

Format Conversions for Open Source Data Mining Implementation in Digital Economy Ranking

Mădălina ZURINI

Academy of Economic Studies, Bucharest, Romania

madalina.zurini@gmail.com

The terms of digital economy and e-readiness are introduced and presented in the present area of evolution of economy stage within Europe and not only. The main aspects treated in the European University Institute ranking for e-readiness are briefly covered. An open source convertor for excel to arff file format is presented and used in the purpose of input transformation for using Weka Data Mining, an open source tool. The framework of ExceltoArff tool is demonstrated in a practical use, the one of 70 countries registrations of EUI Ranking.

Keywords: *Conversion Process, Open Source, Digital Economy, Clustering Analysis, EUI 2010 Ranking*

1 Digital economy ranking

Knowledge society represents a new stage in human evolution, a superior quality lifestyle that involves intensive use of IT in all spheres of human activity, with major social and economic changes. Democracy, communication, understanding and cooperation are the main characteristics of this society, which makes knowledge society to be based on the multitude resources offered by Internet access.

Digital economy is defined in [2] by the changing characteristics of information, computing and communication, transforming it into the driver of economic growth and social change. Since 1998, the US Department of Commerce issued The Emerging Digital Economy, where it was recognized the accelerating importance of the Internet and e-commerce. There is considered to be a strong relation between e-commerce and the digital economy itself. Major studies revealed the fact that digital economy is widely spread within e-commerce.

E-readiness, as seen in [1], is the ability of a country to use information and communication technologies in order to develop its economy. Starting from the need of measuring the level of e-readiness along the countries from all over the globe, UNPAN, World Bank and Economist Intelligence Unit first calculated macro

indicators, called e-readiness indices, which helped in evaluating the impact given by ITC within a specific territory.

Since 2000, the world's largest economies were introduced in a global study regarding the impact given by the use of ITC upon the consumers, businesses and governments.

In the EUI e-Readiness ranking, first called, later Digital Economy Ranking, over 100 criteria, qualitative and quantitative, are evaluated for each country from the list of 70. Each criteria is scored, aggregated within every category defined, and also as a total, an average given as a whole. The categories available are:

- *connectivity and technology infrastructure* is associated to the need of reliable, convenient and affordable access to voice and data services;
- *business environment* is the ranking indicator which evaluates the general business climate;
- *social and cultural environment* is the characteristic analyzed along with the connectivity, the access;
- *legal environment* refer to the overall legal framework and specific laws regarding Internet use;
- *government policy and vision* is the indicator for the evaluation of the overall government area and the ability of it to lead towards a digital future;

- consumer and business adoption is the indicator which refer to the actual utilization of digital channels by people and the business companies.

All data presented in the following report are extracted from the Digital economy ranking 2010, available at [5]. In table 1, the six

characteristics with which 70 countries are being classified in EUI e-Readiness ranking, along with their subcategories are presented in Table 1. For each subcategory and also category a weight is given used for the ranking aggregation.

Table 1. Categories and subcategories weights

No.	Category	Subcategory	Sub Weights	Weights
1	Connectivity and technology infrastructure	Broadband penetration	15%	20%
		Broadband quality	10%	
		Broadband affordability	10%	
		Mobile-phone penetration	15%	
		Mobile quality	10%	
		Internet user penetration	15%	
		International Internet bandwidth	10%	
		Internet security	15%	
2	Business environment	Overall political environment	11.1%	15%
		Macroeconomic environment	11.1%	
		Market opportunities	11.1%	
		Policy towards private enterprise	11.1%	
		Foreign investment policy	11.1%	
		Foreign trade and exchange regimes	11.1%	
		Tax regimes	11.1%	
		Financing	11.1%	
Labor market	11.1%			
3	Social and cultural environment	Education level	20%	15%
		Internet literacy	20%	
		Degree of entrepreneurship	20%	
		Technical skills of workforce	20%	
		Degree of innovation	20%	
4	Legal environment	Effectiveness of traditional legal framework	30%	10%
		Laws covering the Internet	25%	
		Level of censorship	10%	
		Ease of registering a new business	25%	
		Electronic ID	10%	
5	Government policy and vision	Government spend on ICT	5%	15%
		Digital development strategy	25%	
		E-government strategy	20%	
		Online procurement	5%	
		Availability of online public services for citizens	15%	
		Availability of online public services for businesses	15%	
		E-participation	15%	

No.	Category	Subcategory	Sub Weights	Weights
6	Consumer and business adoption	Consumer spending on ICT per head	15%	25%
		Level of e-business development	10%	
		Use of Internet by consumers	25%	
		Use of online public services by citizens	25%	
		Use of online public services by businesses	25%	

The main objective of the present paper is to realize a classification and clustering analysis upon the digital economy ranking without using the weights for the principal characteristics used for ranking, meaning that the aggregation indicator is not applied for the clustering, but will be used for the validation of the new classification type.

2 Excel to arff open source convertor

In [6], the concept of open source software is defined as a free program distributed in which source code is open and visible and its main features are:

- free distribution– restriction is not permitted by license;
- source code – it should be included and open to a product distributed through open source;
- changes made on these products can be made and the resulting programs can themselves be distributed;
- the integrity of the author's code meaning that the product's license shows clearly whether the programs resulting from changes can be distributed with the same name as the original product or not;
- lack of discrimination – license does not discriminate any group of persons or areas in which the product is intended to be used.

Referring to the need to identify a correlation between the characteristics analyzed for the Digital Economy Ranking, and open source

was needed to convert an excel file into an ARFF, format needed for the data mining analysis. This program is available at [7].

The ARFF, Attribute-Relation File Format, presented in [8], consists in the following parts:

- header information;
- data information.

The header information part contains the name of the relation, the list of attributes, along with their type, as presented in the example below.

```
@RELATION test
@ATTRIBUTE attribute1 NUMERIC
@ATTRIBUTE attribute2 {YES, NO}
@ATTRIBUTE attribute3 DATE "yyyy-MM-dd HH:mm:ss"
```

For the data information, after the keyword @DATA, the list of data, the values accorded for each instance to the attributes described in the header part. The specific format is:

```
@DATA
13, YES, "2001-04-03 12:12:12"
12, NO, "2001-05-03 12:59:55"
```

In order to form an ARFF, using EXCELtoARFF open source, the file path must be indicated, a .xls format. Loading the Data Source, in the left side of the application, the data from the Excel specified sheet appears on the screen, as in Figure 1.

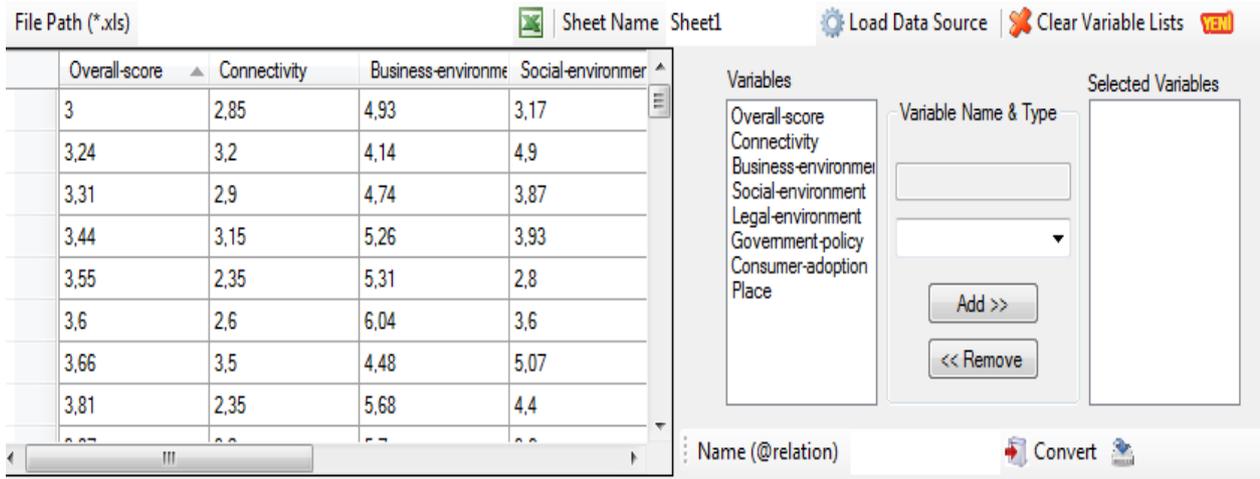


Fig. 1. Excel data load

The next step, is to configure the heading part from the ARFF file, this leading to the right side of the framework from figure 1. The left list of variables are the variables named in the excel file, list that is automatically extracted, as each column heading name. The right list is the list of the name of attributes that will be used in the ARFF heading part. Clicking on a variable name, the type can be selected, as real or

string.

In Figure 2, the variable Overall-score is selected for configuration, choosing the real type, and automatically named Overall-score|R|O, a standard prefix used, 'R|O'. Clicking on the Add button, the variables is set for the ARFF file. Each variable must be selected to be added in the ARFF file, along with its type.

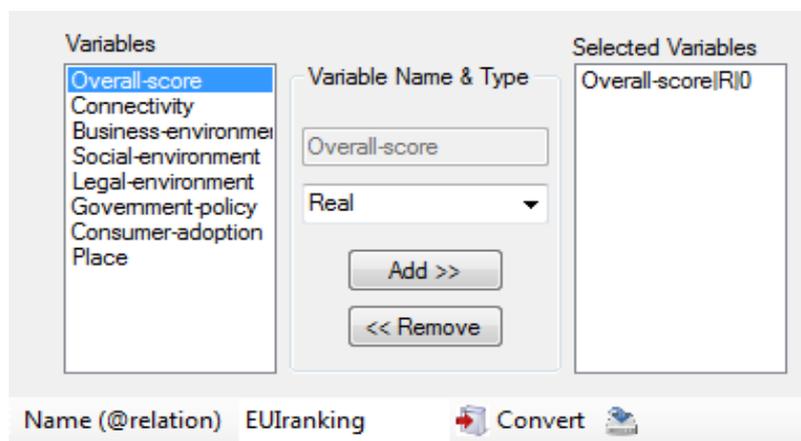


Fig. 2. Arff Header part configuration

Last, selecting the name of the @relation, in our case 'EUranking', the Convert button can be clicked, generating, in the bottom part of the window, the ARFF file. In the

meantime, it can be saved at a specific path, choosing the button right from the Convert one. The header and data parts generated are presented in Figure 3.

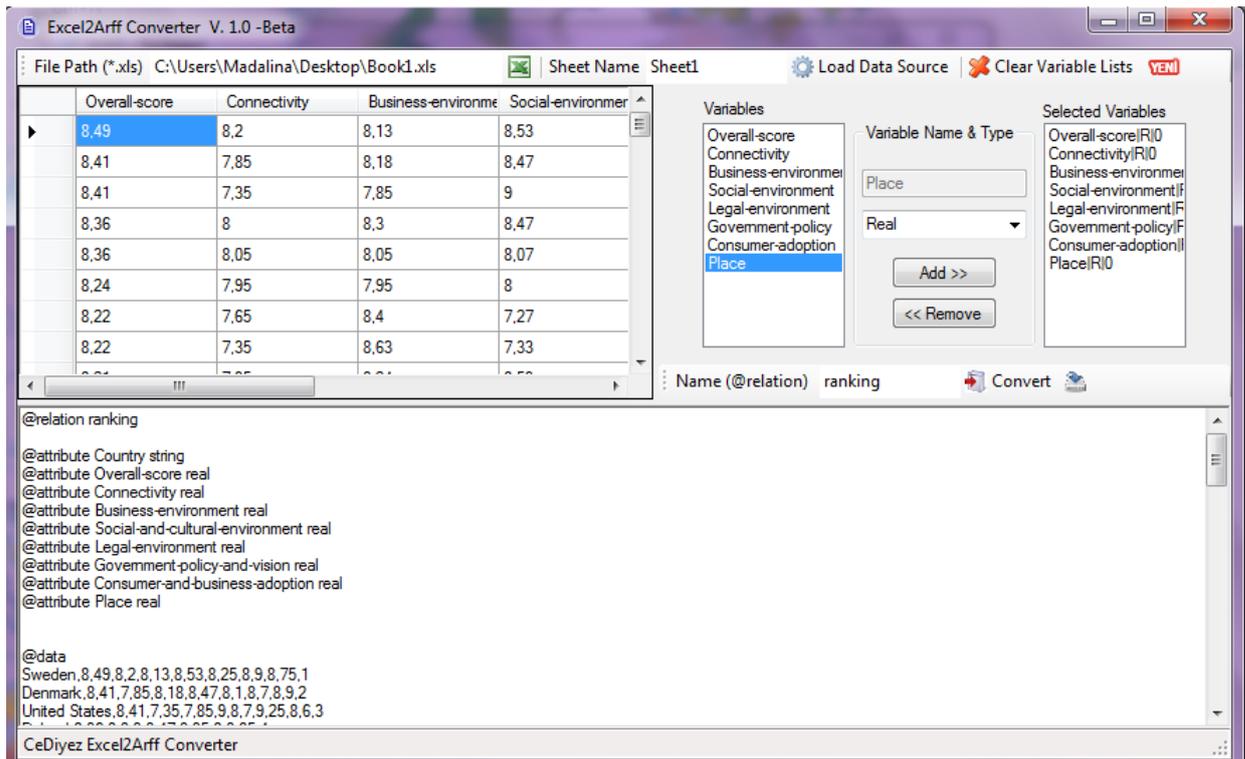


Fig. 3. Arff file Convert

This conversion is done with no loss of information. The difference between the excel file and the arff one, is the one given by the specific header that the ARFF needs in order to determine the meaning of the data that follows it. The new file format generated, the next step, the one of data mining process, is done using another open source tool, Weka Data Mining, tool presented in the next chapter.

3 Weka Data Mining open source tool

Weka, Waikato Environment for Knowledge Analysis, is a suite of machine learning software, developed by University of Waikato, New Zealand, with the website [10]. The available operations that can be achieved in Weka open source tool are:

- preprocessing phase;
- data classification;
- data clustering;
- association rules;
- attribute selection;
- data visualization.

In the present section, all 6 phases available within Weka software are illustrated with the data generated by ExceltoArff convertor, the ARFF file containing six characteristics for each 70 countries analyzed. For the first step, the preprocess one, data must be indicated, meaning the ARFF file containing the relation, attributes description and data information. Figure 4 reveals the preprocess step, after inserting the path file for Digital Economy Ranking data file.

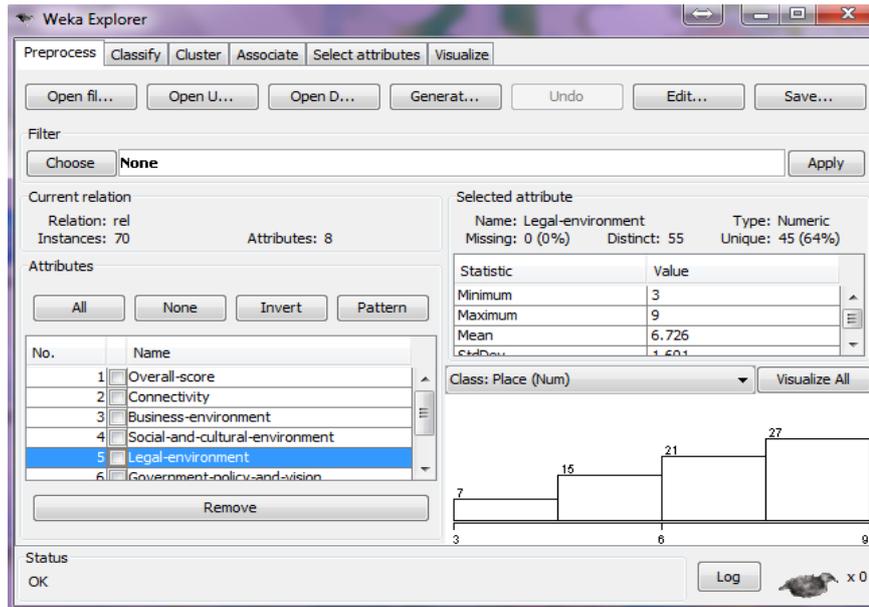


Fig. 4. Preprocessing phase

For a deeper view, Figure 5 contains the statistic indicators calculated for each characteristic. The minimum value for connectivity is situated for Nigeria, 62th place, while the maximum value of 8.2 is

pointed for Sweden, the country situated in the first place. The mean value of the 70 countries is 5.1, with a standard deviation of 1.964.

Name: Connectivity		Type: Numeric
Missing: 0 (0%)	Distinct: 55	Unique: 45 (64%)
Statistic	Value	
Minimum	1.75	
Maximum	8.2	
Mean	5.165	
StdDev	1.964	

Fig. 5. Statistic information for connectivity characteristic

Other information available in figure 4 is the one relating the attribute type, name, as:

- name, the name of the attribute selected;
- type, the attribute type, that can be real, string;
- missing, the percentage of missing values of the specific attribute;
- distinct, the number of distinct values that attribute analyzed has;
- unique, the number and percentage of instances in the data having a value for this attribute that no other instances have.

The filter section allows working with filters upon the data, already created filters, or ones implemented by the users. The types of filters available are:

- supervised;
 - unsupervised.
- The supervised filters are also divided into:
- attribute filters, such as add classification, attribute selection, nominal to binary;
 - instance filters, like stratified remove folds.
- For the unsupervised filters, attribute and instances are available to. For the attribute type are present:
- add, add expression, add id, add noise, add values;
 - center;
 - copy;
 - discrete;
 - nominal to binary;

- nominal to string;
- kernel;
- reorder;
- standardize.

When it comes to unsupervised filters for the instances, the following types occur:

- remove folds;

- normalize;
- randomize;
- resample;
- remove range;
- remove percentage.

The filters being applied, we move to the clustering zone, presented in Figure 6.

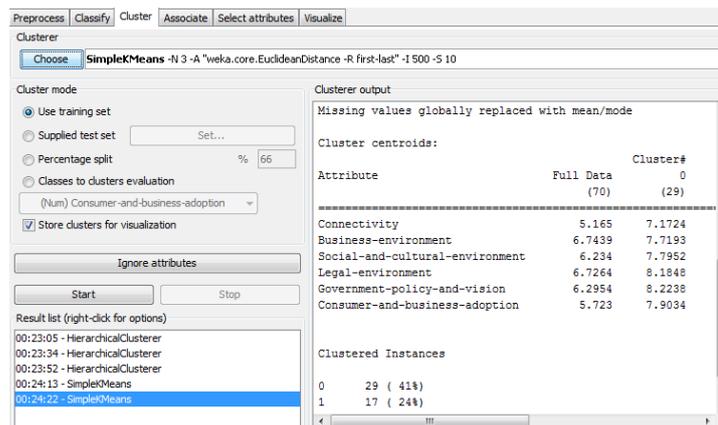


Fig. 6. Clustering analyses in Weka

First, a cluster type is chosen, from the available list:

- Farthest First;
- Filtered Clustered;
- Hierarchical;
- Simple k Means;
- X Means.

A selection of attributes ignoring can be applied. The output of the clustering contains:

- the number of iterations needed for the clustering process;

- the sum of squared errors within cluster;
- clusters centroids;
- percentage of instances associated to each cluster.

For each relation between the characteristics available, a 2D graphic is formed, for the X axis a characteristic, and for the Y axis another chosen characteristic. Each point from this XOY space has different colors, indicating the membership to its cluster, as in Figure 7.

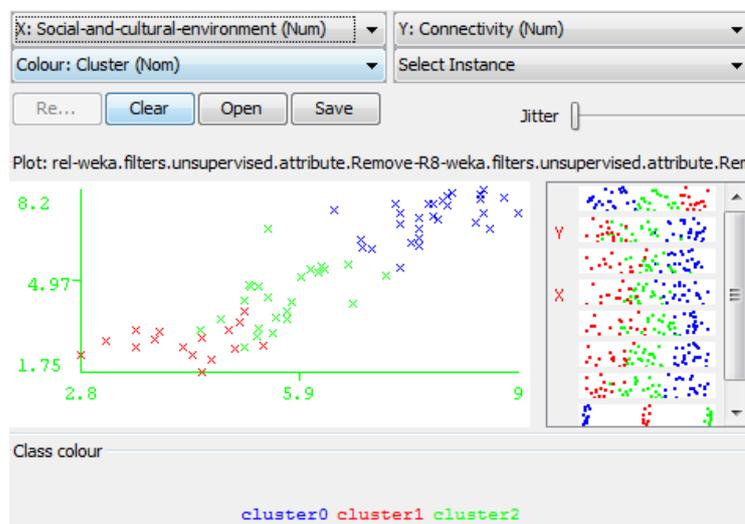


Fig. 7. Two attribute clustering membership

Attribute selection Weka components deals with principal components analysis, analysis done in order to minimize the redundancy among the information within the instances from the relation. For the example of Digital Economy Ranking, the six characteristics saved are transformed with 3 new vectors

used for information explanation, ranked attributes. A transformation expression is generated for attribute to eigenvectors conversion, with as less as possible loose of information, but with a lowering in the total dimension of data. In Figure 8, the eigenvectors generated are available.

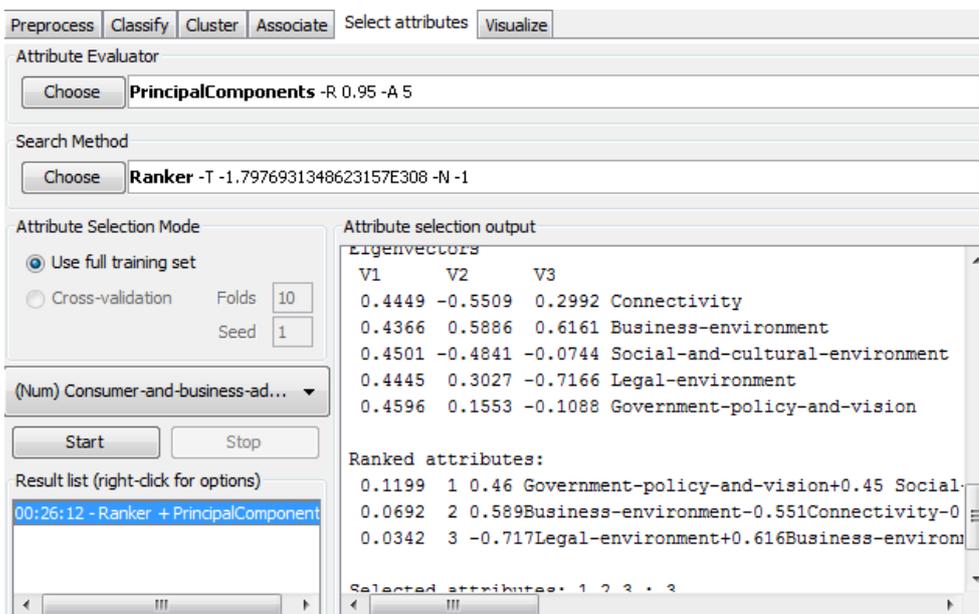


Fig. 8. Weka principal components stage

As for the last phase, the visualization offers a 2D spatial representation of the interaction between the attributes analyzed, Figure 9.

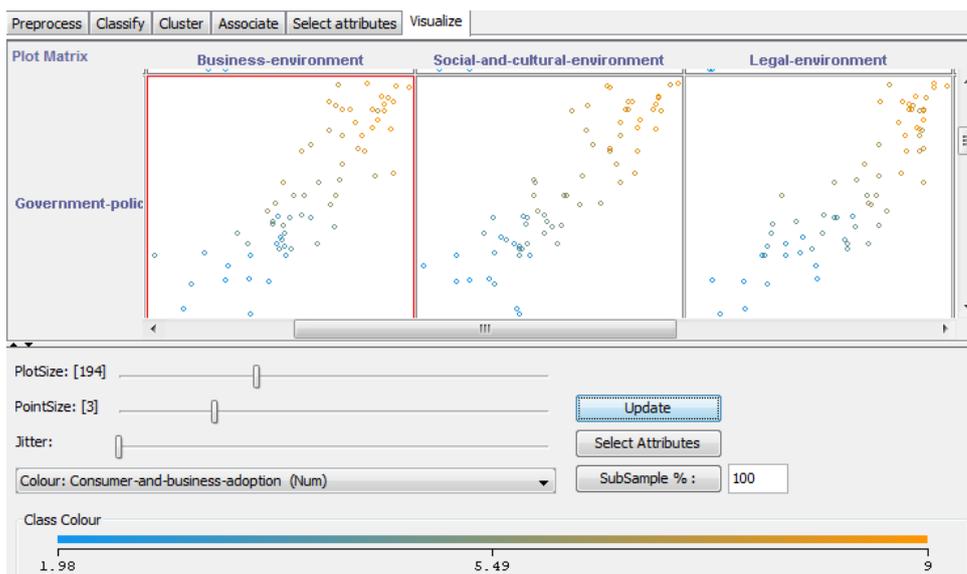


Fig. 9. Weka visualization stage

The advantages given by Weka open source include, as seen in [9]:

- freely available under GNU General Public License;
- portability;

- a collection of data preprocessing and modeling techniques;
- graphical user interfaces.

4 Implementation results

For an in-depth documentary concerning the suitable spatial models used in the process of classification, a brief overview of the main methods used in literature is done. Clustering analysis is the method used in data mining, information retrieval, pattern recognition and is a spatial representation model that is

defined as an assignment of a set of objects into smaller subsets, called clusters, by the similarity between the objects from the same cluster and the differences among the clusters.

Applying the k-means for the 70 registrations with the 6 characteristics, with a number of three clusters, the following centroids resulted from Figure 10. Cluster 1 is associated to the first 24 countries, cluster 2 is for the next 17 countries, while cluster 0 is formed out of the last 29 countries.

Cluster centroids:				
Attribute	Full Data (70)	Cluster#		
		0 (29)	1 (17)	2 (24)
Connectivity	5.2	7.35	2.85	4.3
Business_environment	6.765	7.82	5.31	6.45
Social_cultural_environment	6.12	7.8	4.53	5.55
Legal_environment	7.125	8.3	4.7	6.65
Government_policy_vision	6.1	8.5	3.95	5.6
Consumer_business_adoption	5.85	8.04	2.83	4.955

Fig. 10. Cluster's centroids for k-means algorithm

For a correlation example between two categories used for the present ranking, business environment, OX axis, and social

and cultural environment, OY axis, is formed in the graphic from Figure 11.

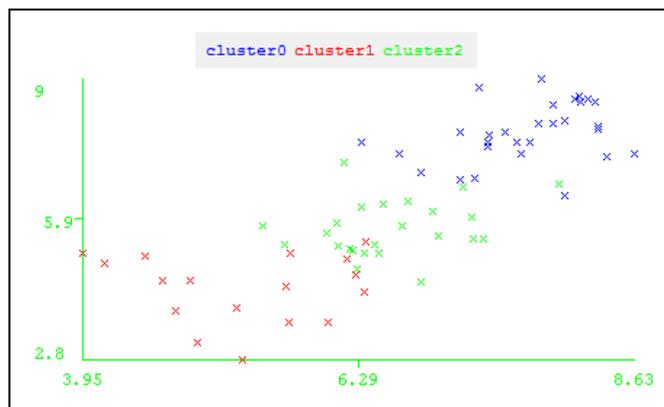


Fig. 11. Two characteristics clustering correlation

The following analyze is done using first the method of principal components extraction, called eigenvalues, from the six classification

available. Table 2 contains the cumulative percentage of information gathered in the characteristics.

Table 1. Eigenvalues

Value number	Eigenvalue	% Total variance	Cumulative Eigenvalue	Cumulative %
1	5,350651	89,17751	5,350651	89,1775
2	0,258739	4,31231	5,609389	93,4898
3	0,175240	2,92067	5,784630	96,4105
4	0,092788	1,54647	5,877418	97,9570
5	0,081287	1,35478	5,958704	99,3117
6	0,041296	0,68826	6,000000	100,0000

Selecting the first two eigenvalues, the next one obtained within the six characteristics 2D diagram includes the 70 countries and analyzed. total information of 93.48% from the total

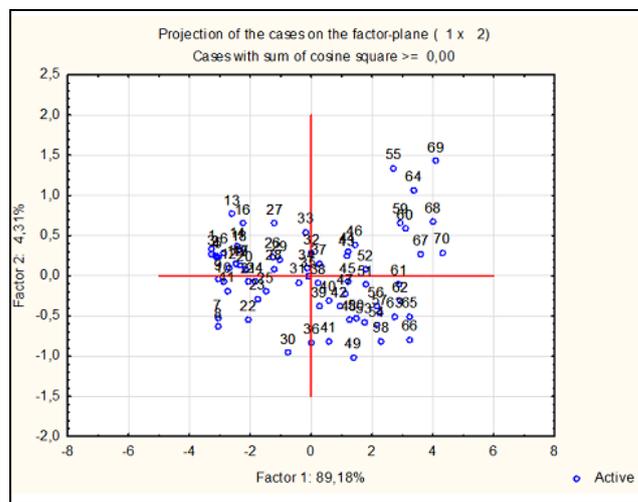


Fig. 12. Two eigenvalues graphic

It can be seen that, if only the first 2 new dimensions are selected, a percentage of 93 from the total information is condensed in a 2D plan. The correlation within the six characteristics is revealed in Table 3.

Table 2. Correlation matrix

Variable	Connectivity	Business environment	Social and cultural environment	Legal environment	Consumer and business adoption	Government policy and vision
Connectivity	1,000000	0,800473	0,905444	0,807384	0,916356	0,863391
Business environment	0,800473	1,000000	0,795410	0,827626	0,861377	0,876478
Social and cultural environment	0,905444	0,795410	1,000000	0,841967	0,938019	0,883427
Legal environment	0,807384	0,827626	0,841967	1,000000	0,890131	0,896920
Government policy and vision	0,863391	0,876478	0,883427	0,896920	0,938380	1,000000
Consumer and business adoption	0,916356	0,861377	0,938019	0,890131	1,000000	0,938380

For the most correlated elements, the consumer and business adoption and social and cultural environment, a regression is formed in Figure 13.

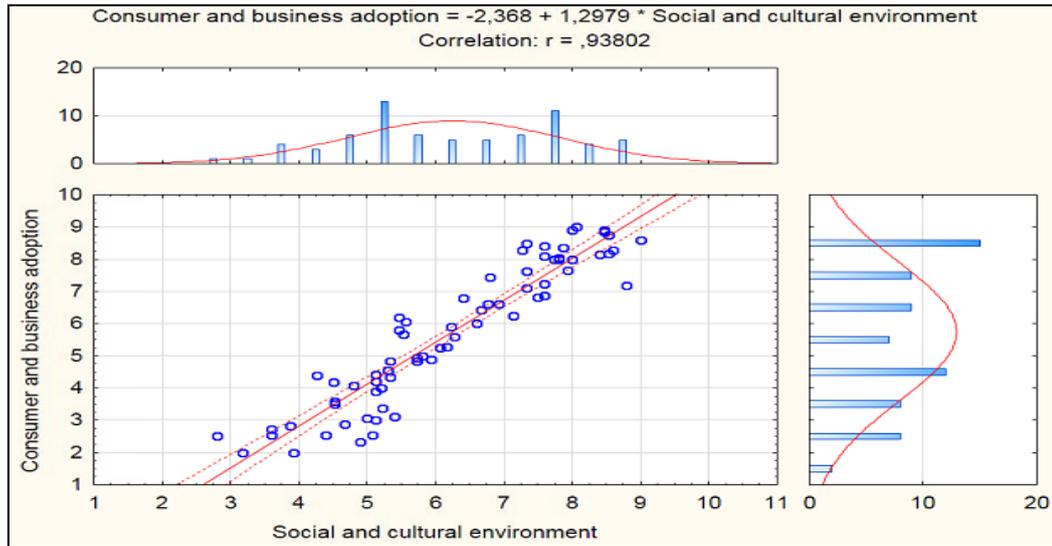


Fig. 13. Regression between consumer and social cultural environment

In Figure 14, the six indicators are clustered referring to the distance between them. It can be seen that business and legal environment, and also social and cultural environment with

government policy and vision, are two sets of indicators that can be clustered first to determine an aggregated value.

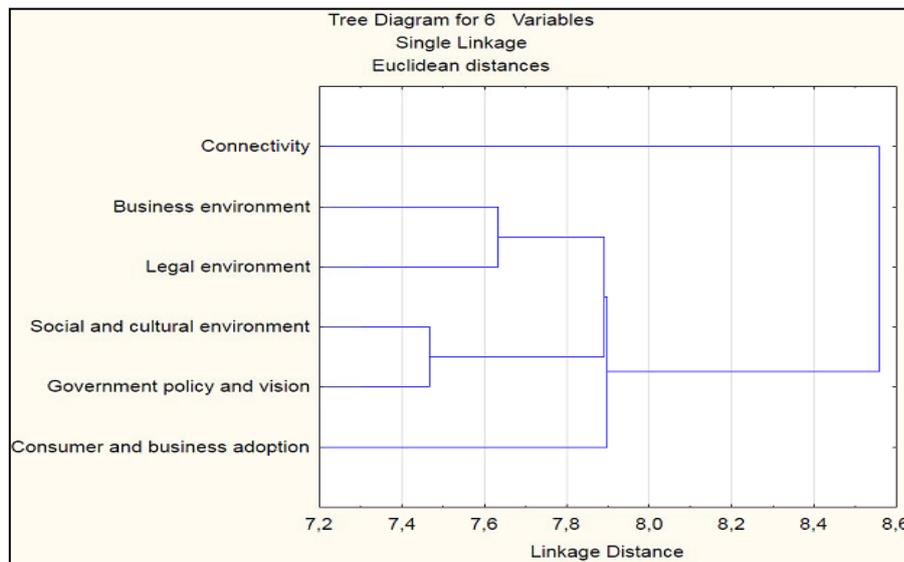


Fig. 14. Characteristics clustering

Using clustering analysis with City Block distances, along with correlation and regression forming, the results reveal a powerful correlation impact between all the six characteristics recorded.

5 Conclusions

The main objective of the digital economy ranking is the one of analyzing the stage of the impact of using the digital tools in the central economy of each country. Referring

to the present analysis, the use of principal components extraction offers a redundancy lowering in the information used for the ranking of the level of e-readiness of each country.

Conversion open source tools are required in order to minimize the costs of transformation between different formats needed for each software product. The present paper demonstrated the need of this open source, because of the initial data format, an .xls file,

that had to be turned into an ARFF file, the standard input for Weka Data Mining software.

Removing the general weights used for information aggregation didn't generate a modification of ranking position in the classification. Spatial representation, along with multidimensional analysis such as clustering, offers a proper interpretation of the comparison between the 70 countries available.

Clustering using k-means algorithm naturally transform one cluster into a number of multiple clusters, with the particularity of minimizing the distances between the objects from the same cluster and maximizing the distances between the objects of different clusters. This method offers a dense representation and interpretation. For a proper clustering, knowing the centroid of it is enough to characterize the whole cluster.

Acknowledgments

This work was cofinanced from the European Social Fund through Sectorial Operational Programme Human Resources Development 2007-2013, project number POSDRU/107/1.5/S/77213 „Ph.D. for a career in interdisciplinary economic research at the European standards”.

References

- [1] E-readiness defition, Available online at <http://en.wikipedia.org/wiki/E-readiness>
 [2] E. Brynjolfsson and B. Kahin – “Understanding the Digital Economy;

Data, Tools and Research”, *MIT Press*, 2002, 372 pages, ISBN 0-262-02474-8

- [3] V. Maugis, N. Choucri, S. Madnick, M. Siegel, S. Gillett, F. Haghseta, H. Zhu and M. Best – “Global e-Readiness – For What? Readiness for e-Banking(JITD)”, *MIT Sloan School of Management*, 2004, 33 pp
 [4] B. F. Schmid – “What is new about the Digital Economy?”, *Electronic Markets*, Vol. 11, No. 1, 2001, pp. 44-51, ISSN 1422-8890
 [5] Economist Intelligence Unit – “Digital economy ranking 2010. Beyond e-readiness”, Available online at <http://www.eiu.com/sso/cas/client>
 [6] M. Doinea, “Open Source Security – Quality Requests”, *Open Source Science Journal*, Vol. 1, No. 1, 2009, pg. 126-135, ISSN 2066 – 740X
 [7] Excel to Arff Converter, Available online at <http://sourceforge.net/projects/exceltoarffconv/>
 [8] Attribute-Relation File Format, Available online at <http://www.cs.waikato.ac.nz/~ml/weka/arff.html>
 [9] Weka definition, [http://en.wikipedia.org/wiki/Weka_\(machine_learning\)](http://en.wikipedia.org/wiki/Weka_(machine_learning))
 [10] Weka, Available online at <http://www.cs.waikato.ac.nz/ml/weka/>
 [11] Weka Documentation, Available online at <http://netcologne.dl.sourceforge.net/project/weka/documentation/3.5.x/ExperimenterTutorial-3-5-8.pdf>



Mădălina ZURINI is currently a PhD candidate in the field of Economic Informatics. She graduated the Faculty of Cybernetics, Statistics and Economic Informatics (2008) and a master in Computer Science, having her dissertation given in *Implications of Bayesian classifications for optimizing spam filters* (2010). She is also engaged in Pedagogical Program as part of the Department of Pedagogical Studies. Her fields of interest are data classification, artificial intelligence, data quality, algorithm analysis and optimizations. She wants to pursue a pedagogical career.