

Food Availability in West Africa

Bryce Leary, Milika Robbins, Zeinabou Saidou Baraze, Carine Ayidehou

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Abstract

This paper analyzes how agricultural capital flows in West Africa impact the availability of food at the country level. We examined data on food availability in West African states from 2000 to 2017 and performed a linear regression and a hierarchical agglomerative clustering. We found that while both FDI and agricultural exports increase food availability in a country, only multilateral aid targets the caloric deficit while only bilateral aid targets total food availability. From a policy perspective, this paper argues for a focus on agricultural FDI and exports, complemented by development aid, to promote food security in West Africa.

Introduction

According to the World Food Summit of 1996, food security is defined as “... when all people, at all times, have physical, social and economic access to sufficient, safe and nutritious food to meet dietary needs for a productive and healthy life” (UN, 2014). Food insecurity is therefore the absence of these conditions. Over decades now, the global food security has been a major challenge for global communities to manage. About 821 million people across the world suffered from hunger in 2018 according to the United Nations. With the world population fast growing, we would need to provide food for an estimate of 9 Billion people by the year 2050 (Breene, 2016). This means that the number of people suffering from hunger would further increase over years; as a result, we should place more urgency on resolving this issue.

The major contributing factors to the inability to meet food security range from a fast population growth, climate change, water scarcity, a decrease in the number of farmers, high cost of farming (Breene, 2016) and political instability in many countries (Maxwell, 2012). Policymakers and global leaders are committed to ending hunger and have codified this effort through the Millennium Challenge Goals, the Sustainable Development Goals, and the UN’s Zero Hunger Challenge.

In order to meet these goals, policy makers have invested into initiatives to fund the agricultural sector and engaged in partnerships with farmers and major stakeholders to bring forth comprehensive solutions to improve the global food production. This analysis will focus on the availability of food in the region of West Africa. We seek to understand how capital flows in the agricultural sector influence the availability of food in West African countries.

Data

Data Collection Method

We are using six sets of data which originate from the Food and Agriculture Organization of the United States (FAO). All five datasets are time series and range from 2000 to 2017. The first dataset is the aggregated data of Development Aid Disbursement (DevAid), which is arranged by bilateral, multilateral and private

donors across all West African countries. The DevAid data was last updated on January 26, 2019 and was obtained by FAO through the Credit Reporting System (CRS). The DevAid data is composed of data on the amount of aid disbursed for basic nutrition and food aid and food security programs, measured in 2016 USD millions.

The second dataset is the Foreign Direct Investment (FDI), which is measured in terms of 2016 US Millions of dollars. This dataset was last updated on November 11, 2019 and covers the total FDI inflow and outflows to and from developing countries in the West Africa region. This dataset was collected by the United Nations Conference on Trade and Development (UNCTAD), The International Trade Centre (INTRACEN), the Organization for Economic Co-operation and Development (OECD) and the International Monetary Fund (IMF) Balance of Payments Manual. Both the DevAid and FDI datasets are from the FAO data group of Development Flows to Agriculture.

The third dataset is the Average Dietary Energy Supply Adequacy (ADESA) from the FAO's Suite of Food Security Indicators which was last updated on October 11, 2019. It is represented in a three-year average format and is indicated as a percentage (FAO 2019). The dietary energy supply is determined by each country's average supply of calories for food consumption of the population.

The fourth and fifth datasets are presented as imports and exports of crops and livestock products. Both exports and imports include the total of aggregated agricultural products by country on an annual basis. These datasets were last updated on October 9, 2019. This agricultural trade data was collected corresponding to the Standard International Merchandise Trade Statistics Methodology; the main providers of this data are UNSD and Eurostat, but other providers are involved if needed for non-reporting countries or missing cells (FAO 2019).

The sixth and last data set is the Depth of Food Deficit (Depth) and originates from the World Bank Data Development Indicators, which were sourced from the FAO's Food Security Statistics and last updated on December 4, 2019. The key indicator in this dataset is represented in kilocalories per person per day, based on the number of calories needed per day to lift the undernourished population from this category when everything else remains the same.

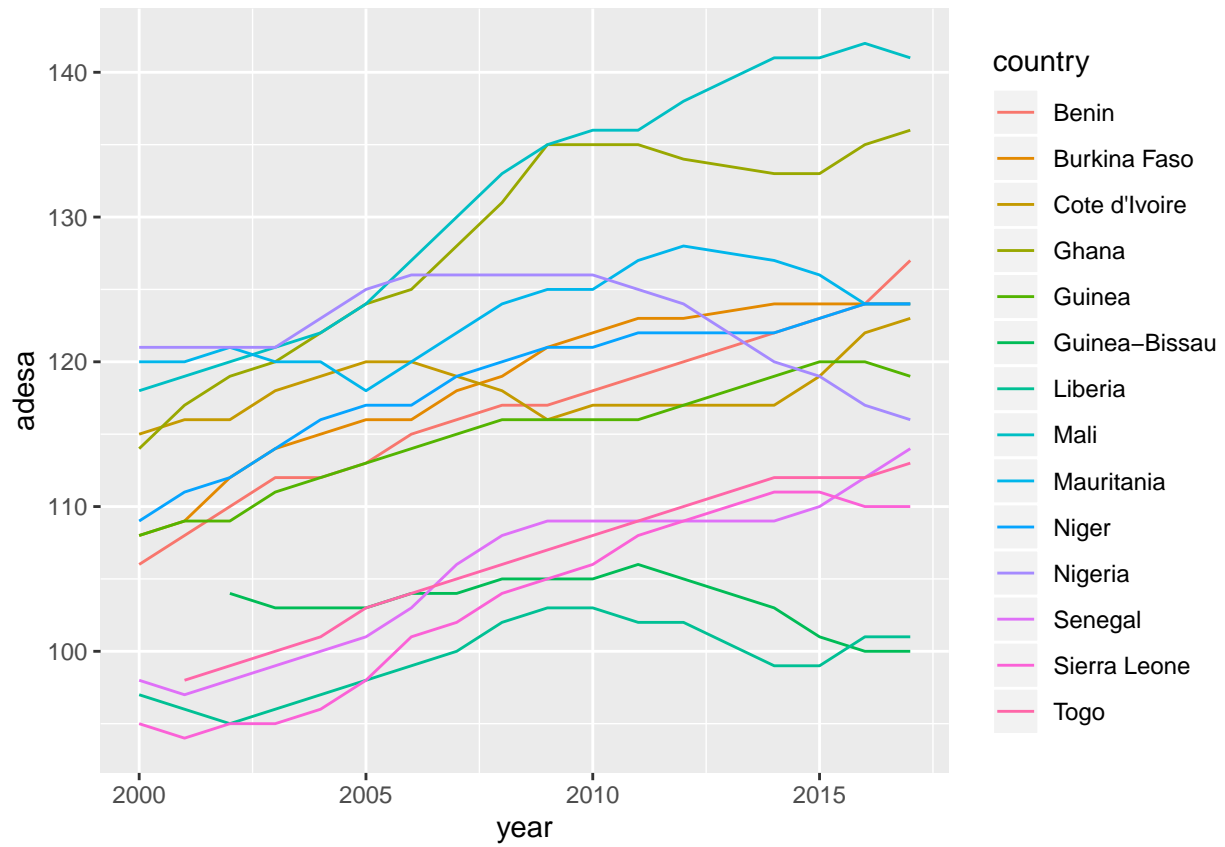
Data Cleaning

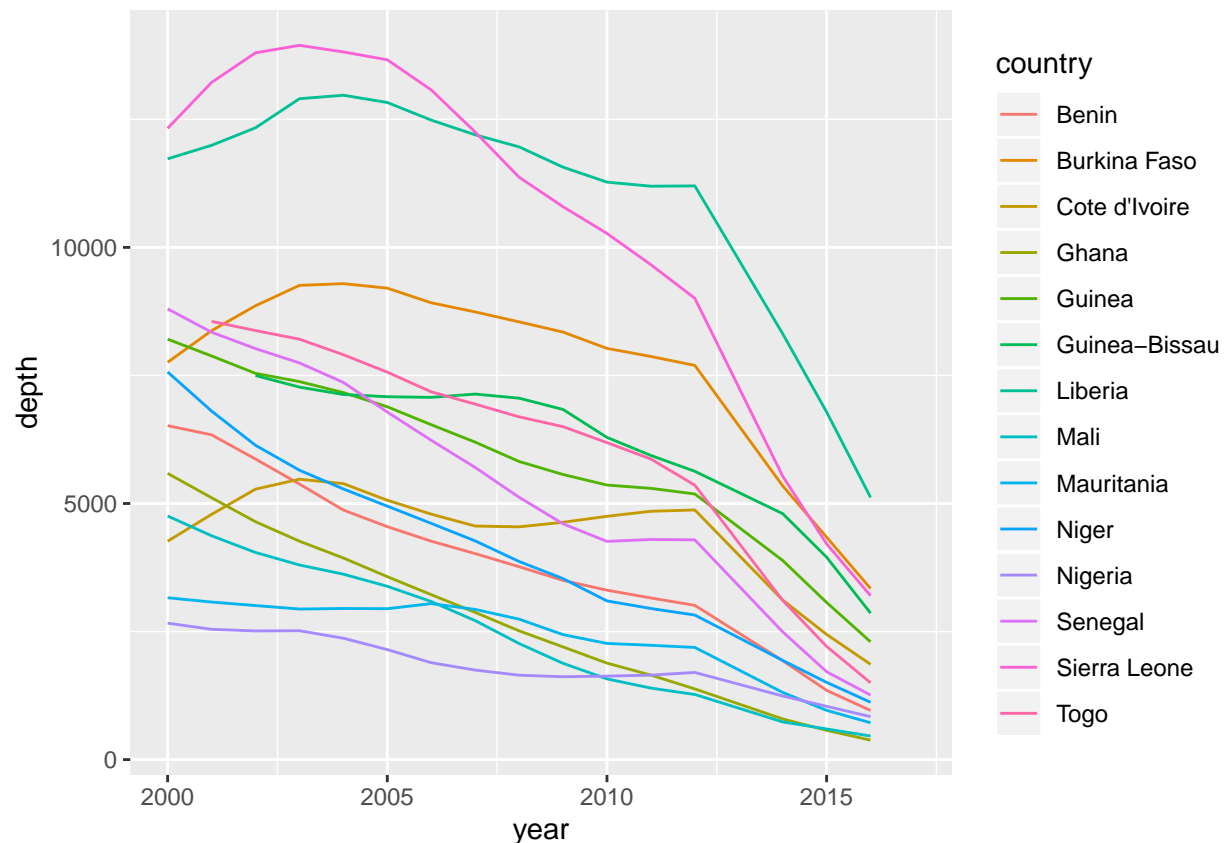
As a first step we removed all duplicative unique identifiers, such as element, element code, and year code. Following this step, a consistent codebook nomenclature was created across the six datasets. For example, where `year` is a variable in all datasets, we renamed the variable to `year` for consistency. Unique values that pertain to each dataset's core purpose were also renamed so that the variables are in lowercase format. Most importantly, the names of variables were transformed in an intuitive manner for our analysis purposes. The following codebook [link](#) shows the transformations for our final dataset.

Linear Regression

Initial Time Series Trends

Prior to formally testing our hypothesis, we executed exploratory `ggplots` to view the shape of our explanatory and response variables, as shown below. These graphs led us to consider a basic linear regression to fit our analysis, and this type of regression built upon our prior knowledge of statistical methods.





Linear Regression Results

```
## Response depth :
##
## Call:
## lm(formula = depth ~ bilateral + multilateral + fdi_net + exp_value +
##     imp_value, data = agriculture)
##
## Residuals:
##      Min       1Q   Median       3Q      Max
## -4949  -2053   -180    1384   7662
##
## Coefficients:
##              Estimate Std. Error t value Pr(>|t|)
## (Intercept)  6295.3741   351.0691  17.932 < 2e-16 ***
## bilateral    -14.9188    20.1343  -0.741  0.45980
## multilateral -71.0741    31.0665  -2.288  0.02345 *
## fdi_net       -0.5423     0.2037  -2.662  0.00855 **
## exp_value     -0.3312     0.1592  -2.081  0.03905 *
## imp_value     -0.3640     0.2386  -1.526  0.12902
## ---
## Signif. codes:  0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1
##
## Residual standard error: 2700 on 161 degrees of freedom
```

```

## (68 observations deleted due to missingness)
## Multiple R-squared: 0.2564, Adjusted R-squared: 0.2333
## F-statistic: 11.1 on 5 and 161 DF, p-value: 3.333e-09
##
##
## Response adesa :
##
## Call:
## lm(formula = adesa ~ bilateral + multilateral + fdi_net + exp_value +
##     imp_value, data = agriculture)
##
## Residuals:
##      Min       1Q   Median       3Q      Max
## -19.6206  -6.6908   0.1056   6.2303  24.6378
##
## Coefficients:
##              Estimate Std. Error t value Pr(>|t|)
## (Intercept)  1.094e+02  1.143e+00  95.716 < 2e-16 ***
## bilateral    2.374e-01  6.556e-02   3.621 0.000392 ***
## multilateral  1.929e-01  1.012e-01   1.907 0.058322 .
## fdi_net       3.311e-03  6.632e-04   4.992 1.54e-06 ***
## exp_value     1.660e-03  5.183e-04   3.203 0.001638 **
## imp_value     -1.253e-03  7.767e-04  -1.613 0.108781
## ---
## Signif. codes:  0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1
##
## Residual standard error: 8.79 on 161 degrees of freedom
## (68 observations deleted due to missingness)
## Multiple R-squared: 0.3302, Adjusted R-squared: 0.3094
## F-statistic: 15.88 on 5 and 161 DF, p-value: 1.061e-12

```

When caloric deficit decreases by 1,000 per person per day, we see the multilateral donor flow increase \$71,074,1000, foreign direct investment in agriculture increases \$331,000 and the export value increase by \$542,300. For this model, the residual 3rd and 4th quartiles reveal outliers. For example, the max in this model is 7,662.

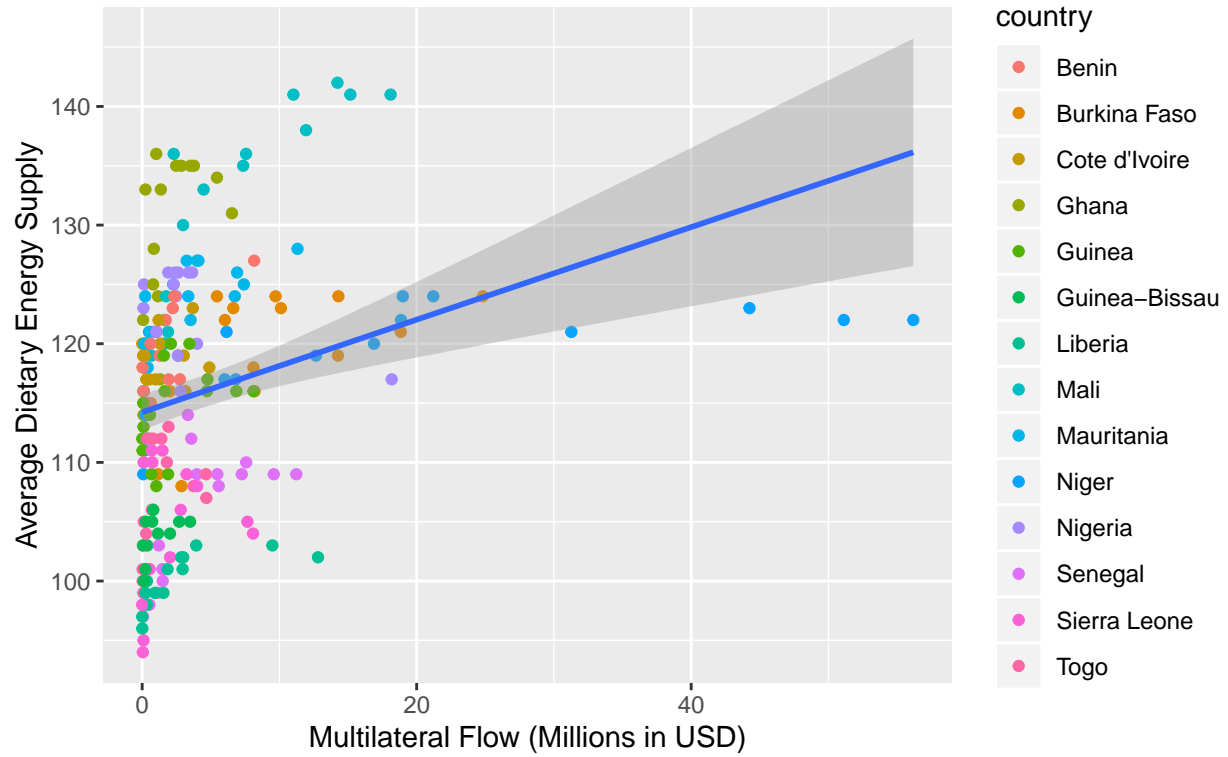
When the percentage of average food energy source availability increases, we also see the bilateral donor flow increase by \$237,400, federal direct investments increase \$3,311 and export value increase by \$1,660. This model's residuals do not have as many outliers as the depth model.

This model leads us to suggest that in order to target those most in need, policymakers should likely focus on multilateral aid flows. However, when aiming to increase food availability at the country-level, bilateral aid is likely a more worthwhile focus.

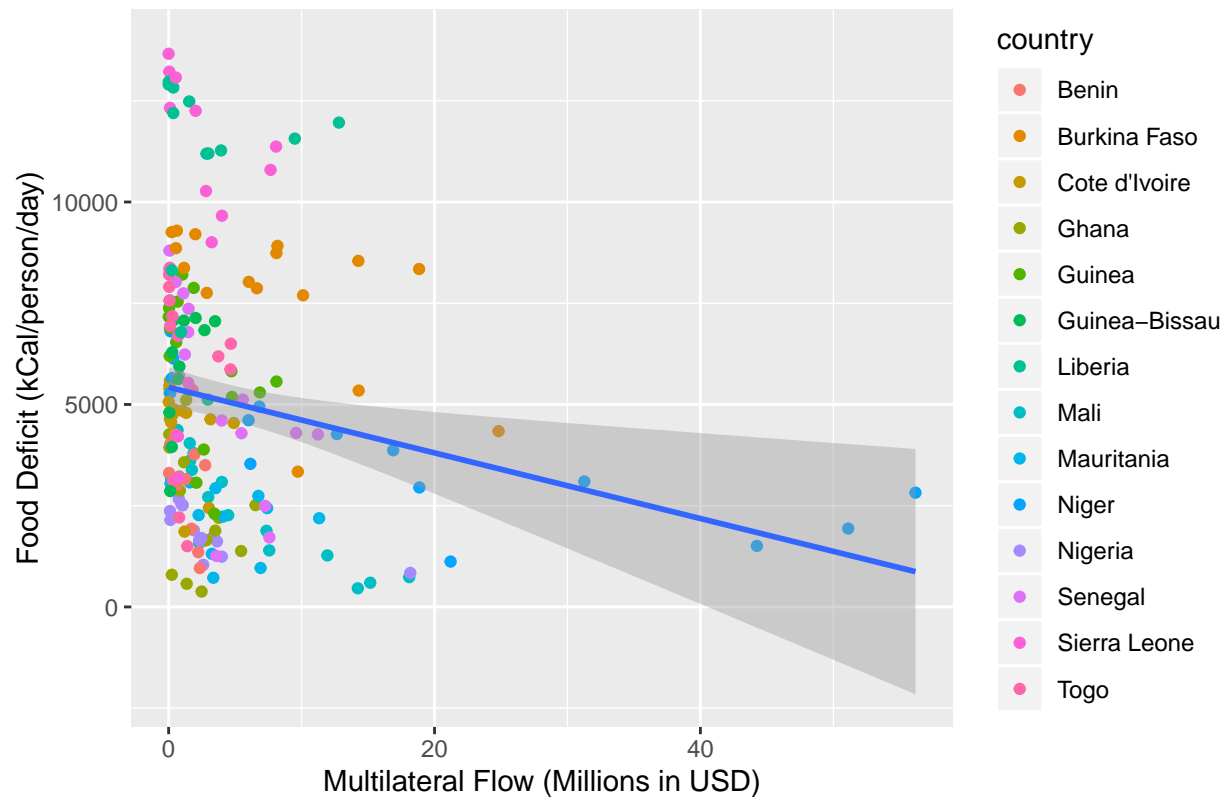
However, it is not that simple. This model produces an r-squared value of 0.2564 for caloric deficit and 0.3302 for average food energy source availability. These r-squared values show that this pattern is not entirely linear. To improve on this model, we would run a quantile regression to ensure that the model appropriately handles outliers such as Niger, as seen in Mali for the average food energy source availability and Niger for the caloric deficit.

To validate this finding, we also fit the regression on a line graph with smoothing features. These graphs depict how an increase in exports, FDI, and bilateral or multilateral aid increase available food for populations experiencing hunger across West African countries.

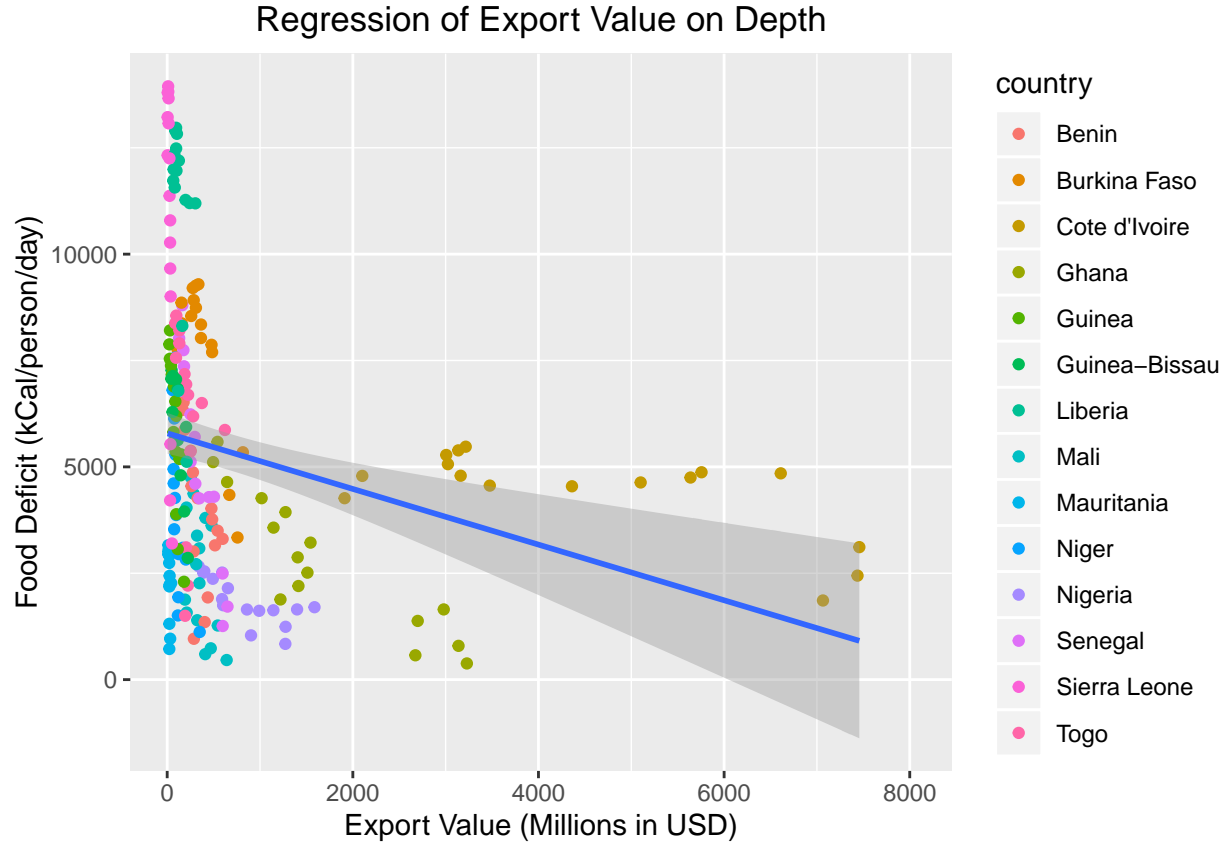
Regression of Multilateral Flow Value on ADESA
Average Dietary Energy Supply Adequacy (Percentage)



Regression of Multilateral Donor Flow on Depth





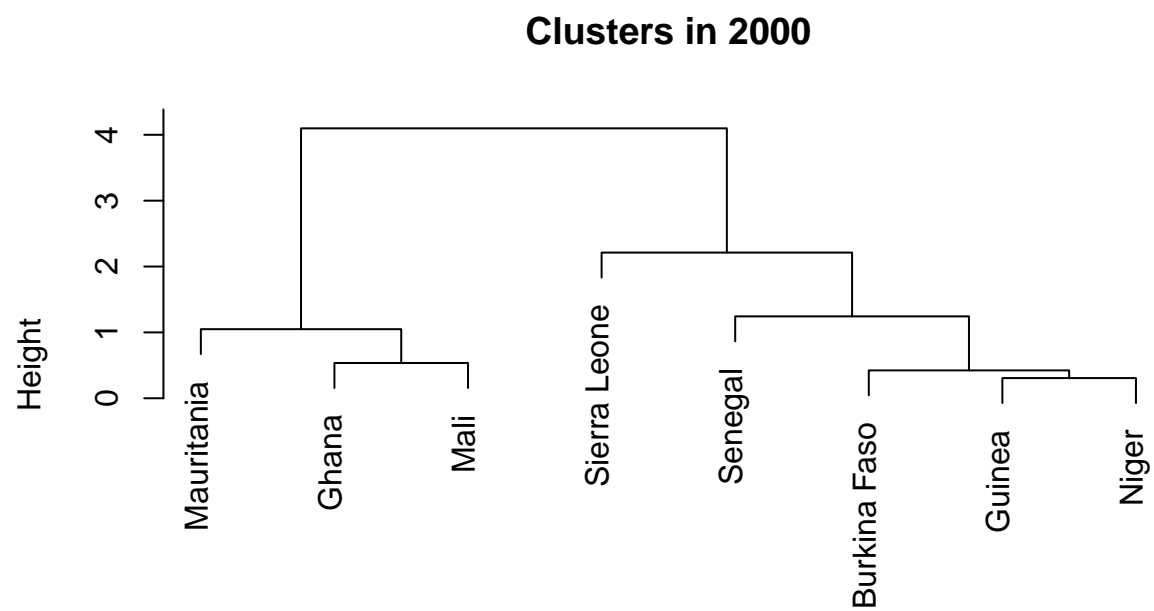


Cluster Analysis

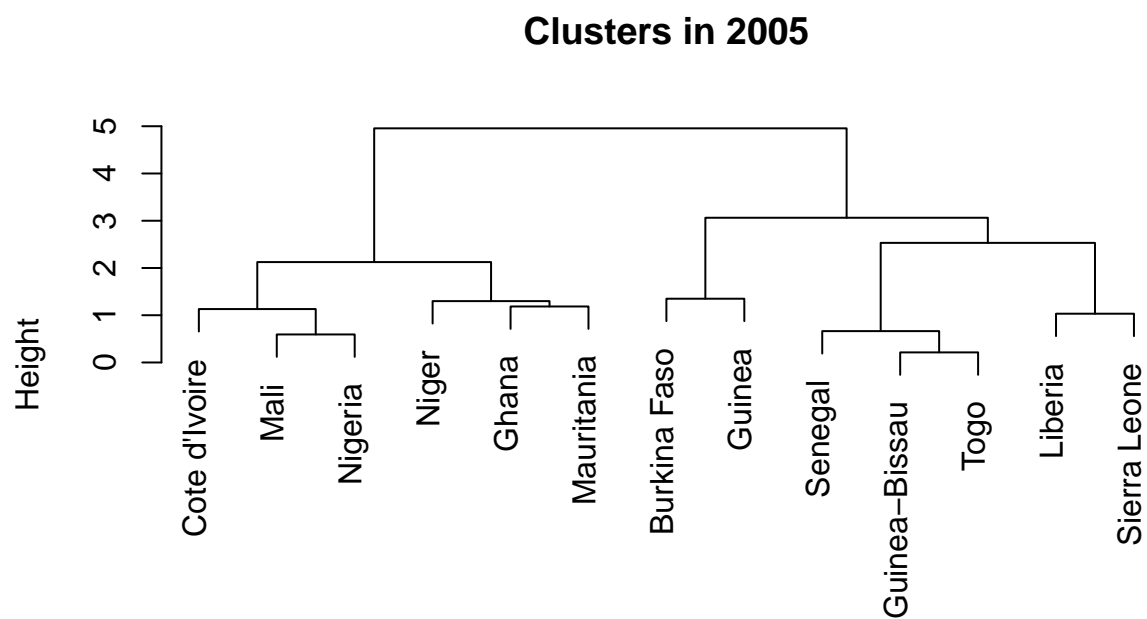
To more closely examine the trends uncovered by the linear regression model, we decided to complete a cluster analysis to examine how the different states have shifted in relation to each other. This analysis could potentially reveal additional information on how capital flows have impacted similar states. We focused on bilateral and multilateral development flows, as they contained the most complete data and clustering is ineffective with significant amounts of missing data. Due to the relatively small sample size, we utilized a hierarchical agglomerative method clustering process as it can identify nuance in small-n datasets which are harder to trace through k-means clustering.

This process examined the shifts in clusters at four time markers: 2000, 2005, 2010, and 2015. These time periods were selected as they contain most of the data, avoid incomplete data, and prevent an oversaturation of the dendrogram. The results are summarized in dendrograms created through `hclust`, with the closeness between clusters summarized through the `height` variable on the Y-axis.

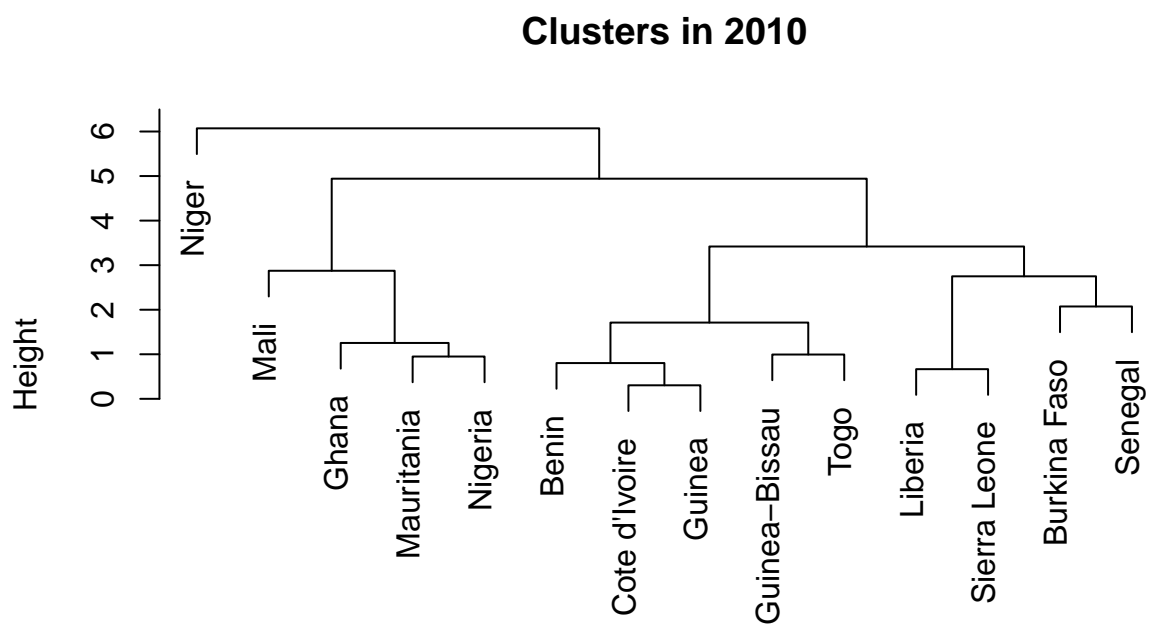
Overall, we see countries moving further apart from each other as the millennium progressed. This is represented by the maximum height value moving from 4.0979373 in 2000 to 7.3082381 in 2015, a change of -3.2103008. We can also examine Baker's Gamma correlation coefficient to determine the level of similarity between two dendrograms. Due to the varying size of the dendrograms, it is only possible to compare figure 3 and figure 4. Between these we find a Baker's Gamma correlation of 0.6811645. This correlation coefficient indicates a strong similarity between the two models, though they are not exactly the same. While this correlation coefficient doesn't account for height, we also see a change in similarity between the two years of -1.2373249 as Niger continues to pull away from additional countries. Thus, while we see most countries experiencing similar effects of multinational and bilateral development aid, their paths have diverged over time.



```
clust2000  
hclust (*, "complete")
```



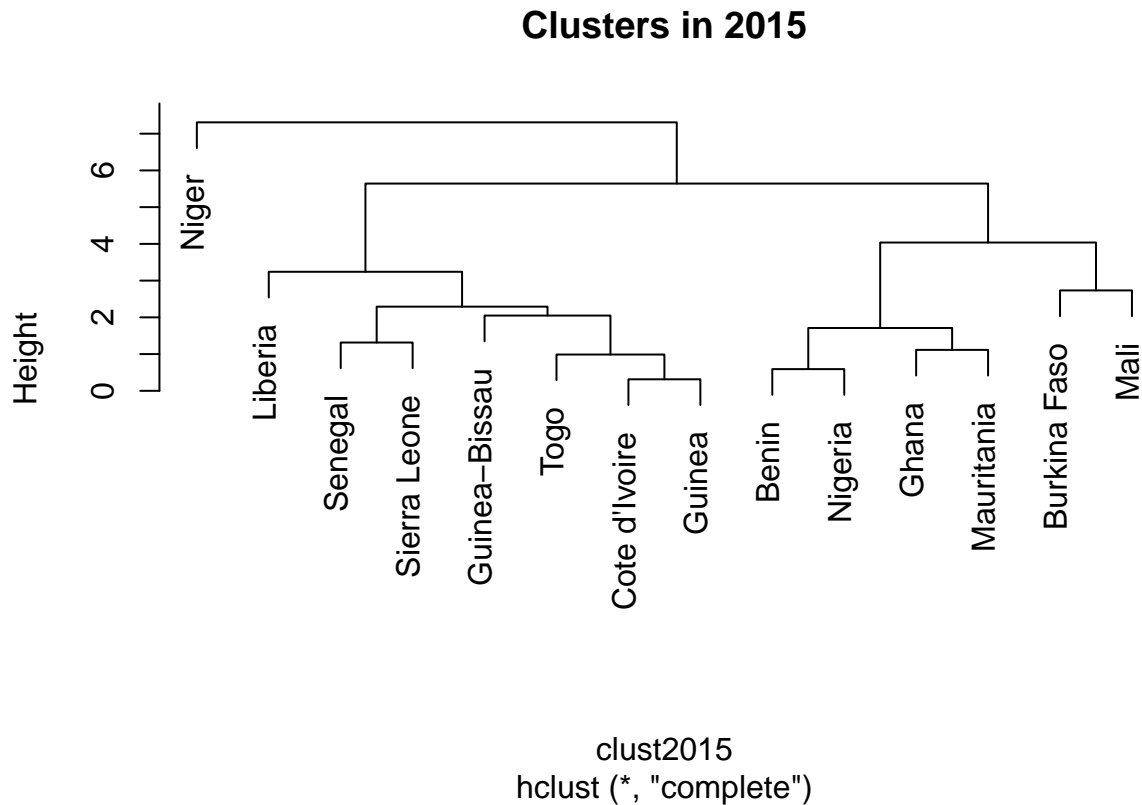
clust2005
hclust (*, "complete")



```

clust2010
hclust (*, "complete")

```



Caveats and additional notes

Our study includes several caveats, which we would like to address in this section. These caveats are evaluated in terms of data collection, data cleaning, and analysis.

Collection

This data was gathered by the Food and Agriculture Organization of the United Nations (FAO). While the FAO indicates that most of its data is from a third party which often has its own data integrity standards, our team does not know the exact data collection methods and decisions made in the moment. For this reason, we acknowledge that there may be unknown sources of collection bias. To help mitigate these effects, we reviewed the codebook for each data set.

Growth domestic product (GDP) is not included in this dataset. While GDP is a commonly used variable when examining country-level growth, we chose to focus on capital flows. Policymakers have several policy levers at their disposal which can impact capital flows, such as banking regulations or legislation. We included capital flows instead of GDP to focus on the relationship between policymakers and nutrition outcomes.

Cleaning

To clean this dataset, we kept `country` and `country_code` as the unique identification variables for each observation. This decision relies on the assumption that country would be the main variable by which we would need to use numerical identification as fallback.

During the cleaning and merging process, (placeholder for Ivory coast) stood out as an observation that was inconsistently spelled across the distinct datasets. To avoid editing the excel sheet, we reconciled this inconsistent spelling by editing the `country` column from a factor to character. Then, we replaced the existing spelling with NA. After this, we replaced NA with the alternative spelling.

The USD values for the Foreign Direct Investment (FDI) dataset were adjusted from 2010 USD values to 2016 USD values. This adjustment was made in light of the Development Aid (DevAid) dataset, which included 2016 USD values. We could have adjusted the DevAid values to 2010, but decided to use the most recent value of 2016 instead. This logic also considers that our dataset includes years from 2000 to 2017.

The Crops and Livestock Import and Export (Trade) datasets included import and export values in units of thousands, while the other four datasets of this study were in units of millions. To reconcile this difference, we divided the trade values `exp_value` and `imp_export` by 1,000 so that these values would be represented in millions.

Analysis

Our analysis includes a linear regression and cluster analysis. While we did attempt to. execute a Bayesian regression at the beginning of the study, our final study does not include this analysis. We recognize that a Bayesian regression method may have been a more robust analysis method. However, due to our levels of statistical experience and background, we executed a multivariate linear regression. To continue to increase our knowledge in statistical methods, we focused on pushing our newly gained knowledge from the course via the cluster analysis.

The linear regression in our study excludes a flow type, `private`. The `private` observations were omitted from the regression due to their low n-size and minimal contribution to the exploratory Bayesian regression method mentioned above.

Conclusion

This analysis shows that as agricultural FDI and exports increase, so does food availability in West Africa. Additionally, based on the observations in this model, a moderate investment in multilateral aid through organizations such as the World Bank, the World Food Program, or the United Nations Development Program could significantly reduce the caloric deficit. In turn, the use of bilateral aid shows an increase the general availability of food in a country, supporting each facet of the population. Examining the results of the agglomerative clustering model can help creating multinational food security plans which build upon complementary experiences of states, while highlight those who may be diverging from the whole and require more nuanced programming.

Moving forward, additional research should focus on the nutritional status of individuals and whether gains in food availability are experienced equally across the population. It may be the case that populations are eating enough calories, but not consuming healthy numbers of micro and macro nutrients, or that gains in food availability are only experienced by specific segments of the population.

Bibliography

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