

# **FROM HUMAN TO MARITIME SECURITY: THE IMPLICATIONS AND COST OF PIRACY**

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The 1994 United Nations Human Development Report<sup>1</sup> (UNHDR) introduced a new security approach, broadened and deepened beyond the stratum of the state, putting emphasis on the security of human beings per se and the web of their social and economic relations. The concept of this form of security, the human security, goes beyond military threats; it is primarily focused on the standards of everyday living, human dignity and safety from diachronic threats such as lack of food and medicine, poverty and restrains<sup>2</sup>. It also refers to the prevention of the phobia of an acute catastrophe, hence preserving the ordinarily living of the citizens with freedom, equality and justice. There is a clear shift from the state-centric to a human-centric approach.

This new concept of global security is directly interdependent with development. Although we are not able to explain how they interact, inequality, low growth, unemployment and weak economic institutions are identified as parameters of the socio-economic development, increasing the risks of violence<sup>3</sup>. It's difficult to ascertain if security is the paragon that

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<sup>1</sup> Available from <<http://hdr.undp.org/en/reports/global/hdr1994/>> [16 April 2010]

<sup>2</sup> UNDP (1994) Human Development Report pg.22-23

<sup>3</sup> World Bank (2010) Conflict, Security and Development [online].

World Development Report 2011 (January 7, 2010), pg7, available from <[http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2010/03/01/000350881\\_20100301084958/Re](http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2010/03/01/000350881_20100301084958/Re)

fosters development, or vice versa. But no one can doubt that lack of development and insecurity goes hand in hand.

It's every sovereign state's responsibility to provide prosperity and security to the citizens; the aim is to provide to them 'freedom from want and freedom from fear'. The argument is that contemporary security challenges are different from the previous century. Threats such as terrorism, organised crime, cyber attacks, piracy, environmental degradation and pandemics - identified as such even in NATO's new strategic concept- cannot be confronted with the enemy centric strategic culture of the traditional western armed forces. These threats don't recognise physical boundaries and the states' jurisdiction, territorial sovereignty and borders, since their main protagonists are non state actors.

In the framework described above, maritime security became one of the primary concerns and contemporary challenges of global security, since it contributes to economic development from local to regional up to international level. The sea-based trading system developed mostly by littoral states, offers access to and distribution of energy resources, raw materials and all kind of products around the world; hence, since almost 80% of the global trade is transported in ships' hulls, littoral states developed maritime infrastructure in order to establish these energy supply chains and links between them and the hinterland and ensure the secure flow of goods to the international markets. But despite the increase of the sea-borne trade by 3.6% in 2008, the global GDP didn't increase accordingly (just 1.8%)<sup>4</sup>.

The above cost paid by global economy and development is attributed to violent non state actors who developed methods and capabilities, leveraged to challenge this economic order. The root causes of their appearance are stemming from the lack of human security, ineffective social security and bad (or even complete absence of) governance in their homeland. Additionally, the absence of littoral states' will to thwart piracy by exceeding sometimes their jurisdiction, the absence of a legal system that will robustly support their

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<sup>4</sup> Sakhuja, V. (2010) 'Security threats and challenges to maritime supply chains', *Disarmament Forum*, no.3 2010 (pg3-11), UNDIR

potential effort and the existence of ungoverned areas inside their territories due to lack of law enforcement efficiency, de facto establish safe havens for such activities. Thus, perceiving contemporary piracy as the means to survive, they disrupt the sea based trade and supply chain, by revealing their vulnerability to terrorist groups, organised crime networks leveraged in drug trafficking, human and weapons smuggling, illegal bunkering and fishing, pollution of littoral areas, etc...

There are three 'chock-points' of international shipping identified as the most risky in terms of piracy attacks incidents: The Malacca strait in South East Asia, the coast of Somalia/ Gulf of Aden and the coast of Nigeria/ Gulf of Guinea. All three of them are directly related also to energy security, as the primary routes of oil tankers towards the energy dependent economies of Europe, India, China<sup>5</sup>, Japan, US.

Since the catastrophic consequences of piracy as a maritime security challenge had been broadly discussed and emphasised during the last decade, I'll try to present a view through another prism; except the pirates who else gains from piracy?

A pirates' attack provides a great story to **the Media**. Overemphasised and overdramatised, it usually presents the incidents as entertaining Hollywood productions, categorised among other popular films of action such as the 'pirates of the Caribbean'. Reporters rarely try to analyse the root causes or suggest methods to counter piracy<sup>6</sup>.

The pirates of Somalia are not interested in the ships or their cargoes per se. Since they don't have access to port facilities where they could unload shipments, they foresee in ransom for releasing captured vessels and crews. This tactic costs a lot of money to **maritime insurance companies**, but on the other hand they increase their premiums for all kinds of merchant ships, no matter if they are characterised as high or low risk targets. Lloyd's for

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<sup>5</sup> China is the world's 2<sup>nd</sup> largest importer of crude oil and it obtains 46% of its imports from the Middle East and 32% from Africa (Greenberg 2010:216).

<sup>6</sup> Bateman, S.(2010) 'Sea piracy: some inconvenient truths'. *Disarmament Forum*, no.3 2010 (pg13-22), UNDIR

example, the London based world's leading ship insurance market, label and charge the piracy prone areas as 'war risky'.

**Private security Companies** expanded their field of operations and found a vast new market to be leveraged. Despite the broad debate and the heavy criticism concerning legal, moral and operational issues on contracting modern mercenaries, a plethora of them are already active, providing armed security personnel onboard ships, equipping escort vessels, training crews in anti-piracy methods, consulting ship-owners' etc. As was revealed by the 'Wikileaks', the former 'Blackwater' security company<sup>7</sup> (already under fire because of accusations of abuses by its security guards in Iraq and Afghanistan), reconfigured the 183-foot oceanographic research vessel 'McArthur' into a pirate-hunting ship for hire, equipped it with a 50mm caliber machine gun and a drone, and then began looking for business from shipping companies seeking protection from Somali pirates. Although the company's ROE released the '...use of lethal force against pirates...' it was hoping that the American Embassy in Djibouti would help out, according to a secret State Department cable. Additionally, the death of a suspected pirate who has been shoot by security guards onboard the Panamanian-flagged MV Almezaan on March 2010<sup>8</sup>, fuelled the debate even further. Many insurance firms also agreed upon building a 'private navy' in order to protect their valuable ships off the Horn of Africa<sup>9</sup>; but in any case, the US made it already mandatory for ships under US flag travelling in the region, to embark PSC armed guards.

**Weapons systems companies** have also a new field to increase their sales, in an era that the financial crisis results on armaments' budget cuttings worldwide. This industry has to modernise the 'blue navies' of states that exploit the justification of counter piracy operations for sustaining (or even increasing) their naval spending. Actually, it provides the justification for naval expansion, projection of national power and promotion of national

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<sup>7</sup> The New York Times (30 Nov. 2010) 'Blackwater Aimed to Hunt Pirates' available from <[http://www.nytimes.com/2010/12/01/world/africa/01wikileaks-blackwater.html?\\_r=1&scp=1&sq=Blackwater%20Aimed%20to%20Hunt%20Pirates&st=Search](http://www.nytimes.com/2010/12/01/world/africa/01wikileaks-blackwater.html?_r=1&scp=1&sq=Blackwater%20Aimed%20to%20Hunt%20Pirates&st=Search)> [20 Jan. 2011]

<sup>8</sup> BBC News (24 March 2010) 'Pirate' death puts spotlight on 'guns for hire' available from <<http://news.bbc.co.uk/2/hi/africa/8585967.stm>> [11 Jan. 2011]

<sup>9</sup> Milmo, C. (28 Sep. 2010) 'Insurance firms plan private navy to take on Somali pirates'. *The Independent* available from <<http://www.independent.co.uk/news/world/africa/insurance-firms-plan-private-navy-to-take-on-somali-pirates-2091298.html>> [20 Jan. 2011]

interests abroad, following the Mahanian theory about the use of Naval forces. The profound application of the above theory comes from China: It deployed 3 modern vessels on anti-piracy mission, which is its first 'long range' mission since the 15<sup>th</sup> century<sup>10</sup>, while simultaneously it considers the establishment of a permanent base in the Gulf of Aden<sup>11</sup> (more likely in Yemen) with the justification to support its anti-piracy operations.

But the industry's concept of improving cargo ships' anti-piracy capabilities provides also the initiative (and a new huge new market as well) to build and sell them systems that could be used from their own crews, such as a new laser beam cannon that was demonstrated in early January by BAE Systems<sup>12</sup>, no matter how effective it could really be in practice.

If we examine the overall cost of countering piracy and combine it with all the above, our findings are awesome<sup>13</sup>.

According to a report, compiled by US think-tank 'One Earth Future', the annual cost of piracy to the global economy was calculated between \$7bn and \$12bn as shown in the following 'Table 1'.

Cost Factor	Cost
Ransoms: (excess costs)	\$148 million <sup>3</sup>
Insurance Premiums	\$460 million to \$3.2 billion
Re-Routing Ships	\$2.4 to 3 billion
Security Equipment	\$363 million to \$2.5 billion
Naval Forces	\$2 billion
Prosecutions	\$31 million
Anti-Piracy Organizations	19.5 million <sup>4</sup>
Cost to Regional Economies	\$1.25 billion
<b>TOTAL ESTIMATED COST</b>	<b>\$7 to \$12 billion per year</b>

**Table 1: The annual cost of Piracy<sup>14</sup>**

<sup>10</sup> Greenberg, E.L. (2010) 'Dragon Boats: Assessing China's Anti-Piracy Operations in the Gulf of Aden', *Defense & Security Analysis*, 26 (2): 213-230

<sup>11</sup> BBC News (30 Dec.09) 'China floats idea of first overseas naval base' available from <<http://news.bbc.co.uk/2/hi/asia-pacific/8435037.stm>> [20 Jan. 2011]

<sup>12</sup> BBC News (10 Jan. 2011) 'Laser cannon set to blind pirates' available from <<http://www.bbc.co.uk/news/technology-12154117>> [15 Jan. 2011]

<sup>13</sup> BBC News (14 Jan. 2011) 'Global piracy costs billions, says study' available from <<http://www.bbc.co.uk/news/world-africa-12188155>> [15 Jan. 2011]

<sup>14</sup> Available from

<[http://gcaptain.com/cost-piracy-broken?20504&utm\\_source=feedburner&utm\\_medium=feed&utm\\_campaign=Feed:+Gcaptain+\(gCaptain.com\)](http://gcaptain.com/cost-piracy-broken?20504&utm_source=feedburner&utm_medium=feed&utm_campaign=Feed:+Gcaptain+(gCaptain.com))> [21 Jan. 2011]

Despite that vast amount of money, piracy attacks continue to occur and most important, none of the above expensive measures addresses the root cause of the phenomenon. On the contrary, the UN humanitarian assistance to Somalia was announced to be approximately \$530million<sup>15</sup> for 2011.

The EU Training Mission of Somali security Forces<sup>16</sup>, launched last May in Uganda, is of course an encouraging initiative but obviously it's not enough. If all this anti-piracy funding could be dedicated to restore robust and legitimate governance in Somalia, fight poverty and improve the conditions of autochthonous population's everyday living, maybe we could fight piracy ashore; not by using solely military means, following the traditional enemy centric strategic culture of the traditional western armed forces, but through a contemporary human centric approach, applying the human security doctrine, fighting the contemporary security challenges from the local population's perspective.

The recent S. Korean Special Forces unit rescue operation, which resulted to the shooting of eight pirates onboard the 'Samho Jewelry', initiated a new phase of violence escalation in the horn of Africa<sup>17</sup>. Reports about hostages' torturing and the death of a crew member onboard a German ship during a rescue attempt a few days later, show that violence is not the means to counter piracy. If we could provide them other alternatives for survival than piracy and organised crime activities, all actors, state and non, would have many things to gain.

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<sup>15</sup> UN Press Conference on Humanitarian Situation In Somalia (10 Dec. 2010) available from <[http://www.un.org/News/briefings/docs/2010/101210\\_Somalia.doc.htm](http://www.un.org/News/briefings/docs/2010/101210_Somalia.doc.htm)> [21 Jan. 2011]

<sup>16</sup> Available from <<http://www.consilium.europa.eu/showPage.aspx?id=1870&lang=en>> [25 Jan. 2011]

<sup>17</sup> Höges C., Stark H. and Ulrich A. (1 Feb. 2011) 'Escalation off Somalia - German Shipowners Turn to Mercenaries to Protect against Pirates', *Spiegel Online*, available from <<http://www.spiegel.de/international/world/0,1518,742685,00.html>> [5 Feb. 2011]