Analysis of Modern Maritime Piracy with a Case Study of Somalia

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ANALYSIS OF MODERN MARITIME PIRACY WITH A CASE STUDY OF SOMALIA

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Abstract: Piracy is one of the oldest known illegal activities, and its very existence endangers the international arena due to its lawless nature and ruthless methods. Today's piracy, particularly prominent in Africa and Asia, has contemporary political and social implications, and is viewed as a new threat to international order. The aim of this article is to present piracy as both local and regional issues, and an international problem. It analyses how modern-day piracy operates, where it thrives, and what are its geopolitical impacts. The text argues that the role of states, their sovereignty, and their lack of it are closely connected to piracy.

Keywords: *Contemporary piracy, pirates, sovereignty, maritime crime, geopolitics, state failure, Somalia, Horn of Africa*

1. Inside the mind of contemporary piracy

This article provides a critical analysis of contemporary piracy and its inner workings. This article re-visits causes for piracy and expands on the subject by discussing incentives to become a modern-day pirate. Also, it looks at ways in which piracy operates, various business models, and strategies. It will be investigated what socio-economic, political and legal implications occur, as a result of pirate activity. These issues will be analysed both locally and internationally, and, lastly, through a case study, focused on Somalia.

1.1 Inner workings of piracy

The first sub-section describes conditions in high-risk areas that allow piracy to take place, and it addresses the motivations behind the criminal activity, as well as how a pirates' business models works in practice. The aim is to analyse the internal mechanisms of piracy, which vary from the much broader international geopolitical view.

1.1.1 Causes, incentives and prerequisites

Pristrom, et al. (2013) argues that piracy is predictable, based on an idea of piracy high-risk areas (HRA); that is, piracy requires a proximity to areas with high maritime traffic, as well as an accessibility to safe heavens. For example, the Malacca Strait provides many disclosed islands, the Gulf of Guinea offers a number of suitable ports, and pirates of the Gulf of Aden make use of coastal strips and villages of Somalia (Payne 2010). Moreover, piracy-stricken areas exemplify insufficient law enforcement, from coastal guards and surveillance, to a functional jurisdiction system. Hence, pirates are not likely to be captured, and if so, they are unlikely to be punished.

In the Strait of Malacca, Marley (2011) argues that the major cause of today's pirate activity is China's new capitalist expansion, as well as the newly emerging economic significance of Singapore and Hong Kong. More generally, South-East Asia provides 'a patchwork of strong and weak, rich and poor countries' (Hastings, 2009, p.220) surrounded by water, and disadvantaged by limited cooperation. In West Africa, piracy is largely driven by the region's oil production, particularly from Nigeria. Pristrom et al. (2013) say that 'the nations of that region produce 5 million barrels of oil on a daily basis' (p.682), and, not surprisingly, oil tankers are the most frequent target. Finally, in the Horn of Africa, some believe piracy began as a reaction to foreign trawlers, and to the illegal dumping of toxic waste in Somali territorial waters. This issue will be examined in detail in the case study part of this article.

Another favourable element for pirates is the use of 'flags of convenience'. By adopting 'flags of convenience', that is, registering ships in countries, which require little operational standards, ship owners avoid extra costs, from tonnage fees to taxes, and they have less responsibility associated with cargo transports (Gómez, Ángel and Navarro 2013). The most notorious countries that offer their flags are Panama and Liberia. Marley (2011) argues, that more than 50% of all merchant ships are registered under these 'impotent' flags (p.34), and Panama alone is responsible for more than a half of all registered vessels (CIA 2008).

Perhaps the most crucial aspect of today's occurrence of piracy is an incentive to become a pirate. There is 'a direct causal link between poverty or lack of employment opportunities' (Bueger 2013c, p.n.g.), creating an economic dislocation of a region, due to globalisation and unequal world development. Lucas suggests that, presently, "even a low-ranking member of a pirate organization can earn as much as $20,000" (Lucas 2013: 56) from one successful attack. Hence, individuals seek out illegal opportunities, in order to financially profit, as well as to help their communities out of poverty.

Bueger (2013b), however, finds an additional social factor. He highlights cultural accessibility and individual skills, which make piracy possible and socially acceptable to certain groups and regions. According to him, piracy gains legitimacy through a narrative, which describes pirates as protectors or heroes in local communities, in which, in turn, they find food, a shelter and a logistical support. A particular example from Somalia will be described in section 1.4. Hence, pirates are not only viewed positively, but also recruited more easily. Moreover, pirates are often drawn to the profession due to their previous skills, such as swimming, navigation or an ability to handle weapons. The last example, of course, goes hand in hand with locations that are not stable, often exposed to violence and civil unrest for decades (Bueger 2013c).

Thus, contemporary piracy makes use of internal instability in various regions, where sovereign states lack control over their entire territories. Moreover, as a result of insufficient economies, piracy, similarly to other crimes, becomes a symbol of failure, not only of nations, but also of groups and individuals. Triggered by external phenomena, such as oil export or capitalist interests on sea, pirates respond in their own way to the missing rule of law.

1.1.2 How piracy operates

According to Bahadur, 'piracy is not so much organized crime as it is a business' (Bahadur 2011: 43), and, as Bueger explains, 'a business plan has to be developed. Hence, a considerable driving force of piracy will always be criminal-minded entrepreneurs' (Bueger 2013c, p.n.g.). Pirates are thus a sophisticated brand of criminals, able to plan and

make use of regional resources, developing economically well-functioning business strategies. In this way, they offer an alternative to an official state-based system, developing their own norms and rules.

In Southeast Asia, most attacks remain within territorial water, whereas in East Africa, pirates venture further away to high seas. This trend can be ascribed to a relatively recent use of mother ships, allowing the pirates to travel longer distances, and for longer periods of time. Pirates are always equipped with some kind of weapons, yet these are not always used. In Southeast Asia, weapons used by pirates, such as knives or machetes, are less sophisticated than military assault rifles, AK-47s, or rocket-propelled grenades in East and West Africa (Bradsher 2014). Nevertheless, pirates all over the world are gradually better armed, resulting in increased levels of violence. In terms of ship boarding, numbers have been growing. Whereas in 2010, there were 196 boarded vessels, in 2013, given the significant drop in pirate attacks worldwide, there were 202 vessels boarded (IMB 2011; 2014a; 2014b). This suggests the pirates' growing boldness and confidence, and an ability to form homogeneous groups, able to grow in otherwise decayed conditions.

In the Malacca Strait and the South China Sea, a typical tactic is to rob an anchored vessel, and instances of either violence or hijacking for ransom are are less common (Pristrom et al. 2013). In the Gulf of Guinea, pirates attack anchored or slow-moving vessels, and their primary goal is to seize oil tankers, syphon the oil, and leave (Gabbatt 2013). However, since 2012, the pirates of West Africa, as well as in Southeast Asia, have started to adopt the techniques of Somalian pirates. Thus, whereas in 2012, there were 206 hostages in the Gulf of Guinea, in 2013 there were already 279, suggesting that 'West African piracy is increasing in scale and (…) in organization' (Bellish 2014:12). Furthermore, Nigerian pirates are increasingly more violent, and their share on Africa's piracy grew from 17.3% in 2008 to 66.7% in 2013 (UNCTAD 2014). On the other hand, in the Malacca Strait, pirates attempt to avoid any interaction with the crew (Twyman-Ghoshal 2014). The case study below will look in detail at the East African region. There, Somalian pirates focus on hijacking for ransom, and are less likely to board a ship. Lastly, in relation to terrorism, terrorist-related attacks are extremely rare. According to Asal and Hastings, they form

'199 out of 98,000 attacks in 40 years, which is less than 0.2% of the total' (Asal and Hastings 2014, p.n.g.).

Today, pirate strategies are ever more efficient, allowing this profession to remain successful, even after Somalian piracy has rapidly decreased. This impressive business model is shown through the pirates' financial arrangements. There are organisers, suppliers, individual 'foot soldiers', businessmen, negotiators, and an array of people who will ultimately financially benefit from an attack, each having a different share, based on his role (Stockbruegger 2011a).

Pirates thus exemplify a kind of prosperity, and perhaps also a sense of order in a disordered environment. While, from a distance, they appear to contribute to anarchy and a state failure, from another point of view, they show impressive abilities to adapt, improvise and rise. In their world, piracy provides a new profession, marked by planning, cooperation, and a profit, not so different from a fledgling business of the Western world.

1.2 Socio-economic implications

Nevertheless, piracy is a great threat to the international order, and also to economic stability and global trading (World Bank 2013). It not only challenges individual ship owners, but the entire workings of the modern economic market, as well as the regions where pirates come from. Estimates on the costs of piracy show 'wide discrepancies in the number of attacks and total losses' (Elleman, Forbes and Rosenberg 2010: 20), due to different definitions of piracy, reported and unreported cases, or illegal activities associated with it. Moreover, large numbers of people can actually benefit from piracy, and its regional effects on economies are not necessarily in accord with the global economy. This section will discuss all these ideas, and give a general view on the widespread and domestic impact piracy has today.

1.2.1 World-wide implications

According to UNCTAD (2014), piracy results in direct and indirect economic costs, varying between 1 to 16 billion dollars a year, and the World Bank (2013) suggests an annual cost of 18 billion dollars. These

financial losses to the world economies come from localised incidents, and expand to other regions and parts of the world, ultimately affecting a large number of people and areas.

Directly, piracy affects both public and private sector, resulting in losses, far beyond the immediate pirate activity. For private companies, piracy means the extra cost of security equipment, and protection technologies, estimated to cost between 1 and 2 billion dollars a year (Hallwood and Miceli 2014; OEF 2011; OEF 2012). Insurance costs, which are 'the most significant barometer' (Chalk, Smallman, and Burger 2009: xi) of the costs of piracy, depend on banks and insurance premiums. An insurance price for a single voyage has risen from 500 dollars in 2008, to 20,000 dollars in 2009, and up to 150,000 dollars in 2010 (OEF 2011; Gilpin 2009). As a result, Hastings (2009) believes that pirate incidents are underreported, since reports would raise a companies' insurance premium. In addition, the reason for this incredible jump since 2008 was that the Lloyd's Market Association (LMA) declared the Gulf of Aden a war risk area (OEF 2011).

Moreover, military operations are another expensive result of pirate activity. According to Marley, 'deploying a single frigate into the Horn of Africa amounts to about $1.3 million a month' (Marley 2011: 72). Furthermore, an initial budget for just one operation, the EU's Operation Atalanta was 450 million euros (Marley 2011). Thus, UNCTAD (2014) estimates the incredible sum of 2 billion dollars is invested into overall naval forces and military operations in 2010, and a lower, yet still high cost of 1.9 billion in 2012.

In addition, payments of ransom have risen from tens of thousands, to hundreds of thousands, 2 million dollars in 2009 (Payne 2010), and, in 2010, the average ransom price was already 5.4 million (Bellish 2014). UNCTAD shows that between 2005 and 2012 ransoms reached '$339 million to $413 million' (UNCTAD 2014: 15).

Further financial losses, even more difficult to account for, are the indirect investments and costs, ranging from the macroeconomic impacts to those whose lives are affected by it in many parts of the world. In piracy-affected areas, ships are forced to travel at high speed, thus spending more money on fuel (Hallwood and Miceli 2014), while, on the other hand, re-routing, such as through the Horn of Hope instead

of the Gulf of Aden, means not only additional fuel costs, but also extra time for travel. Mbekeani and Mthuli (2011) believe that between 2 to 3 billion dollars are annually spent on re-routing, increasing demands on worldwide import and export, and the topping up of commodity prices for customers. Trade-related impacts also create international trade losses and changes in foreign investments. Finally, there are the mental and emotional costs for crew members on ships, hostages, their families, and also families of pirates, and these losses cannot be put into real numbers, or sufficiently measured (Abila and Tang 2014).

1.2.2 Local and regional implications

Economic losses are important exactly because the states suffering from piracy are developing or failed states, with a need for economic stability. However, there are tensions between the principle of weak or failed states, pirates' financial influx, and a possibility to tackle this illegal activity.

On the one hand, piracy perpetuates economic instability and poverty, and, in weak states, it is a significant player within regional economies. Due to piracy, affected areas have fewer investments, and their contribution to the global economy is limited. Piracy onshore also causes 'price inflation which has sent the cost of food and other commodities soaring' (Murphy 2012: 9). This the trend is directly linked to an idea of stationary and roving bandits, where roving bandits only care to steal, with little interest in the economic stability of the whole region (Olson 2000).

If this is the case with pirates, how can they operate in one place, instead of moving to another? Pirates need an environment where they can sell their stolen goods, acquire weapons and other necessities, and at least some support from local communities. This is where the idea of stationary bandits comes to play. Stationary bandits, attempt to maintain their power structures and operation fields, thus contributing to a betterment of the region, at least to some extent. With these principles in mind, do pirates undermine the regions' economic potential, or do they have anything to contribute?

Pirates cannot function without some degree of stability. As mentioned in chapter two, some coastlines gain wealth and prosperity due to the

presence of piracy. According to the UN Office on Drug and Crime, 'Somali pirates brought in an estimated US$150 million in 2011, which is equivalent to almost 15% of Somalia's GDP' (UN Office on Drug and Crime 2013: 1). Consequently, pirates maintain an influx of capital within the states and regions involved, which would otherwise be unavailable, and contribute to their economic development. In a manner, similar to the mafia, pirates distribute certain amounts of resources, provide security, and bribe when necessary, thus keeping themselves connected to their environments (Bellish 2014). Therefore, it can be said that they operate in a manner of stationary bandits, and so it seems that piracy-stricken regions are actually on the way towards more stability; more so than, for example, opportunistic rebels in Kenya, who strongly resemble roving bandits (Olson 2000).

According to Olson's *Power and Prosperity* (2000), the presence of stationary bandits suggests a trend towards democratisation. Thus, it is feasible to imagine that the presence of pirates may have some long-lasting positive effects on local developments. Kamola goes as far as to suggest that international efforts to eradicate piracy in territorial and international waters are really an attempt to preserve existing capital circulation, thus not attempting to aid regions at all. Pirates 'attack agents whose industries have damaged coastal economies, as well as those shipping vessels that yield economic value when ransomed' (Kamola 2011: 3), thus creating a new, home-grown economic market, a 'pirate economy', which is, of course, in opposition to global capitalist interests. Hence, pirate businesses are of great economic value and significance, and it can be argued that, along with the political effects, the financial aspects of piracy are the most important ones.

1.3 Political and legal implications

This section discusses political and legal issues related to piracy, and their effects in practise. According to Murphy, 'piracy's political significance has generally exceeded its economic impact' (Murphy 2012: 5). Therefore, it is crucial to address the issue of a pirates' status. This part will discuss existing law enforcement problems, and what juridical implications apply in global, as well as local and regional terms. The purpose here is to address the current standing of pirates in terms

of a prosecution, in order to better understand the socio-economic factors discussed earlier.

1.3.1 World-wide implications

The act of piracy challenges the authority of states or governmental legitimacy, and the international community as a whole. However, there are political and legal difficulties, regarding how to deal with this crime, and how to limit its impacts. Although pirates are 'the enemies of all', the UNCLOS provides the only legal base for handling piracy, and each nation views this crime differently, with different ideas on its elimination. Ultimately, the quality of law enforcement in global terms is extremely weak (Bellish 2014). As Bueger argues, 'good law is not the same as good law enforcement' (Bueger 2013d: 11).

Many argue that, in order to deal with piracy effectively, the International Criminal Court (ICC), the responsible jurisdiction over global heinous crimes, namely, genocide, crimes against humanity, war crimes, and the crime of aggression, should incorporate piracy as well. However, the ICC would have to undergo substantial changes, and currently excludes piracy (Hallwood and Miceli 2014). Moreover, on a local scale, pirates do not cause any immediate danger to local communities, and their activity targets perspective sources of money rather than individuals.

Another issue, from a legal perspective, is that, due to coastal states and their interest in maritime resources, the UNCLOS now allows for the EEZs almost two hundred nm, and the high seas are further away from the coastlines, thus making "certain acts against shipping that had previously been in the jurisdiction of all states (…) mere criminal or civil offences under the coastal state's municipal laws" (Elleman, Forbes and Rosenberg 2010: 28).

Furthermore, once a pirate ship is captured on high seas, it is difficult to go any further. Pirates are often released because problems associated with a proper prosecution practices are much greater than the benefits of a trial, which would set an example (BBC 2011). Hence, most prosecutions ordinarily fall on individual countries, or mutual agreements among countries, such as in the case of Somalia and Kenya, and their results are extremely limited. Pirates are usually punished

according to criminal laws of involved nations, and 'not under international law in an international tribunal' (Marley 2011: 64).

Often, countries completely refrain from a trial due to the associated high costs. From flying the accused to the countries where the trial will take place, to incarceration and legal expenses, any one trial may cost millions of dollars (Hallwood and Miceli 2014). Distances between countries attempting a prosecution, and locations of committed crimes are often great. Also, given the uncertain results, to actually convict a pirate requires statements, evidence, witnesses from other countries and so on, thus proving the whole process too strenuous (Gómez, Ángel and Navarro 2013).

Lastly, one must question the very nature of a legal prosecution. What sanctions are adequate, and is punishment the way, how to tackle piracy? It may very well be that a well-executed trial, in proximity to the area involved, may set a good example and a lesson for active pirates, but, until there are templates to be followed, for example the ICC's policy, piracy will not be threatened, and individuals involved will not be discouraged. An optimal enforcement of piracy requires cooperation, as no one single country is able, legally and otherwise, to do so (Hallwood and Miceli 2014). Accordingly, piracy remains standing in opposition to the international community as a self-determined criminal act, able to reshape and relocate at any given time.

1.3.2 Local and regional implications

Locally, it appears that piracy is perceived on a boarder-line between a benefactor and the villain for local and regional authorities, as well as entire communities. Despite state failures and flawed systems, "to include the territorial sea in the definition of piracy would (…) be a gross breach of state sovereignty" (Paige 2013: 148). Therefore, local governments are responsible for this crime, at least when in occurs in territorial waters. Nevertheless, due to the instability of the governments of nations where piracy occurs, it is unlikely that pirates can be dealt with through proper law enforcement. These countries, such as Nigeria, Togo, Benin, or Somalia, lack legal frameworks for piracy, or, at least, are not able to enforce existing laws (Murphy 2007). Also, there are no practical ways of dealing with pirates on the seas, espe-

cially since the EEZs were included to territorial waters, and no coast guard or police units are able to track pirates that far from the coast, or to constantly guard anchored vessels (Marley 2011).

In addition, most regional governments are too corrupt to provide a proper trial. Some law enforcement agencies, such as police, are dependent on bribes, in order to function at all (Hansen 2009). Pirates as small groups have an advantage in ruling territories precisely because they appear beneficial rather than selfish. Thus, to be perceived by the public as harmful predators, their wider networks and links to other criminal activities would have to be exposed, in order to gain a public image as self-interested networks, with no common good in mind (Olson 1975). Since 'maritime threats should hence be seen as interdependent' (Bueger 2013d: 9), piracy may lead to a perpetuation of other forms of violence and new illegal activities, such as prostitution in coastal cities.

Bellish (2014) proposes that, in order for local prosecutions to have any effect, they must focus on capturing the leaders of pirate organisations. He argues that there is a constant flow of willing individuals to enter these syndicates, existing as open systems. Thus, the most effective solution would be to establish law enforcement units in individual regions, such as in Somalian de facto state Somaliland, where 'local prosecutors may receive training and mentoring from internationally seconded staff funded by donor states' (Guilfoyle 2012: 105). Such a system would be more likely to work. However, there is a risk that if a pirate is caught by foreign forces and handed to local authorities, according to Islamic laws, he can be killed, as is the case in Kenya (Payne 2010). In these conditions, it seems that local and regional prosecution of pirates is just as complicated as it is in international terms, and, perhaps, the most viable solutions lie in international interventions.

1.4 Somalia case study

At this point, we finally turn to Somalia to examine particular examples of the above-mentioned issues, economic, legal and social effects, and local and regional relationships between people, authorities and pirates.

1.4.1 The Republic of Somalia

Somalia emerged as a failed state through historical processes. In 1960, as part of a decolonisation process, the country became a republic by merging former British Somaliland with Italian Somalia. As mentioned below, Somaliland aims for independence on the basis of its former sovereignty, and is recognised as such by about thirty nations worldwide. Between 1969 and 1991, the nation was under a dictatorship of Mohamed Siad Barre, and, after his demise, further conflicts followed (Leeson 2007). A civil war that intensified the region's poverty, and posed threats to international peace and security, Islamist power struggles, and clan-based disputes throughout the 1990s provided a fertile ground for criminal activities and, of course, piracy (Silva 2010). In 2006, the Islamic Courts Union (ICU) took over the capital, and, since then Mogadishu has experienced various riots, demonstrations and violence in general. In the twenty-first century, a coalition government was established, and in 2009, Shaik Sharif Ahmed was elected as a president. Nevertheless, the country remains fragmented, and, according to The Fund for Peace (FFP) (2014), Somalia is on top of the list of failed states.

It lacks a functional central government, and is unable to provide its citizens with basic security, as well as to maintain formal relations with other states (Potter 2004). Despite Somalian homogeneous religious structure, the overall societal organization is still a major obstacle in the creation of an effective government (so far there has been sixteen attempts for a stable government), still heavily relying on clans and regional structuring, which, however, can provide a considerable amount of stability.

1.4.2 The rise and fall of Somalian piracy

Somalian piracy has always made use of the country's long coastline, as well as the Gulf of Aden's traffic, 'with more than 20,000 ships a year' (Bueger 2013c). Piracy first emerged in the region during the civil war, as a result of increased insecurity and economic dislocation (Wambua 2009). Somalia remains marginalised, and its collapsed economy contributes to increased poverty, unemployment, and a general backwardness. Somalia's law enforcement as a whole is weak

as well as corruptible, thus providing a limited oversight to illegal activities.

In addition, by the mid-1990s, Somalian waters became overcrowded by foreign trawlers, who pushed out local fishermen, thus causing their bankruptcy, and a further sense of insecurity. As a result, Somali fishermen began to attack those ships on small boats, with basic weapons, demanding money, and making their own kind of 'justice' (Beloff 2013). Quickly, they realised the potential and the true value in these vessels' crews. By 2008, this model was given a narrative, legitimising Somalian piracy for local communities. This 'grand narrative' depicts pirates as protectors of the Somalian waters from intruders, who not only fish but also dump toxic waste. Thus, piracy became presented as 'the performance of quasi-state functions, and as orderly and rule-based' (Bueger 2013b: 117). Thus, contemporary Somalian piracy emerged as a response to hyperinflation, a realisation of a viable business model (that is, hijacking for ransom), missing law enforcement, and a gradual legitimation through the 'grand narrative'.

By 2010, out of 445 worldwide attacks, there were 219 attacks attributed to Somali pirates alone (IMB 2011). Their operation field has spread from "the Gulf of Aden, southern Red Sea, areas off Yemen and off Oman and the Arabian Sea, to the coastal waters off Kenya, Tanzania, Seychelles, Madagascar, Mozambique, the Indian Ocean, the Indian west coast, and the Maldives west coast" (IMB 2011: 19).

By 2011, however, due to international efforts and military interventions, Somalian attacks began to decrease and, within two years, they essentially disappeared. In 2013, there were only 15 reported attacks by Somalian pirates (IMB 2014a). However, since this is mainly due to international efforts, rather than changes in Somalia, reasons for this change will be analysed in chapter four. Here, the thesis primarily comments on the Somalian perspective and Somalian experience of piracy. In addition, according to the IMB (2014b), there are still reasons to believe that Somalian piracy may re-appear, because no internal changes within Somalia itself have been made.

1.4.3 The business model and economic impacts

Somalian piracy has a good organisation, socio-economic links, and a capable leadership. In practice, Somalian pirates use speedboats and mother ships, thus having an advantage over other vessels. Individuals take part in pirate business due to the lack of other opportunities, financial motivation, as well as due to a belief that piracy is 'a tax on foreigners who are overfishing Somali waters' (Hallwood and Miceli 2014, p.n.g.). Pirates have a sophisticated profit sharing model, keeping around 40% of ransom for themselves, using approximately 10% for bribes, and distributing some 50% to clan leaders and financial supporters. Overall, a single pirate may earn around 15,000 dollars (BBC 2012; Kamola 2011), and a clan leader can receive up to 100,000 dollars from a single kidnap.

Given the country's GDP is extremely low, piracy supports Somalian fragile, yet increasingly more vibrant, economy, and also individuals and their families. A BBC report points to the investments in regional centres, indicating that 'the benefits being shared out between a large numbers of people due to the clan structures in place' (BBC 2012, p.n.g.).

The most famous pirate-entrepreneur, who managed to create a successful business, is Mohamed Abdi Hassan, known as Afweyne. Afweyne professionalised the kidnap-ransom model, created a cross-clan network, helped the local economy, and established a 'pirate stock exchange', allowing individuals to invest in pirate ventures, and providing a culmination of money, as well as a cooperation among people (Bahadur 2011; Bellish 2014; Hansen 2009).

With regard to a prosecution, due to corruption and a general sense of protection from pirates, Somalia shows little interest in punishing this crime. The present government tries to cooperate with the international community, but, as mentioned above, its law enforcement abilities are very weak. Therefore, the greatest authority remains with clans and clan leaders, who, of course, do not wish to turn against these criminals for social as well as financial reasons.

1.4.4 The question of a failed state and piracy

Thus, it is questionable whether the collapse of the Somali state is further perpetuated by piracy. Rather, it appears that Somalia as a state will always remain lawless, because "to even speak of Somalia as a uniform entity is a mischaracterization" (Bahadur 2011: 17-18). By observing individual units of this failed state-system, one notes a significant degree of sovereignty and stability. Piracy is, indeed, a result of the state's failure, but it also has a positive impact on local developments.

Based on the clan-system and local governments, Somaliland and Puntland are two regions able to function effectively, given the overall destabilisation of the country. Somaliland, with its own constitution, strives for complete independence, currently representing a de facto state. Puntland, the infamous stronghold of pirates, also shows a high degree of stability, and, as Johnson and Smaker (2014) argue, a gradual process of democratisation.

Hence, in Somalia, there is "a kind of highly-ordered lawlessness' (Guilfoyle 2012: 88), which, in certain parts, exemplifies 'security, stability, and some degree of democratic consensus" (Johnson and Smaker 2014: 12). Therefore, the nation should not be viewed in a paradigm of a state failure, but rather as an entity in the making, where piracy is an element of this process, and not a cause of lawlessness.

Piracy's internal characteristics are of crucial importance in Somalia and elsewhere, as they ultimately determine the nature of this crime, its future and its international status. One cannot speak about Somalian piracy without discussing its elaborate business model, and, in the same manner, it is vital to understand the inner workings of piracy, and to separate them from an international viewpoint on maritime crime.

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