Why Piracy Matters

Written by J. Peter Pham, Guest Contributor
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Last year, Somali pirates operating in the Gulf of Aden and the western Indian Ocean attacked some 237 merchant vessels, successfully hijacking 28 of them; through the end of January this year, they assaulted another 13 ships and captured 2—leaving the marauders holding a total 10 vessels and 159 hostages. However, with the tragic exception of the seizure of the MV *Quest* last February which resulted in the killing of the four American yachters on board, none of the hijackings have involved U.S. vessels or citizens. Hence the question arises whether, in these times of fiscal austerity, the United States should—beyond general humanitarian sentiments of empathy for the victims—really be all that concerned about a phenomenon on the other side of the world that does not directly threaten the country's security.

First, there are the economic costs of these attacks. While the number of vessels actually hijacked is small, the number at risk is far greater. It is estimated that some 30,000 transit through these waters annually, including tankers which carry more than 3.2 million barrels of petroleum each day and cargo vessels bearing nearly half of the world's container traffic. Since 2008, the area has been declared a "war-risk" zone subject to special insurance premiums; depending on class of vessel, the surcharges now amount to up to $150,000 per ship, per voyage. While estimates of the total economic impact of Somali piracy vary considerably, a 2010 study that is widely used in governmental circles around the globe estimates that combining ransom payments, naval deployments, rerouting of commercial shipping, insurance premiums, additional security, and other similar costs, the marauders impose between $7 and $12 billion in losses on the global economy.

Second, beyond the economic calculations, there are geostrategic considerations. If nothing else, the ragtag gangs of armed Somali youth in speedboats have highlighted a gaping vulnerability in the contemporary global system which is predicated on the free flow of capital, goods, and services. Without freedom of navigation for peaceful commerce, large parts of that framework simply break down. As my Atlantic Council colleague Martin Murphy, a naval analyst,

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has pointed out, piracy is not merely a localized outbreak of lawlessness, it is a challenge to international good order.

If Somali piracy is so pernicious, why has it not been stopped?

While much has been made of the two dozen or so nations which have contributed naval vessels to patrol the waters of the Gulf of Aden and western Indian Ocean, the military forces alone are inadequate for the area which they have to patrol. The pirates have merely changed their tactics and shifted their areas of operation in response to the naval presence. Since 2010, while attacks in the Gulf of Aden have dropped off by more than 50 percent due to increased naval patrols and better security measures by commercial vessels, overall the number of attacks by Somali pirates has increased.

Moreover, the international community's willingness to pay record ransoms, including the record $9.5 million paid in late 2010 to secure the release of the South Korean oil tanker MV *Samho Dream*
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does nothing to discourage individuals from getting involved in piracy in the hopes of winning similar windfalls (since 2006, the average ransom payment has ballooned from $150,000 to approximately $5 million). These incentives are compounded by the lack of general lack of negative consequences for failure: for every Abduwali Abdukhadir Muse, the pirate sentenced to just shy of 34 years in prison by a federal judge for his role in the 2009 hijacking of the U.S.-flagged MV
Maersk Alabama
, there are the dozens marauders who are simply let go for want of country willing to take custody of them and try them. In fact, to date more than 90 percent of suspected pirates captured are released quickly with no sanction except perhaps the confiscation of their arms, even when there is no reasonable innocent explanation for their behavior when caught
in flagrante delicto
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Finally, the lack of a functioning state in Somalia is arguably the principal factor in facilitating the growth of piracy off the country's coasts. Despite dozens of conferences over the years, the international community has yet to agree to do anything that would actually alter the statelessness that has been Somalia's lot since the collapse of the last entity that could plausibly be described as government there more than two decades ago. No campaign against the pirates at sea can be sustainable unless the rule of law is reestablished on land, where the pirates have their bases and other support infrastructure for their attacks.

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Seen in this context, Somali piracy is not merely a nuisance to a tiny proportion of global maritime commerce, but a serious challenge to the economic, political, and security underpinnings of the 21st century international system.

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