

The political economy of Somali piracy: Unravelling the actors, their motivations and activities, 2005-2011

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Abstract

Understanding piracy as a criminal business enterprise only presents a partial portrait of what is otherwise a complex phenomenon. Somali piracy could be better understood if it were framed as a multi-layered engagement whose various actors' participation is driven by varied motivations beyond commentators, scholars and analysts' explanations of the phenomenon as a struggle for control, domination and fierce competition among actors. This article seeks to illustrate the facets of Somali piracy through the lens of a political economy approach to provide a nuanced consideration of the various actors who participated in the piracy economy, what motivated them to participate in this economy and suggests the functions of the economies which emerge. Such an endeavour, unlike the past, will not glorify a few people or groups but will attempt to reveal the many other actors and their activities. Through the mining of secondary sources and newspaper articles, the authors demonstrate how the collapsed economy of Somalia after the Siad Barre regime opened many economic opportunities for a variety of people in Somalia and beyond. This provides not only a different but also a disaggregated explanation of piratical activities in the Horn of Africa and a foundation of targeted interventions to end the scourge.

Keywords: Somali economy; Somali piracy; Somali coast; Combat economy; Shadow economy; Coping economy.

Introduction

This paper advances an explanation of the Somali piracy phenomenon from a political economy perspective. In doing so it engenders the mapping out and examination of key players in the Somali piracy economy and the various activities the players engaged in as well as their motivation to participate in the menace and what incentives were put in place to dissuade individuals or groups from engaging in piracy. Such an approach provides a nuanced picture of Somali piracy beyond its framing as a mere business and a space where players are struggling to control and

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outdo each other. This nuanced understanding of piracy has implications for setting up initiatives to reduce the menace. We posit that even an unstable and collapsed state coupled with militia groups roaming around with ease and as powers unto themselves, piracy thrived and served distinct functions for a range of different people. It can be deemed a response to the then prevailing circumstances and the need to diversify livelihoods in a war economy.

This approach is in line with what Cone refers to as the “political economy of war” approach. Cone states that the political economy of war seeks to “illuminate the role of actors who channel profits into continued warfare by examining not only the economic agendas and interests of the various actors involved in the conflict but also their political agendas and interests.”² Dunn expounds the approach further and avers that it focuses on how agendas and interests are defined and the material ramifications of the actors engendered by these agendas and interests at play.³ It is important to note that a political economy approach encompasses engagements beyond the profit motive and the struggles to outdo one another, as all businesses do.

Therefore, while warlords, militia heads, state functionaries and rebels may give direction to economic activities that sustain a war, other groups and individuals may only be involved in piracy for survival purposes. The latter may thus operate at a different level and are removed from the high-stakes games that the former groups normally engage in. The engagement in piracy beyond the profit motive is discussed in detail by Guaqueta.⁴ The hypotheses put forth by Cone, Dunn and Guaqueta among others make the political economy perspective a pertinent framework to examine Somali piracy economy.

For their part, Ballantine and Nitzschke regard the political economy of conflict approach as a practical framework for understanding divergent functions of conflict.⁵ They are of the view that looking at war through this lens allows for a better understanding of conflict engagement and its facets, which has significant implications for conflict resolution. These authors cite Jonathan Goodhand as a scholar who uses this approach and suggests a useful taxonomy of “combat”, “shadow” and “coping” to illuminate the different functions of a war economy.⁶ It should be noted that while these categories overlap in terms of the actors and the activities they

2 C Cone, “An analysis of the economic dimension of the conflict in the Democratic Republic of Congo with recommendations for Track One Diplomacy” (MA, University of Pretoria, 2007), p. 29.

3 KC Dunn, “Identity, space and the political economy of conflict in Central Africa”, *Geopolitics*, 6(2), 2001, p. 55.

4 A Guaqueta, “Economic agendas in armed conflict: Defining and developing the role of the UN”, available at http://www.Ipacademy.org/Programs/Research/ProgReseEcon_body_07.htm (accessed 9 Sept 2021).

5 K Ballentine and H Nitzschke, *The political economy of civil war and conflict transformation*, Berghof Research Centre for Constructive Conflict Management, 2005, available at https://www.berghof-foundation.org/fileadmin/redaktion/Publications/Handbook/Dialogue_Chapters/dialogue3_ballentine_nitzschke.pdf (accessed 12 Jan 2018).

6 J Goodhand, “From war economy to peace economy? Reconstruction and state building in Afghanistan”, *Journal of International Affairs*, 2004, available at <https://researchgate.net/publication/279503715> (accessed 8 Dec 2016).

engage with them nonetheless encompass a distinct set of actors, motivations and economic activities.⁷ These distinctions make it possible to decipher the key actors in war economies, their motivations for engaging in such economies and whether, if given an opportunity, they would choose to disengage from the war.

Goodhand avers that there are three types of economies that emerge in a conflict setting, namely combat, shadow and coping, which are intertwined.⁸ The combat economy of a war economy involves the direct engagements that sustain the war effort including purchasing ammunition, military wear, and the recruitment of fighting machineries. The key actors in this economy include warlords, militia heads, mercenaries, heads of government militaries and rebels, all of whom participate in war to achieve military objectives, including usurping state power. These actors are not interested in the cessation of conflict because this reduces their power and status in the eyes of their followers. The shadow economy, sometimes called the “black market”, encompasses the informal unregulated activities in a war economy.

Normally, these engagements are present even before conflict breaks out but key actors in a war often usurp and take over any black-market activities. The main participants in this sector include mafias and drug lords, and other cartels, who are largely “conflict profiteers” who benefit from war. Other groups include truck drivers and marijuana farmers. Withdrawal from this economy by the key actors will depend on assurances that they will be in a position to access alternative livelihoods when they disengage from the activities associated with war.⁹

The coping economy involves survivalist economic activities among the civilian population. Such interactions include petty traders and also subsistence farmers who have been dispossessed of their land to pave way for mineral exploitation without being given compensation. They also grow illicit crops such as poppy and sell narcotics besides engaging in war activities to sustain their livelihoods.¹⁰

The broad facets of Goodhand’s taxonomy establish the basis for this discourse and is adapted in this article to explain the diverse stakeholders in the Somali piracy economy, the various activities participants engaged in as well as expounding their motives. So as to attempt a complete characterization of the economy’s participants

7 K Ballentine and H Nitzschke, *The political economy of civil war...*, available at https://www.berghoffoundation.org/fileadmin/redaktion/Publications/Handbook/Dialogue_Chapters/dialogue3_ballentine_nitzschke.pdf (accessed 12 Jan 2018), p. 7.

8 J Goodhand, “From war economy to peace economy? ...”, *Journal of International Affairs*, 2004, available at <https://researchgate.net/publication/279503715> (accessed 8 Dec 2016).

9 K Ballentine and H Nitzschke, *The political economy of civil war...*, available at https://www.berghoffoundation.org/fileadmin/redaktion/Publications/Handbook/Dialogue_Chapters/dialogue3_ballentine_nitzschke.pdf (accessed 12 Jan 2018), pp. 8-9.

10 M Mwanasali, “The view from below”, M Berdal and DM Malone (eds), *Greed and grievance: Economic agendas in civil wars* (Boulder, Lynne Rienner Publishers, 2000), K Ballentine and H Nitzschke, “The political economy of civil war...”, 2005, p. 8.

and attendant activities, this paper's scope is between 2005 and 2011 when the piracy, historically viewed, was at its peak. To ground the discussions, we provide a background to the collapsed Somali state within which the piracy economy was at its zenith.

The collapse of the Somali economy

Conflict often creates or results in the development of new economic networks to replace the fractured economy that ensues when the previous state has collapsed. Until the ousting of the Siad Barre regime in 1991, Somalia enjoyed a somewhat frail economy with footprints that pre-date Siad Barre's ascension to power in 1969. Somalia's stunted economy at the end of Siad Barre's rule was a mirror of its pre-colonial and colonial times. In the pre-colonial era, Somalia's hinterland was dominated by pastoral activity,¹¹ coexisting with some cultivation, trade and fishing.¹² Both trade and fishing had regional and global links that were interspersed with piracy.¹³ While scholars such as Schneider, Carlson¹⁴ and Alpers¹⁵ all affirm the interplay of trade and piracy through the centuries, Smith shows that the interplay's high was the nineteenth century Majerteen Sultanates's monopoly.¹⁶ The ruling dynasty's monopoly of the pirate loot provided the ruling family with material and political benefits¹⁷ while the Sultanate's subjects stagnated in the economic doldrums.

In the subsequent colonial era, Somali people's economic situation remained largely gloomy although a small middle class comprising salaried government employees and traders emerged.¹⁸ The lucrative colonial export-oriented banana, cotton, sugarcane farming and salt processing in the south,¹⁹ was however of marginal

11 DD Laitin and SS Samatar, "Somalia and the world economy", *Review of African Political Economy*, 30, 1984, available at <http://www.jstor.org/stable/4005687> (accessed 17 Oct 2021), pp. 58-72.

12 WK Durrill, "Atrocities misery: The African origins of famine in Northern Somalia, 1839-1884", *The American Historical Review*, 91(2), 1986, available at <http://www.academicroom.com/article/atrocious-misery-african-origins-famine-northern-somalia-1839-1884> (accessed 14 Sept 2015), pp. 287-306.

13 P Schneider, "Before the Somali threat: Piracy in the ancient Indian Ocean", *The Journal of the Hakluyt Society*, 2014, available at http://www.hakluyt.com/PDF/Schneider_piracy.pdf (accessed on 10 Sept 2015), pp. 5-16.

14 A Carlson, "Pirates of Puntland, Somalia", *Origins: Current Events in Historical Perspective*, 2(9), 2009, available at <http://origins.osu.edu/article/pirates-puntland-somalia> (accessed on 20 May 2013).

15 EA Alpers, "Piracy and Indian Ocean", *Journal of African Development*, 13(1), Special Issue 2, 2011, p. 20.

16 The Majerteen Sultanate, reportedly founded in the early 16th century in Somalia's northern coastal region (today's autonomous state of Puntland) shot to prominence in the 19th century and early 20th century on the back of a piracy fuelled economy. Between the 1840s and 1909, Majerteen's ruling sultans appropriated piratical wealth from surrounding sea waters. The benefits accrued enabled them to create an economic stranglehold on their subjects for decades.

17 NWS Smith, "The machinations of the Majerteen sultans: Somali pirates of the late nineteenth century", *Journal of Eastern African Studies*, 9(1), 2014, available at DOI: 10.1080/17531055.2014.970602 (accessed on 31 Oct 2014), p. 24.

18 AI Samatar, *Socialist Somalia: Rhetoric and reality* (London, Institute for African Alternatives, Zed Books, 1988), pp. 49-57.

19 DD Laitin and SS Samatar, "Somalia and the world economy", *Review of African Political Economy*, 30, 1984, available at <http://www.jstor.org/stable/4005687> (accessed on 17 Oct 2021), pp. 58-72.

benefit to the Somali people because the Italians were making a kill out of it. At independence, administrative inadequacies prevented meaningful economic growth in Somalia with only a new, exclusive class of elites establishing dominant and tight control of the country's economic levers.²⁰ Siad Barre's 21-year military dictatorship curtailed economic growth because the state's major interest was retention of power. Siad Barre's noble initiatives such as his three-year plans, agriculture, nationalisation, construction, creation of cooperatives, export trade and manufacturing to spur economic growth were all dimmed by corruption, mismanagement and favouritism along with clan and friendship considerations.²¹ The 1977-1978 Ogaden War and the outbreak of civil war in 1988 along with the 1974-1975 and 1991-1992 droughts led to further deterioration of the Somali economy. Research results from the United Nations Development Programme (UNDP), the World Bank and the World Health Organisation (WHO) are evidence of Somalia's precarious economic situation. Curiously, data instruments were unable to capture the reality that the almost non-existent Somalia economy in a politically-torn country afforded the citizenry liveable opportunities.²² Seemingly, Somalia's situation is indicative of an economy with the capability of self-sustenance beyond the realm of known indicators. This paradox of an economy withstanding substantial political chaos to continue "serving" its people is a situation that requires closer examination.

It was within this space that piracy thrived after the collapse of Siad Barre's government in 1991 and Somalia's degeneration into statelessness. The subsequent intensification of clan warfare and its attendant unbridled violence resulted in a near total collapse of the economy. In reality though, Somalia's economic transactions did not grind to a halt. Instead, they morphed into a new violent environment whose conditions J Peter Pham states created a "perfect storm" for the rise and explosion of piracy.²³ It is this informal environment that bred illegal wartime economic transactions which Jonathan Goodhand categorises into three phases.²⁴ While Goodhand posits that the collapse of Somalia's economy permitted the gradual but steady encroachment of a piracy economy, Santiago Iglesias Baniela and Juan Vinagre Ríos emphasize that the piracy grew on the back of Somalia's dire economic conditions.²⁵ These conditions made piracy an alternative to their economic wretchedness. This piracy economy is herein deciphered through the lens of the political economy perspective. Our

20 AI Samatar, *Socialist Somalia: ...*, pp. 60-160.

21 PT Leeson, "Better off stateless: Somalia before and after government collapse", *Journal of Comparative Economics*, 35, 2007, pp. 689-710, available at peterleeson.com/Better_Off_Stateless.pdf (accessed 17 Oct 2021).

22 AI Samatar, *Socialist Somalia: ...*, pp. 60-160.

23 JP Pham, "Putting Somali piracy in context", *Journal of Contemporary African Studies* (London, Routledge), 28(3), 2010, available at <https://www.tandfonline.com/doi/epdf/10.1080/02589001.2010.499233?needAccess=true&role=button> (accessed 13 Feb 2018), p. 330.

24 J Goodhand, "From war economy to peace economy?... ", *Journal of International Affairs*, 2004, available at <https://researchgate.net/publication/279503715> (accessed on 8 Dec 2016).

25 SI Baniela and JV Ríos, "Piracy in Somalia: A challenge to the international community", *The Journal of Navigation*, 65, 2012, available at <https://www.researchgate.net/publication/259425417> (accessed 15 Jan 2023), p. 696.

discussion focuses on the key actors in each of the three taxonomies, examining their motivation to participate in piratical operations, and the many other activities they were involved in, as well as the role of other local, regional and international actors.

Combat piracy economy

Actual combat underlined Somali pirating operations because some degree of military force was needed to actualise the attacks as well as to compel and oversee the eventual ransom payment. Actors in this taxonomy included dealers of military hardware, militia groups and bosses, pirate commanders and financiers as well as regional government officials. The growth and escalation of Somali piracy motivated the participation of these combat actors in their pursuit of profit or as an opportunity to strengthen their positions and enhance their revenue collection. Actors in this combat pirate economy engaged in a raft of activities to actualise their motivations for economic gain. All these actors perpetrated economic activity that mobilised Somali piracy as a “war economy” because their roles sustained the piracy by providing resources that oiled Somali piracy.

In their pursuit of money, arms dealers exploited Somalia’s anarchical system to purchase weapons and transport them into Somalia for sale.²⁶ The absence of government structures in the country and its subsequent lawlessness also fuelled the growth and expansion of piracy which in turn provided arms dealers with favourable cover to traffic arms into Somalia. Moreover, Somalia’s anarchy and lawlessness emptied Somalia’s coastal waters of navy and other government officials who had traditionally monitored the waters to keep out criminal and illegal activities such as arms importation. Besides the waters being unpatrolled and unpoliced, the lawlessness decimated official port entry services, which eased the docking of vessels transporting arms and also eased subsequent inland transportation and distribution, which was to the benefit of the arms dealers. Moreover, by using Somalia’s entrenched criminal networks, the dealers ferried their arms and other merchandise to designated markets with the protection of armed guards. Besides being consistent customers, the piracy contributed in part to the country’s anarchy in her coastal entry ports and coastal waters, a scenario that ensured flourishing arms trade and the continued presence and importance of arms dealers.

Arms dealers did lucrative business in their attempts to satisfy pirate actors and other groups, all of whom had a thirst for arms. Exploiting local and regional networks, arms dealers supplied Somalia’s pirate groups and other armed groups with a constant supply of arms. For instance, *MV Almezaan*, a Panama-flagged ship that was hijacked by Somali pirates on 7 November 2009 and released twelve days

²⁶ M Harper, “Chasing the Somali piracy money trail: Piracy off the coast of Somalia has made many people very rich”, *BBC News*, 24 May 2009, available at <http://news.bbc.co.uk/2/hi/africa/8061535.stm> (accessed 28 Mar 2018).

later on 19 November 2009, featured on a Lloyd's List²⁷ of 10 November, 2009 as carrying arms from an undisclosed port in the Persian Gulf and docking at Garacad, Somalia.²⁸ The ship's release 12 days later after the payment of a paltry US\$ 15,000 ransom and the much faster (in a week's time) release after an earlier 1 May 2009 hijacking by pirates, points to a close link between the pirates and the recipient of the arms.²⁹ More clarity on the issue was provided by the UN Monitoring Group on Somalia in a report that stated that the pirates' huge ransom had fuelled procurement of arms in blatant violation of the 23 January 1992 total arms embargo on Somalia.³⁰ In essence, the willingness of Somali pirates to go to sea in search of vessels to capture, kept arms dealers in business besides allowing them opportunities to thrive.³¹

In a show of reciprocation, Jatin Dua and Ken Menkhaus highlight how militia gangs entered into relations with pirates so as to derive economic and political benefits within themselves and with local communities.³² Upon recognition of piracy's attendant advantages, militia outfits began to exploit piracy related activities which sustained an anarchical environment for the continued pursuance of their criminal-like interests which in turn brought and enabled them to maintain their power and authority. The growth of piracy enhanced general insecurity along Somalia's coastal areas, a reality which allowed militia groups to manipulate aid and humanitarian agencies into contracting them for protection at grossly exaggerated fees.³³ Militias used such monies to maintain their grip on power. Despite "inking" the protection deal, there were also times when militias used devious means to orchestrate chaos and looted the same aid they were contracted to protect. The looted aid was then sold to the public to generate more revenue for themselves. Moreover, pirate vessels gave militias an opportunity to cover their tracks during their purchases of arms in Yemen ports and subsequent transportation into Somalia.³⁴ Furthermore, they exploited piratical operations to engage friendly pirates at agreed fees in human trafficking syndicates

27 Lloyd's List, a digital publication (hour-to-hour since 2013) has run continuously since 1734. It provides information and analysis on the shipping industry, including news, marine insurance, offshore energy, logistics, market data, research, global trade and law.

28 A Palmer, *The new pirates: Modern global piracy from Somalia to the south China sea* (New York, I.B. Tauris, 2014), pp. 170-171.

29 A Palmer, *The new pirates: ...*, p. 171.

30 United Nations (UN), Report of the Monitoring Group on Somalia pursuant to Security Council Resolution 1811 (2008), S/2008/769, 10 December 2008, available at <https://www.securitycouncilreport.org/atf/cf/%7B65BFCF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/Somalia%20S2008%20769.pdf> (accessed 25 Jun 2017), p. 55.

31 UN, Report of the Monitoring Group on Somalia, S/2008/274, 24 April 2008, available at http://www.un.org/ga/search/view_doc.asp?symbol=S/2008/274 (accessed 25 Jun 2017), p. 6.

32 J Dua & K Menkhaus, "The context of contemporary piracy: The case of Somalia", *Journal of International Criminal Justice*, 10(4), 2012, available at <https://academic.oup.com/ijcj/article/10/4/717/809371> (accessed 15 Jan 2023), pp. 758-760.

33 L Hammond and H Vaughan-Lee, "Humanitarian space in Somalia: A scarce commodity", HPG Working Paper, Humanitarian Policy Group (London, Overseas Development Institute, April 2012).

34 M Harper, "Chasing the Somali piracy money trail...", *BBC News*, 24 May 2009, available at <http://news.bbc.co.uk/2/hi/africa/8061535.stm> (accessed on 28 Mar 2018).

between Somalia and Yemen coasts as another avenue of raising revenue. Human trafficking took place when piracy was at its lowest ebb and pirates were desperate to accept any form of money-generating initiative. It was reported that some militias even agreed to backroom deals with specific pirate gangs to bolster their security while they engaged in certain piratical exploits.

A similar arrangement of offering protection services was floated by the militias to business people and entities in towns along the coast and surrounding regions at an agreed fee.³⁵ Such an opportunity was seen by some militias who positioned themselves as guardians of ports from which pirate gangs operated.³⁶ Their presence subsequently forced leaders of pirate gangs to cut deals with them at agreed fees.

While pirate commanders and financiers' expectations for financial gain was paramount, there were other motivations for engaging in pirate operations. They used their strengthened gang's "military" capabilities to protect other interests away from piracy and general survival in a largely lawless environment.³⁷ Similarly, the pirate commanders and financiers engaged in various kidnappings and hijack operations to secure ransom besides the customary pillaging of hijacked ship cargoes. The pirate gangs' military muscle allowed pirate commanders and financiers to establish networks that permitted the anchorage of vessels they had hijacked in other ports and here they were able to negotiate for ransom. Upon realisation of the importance of keeping the captives safe, pirate commanders and financiers established "pirate rules" to guide pirate operations with an emphasis on treating the captives well. The commanders and financiers used their military wherewithal to popularise the rules within and beyond their pirate gangs.

Over time, pirate commanders and financiers grew into hardened ransom negotiators with the capability of "convincing" ship owners and agents to pay ransoms for the hijacked vessels. To achieve this critical negotiation capacity, the commanders and financiers contracted skilled negotiators and translators who played a significant role in bargaining for ransoms in a professional manner.³⁸ So as to safeguard the wellbeing of their captives while ransom talks trudged on, commanders and financiers put together elaborate systems that ensured that both the captives and crews on the captured vessels were supplied with food and water, among other basic needs,

35 IRIN (The New Humanitarian News Agency), "Somali pirates are back: they never really left", *The East African*, 25 July 2017, available at <http://www.theeastafrican.co.ke/news/Somali-pirates-are-back-they-never-really-left/2558-4031400-10rnfvz/index.html> (accessed 28 Dec 2020).

36 F Karimi, CNN, "African pirates use millions of dollars in ransom on drugs, real estate, prostitutes", 2 November 2013, available at <https://edition.cnn.com/2013/11/02/world/africa/horn-of-africa-piracy-loot/index.html> (accessed 12 Mar 2018).

37 R Jablonski, "The price of piracy in Somalia, Africa at LSE", Blog Entry, 20 April 2015, available at <http://blogs.lse.ac.uk/africaatlse/> (accessed 12 Mar 2018).

38 UNODC, *Transnational organized crime in eastern Africa: A threat assessment* (Vienna, UNODC, September 2013), p. 44, available at https://www.unodc.org/documents/data-and-analysis/Studies/TOC_East_Africa_2013.pdf (accessed 13 Mar 2018).

especially when the vessels exhausted their stocks. Moreover, in a strategic move, commanders and financiers made a point of cultivating relations with Somalia's other powerful parties, who had the capability to disrupt their pirating operations. These relations were not undertaken merely to smooth the paths of their own pirate gangs as they mobilised, organised and executed hijackings but were also ways of easing the pirate gangs' time when they anchored the captured vessels in selected and sometimes unfamiliar ports. The links were also necessary to ensure incident free protection of the anchored vessels during the ransom negotiations. The parties that commanders and financiers sought out to form close working relations with included other pirate gangs, local militias, local and regional government authorities, terrorist organisations, telecommunications companies as well as local communities.

Maritime government officials in the sunset years of Siad Barre's reign (1989-1991) turned their sights on the Somali coast in pursuit of both personal and state enrichment by entering into personal maritime deals that were clothed as "state" deals.³⁹ Once Siad Barre was dethroned, a few determined former government officials who did not seek asylum in third countries continued to exploit their previous networks as a way of generating money to compensate for the loss of wages following the collapse of Barre's regime.⁴⁰ As piracy took an upward trajectory, some of these individuals transformed themselves into consultants from whom pirate gangs would seek certain clarification and information on maritime issues.

Similarly, loss of income after the collapse of Barre's regime forced some of his former naval military officers to start engaging in pirating as an avenue for generating money as a means of survival. Cognisant of their maritime skills, pirate commanders and financiers contracted these former officers to train new pirate recruits on maritime matters. After integrating fully into the pirating networks, these former military officers reactivated their previous contacts in Somalia and beyond its borders. These contacts proved beneficial to the pirate gangs.

They were able to rope in regional authorities including break-away entities such as Puntland whose precarious financial status drove her officials into striking behind-the-scene deals with pirates in attempts to raise revenue for their authority's wellbeing.⁴¹ In the process, the officials manipulated the deals to line their own personal pockets. The deals gradually resulted in Puntland supporting piracy, albeit silently, in subtle ways for the much-desired cut when ransoms were paid. In this arrangement, government institutions and officers knowingly looked the other way

39 L Persson, A Lindop, S Harper, K Zyllich & D Zeller, *Failed state: Reconstruction of domestic fisheries catches in Somalia 1950-2010* (Fisheries Centre, University of British Columbia, 2017), available at http://publications.oceans.ubc.ca/webfm_send/348 (accessed 11 Jan 2015), p. 5.

40 J Ondigi Personal Collection (hereafter JOP), Interview: HI Musa (Piracy prisoner, Shimo La Tewa Prison, Kenya)/J Ondigi (Researcher), 12 Mar 2015.

41 J Kraska, "Freakonomics of maritime piracy", *Brown Journal of World Affairs*, 16(2), 2010, available at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1830200 (accessed 16 Jan 2018).

when the pirates went about their piracy business. The officials also engaged in facilitative criminal and corrupt dealings that enabled piracy to thrive. In return, successive piratical operations enabled the pirates to pay attractive cuts to Puntland authorities. Overall, Puntland's officials were reluctant to undertake initiatives to curb piracy because that would have worked against their own interests as individuals and as an institution. While actors in the combat pirate economy mobilised Somali piracy's attendant violence and economic opportunities, other actors with shadowy operations gradually took up and began to exploit the piracy's revenue avenues.⁴²

The shadow piracy economy

Somali piracy's benefits attracted a cross-section of actors whose economic participation was concealed from the public eye. Embedded in various transactional levels and processes, players in this unregulated sector of the piracy economy straddled between Somalia's minimalist formal structures and the dominant informal structures. The shadow piracy economy prompted local, regional and international players to collaborate closely so as to benefit from piracy. Key actors in the shadow piracy economy were pirate gangs, former military officers of the defunct Somali Army, insurance companies, and pirate trainers. To most of these actors, the growth of piracy was a beneficial opportunity that availed them a chance for financial gain. Furthermore, for other actors who stumbled into the piracy transactions, the initial financial reward left them seeking more, a desire that gradually drew them in until they were entrenched into Somali piracy's shadow economy.⁴³

Among the biggest shadow actors were the pirate gangs that dotted Somalia's coastal pirate centres and ports. With Somalia being a victim of incessant political chaos that pre-dated the 1991 state collapse, much of Somalia's coastal and outlying areas embraced piracy after it emerged as an alternative source of financial gain.⁴⁴ In the absence of employment opportunities in Somalia's impoverished economy, a chance to be a pirate was embraced warmly because it was an opening to raise money for the gangs. Gradual financial rewards popularised piracy which in turn attracted people into taking up the pirate "job". Pirate gang members' mastered courage because it was instrumental in making them take to the sea. They embraced camaraderie if it was strategic and accepted the pirate rules that governed their operations to increase their chances of success in the sea. To capture seagoing vessels whose crews were obliged to make constant navigational adjustments to escape being hijacked, so pirate gangs

42 L. Persson, A. Lindop, S. Harper, K. Zylich & D. Zeller, *Failed state...* (Fisheries Centre, University of British Columbia, 2017), available at http://publications.oceans.ubc.ca/webfm_send/348 (accessed 11 Jan 2015), pp. 4-7.

43 361 Security, "How piracy saved Somalia: The unintended positive consequences of Somalia piracy", 2 December 2016, available at <https://www.361security.com/analysis/how-piracy-saved-somalia> (accessed 13 Feb 2018).

44 361 Security, "How piracy saved Somalia: ...", available at <https://www.361security.com/analysis/how-piracy-saved-somalia> (accessed 13 Feb 2018).

had to be innovative. Their trainers taught them how to outwit the seafarers.

Pirate trainers, most of whom were former naval officers in former President Siad Barre's government also profited from piracy. Sought, selected and retained by pirate commanders, these former naval officers passed their maritime military skills and manoeuvres to the pirate gangs.⁴⁵ Having lost their employment after the collapse of Barre's government, these former officers were desperate for the money and participation in piracy was a profitable way to do so. In their circumstances, participating in piratical activity provided them with a chance of making money – it was a profitable alternative to unemployment.⁴⁶

In public, these former naval officers camouflaged their participation in the piracy as an endeavour to safeguard the Somali coast from exploitative foreign entities but in reality, they were keen to have a share of the ransom money.⁴⁷ The training manual for pirate recruits included taking them through basic maritime paces that were paramount in piratical activities. Recruits were also instilled with military discipline which was a central facet of successful pirate gangs. To ensure order and a seamless flow of command, the former officers (now the trainers) introduced military-like ranks to minimise squabbles and confusion. From the trainers, pirates and pirate gangs received the relevant maritime operational tactics that went a long way towards guiding their piratical operations. Moreover, these trainers emphasised the need for pirates to be covert in their operations because secrecy was one of the key ingredients to successful planning, execution, negotiation and the payment of ransom. Besides former maritime officers, pirate commanders contracted renowned fishermen who imparted invaluable knowledge to pirates by drawing on their long experience in maritime matters.⁴⁸

Beneath the top piracy financiers who engineered the piracy network, there were also mid-level businesses that enabled pirating operations to run smoothly. These individuals, who were keen to profit from piracy adapted continually to the changing needs and tastes of the pirate industry. Just like other strategic businesses and their staff, these middlemen made a study of the pirates' purchasing taste and made sure

45 JOP, Interview: HI Musa/J Ondigi, 12 Mar 2015.

46 Ken Menkhaus, "Dangerous Waters", *Survival*, 51(1), 2009, available at <https://doi.org/10.1080/00396330902749640> (accessed on 13 Feb 2018), pp. 22-23.

47 JP Pham, "Putting Somali piracy in context", *Journal of Contemporary African Studies*, 2010, available at <https://www.tandfonline.com/doi/epdf/10.1080/02589001.2010.499233?needAccess=true&role=button> (accessed 13 Feb 2018), pp. 333-334.

48 AI Samatar, M Lindberg & B Mahayni, "The dialects of piracy in Somalia: The rich versus the poor", *Third World Quarterly*, 31(8), 2001, available at <https://www.jstor.org/stable/pdf/41059758.pdf> (accessed 28 Jan 2018), p. 1385.

the goods and services that the pirates were yearning for were duly supplied.⁴⁹ After analysing the needs of pirates, the businesspeople, especially those in the coastal areas, increased their stock of cereals and other food items when the popularity of piracy heightened demand. The businessmen whose task was to stock the stores and warehouses then sold their goods to small-scale traders.⁵⁰

Another commodity that became lucrative in the supply and demand chain was *khat*. A cadre of business people took to importing this stimulant drug derived from a plant, upon realising the increased consumption of *khat* amongst pirates. The pirates believed that it kept them alert during the hijacking process and reduced their boredom when they held captured vessels in custody awaiting conclusion of ransom negotiations. Due to its perishable nature, the importation of *khat* remained a preserve of wealthy business people who were able to hire planes to fly the leaf from Ethiopia and Kenya into Somalia.⁵¹ It is believed that some pirate commanders such as Mohammed Abdi Hassan, alias *Afweyne*, took note of the *khat's* lucrative returns and invested in the business not only to receive attractive profits but also as a strategy for laundering ransom money.⁵² In addition to *khat*, the importation of alcohol and cigarettes were other revenue streams that shadow businesses exploited. Access to alcohol and cigarettes was a preserve of the wealthy, available to connected and powerful individuals who could afford to indulge in these expensive commodities. Despite the dangers associated with engaging in a pirating business and the fact that it went against Islamic norms, it generated money that businessmen reinvested to import prohibited alcoholic drinks and cigarettes into Somalia.⁵³

Another group of wealthy business people bought and stocked luxury land cruiser cars that were adored by Somali pirates. Upon receiving ransom, a sizable number of pirates had the habit of buying land cruisers probably because of the car's renowned 4-wheel drive capability – besides the allure and attention that it drew from people in Somalia. Other individuals within this cluster of business tycoons specialised in importing motor boats known as “skiffs” which had emerged as Somali pirates’

49 C Byrne, “Analysis: The two sides of the Somali piracy coin - An examination of the rise and perpetuation of piracy in Somalia”, *Consultancy Africa Intelligence, Defence Web*, 30 May 2011, available at http://www.defenceweb.co.za/index.php?option=com_content&view=article&id=15738:analysis-the-two-sides-of-the-somali-piracy-coin-an-examination-of-the-rise-and-perpetuation-of-piracy-in-somalia-&catid=51:Sea&Itemid=106 (accessed 13 Feb 2018).

50 World Bank, *Pirate trails: Tracking the illicit financial flows from pirate activities off the horn of Africa* (Washington DC, 2013), available at <http://documents.worldbank.org/curated/en/408451468010486316/pdf/812320PUB0REVI00Box379838B00PUBLIC0.pdf> (accessed 21 Apr 2019), pp. 46–47.

51 S Tafrov, United Nations Security Council, “Report of the Panel of Experts on Somalia Pursuant to Security Council Resolution”, 1425(2002), p. 203.

52 World Bank, *Pirate trails: ...*, available at <http://documents.worldbank.org/curated/en/408451468010486316/pdf/812320PUB0REVI00Box379838B00PUBLIC0.pdf> (accessed 21 Apr 2019), pp. 72–73.

53 AT Weldemichael, *Dalhousie Marine Piracy Project: When elephants fight, the grass suffers. A report on the local consequences of piracy in Puntland* (Marine Affairs Program Technical Report #12), 2014, available at https://cdn.dal.ca/content/dam/dalhousie/pdf/faculty/science/marine-affairs-program/Technical_series/Dalhousie-Marine-Affairs-Program-Technical-Report-%2312.pdf (accessed 28 Jan 2018), pp. 22–23.

popular operational craft.⁵⁴ Most of these easy to use, durable and reliable motor boats were imported from the United Arab Emirates (UAE) and Yemen.⁵⁵ The ease with which the motorboats were adapted for pirate operations added to their popularity resulting in a huge demand that the dealers worked hard to meet. Business people who specialised in motorboats also supplied supportive pirate implements such as night goggles, hooks, ladders and ropes.⁵⁶

Other ambitious and wealthy entrepreneurs decided to establish a “stock exchange” in an endeavour to raise the capital necessary to undertake piratical operations. These innovative pirate financiers were keen to spread their risks by opting to sell pirate “shares” to the community in Harardhere as a means of raising money for their operations.⁵⁷ In an attempt to sell “shares” to all willing individuals, the financiers allowed individuals without money to buy “shares” with their weapons and pirate gear in lieu of money.⁵⁸ Pirate financiers behind this “stock exchange” idea wanted to carry out attacks and eventually accrue financial rewards even when they could not raise the requisite capital. Besides their appetite for monetary rewards, the financiers cleverly embedded the Harardhere community into their piracy schemes, a master stroke move intended to win the sympathies of the community in their engagements and to engender goodwill from the community so as to ensure a successful conclusion to the hijack process. The enthusiastic individuals who bought shares looked forward to profiteering from their investment. Similarly, insurance companies were not left behind in seeking profits from the piracy.

Also seizing the Somali piracy profiteering wave were international insurance companies who inflated their premiums for vessels bound for Somali waters. The near-constant probability of pirate attacks gave the insurance companies an opportunity to inflate the premiums because maritime companies with Somali-bound vessels were desperate for insurance cover. Between 2009 and 2011, premiums per voyage grew from US\$ 1,600 to US\$ 16,000 for vessels that were sailing in waters off the coast of Somalia.⁵⁹

54 World Bank, *Pirate trails: ...*, available at <http://documents.worldbank.org/curated/en/408451468010486316/pdf/812320PUB0REVI00Box379838B00PUBLIC0.pdf> (accessed 21 Apr 2019), pp. 63-64.

55 A Palmer, *The new pirates...*, pp. 165-170.

56 HV Keyserlingk, *Understanding Somali piracy: Beyond a state-centric approach*, Working Paper (1), (Kassel University, 2012), available at https://kobra.uni-kassel.de/bitstream/handle/123456789/2012061541284/New_Research_in_GPE_1_2012.pdf;jsessionid=F2BC1F71CC9521CA81A9AEA5B336D5DB?sequence=3 (accessed on 3 Aug 2019), p. 19.

57 J Hsu, “Somali pirate exchange lets investors bet on hitting a ransom jackpot: Now Somali civilians can invest cash or weapons into pirate companies and hope for a share of the ransom money”, 2 December, 2009, available at <https://www.popsci.com/technology/article/2009-12/pirate-exchange-lets-investors-bet-hitting-ransom-jackpot> (accessed 1 Mar 2018).

58 M Ahmed, “Somali sea gangs lure investors at pirate lair”, *Reuters*, 1 December 2009, available at <https://www.reuters.com/article/us-somalia-piracy-investors/somali-sea-gangs-lure-investors-at-pirate-lair-idUSTRE5B01Z920091201> (accessed 1 Mar 2018).

59 LR Meijden, “The influence of modern piracy on maritime commercial transport” (MSc, Erasmus University, 2008), available at <file:///C:/Documents%20and%20Se%20Documents/Downloads/Masterthesis%20Modern%20Piracy.pdf> (accessed 30 Mar 2018), pp. 45-46.

Insurance companies were quietly praying for the continuation of Somali piracy because they were raking in the profits as alluded to by Roger Middleton.⁶⁰ This was evident in a report compiled by the German Institute for Economic Research which captured the information that insurance companies were making huge profits on the back of the piracy menace.⁶¹ Due to their focus on profits, these insurance companies became “conveniently” and “ignorantly” unenthusiastic about the new shipping security guidelines. Indeed, they were reluctant to accept the new guidelines as a qualification for future insurance cover. In an endeavour to get their hands on a share of Somali piracy’s lucrative cake, much smaller insurance companies opted to partner with larger companies to insure maritime vessels as a means of profiteering.⁶²

Another entity that salivated when they learnt of the piracy money was the banking world. Banks in world capitals “conveniently” ignored the stringent banking standards and regulations and chose to transact ransom monies for an attractive balance sheet. Acting on the wishes of their clients – who were mostly shipping companies – the banks, blinded by desire for healthy margins, wired huge ransom amounts of money to accounts in Kenya and UAE amongst other destinations. These transactions were done in a secretive manner to avoid the attention of the authorities. Riding on client confidentiality, the banks went about the money laundering-like transactions as a shield against close scrutiny. As such, these banks engaged in huge ransom money transactions for profiteering purposes.⁶³ Other companies offered money transfer services and acted as go-between agents for money transfers by pirates and in this way complemented the services offered by banks.

A number of companies that were camouflaged as “consultancies” were established in Nairobi to act as ransom delivery companies. Upon taking note of the gap that existed in drawing ransom money from banks in regional capitals such as Nairobi and Dubai, some enterprising individuals also established “technical companies” to fill that void and earn attractive returns in the process.⁶⁴ Among those who filled this void in Nairobi, were individuals who had an intelligence, military, navigation and general security background. Western nationals in partnership with Kenyan elites

60 R Middleton, *Somalia: Threatening global trade, feeding local wars* (Chatham House, briefing paper, 2008), available at https://e-dnrs.org/wp-content/uploads/2009/02/12203_1008piracysomalia.pdf (accessed 15 Jan 2023), p. 1.

61 Z Blogs, “Why insurance companies and Western navies love Somali pirates”, 31 October 2011, available at <https://zcomm.org/zblogs/why-insurance-companies-and-western-navies-love-somali-pirates-by-phil-mcelhinney/> (accessed 28 Mar 2018).

62 D Lukhoba, “Pirate insurance: The next big thing”, *Abacus*, 23 September 2012, available at <https://abacus.co.ke/pirate-insurance-the-next-big-thing/> (accessed 28 Mar 2018).

63 P Mayoyo, “Kenyan firms make killing from piracy”, *Daily Nation*, 18 July 2010, available at <https://www.nation.co.ke/News/Kenyan%20firms%20make%20killing%20from%20piracy/-/1056/960260/-/i017v6/-/index.html> (accessed 10 Jan 2015).

64 D Wabala, “Police monitoring pirates-linked company”, *The Star*, 29 August 2011, p. 201.

established the majority of these companies.⁶⁵ Their connections enabled them to access the necessary people and offices whose influence counted in the “transferring” of ransom money from Nairobi to the waiting pirates along the Somali coast.

Moreover, through their web of contacts, these delivery entrepreneurs modified planes illegally for the purposes of flying ransom money and dropping it off to waiting pirates along the Somali coast.⁶⁶ Sometimes, in a similar manner, they customised motorboats to transport ransom money by sea to the pirates.

To satisfy Somali pirates’ communication requirements, some businesspeople invested their money in upgrading the existing mobile telecommunication infrastructure.⁶⁷ Pirates and their associates needed reliable networks to make the requisite regional and international telephone calls and conduct ransom negotiations. On realising the potential of piracy to increase their profit margins, the telecommunication companies sought wealthy partners to expand and improve their infrastructure.⁶⁸ This development was evident in Hobyo where satellite images showed a state-of-the-art facility that rivalled those in Garowe, Puntland’s capital city.⁶⁹ As a result, pirates and their web of agents had access to supportive communication which included the use of satellite enabled phone calls. As piratical operations grew in profitability and sophistication, these communication entrepreneurs began to supply Global Positioning System (GPS) to aid pirates in identifying vessels to attack and to help them to manoeuvre the waters with ease.

Yet another tier of specialists grew to offer piracy facilitative services with an eye to increasing profits. One of these was legal work. Gradually, European law firms were roped in to provide legal assistance to maritime companies whose vessels had been captured. Their assistance focused mainly on matters of insurance between the maritime companies and their insurers. Another issue on which advice was offered was the legality (or illegality) of paying ransom. All these services were undertaken at lucrative fees. Eager to amplify their profits, the legal firms immersed themselves in direct ransom negotiations and transactions.⁷⁰ A World Bank report estimates that covertly, certain law firms got a share of the approximately US\$ 339 million to US\$ 413 million ransoms that were paid to Somali pirates between 2005 and 2012. Fully aware that their involvement

65 Foreign correspondent, “Brits arrested in Somalia with £2.2 million ransom for pirates”, *The Telegraph*, 26 May 2011, available at <https://www.telegraph.co.uk/news/worldnews/piracy/8539542/Brits-arrested-in-Somalia-with-2.2-million-ransom-for-pirates.html> (accessed 10 Mar 2018).

66 P Mayoyo and A Khalif, “Seized planes modified to carry out tasks for pirates”, *Daily Nation*, 1 Jun 2011.

67 R Middleton, *Somalia...*, available at https://e-dnrs.org/wp-content/uploads/2009/02/12203_1008piracysomalia.pdf (accessed 15 Jan 2023), p. 6.

68 A Shortland, “Treasure mapped: Using satellite imagery to track the developmental effects of Somali piracy”, Africa Programme Paper, AFP PP 2012/01, Chatham House, 2012, available at https://www.chathamhouse.org/sites/files/chathamhouse/public/Research/Africa/0112pp_shortland.pdf (accessed 28 Jan 2018), p. 15.

69 Hobyo is a small but old port city of Galmudug state in the north-central Mudug region of Somalia. It emerged as a major operational base of Somali pirates.

70 World Bank, *Pirate trails: ...*, available at <http://documents.worldbank.org/curated/en/408451468010486316/pdf/812320PUB0REVI00Box379838B00PUBLIC0.pdf> (accessed 21 Apr 2019), pp. 39-40.

in piracy was criminal, the law firms were quick to invoke client confidentiality when asked to reveal their clients and/or describe the details of their engagement.⁷¹

Skilled ransom negotiators emerged and became critical individuals whose skills were required to secure lucrative ransoms for the pirate gangs. Most of these role-players were educated to university level in foreign countries and these Somali negotiators had bargaining traits similar to those of trade unionists, a major asset in their nature of work. These negotiators offered varied capabilities with the top pirate gangs hiring the very best available in the market, while smaller, struggling pirate gangs went for the lacklustre negotiators who included university and high school students. The highly rated negotiators with the wherewithal to seal the very best ransom figures possible received 5% of the same as reported by United Nations Office on Drugs and Crime (UNODC).⁷²

Negotiators endeavoured to keep communications open while leveraging on their strong points and pinpointing the weak areas of the captured vessels to strike a good ransom bargain.⁷³ Difficulty in negotiation due to language differences necessitated the hiring of translators to overcome this challenge. The translators were drawn from certain educated Somalis who were stationed in foreign countries. Their fluency in the world's leading languages meant that before long pirate commanders and financiers identified them and persuaded them to return home to assist with translation during ransom negotiations.⁷⁴ A reported handsome remuneration of between US\$ 10,000 and US\$ 30,000 for translation services per vessel motivated other individuals to flock to the Somali coast in pursuit of translation opportunities. All these shadowy Somali piracy players invested their money and time to get a share of the reported ransoms in the US\$ 339 million to US\$ 413 million bracket in the period 2005 to 2012,⁷⁵ which in turn established complementary "coping" economic activity.

Coping pirate economy

Complementary to the Somali piracy shadow economy, a myriad of beneficial local supportive and economic interactions emerged among Somalia's poor population. President Siad Barre's regime and the war-torn, bastardised Somali economy meant

71 World Bank, *Pirate trails: ...*, available at <http://documents.worldbank.org/curated/en/408451468010486316/pdf/812320PUB0REVI00Box379838B00PUBLIC0.pdf> (accessed 21 Apr 2019), p. 40.

72 UNODC, *Transnational organized crime in eastern Africa...*, available at https://www.unodc.org/documents/data-and-analysis/Studies/TOC_East_Africa_2013.pdf (accessed 13 Mar 2018), p. 44.

73 *Spiegel Online*, "Negotiating with Somali pirates: 'They know it's a successful business model'" (available at <http://www.spiegel.de/international/world/negotiating-with-somali-pirates-they-know-it-s-a-successful-business-model-a-620292.html>) (accessed 13 Mar 2018).

74 LM Johnson, "The consequences of Somali piracy on international trade", *Global Tides*, 2014, 8(5), available at <https://digitalcommons.pepperdine.edu/cgi/viewcontent.cgi?article=1118&context=globaltides> (accessed 28 Jan 2018), p. 7.

75 World Bank, *Pirate trails: ...*, available at <http://documents.worldbank.org/curated/en/408451468010486316/pdf/812320PUB0REVI00Box379838B00PUBLIC0.pdf> (accessed 21 Apr 2019), p. 40.

that the hapless poor were obliged to embrace any survivalist opportunity whatsoever that came their way. Although they understood that piracy was contrary to the tenets and teachings of Islam, an illegal venture and a societal vice, the impoverished coastal populace viewed it as a short-term activity, one that could bring in capital and help them to engage in acceptable long-term economic pursuits. While scholars such as Rob de Wijk⁷⁶ and Peter Chalk⁷⁷ highlight ransom as having been an attractive incentive to lure young Somali men into piracy, however, it should be noted that it is likely that poverty pushed them into the act in the first place. While pirating was a distraction from their idleness, the inflow of lucrative ransoms brought in much needed finances. Payments to young pirates went a long way towards rescuing young people from pervasive poverty by empowering them to take care of their families. Among these young pirates were fishermen who had been left exposed after the invasion of their fishing grounds by a galaxy of illegal foreign fishermen in the aftermath of Somalia's collapse as a state in 1991.⁷⁸ The formal economy crumbled due to Siad Barre's inability to govern Somalia as a functional state and this led to its decline into an informal enterprise whose players and beneficiaries were few. This left the majority of Somalis unemployed, impoverished and willing to grab any financial benefit that came their way.⁷⁹

Pirate crews worked closely with their "land-based" counterparts whose duty was to guard the captured and anchored vessels. They were hired for this service by pirate commanders in the wake of any violent attempts by rival pirate gangs to snatch vessels and their captives from the "rightful" pirates.⁸⁰ Due to Somalia's general lawlessness in the midst of entrenched poverty, the guards were hand-picked from a huge reservoir of unemployed youth who were eager and ready for any worthwhile engagement. These guards were among the tens of hundreds of youths who flooded the Somali coast to take up pirate job offers but had missed out on the opportunity. Such guards were ordinarily contracted for the duration of the vessels' capture and were paid an initially agreed amount without any reference to the ransom pay.⁸¹ Payment of their dues helped the guards to meet some of their own and their family's basic needs.

76 R Wijk, "The new piracy: The global context", R Wijk, DM Anderson & S Haines, *Forum: The new piracy: Three contexts: Survival, global politics and strategy*, 52(1), 2010, available at <http://www.tandfonline.com/doi/pdf/10.1080/00396331003612463> (accessed 18 Mar 2014), pp. 42-43.

77 P Chalk, *Maritime piracy: Reasons, dangers and solutions* (Santa Monica, California, Rand Corporation, 2009), p. 3.

78 AI Samatar, M Lindberg & B Mahayni, "The dialects of piracy in Somalia...", available at <https://www.jstor.org/stable/pdf/41059758.pdf> (accessed 28 Jan 2018), p. 1385.

79 S Percy and A Shortland, "The business of piracy in Somalia" (Berlin, German Institute for Economic Research, 2011), available at https://www.diw.de/documents/publikationen/73/diw_01.c.358500.de/dp1033.pdf (accessed 10 Feb 2015), pp. 4-6.

80 World Bank, *Pirate trails: ...*, available at <http://documents.worldbank.org/curated/en/408451468010486316/pdf/812320PUB0REV100Box379838B00PUBLIC0.pdf> (accessed 21 Apr 2019), p. 46.

81 UNODC, *Transnational organized crime in eastern Africa...*, available at https://www.unodc.org/documents/data-and-analysis/Studies/TOC_East_Africa_2013.pdf (accessed 13 Mar 2018), p. 44.

A number of people took up general retailing opportunities as part of Somali piracy business dictates. Pirate attacks increased over the years to their peak between 2005 and 2011, and of course there was need for pirates and their captives to be supplied with cereals to prepare meals on the captured vessels. These needs were met by coastal traders who sourced the required cereals such as rice from importers before delivering the supplies to the pirates. Because the retail sector was impoverished by a collapsed state and suffocated economy, this retailing opportunity offered by piracy was a welcome chance to make some money.⁸² Sometimes these small-scale retailers bought the cereals on credit and in turn delivered them to pirates on credit which forced the small retailers to wait for their pay day when the ransom was paid for the vessels supplied.⁸³ On receiving their cut, the retailers then paid off their debts and retained the balance as profit for their personal use.⁸⁴

Closely related to the provision of cereals to pirates was the hiring of cooks whose work was to prepare meals for the pirates on captured and anchored vessels. In some cases, the cooks also prepared food for the captives. Although these offers did not draw much enthusiasm from Somalis, the contracted individuals seized the opportunity because it provided them an avenue of financial gain. In a devastated economy with almost non-existent formal employment opportunities, a chance to gain employment as a cook was a welcome option for those who had the necessary ability. As an informal job, the requirements were open-ended with no real demand for education or experience. In short the offer was “up for grabs” for any individual with the right connections and courage. Locals who took up the offer were courageous individuals who withstood the frightening circumstances of their working environment on captured and anchored vessels. Daily life was characterised by near-constant pirate gunfire and other wild manoeuvres to counteract real and/or imagined threats to their workplace on a captured vessel. In hindsight, it could only have been the intolerable economic situation that pushed them to accept the role of a cook on the captured, anchored vessels that dotted the Somali coast.⁸⁵

While some locals took on the dangerous jobs as cooks, others settled for the laborious role of fetching and delivering water.⁸⁶ Although captured vessels carried

82 H Knaup, “The poor fishermen of Somalia”, *Spiegel Online*, 4 December 2008, available at <http://www.spiegel.de/international/world/prelude-to-piracy-the-poor-fishermen-of-somalia-a-594457.html> (accessed 21 Mar 2018).

83 World Bank, *Pirate trails: ...*, available at <http://documents.worldbank.org/curated/en/408451468010486316/pdf/812320PUB0REV100Box379838B00PUBLIC0.pdf> (accessed 21 Apr 2019), p. 46.

84 JR Beloff, “How piracy is affecting economic development in Puntland, Somalia”, *Journal of Strategic Security*, 6(1), 2013, available at <https://digitalcommons.usf.edu/jss/vol6/iss1/7> (accessed 28 Jan 2018), pp. 48-50.

85 JP Pham, “Putting Somali piracy in context”, *Journal of Contemporary African Studies*, 28(3), 2010, available at <https://www.tandfonline.com/doi/epdf/10.1080/02589001.2010.499233?needAccess=true&role=button> (accessed 13 Feb 2018), p. 334; JR Beloff, “How piracy is affecting economic development...”, *Journal of Strategic Security*, 6(1), 2013, available at <https://digitalcommons.usf.edu/jss/vol6/iss1/7> (accessed 28 Jan 2018), pp. 48-50.

86 H Knaup, “The poor fishermen of Somalia”, *Spiegel Online*, 4 December 2008, available at <http://www.spiegel.de/international/world/prelude-to-piracy-the-poor-fishermen-of-somalia-a-594457.html> (accessed 21 Mar 2018).

considerable amounts of water, the long ransom negotiations depleted their supply. As a remedy, pirates contracted villagers to supply the vessels with water, although sourcing water was a laborious exercise because water is a relatively scarce commodity in Somalia during the dry spells. However, for the contracted villagers, this task was an opportunity they snapped up because it was an alternative to widespread idleness.⁸⁷ Villagers viewed water delivery as an opening that brought them financial reward. To deliver water to the captured vessels, the villagers struck deals with fellow villagers who had water wells. The subsequent payment for water went some way to helping them to support their families.

Even before ransom money became a subject of debate across Somalia, hordes of young men began to flock to coastal village centres in search of opportunities in the nascent piracy.⁸⁸ This spike in numbers necessitated the establishment of supportive services such as eateries. Locals in the coastal centres with “restaurant” experience opened eateries to meet the demand to feed the influx of young men. In the context of the villagers, the establishment of eateries was a response to the demands of the emerging pirate economy. An explosion of pirate attacks between 2005 and 2011 saw a corresponding increase of eateries. All the owners of these establishments saw the coastal pirate economy as a blessing that brought income generating opportunities.

The pirate craze for four-wheel drive and sports cars brought financial rewards to mechanics.⁸⁹ With the ongoing acquisition of Sports Utility Vehicles (SUVs) by pirates, the need for mechanical services to maintain these expensive cars grew. Individuals in the coastal communities and beyond who had mechanical knowledge made a beeline to Somalia’s major coastal towns to take up the emerging mechanical opportunities. Additionally, reckless driving and negligent maintenance on the part of wealthy pirates forced them to seek mechanical services on a regular basis,⁹⁰ all of which contributed to a thriving vehicle repair sector and improved the incomes of mechanics.

Despite the extravagant lifestyle of young pirates, a number of them were focused and keen on investing in sustainable ventures. This group was made up of frugal men who chose to invest their money in the construction of personal and family houses.⁹¹ This “noble” choice (apart from the desire to increase their own wealth) was of benefit

87 World Bank, *Pirate trails: ...*, available at <http://documents.worldbank.org/curated/en/408451468010486316/pdf/812320PUB0REV100Box379838B00PUBLIC0.pdf> (accessed 21 Apr 2019), p. 46.

88 A Elmaghawry, *Overview of Somali piracy impacts on maritime industry and international response* (Alexandria, Maritime Safety Programs, 2009), p. 1.

89 C Freeman, “Parties, women and new cars in lawless land where everyone wants to be a Somali pirate”, *The Telegraph*, 22 November 2008, available at <https://www.telegraph.co.uk/news/worldnews/piracy/3502475/Parties-women-and-new-cars-in-lawless-land-where-everyone-wants-to-be-a-Somali-pirate.html> (accessed 1 Mar 2018).

90 J Bahadur, *The pirates of Somalia: Inside their hidden world* (New York, Pantheon Books, 2011), pp. 189-203.

91 A Shortland, “Treasure mapped: Using satellite imagery to track the developmental effects of Somali piracy” (Africa Programme Paper, Chatham House, 2012), available at https://www.chathamhouse.org/sites/files/chathamhouse/public/Research/Africa/0112pp_shortland.pdf (accessed 28 Jan 2018), p. 14.

to local people who were skilled in the building sector, including carpenters, masons and others of their ilk, who were able to gain employment. Beyond houses, the locals also built shops, eateries, restaurants, lodgings and hotels.⁹² Buoyed by the pirates' attractive payment packages, the builders put up beautiful structures whose fame spread far and wide throughout Somali society. In turn, their fame challenged pirates who were unwilling initially to engage in construction projects. The construction boom was seen particularly in the so-called new Bosaso where pirates put up a series of luxurious houses in the midst of unsightly shacks.⁹³ This hype spread to other towns and centres leading to the employment of a varied pool of construction "experts" who were attracted by the pirate's generous payments. Proceeds accrued by the builders brought financial relief to their families but also to the wider Somali community at large.⁹⁴

Prostitutes also became beneficiaries of the piracy economy as pirates sought their services.⁹⁵ Intoxicated by the huge ransom monies, the pirates' discarded Islamic dictates and Somali societal values and engaged in illicit sexual liaisons with prostitutes. For their part, young Somali women were motivated by the pirates' deep pockets as exemplified by Faduma Ali, a prostitute in the inland town of Galkayo who charged about US\$1,000 a night for her services during piracy's golden period. In response to the demand for the services of prostitutes, pimps emerged and began crisscrossing Somalia convincing beautiful girls whom they then transported to the pirate coastal towns and centres. There have been allegations of the pimps spreading their tentacles to neighbouring countries where they also contracted young girls to offer commercial sexual services to the pirates. Eagerness to benefit from piracy drove pimps into the sex industry where they positioned themselves as brokers. The pimps survived on commission paid by both the pirates and girls as they took advantage of the decay in Somali society to undertake their pimping services for financial gain. While the pirates were in a wild party mood after receiving the ransom pay, prostitutes alienated themselves from societal and Islamic restrictions for financial gain. Poverty and limited economic opportunity prompted young women to opt for prostitution to meet their financial obligations.⁹⁶

92 A Shortland, "Treasure mapped..." (Africa Programme Paper, Chatham House, 2012), available at https://www.chathamhouse.org/sites/files/chathamhouse/public/Research/Africa/0112pp_shortland.pdf (accessed 28 Jan 2018), p. 16.

93 J Gettleman, "Somalia's pirates flourish in a lawless nation", *The New York Times*, 30 October 2008, available at <https://www.nytimes.com/2008/10/31/world/africa/31pirates.html> (accessed 12 Mar 2018).

94 B Scott, "How piracy saved Somalia", *Fair Observer*, 20 March 2016, available at <https://www.fairobserver.com/region/africa/how-piracy-saved-somalia-32393/> (accessed 11 Mar 2018).

95 A Guled, "The heyday of Somali pirates seems to be over", *The Associated Press*, 26 September 2012, available at https://www.oregonlive.com/oregonatwar/2012/09/the_heyday_of_somali_pirates_s.html (accessed 12 Mar 2018).

96 Associated Press, "Party over for Somali pirates? Attacks way down", *Daily News*, 25 September 2012, available at <http://www.nydailynews.com/news/world/party-somali-pirates-attacks-article-1.1168127> (accessed 15 Mar 2018); S Percy and A Shortland, *The business of piracy in Somalia*, available at https://www.diw.de/documents/publikationen/73/diw_01.c.358500.de/dp1033.pdf (accessed 10 Feb 2015), p. 19.

Brothel “entrepreneurs” grasped the opportunity and became brokers who facilitated pirates to access the prostitutes. Using secret connections, pimps and prostitutes were able to rent out rooms where the illicit sexual liaisons took place. Somalia’s dire economic situation forced some home owners to lease out their houses as brothels so as to earn rental income. Again, the use of a Muslim’s home for prostitution goes against Islamic principles but the need for money superseded religious and societal expectations. In a lawless and broken economy such as that in Somalia, religious observations stood no chance. Abject poverty forced individuals to grab any opportunity to make money. Conversion of houses into brothels was an opportunity not to be missed. Piracy became a temporary opportunity to grab money which they could reinvest in acceptable businesses when things stabilised.⁹⁷

Another short-term economic opportunity that was adopted by locals was the prohibited but lucrative distribution of alcohol and cigarettes. After wealthier businesspeople imported such items into Somalia, small-scale traders bought them to sell to moneyed consumers. Prohibition of alcohol and cigarettes among the Somali Muslim population pushed prices to exorbitant levels. Alcohol and cigarettes were imported into Somalia clandestinely because these products were prohibited in Somalia. They soon became prohibitively expensive and the costs were passed on to the wealthy final consumers.⁹⁸ Uncertainty about the longevity of the piracy boom prompted the retailers to make substantial savings that they planned to invest in legal long-term projects.

Aside from rekindling the local economy, Somali piracy also boosted the economies of neighbouring countries through the expanded retailing of the stimulant drug known as *khat*. While the sale of *khat* was not new in Somalia, the rise of piracy led to its exponential growth due to the high demand from wealthy pirates. Pirates believed that *khat*, the leaf of a plant, had the power to keep them alert when scouring for vessels to capture and while guarding the hijacked vessels. Many individuals stepped up to take advantage of retailing the drug because the profits were attractive. Piracy not only increased the demand for *Khat* but also pushed up its price in Somalia. A coterie of individuals took up the opportunity of retailing *khat* despite the pirates’ unpredictable and often violent behaviour. Moreover, the tradition of buying and selling *khat* on credit attracted more individuals who did not have the capital to join its retailing.⁹⁹

97 Associated Press, “Party over for Somali pirates...”, available at <http://www.nydailynews.com/news/world/party-somali-pirates-attacks-article-1.1168127> (accessed 15 Mar 2018); JOP, Interview: HI Musa/J Ondigi, 12 Mar 2015.

98 AT Weldemichael, *Dalhousie Marine Piracy Project...* (Marine Affairs Program Technical Report #12, 2014), available at https://cdn.dal.ca/content/dam/dalhousie/pdf/faculty/science/marine-affairs-program/Technical_series/Dalhousie-Marine-Affairs-Program-Technical-Report-%2312.pdf (accessed 28 Jan 2018), pp. 21-23.

99 AT Weldemichael, *Dalhousie Marine Piracy Project...* (Marine Affairs Program Technical Report #12, 2014), available at https://cdn.dal.ca/content/dam/dalhousie/pdf/faculty/science/marine-affairs-program/Technical_series/Dalhousie-Marine-Affairs-Program-Technical-Report-%2312.pdf (accessed 28 Jan 2018), p. 22.

Conclusion

This article demonstrates that Somalia's piracy is by no means not a singular space dominated by business elites. Rather, it is an economy with a myriad of actors and activities that has three interactive facets, namely combat piracy economy, shadow piracy economy and the coping piracy economy. These three facets underpin the understanding of the dynamics of piracy along Somalia's coastal waters. While piracy contributes to human suffering and societal dysfunction, in the case of Somalia, it also engendered a web of other intricate patterns of economic distribution and redistribution among the Somali communities.

As demonstrated in this study, Somali piracy provided opportunities for different actors not only to realign themselves to what piracy could offer but also impacted on opportunities for reducing and/or ending its debilitating effects on Somalia and beyond. The disaggregation of Somali piracy into the three economies and the subsequent analysis of these economies unravels the intricacies of the phenomenon and elicits possibilities of bettering the 2008-2011 anti-piracy campaigns that largely quieted Somali piracy. During the writing of this paper in 2022, the post 2011 calm was still holding in spite of reports of the re-entry of foreign fishermen into Somalia coastal waters. These reports have made concerned authorities around the world to maintain a close look at developments along the Somali coast.¹⁰⁰

100 C Stewart, "Pirates could make a comeback as illegal fishing returns to Somalia's coast", *Vice News*, 31 October 2015, available at <https://news.vice.com/article/pirates-could-make-a-comeback-as-illegal-fishing-returns-to-somalias-coast> (accessed 28 Mar 2018).