Ship-napping: patronage and extortion during the Sicily-Tunisia Fish War, 1960-1995

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Abstract

We examine the impact of patronage on economic behavior, in the presence of predation. As a foundation for this paper, we gather detailed information on the largest Mediterranean fishing fleet since 1950 (Mazzara del Vallo). We are able to identify the universe of boats (600), the timing, cost and purpose of investments made on boats, owners, boat-level reception of public funds as well as their source. In addition, since boats frequently fish illegally in Tunisian waters due to the scarcity of fish in Italian waters, we also gathered the universe of arrests by the Tunisian police, including the gps location, boat identifiers, time in custody, and information about fines paid. Data collection took 7 years. We draw on this data to establish two facts. First, we estimate the value of patrons’ protection using observable economic behavior and risk taking by the clients. Boat owners are local big-men who need the protection of a political patron to evade arrests by the Tunisian coastguard. Political patrons use public funds for private benefit, by steering funds towards their clients. Using the timing, and the source, of the reception of public funds, and on the basis of long qualitative work, we are able to proxy for the date at which a boat owner enters a patronage relationship with a patron politician who protects him. Using this timing, within boat and over time, we find that having a patron increases risk-taking, but protects from the consequences of risk: while arrests are unchanged, time in custody and fine paid decrease. Second, we find that when the patron has a valuable resource that a third-party predator values (in this case, the Tunisian coastguard), then patronage exposes the client to extraordinary risks, as the predator bargains with the patron by kidnapping the client, a form of extortion. Indeed, when Tunisia and Italy bargain over the location of a gas pipeline in 1980-82, clients who have political patrons in Rome, but not clients with other patrons, spend extremely long periods of time in custody and pay much larger fines, as Tunisia is negotiating with Rome over the gas pipeline. Our results introduce patronage to the literature on coercion in economics, and nuance the effects of patronage by introducing the possibility of extorting the client. They further illustrate the role of extortion by the state in Geo-political bargaining.

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