

# Final Report, Tinker Field Grant

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## Research abstract

I traveled to Santiago, Chile as part of my ongoing research project, "Margins of adaptation to water markets: Evidence from Chilean fruit production". My goals were twofold; first, to meet with Chilean academics and experts in the economics of water management to deepen my understanding of the complex legal and economic landscape of tradeable water in Chile, and second to ascertain whether geocoded microdata on fruit production could be obtained in order to make statistical analysis of the effect of water markets on agricultural production possible.

Towards the first goal, I met with many academic experts in Chilean agriculture and water rights, including Dr. Eugenio Bobonreith, Dr. William Foster, Dr. Oscar Melo, Pablo Osses, and Francisco Gallego. I also had the privilege of discussing my research with Dr. Oscar Cristi, former Director of the Water Authority in Chile. Through these conversations, I was able to gain a deeper understanding of the economic and political dynamics at play in these markets, and to gain deeper insight to the myriad of ways that these markets affect all economic activity, not just agriculture. I learned how small and large producers use these markets in very different ways, and about how large producers secure more water for themselves outside of formal trades. These insights are crucial to understanding the scope of what my project attempts to capture, and importantly could not have been learned without meeting with experts because they are born from experience and are not extensively documented in the published literature.

These conversations, together with the high cost of obtaining agricultural production microdata, have prompted me to pivot the focus of my research towards the impact of water markets on sectoral composition in Chile. While work on research in this direction is still in its infancy, my new research question asks to what extent water scarcity has caused shifts in sectoral composition in certain regions of Chile. Intuitively, newfound water scarcity may shift the economic advantage of an area from a water-intensive economic sector such as agriculture or tourism around a water feature, to sectors that are less water-intensive such as manufacturing. I also plan on studying the consequences of these kinds of shifts for wages and development.

## Photos from the field



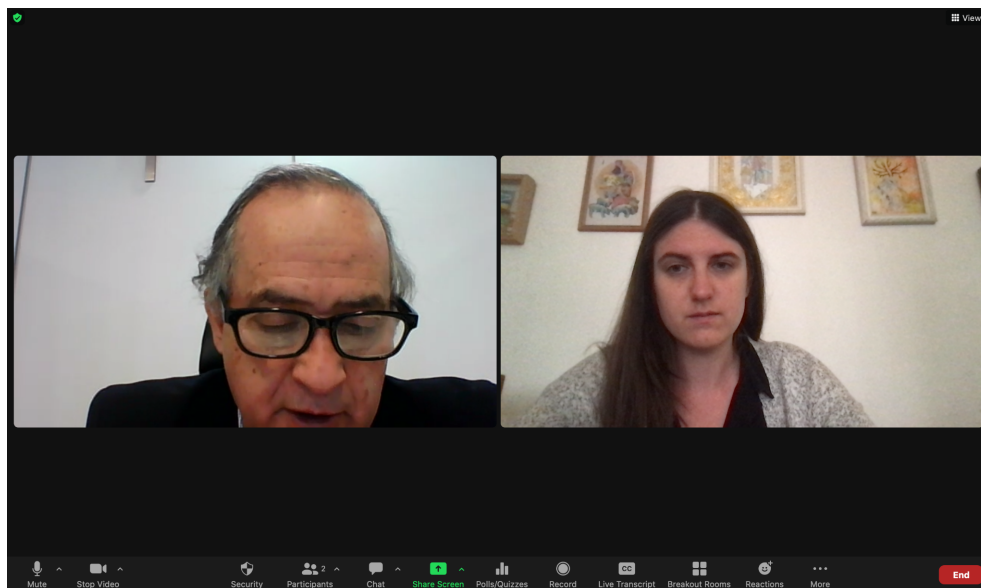
View of the Andes from the Pontificia Universidad Católica de Chile (PUC)



Seminar at the Economics Department, PUC



Selfie with Dr. Francisco Gallego,  
head of the Institute for Sustainable Development at PUC



Zoom meeting with Dr. Oscar Cristi,  
former head of the National Water Authority in Chile