 L :253 Europe & Central Asia :883 1st Qu.: 3.522
## Median :24.80 LM :501 Latin America & Caribbean :416 Median : 4.519
## Mean :27.06 UM :438 Middle East & North Africa:107 Mean : 4.582
## 3rd Qu.:33.30 NA's: 65 North America : 50 3rd Qu.: 5.457
## Max. :74.20 South Asia : 61 Max. :15.750
## NA's :1446 Sub-Saharan Africa :217 NA's :596
## edu.pri edu.sec edu.ter hlth
## Min. : 0.6578 Min. : 2.724 Min. : 0.00 Min. : 1.718
## 1st Qu.:24.0269 1st Qu.:30.138 1st Qu.:16.61 1st Qu.: 5.151
## Median :30.4730 Median :35.713 Median :20.59 Median : 6.914
## Mean :31.6633 Mean :35.630 Mean :20.96 Mean : 6.975
## 3rd Qu.:38.3324 3rd Qu.:41.380 3rd Qu.:25.14 3rd Qu.: 8.565
## Max. :70.0950 Max. :71.587 Max. :50.44 Max. :17.733
## NA's :1090 NA's :1094 NA's :963 NA's :464
## mil fdi lbr.part unemp
## Min. : 0.000 Min. : -3.444e+11 Min. :30.50 Min. : 0.250
## 1st Qu.: 1.042 1st Qu.: 2.979e+08 1st Qu.:56.17 1st Qu.: 4.513
## Median : 1.468 Median : 1.709e+09 Median :61.18 Median : 6.880
## Mean : 1.787 Mean : 1.598e+10 Mean :60.78 Mean : 8.145
## 3rd Qu.: 2.103 3rd Qu.: 9.821e+09 3rd Qu.:65.49 3rd Qu.:10.078
## Max. :19.385 Max. : 7.338e+11 Max. :93.00 Max. :49.700
## NA's :105 NA's :17 NA's :320 NA's :267
## pop.gwth.total pop.gwth.rural pop.gwth.urban gdp.dflt
## Min. : -3.6295 Min. : -8.56066 Min. : -4.078 Min. : -26.300
## 1st Qu.: 0.2656 1st Qu.: -0.85664 1st Qu.: 0.510 1st Qu.: 1.696
## Median : 1.0318 Median : -0.02461 Median : 1.484 Median : 3.865
## Mean : 1.0565 Mean : 0.00083 Mean : 1.691 Mean : 15.831
## 3rd Qu.: 1.7761 3rd Qu.: 0.96362 3rd Qu.: 2.657 3rd Qu.: 8.537
## Max. : 5.6145 Max. : 4.59686 Max. :13.805 Max. :3333.585
## NA's : NA's :14 NA's :13 NA's :18
## gdr.eql gcf trade
## Min. :1.500 Min. : 0.00 Min. : 1.378
```

```
## 1st Qu.:3.000 1st Qu.:19.65 1st Qu.: 51.063
## Median :3.500 Median :22.73 Median : 73.496
## Mean :3.592 Mean :23.88 Mean : 84.429
## 3rd Qu.:4.000 3rd Qu.:26.76 3rd Qu.:105.462
## Max. :5.000 Max. :69.48 Max. :380.104
## NA's :1635 NA's :72 NA's :57
```

There's no NA in `reg`, which is a sign that all naming in the data is remedied. There's some expected NAs in `income` and `pov`, as these data are collected by year. There's a substantial amount of missing data in `mpi`, as this is a relative new concept. We will address the nature, and processing of missing data in the next sections.

2.2. Missing values

As observed from the summary above, the data set contains a lot of missing values in some of the variables.

```
mean(is.na(countries))
```

```
## [1] 0.1896942
```

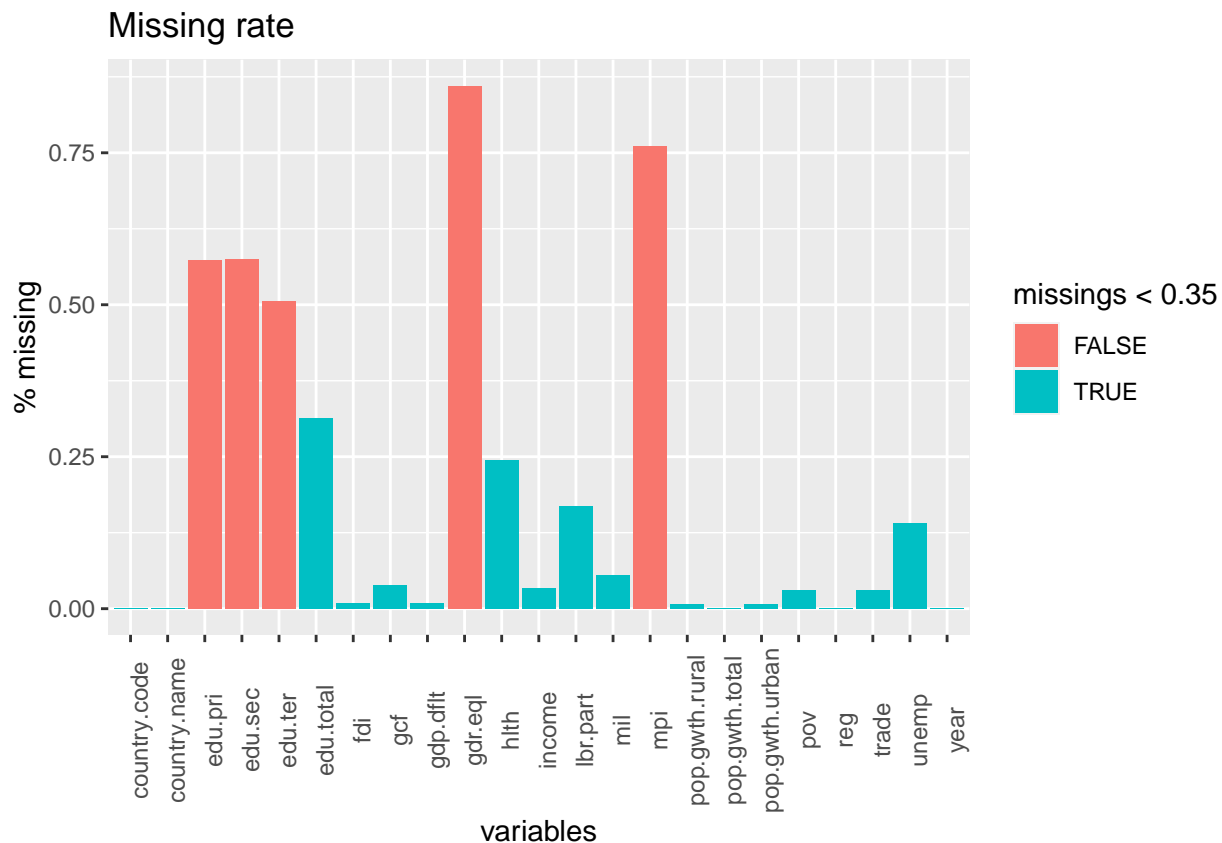
About 19% of the data set is missing.

```
nCompleteObs <- sum(complete.cases(countries))
print(paste("No. of complete cases:", nCompleteObs))
```

```
## [1] "No. of complete cases: 3"
```

There are only 3 complete cases where all the variable is available. This is nowhere near acceptable to conduct any meaningful analysis. Therefore, we need to eliminate some variables for a more balance data set.

```
missings <- colMeans(is.na(countries))
ggplot(mapping = aes(x = names(missings), y = missings, fill = missings <
  0.35)) + geom_bar(stat = "identity") + ggtitle("Missing rate") +
  xlab("variables") + ylab("% missing") + theme(axis.text.x = element_text(size = 9,
    angle = 90))
```



```
missings[missings > 0.35]
```

```
##      mpi  edu.pri  edu.sec  edu.ter  gdr.eql
## 0.7606523 0.5733824 0.5754866 0.5065755 0.8600736
```

There are 5 variables with missing rate >35%.

These can be very useful and relevant information (Akbar et al. 2019). However, we would like to exclude these variables from some first analyses to make use of the richer set of data. We can conduct a separate analysis with these variable to gain more insight.

```
# variables with high missing rate
hMiss <- names(missings[missings > 0.35])
# exclude these variables in countries1
countries1 <- countries %>%
  select(!hMiss)
```

```
## Note: Using an external vector in selections is ambiguous.
## i Use 'all_of(hMiss)' instead of 'hMiss' to silence this message.
## i See <https://tidyselect.r-lib.org/reference/faq-external-vector.html>.
## This message is displayed once per session.
```

```
str(countries1)
```

```
## tibble [1,901 x 18] (S3: tbl_df/tbl/data.frame)
## $ country.code : Factor w/ 272 levels "AGO","ALB","ARE",...: 1 1 1 2 2 2 2 2 2 2 ...
## $ country.name : chr [1:1901] "Angola" "Angola" "Angola" "Albania" ...
## $ year         : num [1:1901] 2000 2008 2018 1996 2002 ...
## $ pov          : num [1:1901] 21.4 14.6 31.1 0.5 1.1 0.6 0.2 0.6 1 0.1 ...
## $ income       : Factor w/ 4 levels "H","L","LM","UM": 2 3 3 3 3 3 3 4 4 4 ...
## $ reg          : Factor w/ 7 levels "East Asia & Pacific",...: 7 7 7 2 2 2 2 2 2 2 ...
## $ edu.total    : num [1:1901] 2.61 2.69 2.04 3.08 3.12 ...
## $ hlth         : num [1:1901] 1.91 3.32 2.54 NA 6.91 ...
## $ mil          : num [1:1901] 6.39 3.57 1.87 1.38 1.32 ...
## $ fdi          : num [1:1901] 8.79e+08 1.68e+09 -6.46e+09 9.01e+07 1.35e+08 ...
## $ lbr.part     : num [1:1901] NA NA NA 38.8 59.6 ...
## $ unemp        : num [1:1901] NA NA NA 12.3 15.8 ...
## $ pop.gwth.total: num [1:1901] 3.277 3.711 3.276 -0.622 -0.3 ...
## $ pop.gwth.rural: num [1:1901] 0.921 1.91 1.338 -1.546 -2.169 ...
## $ pop.gwth.urban: num [1:1901] 5.682 5.02 4.312 0.812 2.181 ...
## $ gdp.dflt     : num [1:1901] 418.02 19.37 28.17 38.17 3.65 ...
## $ gcf          : num [1:1901] 30.5 30.8 17.9 18.1 35.3 ...
## $ trade        : num [1:1901] 152.5 121.4 66.4 44.9 68.5 ...
```

Re-evaluate the countries1 set.

```
mean(is.na(countries1))
```

```
## [1] 0.06037758
```

```
sum(complete.cases(countries1))
```

```
## [1] 937
```

```
mean(complete.cases(countries1))
```

```
## [1] 0.4928985
```

On average, each column has 6% missing rate, results in 937 complete data point (i.e. 49%). This can be a sufficient number for the analysis. However, the missing data can induce loss of power due to the reduced sample size, and some other biases depending on which variables is missing.

```
# complete rate of data by regions
countries1 %>%
  mutate(isComplete = complete.cases(.)) %>%
  group_by(reg) %>%
  summarise(complete.rate = mean(isComplete)) %>%
  arrange(desc(complete.rate))
```

```
## # A tibble: 7 x 2
##   reg                complete.rate
##   <fct>              <dbl>
## 1 Europe & Central Asia      0.618
## 2 Latin America & Caribbean  0.505
## 3 Middle East & North Africa  0.449
```

## 4 East Asia & Pacific	0.437
## 5 South Asia	0.213
## 6 Sub-Saharan Africa	0.184
## 7 North America	0.14

Countries from North America, Sub-Saharan Africa, and South Asia have the highest rate of missing data. We suspect that Sub-Saharan Africa, and South Asia are comparably less accessible regions. We also know that Americans don't like filling out forms, so their high rate of missing data is understandable as well.

Still, we need to find a way to address this issue. we propose several approaches:

1. **Use complete cases:** Only use the complete cases for the analysis. This is a straightforward approach, but doesn't resolve the bias resulted from the mass loss of data.
2. **Step-by-step remove frequently missing variables:** The same as we did before, but this process should be carried out carefully as we run the chance of dropping an important variable.
3. **Update the data set as we select variables:** As we drop insignificant variables (in backward selection), the number of NAs are changed as well. We can utilize the extra complete cases to build the next model in the steps.
4. **Imputation:** The idea is to replace the missing observations on the response or the predictors with artificial values that try to preserve the data set structure. This is a quite complex topic of its own, but we think why not. You can read more at from Arel-Bundock and Pelc (2018).

2.3. Descriptive Analytics

2.4. Data Source

- poverty.headcount
- mpi
- education.expenditure.primary
- education.expenditure.secondary
- education.expenditure.tertiary
- education.expenditure.total
- health.expenditure
- military.expenditure
- fdi
- unemployment.rate
- labour.force.participation
- gender.equality
- population.growth
- urban.population.growth
- rural.population.growth
- gdp.deflator
- gross capital formation
- trade
- region.class
- income.class
- gross.capital.formation

Akbar, Muhammad, Mukaram Khan, Haidar Farooqe, and Kaleemullah. 2019. "Public Spending, Education and Poverty: A Cross Country Analysis" 4 (April): 12–20.

Arel-Bundock, Vincent, and Krzysztof J. Pelc. 2018. "When Can Multiple Imputation Improve Regression Estimates?" *Political Analysis* 26 (2): 240–45. <https://doi.org/10.1017/pan.2017.43>.