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A Trip to Reach the Target? – The Labor Supply of Swedish Baltic Cod Fishermen

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Abstract

Fishing offers a unique opportunity to investigate the relationship between income and labor supply. The variation of working hours, depending on the length of a fishing trip, and variation in income, depending on the catch, is high compared to other occupations. One way to handle highly variable income might be to set specific **revenue targets**, i.e. to stop fishing when a certain revenue level has been reached. This means that if revenues are higher than expected at some stage of a fishing trip fishermen are more likely to return to port as they would reach their target income earlier. In this paper, the revenue target hypothesis is investigated using the case of Swedish Baltic Sea cod trawlers. The empirical investigation is carried out using log book data with information on the length of the fishing trips and catches per haul as the main variables of interest.

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