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Title: Territory and livelihoods: productive diversification among rural-urban households in Chile

The possibilities of economic wellbeing of a household are determined by the assets the household has and the effective uses it can give them. But access to assets, and the possible uses someone can give them, are partly determined by the development path of the particular territory where the household is located: in several Latin American countries, the territory in which a person is born and lives has an important influence on their opportunities and wellbeing (Bebbington et al. 2017). Furthermore, rural-urban linkages and the functional integration between rural and urban areas are becoming increasingly important in Latin America (Berdegué et al. 2014). Existing evidence suggests that this intermediate rural-urban space is important for growth and poverty reduction (Berdegué et al. 2015, Christiaensen & Todo 2014). The literature on sustainable livelihoods has focused on understanding the productive activities of rural households, but the role of territorial characteristics in households’ decisions has been less studied.

In this paper, we study the employment- and income-diversification strategy of rural-urban households and its relationship with territorial development patterns, using data from 4,000 rural-urban households collected in Chile between November 2017 and February 2018, and complemented with secondary data on territorial development over the 1992-2002 period.

To analyze household livelihood strategies, we build indicators of diversification of household income and activities with respect to sector of production, type of employment and localization, and estimate the relationship of diversification strategies with territorial characteristics and development pathways.

We expect to find that diversification depends on the interaction between household and territorial characteristics. Territories with a history of inclusive growth may provide households with more diversification opportunities but may also offer more opportunities for higher quality wage employment, thus reducing the need for livelihood diversification. These results are important to policy, as the territorial context can affect the results and effectivity of interventions aimed to reduce poverty or enhance the economic achievements of households.