

## ENSO increases foreign fishing

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## Abstract

Illegal, unreported and unregulated (IUU) fishing contributes to x% of the global fishing economy. Foreign fishing in a nation's Exclusive Economic Zone (EEZ) contributes to a y% of IUU fishing [Cabral et al., 2018]. Drivers of foreign fishing include a, b and c, but it is unclear how this may change under climate change. We show ENSO events increase foreign fishing by z%. This effect is larger for vessels with less fishing experience and lower for vessels with higher fishing experience. We also find the effect is lower for more adaptive gears such as longliners. This quantitative evidence linking climate and fishing behavior have important implications for climate projections and adaptation of this sector

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<sup>24</sup> Updated on: 2018-07-26

<sup>25</sup> **To do list**

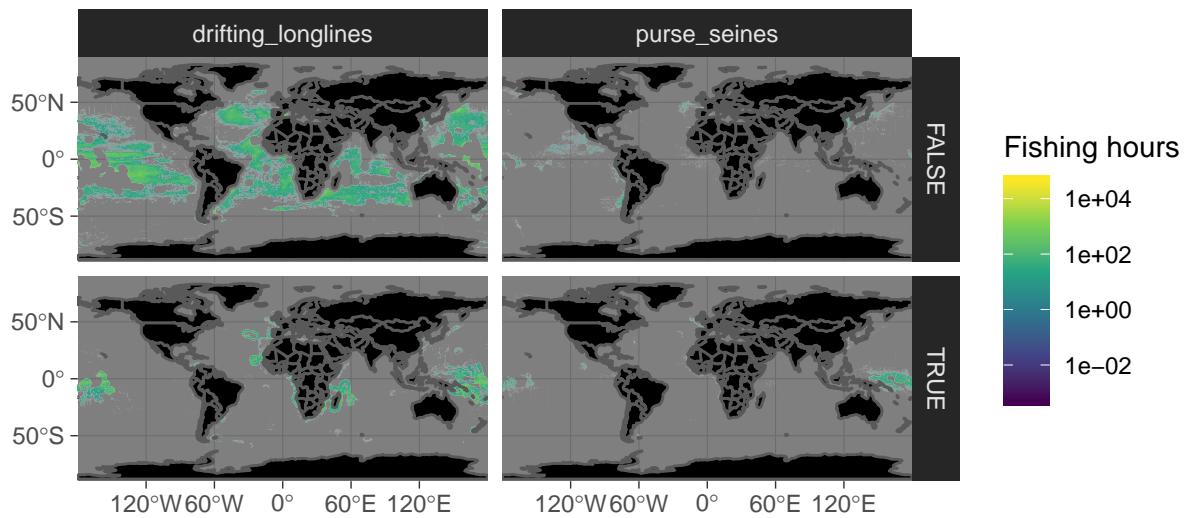
- <sup>26</sup> • Revise methods and explain how SST - nino 3 teleconnection was calculated

<sup>27</sup> **Introduction**

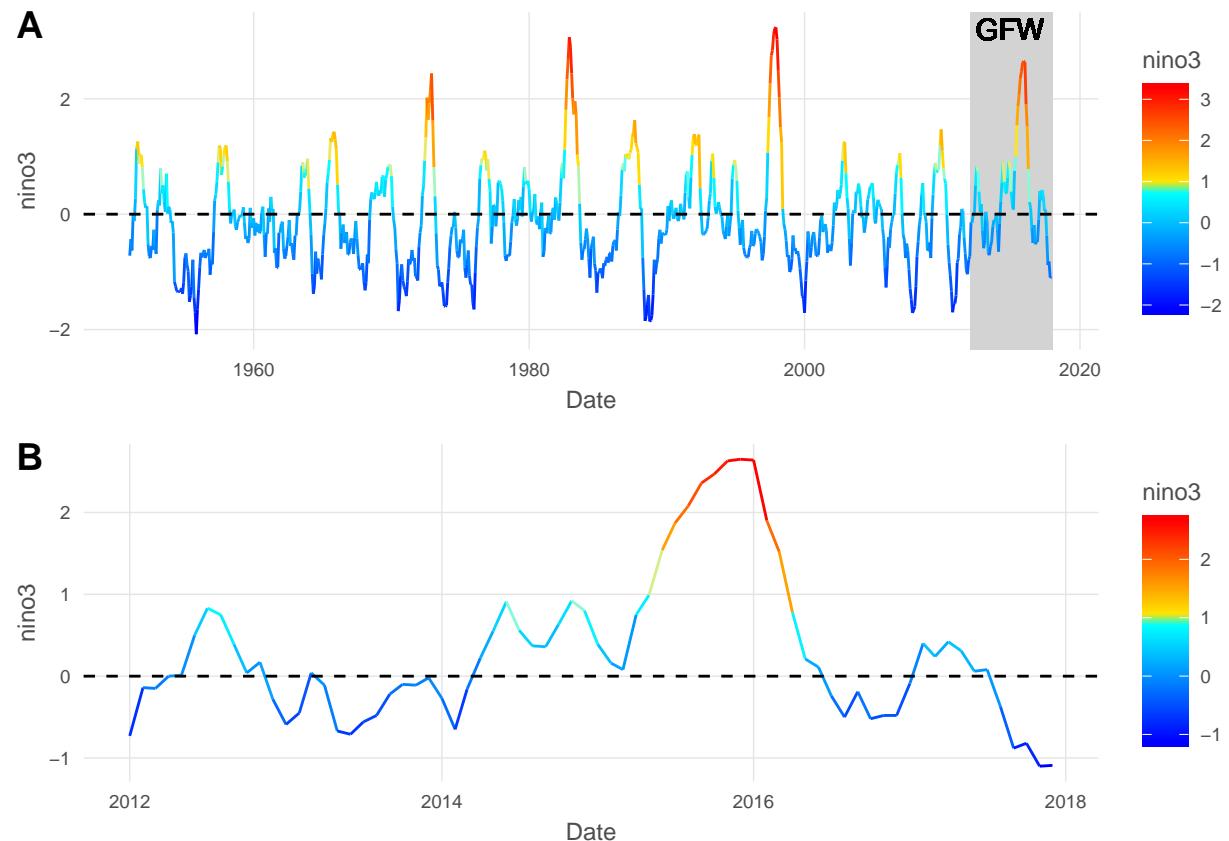
<sup>28</sup> **Methods**

<sup>29</sup> **GFW data**

**FF and non-FF by gear**



31 ENSO data



32

<sup>33</sup> **Empirical specifications**

<sup>34</sup> **ENSO and Foreign Fishing**



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<sup>36</sup> We estimate the effects of ENSO on Foreign Fishing using a difference-in-difference strategy to compare the  
<sup>37</sup> effects of ENSO on foreign fishing in regions impacted by ENSO to its effects on foreign fishing in regions not  
<sup>38</sup> impacted by ENSO.

$$\log(FF_{ct}) = \alpha + \beta ENSO_t \times \Pi_{c\epsilon T} + \phi_t + \lambda_c + \epsilon_{ct}$$

<sup>39</sup>  $FF_{ct}$  represents the foreign fishing variable of interest by country and year. We use an inverse hyperbolic  
<sup>40</sup> sine<sup>1</sup> of our foreign fishing variable in my main specification to transform zeroes in the data [Burbidge et al.,  
<sup>41</sup> 1988, Card and DellaVigna, 2017].  $\alpha$  is a constant and  $\beta$  captures the linear effect of ENSO on countries in  
<sup>42</sup> effected regions compared to counties in regions unaffected by ENSO. The treatment is ENSO interacted with  
<sup>43</sup> a dummy,  $\Pi_{ct}$ , that equals 1 for countries in ENSO-effected regions and 0 for countries in unaffected-ENSO  
<sup>44</sup> regions.  $\phi_t$  are monthly fixed effects and  $\lambda_c$  are country fixed effects. Standard errors are clustered at the

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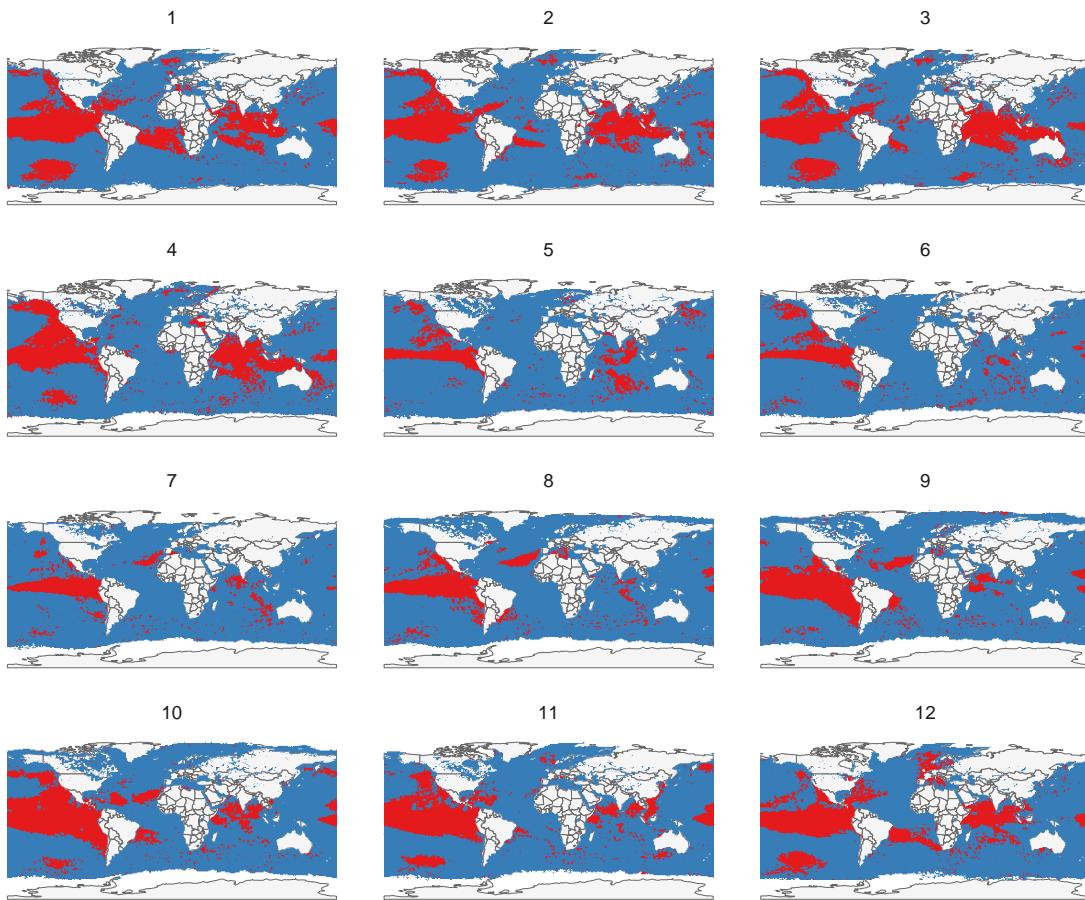
<sup>1</sup> $\ln(FF + \sqrt{1 + FF^2}) \rightarrow \ln(2L)$

45 country level

46 **Identify treatment regions**

47 First we established a relationship between ENSO and two local environmental variables that drive the  
48 geographical presence of fish stocks, sea-surface temperature (SST) and windspeed. We use composite images  
49 of average monthly SST value,  $SST_t$ , from the NASA Dataset<sup>2</sup>. We run the following regression model:

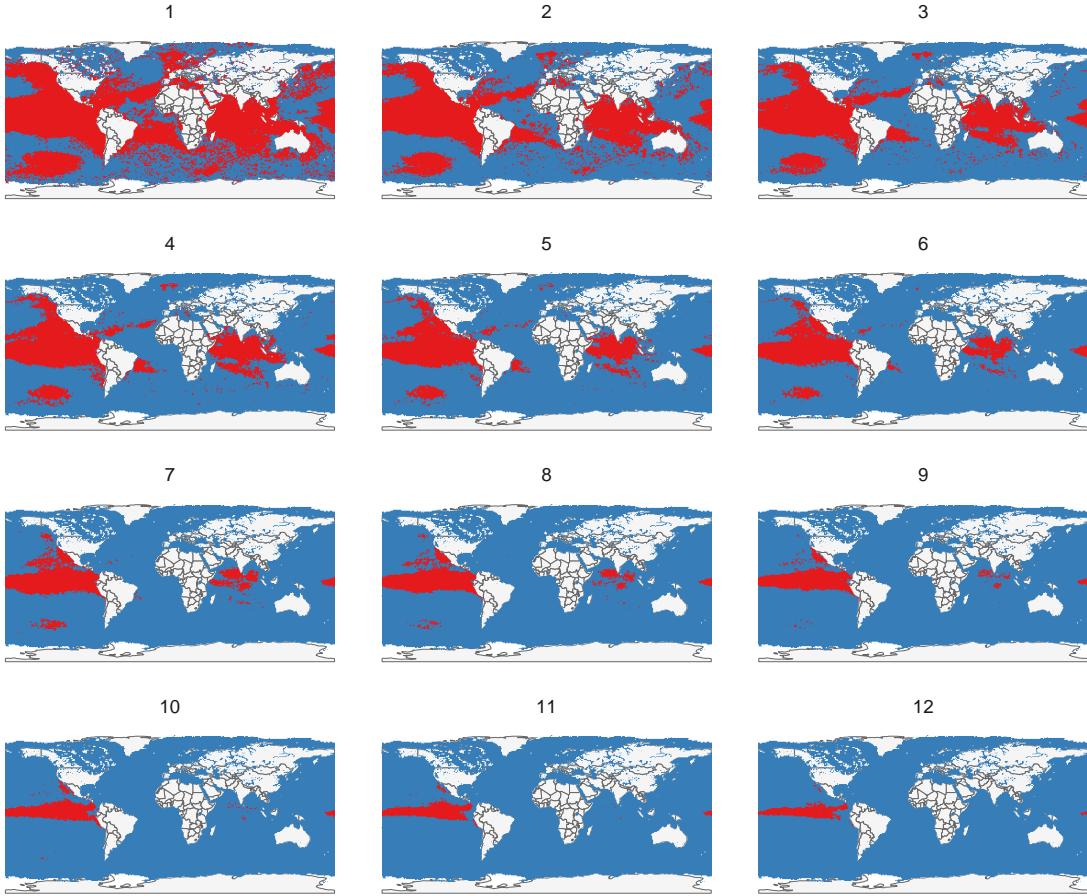
$$SST_t = \omega + \phi ENSO_t + \sum_{p=1}^N \mu_p t^p + \epsilon_t$$



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<sup>2</sup><ftp://podaac-ftp.jpl.nasa.gov/>



51

52 where  $\omega$  is a constant,  $\phi$  captures the linear effect of monthly ENSO and  $\mu_p$  captures the effect of a  $p^{\text{th}}$ -order  
 53 polynomial time trend. Standard errors use the Newey-West adjustment which allows for serial correlation  
 54 and heteroscedasticity of arbitrary form in the error terms over an optimally chosen window of time [Newey  
 55 and West, 1987, 1994].

56 SST during this sample period exhibited trending behavior and thus needed to be detrended. To determine  
 57 the polynomial order of the time trend,  $N$ , we use the Akaike Information Criteria (AIC) [Akaike, 1974],  
 58 which when minimized captures a model's overall goodness of fit while penalizing additional terms with  
 59 limited explanatory power. For both fisheries, we observe that the AIC statistic drops when a time trend of  
 60 second-order or higher is included in Equation 2. Importantly, we detect a positive/negative relationship  
 61 between winter ENSO and SST and a positive/negative relationship between winter ENSO and windspeed,  
 62 shown in Figure X.

$$\log(FF_t) = \psi + \delta ENSO_t + \sum_{p=1}^N k_p t^p + \mu_t$$

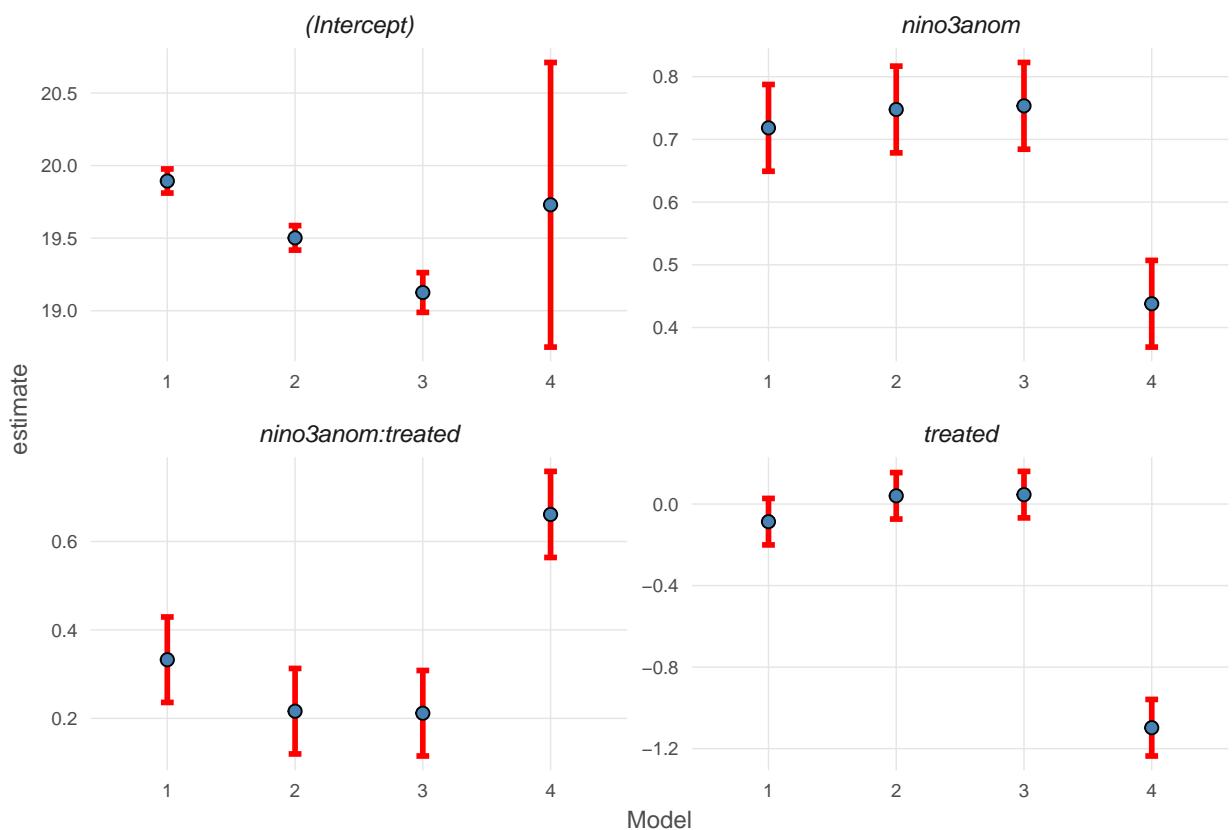
63  $\psi$  is a constant;  $\delta$  captures the linear effect of ENSO and  $k_p$  represents the effect of a  $p^{\text{th}}$ -order polynomial  
 64 time trend. Standard errors use the Newey-West adjustment, allowing for arbitrary forms of serial correlation  
 65 and heteroscedasticity in the error term with a bandwidth of 10 months. As a robustness check, we use  
 66 different polynomial time trends to remove any long-term trends

Table 1: Foreign fishing hours and nino3

	<i>Dependent variable:</i>			
	hours			
	(1)	(2)	(3)	(4)
nino3anom	0.718*** (0.075)	0.748*** (0.076)	0.753*** (0.076)	0.438*** (0.077)
treated	−0.087 (0.113)	0.040 (0.107)	0.046 (0.107)	−1.097*** (0.116)
nino3anom:treated	0.333*** (0.092)	0.216** (0.093)	0.212** (0.093)	0.661*** (0.095)
Constant	19.894*** (0.097)	19.502*** (0.082)	19.126*** (0.133)	19.730*** (1.016)
Gear FE	No	Yes	Yes	Yes
Month FE	No	No	Yes	Yes
Country FE	No	No	No	Yes
Observations	418,458	418,458	418,458	418,458
R <sup>2</sup>	0.001	0.002	0.002	0.018

*Note:*

\*p<0.1; \*\*p<0.05; \*\*\*p<0.01



68 **References**

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