Determinants of Household Livelihood Diversification Strategies:
A Comparative Study Based on Survey Data in Rural China

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[Objectives]

Agriculture has been the predominant activity for the majority of rural households, which can help reduce vulnerability, overcome poverty and enhance food security. Currently, many studies have been conducted on the condition of livelihood diversification in rural China. However, few analytical studies on the different regions using a quantitative approach, which has been conducted in the area concerning this issue. Moreover, research work on assess the determinants of livelihood strategies in the study area are not well identified. The main objective of the study is therefore to identify the existing livelihood activities adopted by rural households, to analyze and compare the determinants of households' decision to choose alternative livelihood strategies in different regions of rural China.

[Methodology]

The study was conducted from July to September, 2018 in rural China, with the help of local farmers, workers, teachers, village government and Yinghuo Gongyi (NPO), etc. Mullti-stage sampling procedure was employed to select sampled respondents for this study. Both quantitative and qualitative data were collected from the data. The primary data were gathered from 850 households within Huangzhong (425) and Sishui (425) county, mainly using structured sample household head interviews. Moreover, descriptive statistics, inferential statistics and econometric models were used to analyze the data. Multinomial logistic (MNL) regression was employed to identify the determinants of livelihood diversification strategies using STATA version 14.

[Results and Discussion]

ANOVA analysis results shown that the presence of a significant mean difference among four groups in terms of education, family size, land size, livestock, frequency of extension contact, market distance and income in Huangzhong, while it is education, frequency of extension contact and income in Sishui. In addition, the chi-square test revealed that sex, health, training, access to credit, membership, leadership, agro-ecology and irrigation were statistically significant at less than 5% and 1% probability level in Huangzhong. Nevertheless, in Sishui county, sex, health, membership, leadership, agro-ecolog, irrigation and remittance were statistically significant at less than 1%, 5% and 10% probability level. Moreover, the descriptive analysis indicated that, about 29.1%, 33.2%, 20.2% and 17.4% of the sampled households were relying farm only, farm plus off-farm, farm plus non-farm, and farm plus off-farm plus non-farm in Huangzhong county, respectively. However, in Sishui county, about 22.1%, 26.4%, 30.1% and 21.4% respectively. This results implied that majority of farmers were able to diversify their livelihoods into off-farm and/or non-farm activities in the two study areas.

[Conclusions]

Agriculture is still the dominant livelihood strategy for poor rural households in the two study areas. Diversification into off-farm and non-farm activities plays a significant role in improving household income, which is less vulnerable than undiversified ones. The development stakeholders should support local cooperatives and attempt to suit the needs of different livelihood groups. Off-farm and non-farm activities need to be incorporated for a balanced growth result between western and eastern rural households which have an effect on the income generating capacity and food security.