Maritime Piracy

Reasons, Dangers and Solutions

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Introduction

Thank you, Mr. Chairman and distinguished Members of the Subcommittee, for the opportunity to testify on this important subject. The rash of pirate attacks off the Horn of Africa and Gulf of Aden in 2008 has cast into sharp light an enduring problem that affects not only this part of the continent but many other areas of the world. This testimony aims to inform and put into context the current debate on piracy by providing an overview of the scope and contributing factors driving armed maritime violence in the contemporary era and the principal dangers associated with this particular manifestation of transnational crime. Given the publicity and unprecedented character of the international response to Somali-based piracy, the testimony also briefly addresses the appropriateness of the measures that have been instituted to deal with armed maritime violence off the Horn of Africa and Gulf of Aden.

At the outset I would like to stress one main point: piracy is, above all, an economically driven phenomenon. This is true both with respect to those who engage in the practice – profit being the main objective – and those against whom attacks are directed, ship owners – where the desire to keep operating costs as low as possible has frequently outweighed imperatives for more concerted on-board security. This economic dimension is important in understanding the manifestation and evolving dynamic of piracy as well as for setting it apart from maritime terrorism, which is primarily aimed at leveraging or otherwise undermining the oceanic environment to secure political, ideological or religious imperatives.

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[2] This testimony is available for free download at http://www.rand.org/pubs/testimonies/CT317/.

Scope and Dimensions of Maritime Piracy

A total of 1,845 actual or attempted acts of piracy were registered around the world between 2003 and the end of 2008, which equates to an average annual rate of around 352. The true figure is undoubtedly greater because in many cases (possibly as many as 50 percent) shipowners are reluctant to report attacks against their vessels out of concern that this will merely lead to increases in maritime insurance premiums and result in lengthy and costly post-incident investigations.

The concentration of piracy is greatest around the Horn of Africa and the Gulf of Aden, which accounted for roughly 37 percent of all attacks reported in 2008 (111 out of 293). Other high-risk zones include Nigeria/Gulf of Guinea, Indonesia, India, Bangladesh and Tanzania, which collectively accounted for 59 percent of all non-Horn of Africa/Gulf of Aden incidents last year.

The scale and sophistication of piracy has jumped markedly in recent years, especially in the waters off East Africa. Gangs now routinely hijack large ocean-going vessels and have exhibited a proven capacity to operate as far as 500 nautical miles from shore. There has also been a discernible spike in hostage-takings. In 2008 889 crew members were abducted, the highest figure on record and a significant 207 percent increase on the total for 2007. Currently Somali pirates are thought to be holding 11 vessels and 210 crew for ransom.

Factors Accounting for the Emergence of Piracy in the Contemporary Era

Piracy has traditionally been "fed" by two underlying drivers, which when taken together, have provided an almost limitless range of vulnerable targets from which to choose: the enormous volume of commercial freight that moves by sea; and the necessity of ships to pass through congested (and ambush-prone) maritime choke points such as the Panama Canal, Suez Canal, the Straits of Hormuz, Strait of Bab el-Mandab, the Malacca Straits and the Bosphorous Straits. The emergence of piracy in the contemporary era age reflects the continued salience of these basic causal variables in addition to at least seven other contributory factors:

First has been a growing trend toward the use of "skeleton crews," both as a cost-cutting measure and as a reflection of more advanced navigation technology. Although this reduced manning is undoubtedly more efficient, the smaller number of sailors now found on board many vessels has reduced the options for concerted anti-piracy watches and has made the task of gaining control of ships that much easier.

Second, the general difficulties associated with maritime surveillance have been significantly heightened as a result of 9/11 and the concomitant pressure exerted on many governments to invest in expensive land-based homeland security initiatives. This has further reduced what in many cases are already limited resources for monitoring territorial waters.

Third, lax coastal and port-side security have played an important role in enabling low-level pirate activity, especially harbor thefts against ships at anchor. Problems of this sort have been particularly evident in Brazil, East Africa and across South and Southeast Asia. In many cases there is either no functioning maritime police presence at all or the units in place are devoid of adequate staff, boats, equipment and training.

Fourth, corruption and easily compromised judicial structures have encouraged official complicity in high-level pirate rings. The nature of this involvement has been extensive, ranging from providing intelligence on ship movements and locations to helping with the rapid discharge of stolen cargoes.

Fifth, the endemic anarchic situation in Somalia has directly contributed to the rampant scale of piracy that we are currently seeing being witnessed off the Horn of Africa. With no sovereign government in place, gangs have virtual free-run of the area, enjoying widespread latitude to enforce "rules" that further and protect their own vested interests.

Sixth, the ready willingness of shipowners to pay increasingly large sums of money for the return of their vessels and cargoes has provided added incentive to engage in maritime crime. Somali pirates are projected to have netted at least $20 million in ransoms last year, with the negotiated deal for the release of the Saudi-registered *Sirius Star* allegedly running to an unprecedented $3 million. For many gangs, the prospect of windfall profits such as these far outweighs any attendant risk of being caught or otherwise confronted by naval and coast guard patrol boats.

Finally, the global proliferation of small arms has provided pirates (as well as terrorists and other criminal elements) with an enhanced means to operate on a more destructive and sophisticated level. Originating from a variety of sources in Africa, Asia and Europe, these munitions include everything from pistols, light/heavy caliber machine guns and automatic assault rifles to anti-ship mines, hand-held mortars and rocket-propelled grenades. Most commentators generally agree that the availability of weapons such as these, most of which are readily transportable, easy to handle, cheap and durable, is one of the main underlying causes that has contributed to the growing level of violence that has come to typify piracy in recent years.

The Dangers of Piracy

The dangers associated with contemporary piracy are complex and multifaceted. At the most basic level, attacks constitute a direct threat to the lives and welfare of the citizens of a variety of flag states. Apart from the risk of death or injury, many who have been subjected to a pirate attack suffer considerable mental trauma and may never go to sea again.

Piracy also has a direct economic impact in terms of fraud, stolen cargos and delayed trips and could undermine a maritime state's trading ability. Today, the overall annual cost of piracy to the maritime industry is estimated to be anywhere between $1 billion and $16 billion. The true figure could be far higher, especially once expenses incurred from implementing mitigation efforts are factored in.

Politically, piracy can play a pivotal role in undermining and weakening governing legitimacy by encouraging corruption among elected officials and bureaucrats. This has been a recurrent problem in Indonesia, which until 2008 was consistently designated as the most pirate-prone hot spot in the world.

Finally, piracy has the potential to trigger a major environmental catastrophe, especially if an attacked vessel is left to drift in a congested sea lane of communication. The "nightmare" scenario is a mid-sea collision involving a heavily-laden oil tanker. Not only would the resulting discharge of petroleum cause irreparable damage to off-shore resources and marine life, but it would also seriously degrade long stretches of fertile coastal lowlands if the oil were left to drift. This would pose significant difficulties to any state that relies on the oceans as a primary source of food, either for domestic consumption or regional/international export.

The Current International Response to Piracy off the Horn of Africa

The rapid escalation of armed attacks off the Horn of the Africa has prompted unprecedented counter-piracy action by the international community. In January, the United States announced the formation of a new Combined Task Force (CTF) 151 to monitor and patrol defined maritime corridors in the Gulf of Aden. This will supplement a year-long European Union (EU) naval flotilla that was deployed late last year, with contributions from the United Kingdom, France, Spain, Germany and Greece. Several other states have also sent ships to the region, including India, China, Russia, Malaysia, Saudi Arabia, and South Korea; Australia, the United Arab Emirates and, possibly, Turkey are expected to add to these forces later this year. Finally, the United Nations Security Council (UNSC) has now sanctioned "cooperating" states to enter Somalia's territorial

waters and attack pirate dens on land, passing UNSC Resolutions 1816, 1846 and 1851 between June and December 2008.

Although these initiatives have met with some success, ensuring the delivery of relief supplies to African Union (AU) peacekeepers stationed in Somalia and successfully thwarting several attempted hijackings, their overall utility is somewhat questionable. Not only is the area to be monitored huge (over a million square miles), issues of national interest are bound to arise. It is not apparent, for instance, how the EU flotilla will be funded and, more important, whether the potentially thorny issue of cost-sharing has even been broached. In addition, questions of legal jurisdiction have yet to be settled (particularly in terms of prosecuting detained suspects) and appropriate rules of engagement have still to be fully fleshed out. Employing force against pirate dens in Somalia also raises the specter of large-scale civilian damage and concomitant accusations that the west is once again "intent" on destroying innocent Muslim lives. Finally, the deployment of naval frigates will only ever be able to address piracy at its end point, on the sea, rather than at its root, on land.

Given these problems, the international community should look to accompanying this explicitly militaristic approach to piracy with more innovative, non-kinetic strategies. First, it should focus more adroitly on boosting the coastal monitoring and interdiction capabilities of all the littoral states in the vicinity of the Horn of Africa/Arabian Peninsula; providing surveillance assets, training and technical support would be a good start. Second, the international community should make increasing efforts to sponsor public-private partnerships aimed at better commercializing and marketing communication and defensive technologies such as ShipLoc (an basic but effective satellite tracking device that has been endorsed by the International Maritime Bureau), SecureShip (a non-lethal electrical perimeter fence designed to prevent unauthorized boarding) and long-range acoustic devices that emit loud disorienting blasts of sound. Third, the international maritime industry must be given greater financial incentive to adhere to basic security protocols, such as avoiding dangerous routes, maintaining constant anti-piracy watches, keeping in close contact with nearby vessels, and maneuvering at speed, through the offer of lower insurance premiums or, if there is non-compliance, the threat of higher ones.

Finally and admittedly most vexing, because piracy off the Horn of Africa is essentially an extension of the land-based violence, corruption, and lawlessness that has plagued Somalia since the collapse of the Barre dictatorship in 1991, greater effort must be devoted to restoring a semblance of stability to this war-torn country. Until this void in regional governance is decisively filled, the waters off the Horn of Africa/Arabian Peninsula will remain a highly attractive theater for

armed maritime crime given their expanse, the lack of regulation, and their importance as a vital maritime corridor linking the Mediterranean with the Indian Ocean.

Areas for Further Research

I would like to conclude with five areas I think the Committee should consider as worthy candidates for further directed research:

1. What are the costs of piracy and how do these compare to the expenses required for mitigation?

2. What is the best way of countering armed maritime violence in regions of chronic lawlessness and anarchy?

3. Is the current international legal framework for countering piracy sufficient or does it need to be changed in some fashion (and, if so, how)?

4. What is the extent of government responsibility for countering piracy and what role should the private sector play in helping to manage this problem?

5. What are the chief land-based factors that contribute to modern-day piracy and how can these best be addressed?

Again, I thank you for the opportunity to be here today. I am happy to answer any questions that you might have.