

**Prepared Statement of**

**Dr. Martin N. Murphy**

*Visiting Fellow, Corbett Center for Maritime Policy Studies*

*King's College London*

**before the**

**United States House of Representatives**

**Committee on Foreign Affairs**

**Subcommittee on Africa, Global Health, and Human Rights**

**and**

**Subcommittee on Terrorism, Nonproliferation, and Trade**

**on**

**“Assessing the Consequences of the Failed State of Somalia”**

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**Rayburn House Office Building**

**Washington, D.C.**

Chairman Smith, Chairman Royce, Ranking Members Payne and Sherman, Distinguished Members of the Subcommittees: Thank you for inviting me to give evidence on the issues confronting Somalia and the implications of those issues for the United States and the wider international community. My expertise lies in the areas of piracy and maritime terrorism. I wish to focus on the problem of piracy in particular and provide some insights into what is driving this economic crime and its implications for US government policy.

I wish to make four principal points:

1. Piracy is a symptom not a cause of Somalia's current predicament. Dealing with it requires engagement on land. This necessity is recognized widely and equally widely rejected because of fears that the *Black Hawk Down* experience will be repeated. Piracy, however, is an economic crime that requires political and economic engagement if it is to be controlled. The concern is that piracy will become endemic the longer engagement is delayed. The number of direct and indirect stakeholders will grow thus making the problem increasingly difficult to eradicate.
2. To avoid this piracy needs to be 'crowded-out': pirate rewards need to be decreased; economic alternatives need to be increased. The costs of alternatives need not be great; although they cost of eradication will almost certainly increase the longer than nothing is done whatever the amount is it will almost certainly be less than maintaining even the modestly effective naval presence that is operating off the Somali coast currently.
3. The current policy of containment at sea is not politically and strategically risk-free for the United States. The US Navy is the ultimate guarantor of maritime security globally. When shipping comes under sustained attack without an effective response - as it has done off Somalia - then the US commitment to maritime security is brought into question and space is created for state and even non-state competitors to intervene to their political advantage. In a strategy paper published last December by the Central Committee of the Chinese Communist Party, for example, antipiracy operations were described as a way China could gain a foothold in a vital region.
4. Finally, if Yemen was to fail maritime disorder in the region would likely worsen possibly considerably. If both sides of the Gulf of Aden were to become launching sites for pirate and, potentially, terrorist attacks it is possible that ship-operators would demand a much higher level of naval protection. If that was not forthcoming they may seek alternative routes which would add to the cost of both finished goods and raw materials including oil and gas.

### **The need for landward engagement**

Piracy is a symptom not a cause of Somalia's current predicament. It arose as one consequence of Somalia's domestic turmoil, a problem that has lasted since the fall of the last national government in 1991 but has roots stretching back into the period following independence in 1960. Dealing with piracy requires engagement on land. This necessity is recognized widely and equally widely rejected because of fears that the cost in blood and treasure would be too great. The opposing argument is that this is merely postponing the inevitable. Piracy has rarely, if ever, been defeated at sea. It has usually required the destruction of piracy bases and the dispersal of pirate communities. Currently there appears to be

no appetite for violent intervention. When looked at historically this judgment appears sound; raids on their own were often insufficient to eradicate the problem. In many cases suppression required prolonged intervention and sometimes occupation. In today's terms this can be interpreted as political and economic engagement extending over a period of years. The concern is that the longer engagement is deferred the more piracy will become endemic: The number of direct and indirect stakeholders will grow thus making the problem increasingly difficult to eradicate.

Piracy's epicenter is Puntland including for the gangs that operate outside its borders in Mudug and Galguduud. Pirate activity is now a major part of the Puntland economy; probably second only to expatriate remittances in terms of national income. To counter this the international community is currently focusing its efforts and resources on a limited range of legal and security measures aimed at capturing and imprisoning pirates that are, for the most part, expendable foot-soldiers. In the meanwhile the economic alternatives to piracy on land are ignored and piracy's organizers are left untouched. As the recent Lang report to the United Nations makes clear, supporting the economic counter-weights to piracy must be given greater priority. So long as this option is ignored junior-level pirates will continue to be caught-and-released by billion-dollar warships, new recruits will try their luck because the chance to earn \$20,000 from one attack is more appealing than earning \$2 a day for life, pirate king-pins will continue to reap huge profits from the misery of the hostages who are now held for months and apparently subject increasingly to abuse, while shipping throughout much of the eastern Indian Ocean and perhaps beyond will continue to sail in peril.

### **Crowding-out piracy**

Historical experience suggests that Somali piracy would be countered more effectively by a program that combines political, economic and social initiatives to crowd-out the incentives for piracy on land and in so doing make naval and law enforcement activity at sea more effective.

Piracy arises in response to opportunity. Opportunity derives from seven factors the importance of which varies from case-to-case: legal and jurisdictional openings, favorable geography, conflict and disorder, inadequate security, permissive political environment, maritime tradition, and the presence of reward. How well any opportunity is exploited depends on a variety of other factors including the pirates' mobility, access to sanctuary, the political will of their opponents (which is linked in turn to the presence or absence of a political or economic imperative), ship self-protection and the pirates' access to useable technology. Off Somalia these factors have come together to create piracy's 'perfect storm'.

In Somalia traditional community values, protection systems and orderly governance were consciously destroyed by the Barre regime in the years leading up to its demise in 1991 in a ruthless but ultimately futile attempt to survive. During those years and in two decades of misery that have followed, tens thousands of people have lost their lives and tens of thousands more have lost their livelihoods. Opportunities for material gain were circumscribed by clan and political interests and were always at risk of violent expropriation. Not all economic activity, however, was subject to these restrictions or depredations nor were all areas of Somalia affected equally. Various governance structures survived

such as the *abbans* protective networks, clan elder authority and Islam, or were re-built such as Somaliland, or arose in response to prevailing conditions such as a viable business sector. Imposition of order from above or from the outside does not work in Somalia. As many initiatives as possible must either start from the bottom and work upwards, or be met halfway. Consequently, all of these constituencies need to be involved if civil society in Somali is to be restored and piracy brought under control.

It is critical that this process of building institutions for physical and economic security does not mirror international models but works with the grain of Somalia's messy and decentralized politics. Throughout the twenty years Somalia has been a failed state the international community has tried to create new states to replace the ones that have repeatedly failed. Rather than making the same mistake *again* a new approach is needed which builds upon what exists and works successfully, and is targeted at those tolerably stable parts of Somalia which have a reasonable hope of supporting economic growth. Apart from Somaliland, which has proved in large measure the durability of its institutions and which has never been affected by piracy, it is no coincidence that the most stable areas are the ones where piracy is based currently: Puntland and the neighboring regions of Mudug and Galguduud adjoining Puntland's southern border. Piracy, like organized criminal activity generally, requires some level of government to provide stability in order to operate.

The costs of development may not be as great as are feared although as time passes and piracy's roots sink deeper into Somali society the more difficult and expensive they will be to eradicate. Piracy is a security problem but an economic crime. At the moment the rewards that the pirates can achieve are disproportionate to the risk they incur. This balance needs to be changed. Given the limited number of naval assets deployed in the region, the large number of potential pirates, the continuing availability of targets and the huge area over which all three are dispersed this change is unlikely to be effected at sea without incurring unacceptable levels of cost. Those are high enough already; the US Navy is expecting to disburse around \$1 billion for fuel alone next year. No one, I believe, is suggesting that direct aid is the answer. On the contrary, Somalis are acute businessmen; if piracy has demonstrated one thing it is that Somalis are not afraid to take risks. Changing the risk-reward balance towards more legitimate activity will involve a program that combines political engagement with security force assistance, international police action against the small number of pirate gang leaders and major investors (an initiative which is only just starting); the restoration of an effective court system to enforce contracts, settle disputes and punish crime; and development assistance in the form of strategic infrastructure construction including water resources, and community assistance. A simple survey of existing economic opportunities suggests that attention should be focused on livestock exports, oil and mineral extraction, and fish processing.

This is not to suggest that taking action will be straightforward. First of all care will need to be exercised to ensure that the entities chosen for engagement are viable and have a reasonable chance of success. Even then the guiding principle must not be to pick winners because that runs the risk of creating recipients; local communities even at the village level must not become agents for the distribution of funds but stakeholders in their own success. Those that succeed must be supported; the ones that fail must be abandoned. There must be an expectation that some will fail because of poor management,

overly-ambitious targets, corruption or infighting. Let them. The ones that overcome their problems will draw supporters away from that fail. Progress will take time but it will arise largely from the bottom up and be Somali-inspired not donor-driven. Secondly, the process cannot be focused solely on counter-piracy. Directing assistance towards entities simply because they harbor pirates would be to reward criminal behavior and invite the repetition of that behavior elsewhere. It would also spur resentment amongst those entities and local communities that have resisted pirate encroachment.

### **Naval antipiracy operations off the Horn of Africa are not politically risk-free**

While state failure in Somalia provides pirates with an opportunity to operate relatively freely at little cost the lack of effective security at sea gives them the opportunity to attack ships at relatively little risk. Somali piracy is consequently the most substantial threat to the freedom of maritime trading nations to conduct their lawful pursuits peacefully since the end of World War II.

According to the International Maritime Bureau there were 217 incidents resulting in 49 successful hijackings in 2010. Up until June 13 this year there have been 154 incidents and 21 successful hijackings. Pirates are currently holding 23 vessels and 439 seafarers' hostage. The pirates have expanded their area of operations as far north as the southern Red Sea and the coast of Oman, have approached the Indian coast in the east, and attacked ships as far south as the Mozambique Channel.

Although the United States may have only a very limited direct interest in shipping protection in the region – because the number of US-flagged vessels is now so few – it has a powerful indirect interest in the peaceful and legal use of the sea because as the predominant naval power it is the ultimate guarantor of maritime security and has held that hegemonic position since 1945. When that security is compromised without eliciting an effective response, as it has been off Somalia, then the US commitment to maritime security is brought into question. It cannot go unanswered for long without competitor powers taking advantage of US hesitation. Rising powers are always looking for a weakness they can exploit and looked at historically the opportunity to control piracy has often served as an admirable excuse. The longer the outbreak off Somalia is allowed to persist the more opportunities competitors have to challenge the United States, exercise their forces in a realistic situation, and gain political capital amongst Somalia's neighbors and states that depend upon the peaceful use of the sea.

The naval forces that the US and its partners have deployed in the region have insufficient naval and air assets, and operate under such restrictive rule of engagement (ROE), that they are unable to do more than the bare minimum to restrict pirate activity. More assets and less restrictive ROE would raise the pirates' risk. Fewer ships would be taken and fewer hostages held but the pirate enterprise would continue until it was addressed directly on land.

In the absence of effective naval protection, those ship owners who can afford it are being forced through necessity to adopt increasingly elaborate and expensive self-protective measures of their own. Passive defenses include enhanced watch-keeping, informing naval authorities of their presence, the use of razor wire around the ships' rails, the deployment of water sprays or foam, and the installation of so-

called 'citadels', which are secure on-board spaces to which the crew can retreat and hold-out for a number of days until help arrives. I believe members of the Sub-committee should be under no illusion how terrifying being locked in a steel box on a ship occupied by pirates can be; wondering what they are planning, whether or not an RPG round will be fired at the door and if naval support will arrive in time. Nonetheless, citadels have worked in the sense that pirates have on many occasions failed to break in and retreated back to sea; in some cases such as the *Maersk Alabama* they have been apprehended by naval personnel. On balance, therefore, three days of terror in a citadel is preferable to months of isolation and fear as a hostage. These measures have been codified in a voluntary industry standard known as 'Best Management Practice' (BMP) which is currently in its third iteration and about to enter its fourth.

The deployment of armed private security detachments is more contentious and potentially more troubling. No-one in the shipping industry would disagree with Deputy Assistant Secretary of Defense William Wechsler when he testified before the Senate Armed Services Sub-committee on Emerging Threats and Capabilities on April 12<sup>th</sup>, 2011 that "consistently (ships) with armed personnel onside, not military personnel but privately held armed personnel, do not get pirated." The industry internationally has accepted only recently and with great reluctance that in many cases such detachments are necessary to protect vessels, particularly slow-moving vessels such as bulk carriers. This stems from a natural aversion to having arms on board, the logistical difficulties that embarking and disembarking armed teams entails, the expense that amounts to tens of thousands of dollars per voyage and the deep-rooted belief that states, both maritime and regional powers, are treating piracy with insufficient seriousness as evinced by the lack of naval protection and the lack of political will to engage with the problem on land in Somalia.

One further, related point needs to be made; it has been suggested that the United States should outlaw the payment of ransom in cases of piracy and make this measure enforceable internationally by means of a United Nations Security Council (UNSC) resolution. Although it would eliminate piracy if it proved enforceable – which must be in doubt – it would take time to take effect, possibly as long as two or three years. All that time hostages would be held in deteriorating conditions and subject to increasing abuse, and could eventually be sold to political groups or let free to make their way home as best they can. The policy's price would therefore be high on these individuals and on U.S. interests. The U.S. has no hostages in Somalia. Most of those held come from developing countries which are America's friends such as India, Bangladesh, the Philippines and Indonesia. The outcry in those countries would be loud and politically-damaging. So long as the U.S.-led international community is unwilling to either intervene or engage on land in Somalia then the payment of ransom will remain the only way that hostages can be brought home.

Furthermore, while containment at sea continues to be the only anti-piracy policy option that is being pursued rather than one focused on political and economic engagement on land leading to eradication, then US naval prestige will continue to be affected and political space will be given to competitor states to advance their interests. Those commentators, for example, who argued that the presence of Chinese warships off Somalia was evidence of a newly cooperative spirit on the part of Beijing will have been

disturbed by a strategy paper published last December by the Central Committee of the Chinese Communist Party in which antipiracy operations were described as a way China could gain a subtle foothold in a vital region: "China," it said, "can make use of this situation to expand its military presence in Africa."

### **If Yemen were to fail**

Piracy is not an automatic or even probable consequence of state failure. Other factors need to be in place. If, however, Yemen were to fail, and if in particular a separate state or sub-state were to breakaway in the south, then the security situation in waters surrounding the Horn of Africa is likely to worsen considerably.

There is no home-grown Yemeni piracy currently. Some Yemenis have been observed and even caught crewing Somali piracy boats including one captured on the board the *SV Quest* after the killing of four American sailors. Despite comments to the contrary, and evidence that Somali pirates have used the Yemeni island of Socotra as a refueling base, there is little to suggest currently that piracy is emanating from bases in Yemen.

That is not to say that this might not change. The Yemeni coast guard performs a useful security function keeping Yemeni waters largely although not totally free of Somali pirates. State failure would probably mean this force would not collapse but instead freelance. To an extent this is happening now: Yemeni coast guard vessels already offer themselves for hire as escort ships. If the situation deteriorates to the point that that Yemen breaks up then it is quite possible that unemployed coast guards would engage in smuggling, human trafficking, illegal fishing and piracy on their own account. The areas most likely to be affected are the Red Sea coast north of the Bar el-Mandeb which is edged by numerous small islands and off the country's desolate far eastern coast between the port of Mukalla, which is also a current coast guard base, and the border with Oman.

On the terrorist front al-Shabaab in Somalia, which contains a faction with links to al Qaeda, and Al Qaeda in the Arabian Peninsula (AQAP), which in February this year National Counterterrorism Center Director Michael Leiter referred to as the group that presents the most significant risk to the US homeland, are at least loosely linked to each other with statements of support flowing back and forth. Further evidence of these connections emerged only yesterday with the announcement that Ahmed Abdulkadir Warsame, a linkman between the two organizations, who had been captured by US forces had been brought to New York for trial. It is similarly noteworthy that the US appears to have launched its first drone airstrikes against targets in Somalia following a pattern well-established in the Afghanistan-Pakistan border region and observed increasingly in Yemen. Moreover, that Islamist groups have noted the pirates' successes. Al-Qaeda's two most high-profile maritime attacks, those against the *USS Cole* and the *MV Limburg*, were launched from Yemen. Nonetheless, the threat must not be overstated; it is equally important to recognize that pirates and terrorists have very different interests and have demonstrated no propensity to cooperate with each other to date in Somalia or anywhere else. Despite this caveat it remains the case that if both sides of the Gulf of Aden were to become launching

sites for pirate and, potentially, terrorist attacks then it is possible that if the level of violence increased significantly ship-operators would demand a much higher level of naval protection and if that were not forthcoming would seek alternative routes. Johnny Carson, the U.S. Assistant Secretary of State for African Affairs, has acknowledged already that Somaliland and Puntland “will, in fact, be a bulwark against extremism and radicalism that might emerge from the south.” It is time to acknowledge that they could be a bulwark against extremism from the north as well.

## Conclusions

In conclusion I would like to draw the Sub-committee’s attention to four points:

1. Piracy needs to be ‘crowded-out’ using political and economic engagement in the areas of Somalia that host piracy operations, such as Puntland. The aim must be to change the incentives away from piracy and towards legitimate economic activity. Effective engagement on land will reduce the requirement for naval forces because, in addition to changing the risk-reward ratio, land-based law enforcement will be able to target pirate bases and feed navies with accurate intelligence. Delay in initiating land-based development will merely increase its eventual cost.
2. That development assistance is not aid. Investment and judicial capacity will be necessary but the primary objective must be to encourage international commercial and diaspora investment on business terms. Somalis are a proud and independent people who are not looking for handouts.
3. Piracy has a political significance that often exceeds its economic impact. What the pirates have exposed is that the world’s shipping lanes are more vulnerable to disruption than many assumed and the response to that disruption is less robust than many would have wished. The United States as the world’s predominant naval power is the ultimate guarantor of maritime security. Failure to curb the pirates’ activities raises doubts about its willingness to devote the political and naval resources needed to make that security a reality; doubts that in turn raise questions about its position as the leader of any global maritime security community. Prolonged failure to resolve this question creates political space which competitors will occupy. Experience in maritime security is one step along the road to naval competence.
4. That state failure in Yemen will destabilize the region further. Any instability is likely to spill onto the water and could become sufficiently worrisome to disrupt the vital shipping lane through the Gulf of Aden. This possibility adds a sense of urgency to the need to engage with Puntland and other areas within Somalia that are sufficient stable to make economic development possible. Economic development will ‘crowd-out’ Islamist extremism as effectively as it will undermine piracy.

Once again, thank you for the opportunity to be here today. I am happy to answer any questions that you may have.

**United States House of Representatives  
Committee on Foreign Affairs**

**“TRUTH IN TESTIMONY” DISCLOSURE FORM**

Clause 2(g) of rule XI of the Rules of the House of Representatives and the Rules of the Committee require the disclosure of the following information. A copy of this form should be attached to your written testimony and will be made publicly available in electronic format, per House Rules.

<b>1. Name:</b>  MARTIN N. MURPHY	<b>2. Organization or organizations you are representing:</b>  CURBETT CENTRE FOR MARITIME POLICY STUDIES KING'S COLLEGE LONDON
<b>3. Date of Committee hearing:</b>  JULY 7 <sup>th</sup> , 2011	
<b>4. Have you received any Federal grants or contracts (including any subgrants and subcontracts) since October 1, 2008 related to the subject on which you have been invited to testify?</b>  <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<b>5. Have any of the organizations you are representing received any Federal grants or contracts (including any subgrants and subcontracts) since October 1, 2008 related to the subject on which you have been invited to testify?</b>  <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>6. If you answered yes to either item 4 or 5, please list the source and amount of each grant or contract, and indicate whether the recipient of such grant was you or the organization(s) you are representing. You may list additional grants or contracts on additional sheets.</b>  1. US Naval War College, China Maritime Studies Institute. \$2000 payment for presentation/publication on Chinese naval activity off Somalia 2. US Naval War College, Center for Unconventional Warfare and Armed Groups. \$15,000 for case study on Somali piracy	
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