

PIRATE LANDS: GOVERNANCE AND MARITIME PIRACY

Book Prospectus

Ursula Daxecker

Department of Political Science
University of Amsterdam

&

Brandon C. Prins

Department of Political Science
University of Tennessee-Knoxville

Main Aim and Themes

Maritime piracy nearly disappeared in the 19th and 20th centuries. The US National Geospatial Intelligence Agency (USNGIA), which began collecting data on piracy in the late 1970s, recorded 90 incidents between 1980 and 1989, only 6% of them hijackings or kidnappings. But with the end of the Cold War, piracy reemerged in Indonesia, Malaysia, the Philippines, India, Bangladesh, and later also in the Gulf of Aden and off the coast of Nigeria, the number of incidents and their intensity increasing over the 1990s and the 2000s. Data collected by the USNGIA show 555 incidents between 1990 and 1999, 11% of which were hijackings.

The costs of piracy for the global economy are considerable.¹ Apart from immediate losses resulting from the hijacking of ships, theft of cargo, or ransom payments, additional costs arise from increased insurance rates, re-routing of vessels from risk zones, deterrent ship security, naval patrols, and pirate prosecutions. Second-order costs to regional trade or on foreign direct investment, although difficult to estimate, are likely also substantial. Yet precisely because the costs of piracy are primarily borne by international actors, states harboring pirates may not view counterpiracy as a top priority. In the communities where pirates operate, sharing the proceeds from piracy with locals even provides benefits. Piracy is thus simultaneously international and local.

Piracy—like civil war, terrorism, and other organized crime—is a problem in weak and fragile states. But while helpful in identifying the countries most affected by maritime piracy, focusing on the weakness of entire countries does little to further our understanding of why piracy clusters close to some coastal communities but not to others. In Indonesia, for example, the coastal areas of Sumatra, Kalimantan, and the Riau Islands share similarly favorable geographic conditions and proximity to busy shipping lanes. Yet pirate organizations are found only in some places. Similarly, few incidents of piracy afflict the more than 15 ports and

¹ A 2010 report by the One Earth Future Foundation estimates the cost at \$7-12 billion per year. <http://oceansbeyondpiracy.org/sites/default/files/attachments/The%20Economic%20Cost%20of%20Piracy%20Full%20Report.pdf>

anchorage on the Indonesian island of Java, while the eastern side of Kalimantan, with an equivalent number of harbors, suffers significantly more commerce raiding and armed robbery. Zooming in on the islands that make up the Riau Archipelago, some, such as Batam, Bintan, and Karimun, are known for harboring pirates; other islands, despite sharing favorable geographic and strategic conditions, are not.

We argue that local governance and infrastructural development explain pirate location. Analogous to firms participating in the global value chain, pirates locate their business close to economic activity. Pirate operations require substantial upfront investments, aided by the presence of markets and infrastructure. For sophisticated attacks, a group leader or boss provides pirates with a boat, fuel, equipment such as hooks and weapons, and money to bribe officials.² Proximity to economic activity also matters for recruitment, since freelance pirates are recruited from cafes and bars where they are known to hang out, such as some neighborhoods of Batam or Tanjung Pinang. In the wake of a successful attack, access to black markets is necessary to resell stolen fuel and other goods. According to one former Indonesian pirate, “stolen diesel is sold to dealers serving Batam’s dozens of ports and shipyards for use in trucks, boats or generators, or to black marketeers in Singapore where legal fuel is more expensive.”³ Yet unlike regular firms, the illegality of piracy requires someone to tacitly or actively to protect pirate activity. Pirates therefore need not only markets and infrastructure, but also opportunities for collusion with stakeholders that can help protect them.

We illustrate our argument on governance and pirate group location with data from Indonesia in Figure 1. The map shows nighttime light emissions in Indonesian municipalities in the 1990s and pirate group locations from arrest reports in local newspapers from 2010 onwards.⁴ In line with our expectation, pirate groups are based in areas with some governance (i.e. intermediate nighttime lights) but not in the most or least governed municipalities. For example, pirate groups were based in East Aceh, North Sumatra, Karimun and Batam in the Riau Islands, and East Kalimantan, but can rarely be found in regencies with most or least governed municipalities, such as remote parts of Aceh or highly developed Java. One exception is the arrest of the leader of the Waskim syndicate in Jakarta in 2015, but it is unlikely that group used Jakarta as their base since the group was active in the Malacca Strait.⁵

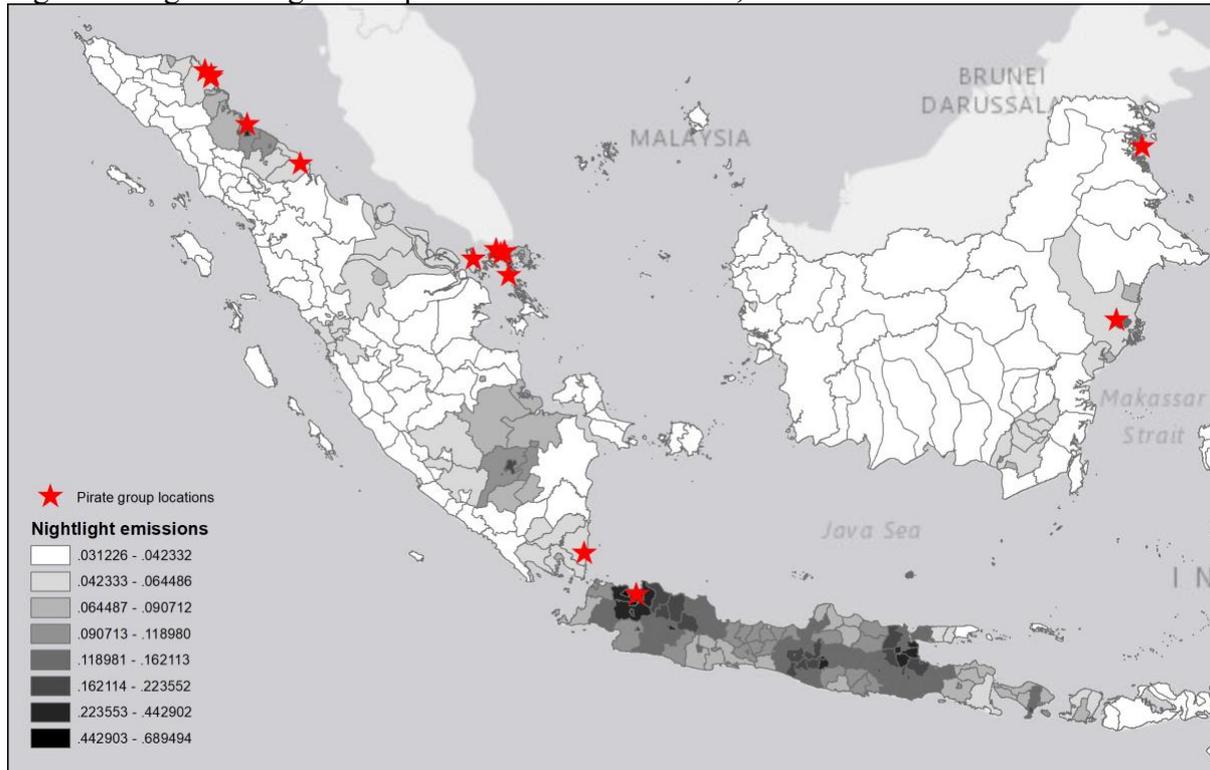
² Information from original interviews.

³ Quoted in Andrew Marshall, “Petro Pirates Plague Busy Southeast Asia Shipping Lanes,” Reuters, July 9 2014, <https://www.reuters.com/article/indonesia-pirates/petro-pirates-plague-busy-southeast-asia-shipping-lanes-idUSL4N0PK2U920140709>

⁴ The group locations indicated on the map are based on the group’s base of operations if indicated in the article, or arrest locations if no other information about the group’s location was provided. We limit the search to articles from 2010 onwards because few local news outlets have online archives for earlier years.

⁵ <http://batam.tribunnews.com/2015/11/24/gembong-perompak-yang-biasa-beraksi-di-selat-malaka-dibekuk-tni-al-di-pulogadung>

Figure 1: Nighttime lights and pirate arrests in Indonesia, 2010-2017



Our book offers an original explanation for variation in pirate location by connecting the capacity of the central state to its local configurations. We posit that variation in local governance patterns combined with the strength of the central regime has important consequences for the incidence and organization of maritime piracy. The relative weakness of the central state creates the permissive conditions for piracy because weak states lack the ability or willingness to eliminate pirate activity. However, local governance configurations explain where and why organized piracy emerges substantially. We expect that in weak or failed states, pirates will operate in coastal areas where local governance is weak enough to facilitate and incentivize collusion among pirates and authorities, yet strong enough to ensure that infrastructure and markets are sufficiently developed to permit the organization of sustained piracy.⁶ In weak states, sophisticated pirate groups are most likely to emerge in proximity to areas with intermediate local capacity, i.e. those that are neither strong nor weak. Piracy may occur locally in weaker or stronger areas within those states but is expected to be less common and remain less organized. In contrast, piracy in strong states occurs only sporadically, because even in areas where the central state is less present, it can intervene and prevent the rise of criminal organizations. Moreover, the incentives that produce collusion at the local level tend not to exist. Our argument thus highlights how national governance determines the equilibrium level of piracy acceptable to the state and potential pirates, while local governance produces the subnational conditions favorable for piracy.

⁶ We expect that local governance exhibits path-dependence. In chapter 6, we use colonial data from the Dutch statebuilding project in Indonesia to show the persistence of governance patterns.

Table 1 below outlines the dimensions of local governance that matter for piracy incidence and organization. First, prospective pirates benefit from fragile or weak local governance because it creates opportunities for collusion with local state or non-state actors. To be successful, pirates require the tacit or active support of local actors such as community leaders, customs officials, police forces, or the navy. For this reason, pirate groups should establish themselves in locales where the state is weak and authorities bribable. Second, pirates need access to markets and infrastructure to sell their stolen goods. This suggests that more developed areas should be attractive for potential pirates. Regions where local capacity is particularly weak lack the necessary infrastructure and governance needed for even illicit markets. Opportunities for piracy to emerge, become organized, and remain active over time should therefore be greatest in areas where the state is weak but not absent. This implies a curvilinear relationship between sub-national governance and maritime pirate activity.

Table 1: Local Governance and Piracy in Weak States

	Presence of markets and infrastructure	
Opportunity for collusion	Low	High
Low	N/A	Some piracy, but unorganized
High	Rare and unorganized piracy	High and organized

Our research highlights the importance of deconstructing the concept of the state and disaggregating spatial and temporal units of measurement. As central governments have seen their administrative reach shrink and their normative authority erode, local actors have at times emerged to take their place. But local governance is no panacea for eradicating predatory criminal activity; in Nigeria and Somalia, it has facilitated it. While strengthening governance at the national and local levels may help reduce political violence and the prevalence of criminal organizations, such capacity building must be coupled with improvements in state legitimacy as well as social welfare. Reducing the demand for piracy is as important as increasing the ability of national and local political authorities to apprehend pirates. Effective policy responses to the rise of non-state predatory criminal actors must recognize the complex authority structures that exist within individual countries.

We examine these arguments empirically with a variety of methods. We use quantitative methods to establish general patterns between governance and piracy in a global sample, and in subnational analyses of national and local governance configurations and piracy in Indonesia. Our quantitative analyses make use of the Maritime Piracy Location and Event Data (MPELD) as well as fine-grained, micro level data on night-time lights emissions that are validated with subnational tax data and colonial era governance data in Indonesia. We complement our quantitative findings with evidence from expert interviews and interviews from field research in Indonesia. Interviews with former pirates, local community members, and journalists confirm that the presence of infrastructure, markets, and collusion opportunities are important considerations for piracy. We confirm our Indonesian findings with additional quantitative analyses of night lights and piracy in Nigeria and Somalia.

Our argument has implications for understanding other kinds of transnational crime; the presence of corruptible local actors together with the availability of markets and infrastructure can be applied to the drug trade, human trafficking, or prostitution. Indeed, narcotics production in South America, money laundering in West Africa, and wildlife smuggling in Burma are all affected by corruption and illicit markets.

Relationship to Existing Literature

Scholars emphasize the crucial role played by state weakness and fragility in facilitating the emergence of predatory non-state actors (Murphy 2009; Sung 2004; Mentan 2004; Patrick 2011). Mentan (2004: 193), for example, argues that “today’s weak and/or failed African states, such as Sierra Leone and Somalia, are incapable of projecting power and asserting authority within their own borders, leaving their territories governmentally empty.” Palmer (2014) designates such ungoverned spaces *terra ex lex*, lands without law, while De Wijk (2009: 17) claims that “in places where government authority has ceased to exist, predation and lawlessness form the foundation for pirates to organize and engage in attacks.” Yet this focus on the central state is limiting if we want to understand where pirate gangs locate within countries and the mechanisms that enable their persistence. Governance capacity is usually measured or evaluated only at the center. But even countries with weak national regimes have areas that are well governed, with local political structures emerging to fill the governance void created by weak and frequently corrupt states. Clunan (2010: 6), for example, points out that while “...the state is assumed to be the critical actor in providing governance and generating authority,” alternative regional or local authority and governance structures can “complement or outperform state efforts.” As the business of piracy requires “structural support systems” (Palmer 2014: 10), chaos on land is not conducive to the profitable black-market trade in stolen goods. Hence it is not “weak local government authority” that is the “key determinant of piracy” as de Wijk (2009: 17) insists. *Rather, it is a mix of weakness and strength that provides the conditions for successful commerce raiding.* The presence of weak and or corrupt national political structures, coupled with local governance that facilitates order, economic exchange, and bribery creates the conditions conducive to illicit activity.

Our research engages others who have focused on the role of local institutions, both formal and informal, in abetting illicit activity (Daxecker and Prins 2013; Hastings 2009, 2012; Shortland and Varese 2016; Percy and Shortland 2013; Coggins 2016; Hansen 2009, Gaibullov and Sandler 2016). Our theoretical contributions to this literature are two: First, we theorize how the central state, local governance actors, and pirates interact to create conditions favorable to piracy. National-level associations do not imply that the least governed spaces are the most conducive to piracy; some political and economic governance is necessary for piracy to flourish. Second, we argue that local political and economic governance affect the incidence and organization of piracy. We highlight the extent to which local actors can be corrupted to help pirates avoid capture, and whether markets and infrastructure are sufficient to sustain organized pirate activity.

Of the several books on the determinants of modern piracy that have been published in the past 10 to 15 years, Martin Murphy's 2009 *Small Boats, Weak States, and Dirty Money* (Columbia University Press) is probably the best known. Others include Jay Bahadur's (2011) journalistic account of Somali piracy (Profile Books) and Stefan Eklöf Amirell's (2006) work on piracy in Southeast Asia (NIAS Press). The chapters in the edited volume on piracy in Southeast Asia by Carolin Liss and Ted Biggs (2016 Routledge) focus on recent trends and changes in the organization of piracy, while an earlier edited volume by Graham Ong-Webb (2006 ISEAS) includes discussions of definitional issues, descriptive patterns, and historical and current case studies of piracy in Southeast Asia. The volume edited by Peter Lehr (2007 Routledge) provides qualitative assessments of links between piracy and maritime terrorism in several case studies, without systematic assessment.

Existing books do not systematically theorize and assess the conditions contributing to maritime piracy. While Murphy's (2009) book is closest to ours in scope and ambition, he does not develop or test the theoretical mechanisms through which structural or sub-national conditions affect pirate attacks. Further, Murphy's text was written and published before Somali piracy began to decline at the end of 2011, while piracy increased in the Gulf of Guinea and the waters surrounding Indonesia. In contrast, we develop a general theoretical explanation of piracy focused on states' ability to project power across space and systematically assess these expectations using cross-national and sub-national data.

Nature of the Research

Our book is the first to use a systematic, social scientific approach to study maritime piracy. Our primary empirical approach is quantitative. We use national and subnational indicators of governance, piracy, and control variables to assess global and Indonesian piracy. In all analyses, we include controls for alternative explanations, including measures of economic grievance and lack of legal employment options, spatial opportunity, weather, regime type, and population. We use additional indicators of governance in Indonesia to validate nighttime emissions, our subnational governance measure.

Field research conducted in the Riau Islands helps us to further assess the plausibility of theoretical mechanisms. Interviews with former pirates, community members, and journalists highlight the importance of access to markets and infrastructure for pirate operations. Similarly, interviews provided us with numerous examples of tacit and active collusion with local governance providers and the community. Finally, our fieldwork material shows that recent improvements in local governance, such as the creation of a naval response unit and better policing on land, help explain declines in Indonesian piracy.

Plan of the Book

Chapter 2 presents a historically grounded review of research on maritime piracy. We examine the conditions that produced piracy in the past and note similarities with contemporary marauding. Societal disorder and state capacity are two critical, political correlates of commerce raiding. Neither is a necessary or sufficient condition for the development of pirate groups, but each increases the chances that predatory criminal gangs will arise bent on exploiting the turmoil of political violence and unruliness. Grievance (both poverty and lack of employment) and geographic opportunity also play important roles in the onset and persistence of piracy. Evidence clearly shows low wages and joblessness drive individuals out of the licit economy and into the arms of warlords and pirate bosses. We conclude the chapter by assessing the efficacy of counter-piracy operations, focusing especially on efforts designed to rebuild political and economic institutions, reduce corruption, and foster good governance.

Chapter 3 presents our theoretical argument. We argue that local governance has two important yet countervailing implications for the incidence and organization of piracy. On the one hand, pirates look for weakly governed areas where opportunities for collusion are plentiful. On the other hand, they need access to infrastructure and markets for successful criminal activity, suggesting that areas of intermediate state strength are most attractive for piracy. These expectations should hold most strongly for more organized forms of maritime piracy since spontaneous, short-term opportunistic attacks could still occur in weak or strong areas. A sub-national research design remains essential for testing this contention since national indicators of state capacity cannot capture this subnational spatial variation.

Our empirical analyses begin in Chapter 4. We first define piracy and provide a sketch of pirate organizations. We then introduce our dataset and illustrate piracy over the past 24 years using data collected and crosschecked from the International Maritime Bureau (IMB), the International Maritime Organization (IMO), and the US National Geo-Spatial Intelligence Agency (ASAM). Our intent is to provide the reader with a sense of the geographical spread and temporal scope of the maritime threat faced by the international community. Finally, we present provisional evidence that state capacity at the center associates with maritime piracy, but also that opportunity and local capacity influence pirate location.

The empirical analyses presented in chapters 5-6 provide the main evidence for the posited relationship between institutional capacity and maritime piracy. Chapter 5 explores pirate attacks at the country-level. We find that aggregate measures of state weakness correlate with piracy and that the relationship remains mostly linear in orientation. We also find that the effects of structural capacity on piracy are shaped by distance, affecting a regime's ability to control the emergence and persistence of pirate groups. Pirates locate away from state power.

In chapter 6, we present quantitative and qualitative evidence to examine the subnational relationship between governance and piracy in Indonesia. In quantitative analyses, we disaggregate the unit of analysis to the grid cell and explore the relationship between piracy

and local measures of institutional capacity. Relying on either ocean cells or land cells, we observe a curvilinear link between local governance and piracy. There appears to be a capacity ‘sweet spot’ that attracts criminal organizations that engage in sophisticated maritime attacks. We find less evidence that opportunistic piracy is similarly affected by local measures of institutional quality. The qualitative analysis confirms the importance of markets, infrastructure and collusion with evidence from fieldwork interviews in the Riau Islands to. Our respondents stress the importance of economic activity for recruitment and the planning and backend of operations. Moreover, they provide numerous examples for collusion between pirates and governance actors.

In Chapter 7, we present empirical investigations of Nigeria and Somalia, countries that have experienced considerable organized and unorganized maritime piracy over the past two decades. Piracy in both countries is driven in part by insurgencies and local governance meant to challenge or supplant national regime authority. We draw on secondary literature to highlight how the organization of piracy differed as a function of the political and economic governance patterns available to pirates in Somalia and Nigeria, but how organized piracy nevertheless emerged in the proximity of areas with intermediate governance capacity. Quantitative analyses of nightlights and piracy confirm the curvilinear association between local capacity and commerce raiding we established in Indonesia.

In the concluding chapter, we review what we have learned and how our findings speak to the current state of knowledge about maritime piracy operations. We then discuss theoretical extensions of our argument beyond piracy, exploring implications of our framework for other crime and political violence. We proceed to policy implications of our findings, explaining why naval patrols and state-level capacity enhancements remain insufficient. We end by discussing recent and future trends in maritime piracy

Length

Including 8 chapters, the manuscript is around 75,000 words. The manuscript has approximately 15 tables and 30 figures (excluding additional figures in appendices).

Planned Delivery Date and Audience

The full draft is complete (July 2018).

Maritime piracy engages political scientists, economists, historians, criminologists, and geographers. The book will also appeal to faculty offering graduate-level seminars in political science, economics, and geography and would fit well in courses on violent non-state actors, transnational criminal organizations, maritime and global security. Our empirical modeling, rich data, and sub-national explorations will also appeal to international organizations and private firms active in the maritime domain. The manuscript’s style and the visualization of piracy information helps attract policymakers, Foreign Service and defense officials, and intelligence analysts interested in issues of global and maritime security. We have already

presented project results at the US Department of Defense and the Dutch Navy. Finally, the timelessness of pirate actions – stealing from the wealthy, living the lawless life – have long fascinated general audiences. Our aim is to hook this audience with a book that avoids jargon and instead uses figures, maps, tables, and interview quotes to provide the reader with rich illustrations.

I. About the Authors

Ursula Daxecker is Associate Professor of Political Science at the University of Amsterdam, a member of the Amsterdam Institute for Social Science Research, and associate editor at *European Journal of International Relations* and *International Interactions*. Her research interests focus on political violence, with current projects on maritime piracy and electoral violence. Her work has appeared in *British Journal of Political Science*, *Journal of Conflict Resolution*, and *Journal of Peace Research*, among others. Her research has been funded by grants from the US Department of Defense Minerva Initiative, the European Commission Marie Curie actions, and the Dutch Science Foundation NWO.

Brandon Prins is Professor of Political Science at the University of Tennessee-Knoxville, Global Security Fellow at the Howard H. Baker, Jr. Center for Public Policy, and former associate editor of *Foreign Policy Analysis*. His research addresses the causes and consequences of political violence, with current projects on peacekeeping efficacy and domestic terrorism. His work has appeared in *International Studies Quarterly*, *Journal of Conflict Resolution*, *Journal of Peace Research*, and the *British Journal of Political Science*. The US Office of Naval Research, Y-12 National Security Complex, and the National Nuclear Security Administration have funded Dr. Prins' research.

References

- Bahadur, Jay. 2011. *The Pirates of Somalia: Inside Their Hidden World*. Vintage.
- Clunan, Anne L. 2010. "Ungoverned Spaces: The Need for Reevaluation." In Anne Clunan and Harold Trinkunas, eds. *Ungoverned Spaces: Alternatives to State Authority in an Era of Softened Sovereignty*. Stanford: Stanford University Press, 3-16.
- Coggins, Bridget L. 2016. "Failing and the Seven Seas? Somali Piracy in Global Perspective." *Journal of Global Security Studies* 1(4): 251-69.
- Daxecker, Ursula E., and Brandon C. Prins. 2013. "Insurgents of the Sea: Institutional and Economic Opportunities for Maritime Piracy." *Journal of Conflict Resolution* 57 (6): 940–56.
- Daxecker, Ursula E., and Brandon C. Prins. 2015a. "Enforcing Order: Territorial Reach and Maritime Piracy." *Conflict Management and Peace Science*, 0738894215594756.
- Daxecker, Ursula E., and Brandon C. Prins. 2015b. "Searching for Sanctuary: Government Power and the Location of Maritime Piracy." *International Interactions* 41 (4): 699–717.
- de Wijk, Rob. 2009. "The Evolution of Piracy." *European Security Forum Working Paper* 33. <http://aei.pitt.edu/14447/>.
- Eklöf, Stefan. 2006. *Pirates in Paradise: A Modern History of Southeast Asia's Maritime Marauders*. Vol. 101. NIAS Press.
- Gaibulloev, Khusrav, and Todd Sandler. 2016. "Decentralization, Institutions, and Maritime Piracy." *Public Choice* 169(3-4): 357-374.
- Hansen, Stig Jarle. 2009. *Piracy in the Greater Gulf of Aden*.
- Hastings, Justin V. 2009. "Geographies of State Failure and Sophistication in Maritime Piracy Hijackings." *Political Geography* 28 (4): 213–23.
- Lehr, Peter. 2006. *Violence at Sea: Piracy in the Age of Global Terrorism*. Routledge.
- Liss, Carolin, and Ted Biggs, eds. 2016. *Piracy in Southeast Asia: Trends, Hot Spots and Responses*. Vol. 57. Taylor & Francis.
- Mentan, Tatak. 2004. *Dilemmas of Weak States: Africa and Transnational Terrorism in the Twenty-First Century*. Burlington: Ashgate.
- Murphy, Martin N. 2009. *Small Boats, Weak States, Dirty Money: The Challenge of Piracy*. Columbia University Press.
- Ong-Webb, Graham Gerard. 2006. *Piracy, Maritime Terrorism and Securing the Malacca Straits*. Institute of Southeast Asian Studies.
- Palmer, Andrew. *The new pirates: Modern global piracy from Somalia to the South China Sea*. IB Tauris, 2014.
- Patrick, Stewart. *Weak links: fragile states, global threats, and international security*. Oxford University Press, 2011.
- Percy, Sarah, and Anja Shortland. 2013. "The Business of Piracy in Somalia." *Journal of Strategic Studies*, 36(4), pp.541-578..
- Shortland, Anja, and Federico Varese. 2016. "State-Building, Informal Governance and Organised Crime: The Case of Somali Piracy." *Political Studies*, October, 64(4), pp.811-831.
- Sung, Hung-En. 2004. "State Failure, Economic Failure, and Predatory Organized Crime: A Comparative Analysis." *Journal of Research in Crime and Delinquency* 41(2): 111-29.