

# NATO OPERATION OCEAN SHIELD

## A History of Piracy Around the Horn of Africa

Piracy around the Horn of Africa began to take root in the 1980s upon the collapse of the Somalian government in 1991 and the consequent onset of the still-ongoing civil war. At the time, young Somali men turned to piracy as a means of economic mobility and to escape the burgeoning civil war. The early justification for piracy was to curb illegal fishing and prevent the dumping of toxic waste off of the Somali coast. It was rumored that Asian and European companies would bribe corrupt local officials for access to Somalia's territorial waters in

order to illicitly fish and dump wastes.<sup>1</sup> Pirates saw this as an attack on Somali sovereignty, and, due to the lack of functioning government, they took matters into their own hands. However, operations quickly expanded as no local authority existed to curtail the activity and the Somali pirates became successful at hijacking ships and soliciting ransoms. In addition, once competing warlords recognized the immense profitability of piracy, they were quick to devote resources to bolstering piracy efforts, going as far as forming franchise alliances with rival clans for mutual benefit. Attacks have primarily been concentrated in the Gulf of Aden between Yemen and the northern coast of Somalia. In just the first nine months of 2009, the U.S. State Department has reported that 156 pirate attacks had occurred in those waters.<sup>2</sup> Pirates operating around the Horn of Africa undermine regional security and threaten global commerce and shipping.

### The Situation in Somalia 2008 & 2009

While the roots of the piracy in the Horn of Africa stretches back to the 1980s, Somalia has faced a particularly difficult start to the 21<sup>st</sup> century. By 2008 and 2009, Somalia was widely recognized as a failed state, with the internationally recognized Transitional Federal Government (TFG) exerting control over only parts of Mogadishu and fragmented regions of the country. Repeated civil conflict since 1991 had eroded central authority, leaving the TFG heavily dependent on external support and unable to enforce law and order across much of the nation. The TFG was largely imposed by military force by Ethiopian troops, leaving it unpopular with most Somalis.<sup>3</sup> Additionally, the TFG is divided



<sup>1</sup> "Johann Hari: You are being lied to about pirates." *Independent*. <https://www.independent.co.uk/voices/commentators/johann-hari/johann-hari-you-are-being-lied-to-about-pirates-1225817.html>.

<sup>2</sup> "Piracy Off the Horn of Africa." *Congressional Research Service*. <https://sgp.fas.org/crs/row/R40528.pdf>.

<sup>3</sup> "Clan divisions threaten Somalia government." *VOA*. <https://reliefweb.int/report/somalia/clan-divisions-threaten-somalia-government>.

between different clans with roots throughout Somalia—these clans are deeply distrustful of one another and often seek to undermine each other, to the detriment of the TFG’s ability to function effectively.

Additionally, Militant Islamist groups, most notably al-Shabaab, have capitalized on this power vacuum, capturing territory and conducting insurgent operations that further destabilized the country.<sup>4</sup> In late 2008 and early 2009, in response to the deployment of African Union troops into Somalia to support the TFG, al-Shabaab rallied Somalis to its cause by pitching itself as the defenders of Somalians. They used this momentum to successfully take over much of Southern Somalia, undermining the already tenuous reach of the TFG and signaling its growing strength as a dominant force in southern Somalia.<sup>5</sup> The group’s designation as a terrorist organization by the United States and other international actors underscored concerns about its transnational links and extremist ideology.

### **Terror Financing and Piracy**

In this fractured environment, extremist financing and criminal economies became deeply intertwined. Al-Shabaab financed itself through a range of illicit activities, including taxation of local populations, smuggling of charcoal and other commodities, and involvement in criminal markets.<sup>6</sup> There is also evidence suggesting that the group sought to extract revenue from piracy networks—either through extortion of ransom proceeds or cooperative relationships with pirate gangs in some areas—blurring the lines between terrorism, organized crime, and maritime predation. These financial streams helped sustain its insurgency, recruit fighters, and arm its forces during the period covered by the crisis. The anger generated by foreign intervention by African Union peacekeepers should give pause to members of this committee—as interventions by NATO and its partners could further empower terrorist and other criminal actors by allowing them to position themselves as the true defender of Somalia while the TFG remain complicit with and beholden to international powers.

### **Environmental and Humanitarian Crises**

Environmental and humanitarian crises compounded Somalia’s political turmoil. Severe droughts in 2008 devastated agricultural and pastoral livelihoods, pushing millions into food insecurity and driving internal displacement and dependence on emergency aid. Estimates indicated that millions were at risk of famine, and conditions were worsened by the collapse of infrastructure and insecurity along key transport corridors.<sup>7</sup> In areas controlled by al-Shabaab in South and Central Somalia, Human Rights Watch estimates that nearly 40% of people need humanitarian aid.<sup>8</sup> Efforts to improve the humanitarian situation through humanitarian aid delivery and distribution were hampered by the country’s instability, al-Shabaab’s territorial holdings, and pirate activities off the coast. These threats saw nearly 30 aid workers killed in 2008, a shockingly high number.<sup>9</sup> Illegal fishing by foreign vessels and environmental degradation continued to exacerbate local grievances and undermined traditional livelihoods, driving some coastal communities toward piracy not only as an economic adaptation but

<sup>4</sup> “Somalia country profile.” *BBC*. <https://www.bbc.com/news/world-africa-14094503>.

<sup>5</sup> “Conflict With Al-Shabaab in Somalia.” *Council on Foreign Relations*. <https://www.cfr.org/global-conflict-tracker/conflict/al-shabab-somalia>.

<sup>6</sup> “Somalia’s Organized Crime Networks: A New Framework to Degrade al-Shabaab.” *International Affairs Review*. <https://scholarspace.library.gwu.edu/downloads/h989r403n?disposition=inline&locale=en>,

<sup>7</sup> “Somalia crisis deteriorates, aid agencies warn.” *InterPeace*. <https://www.interpeace.org/fr/2007/10/somalia-crisis-deteriorates-aid-agencies-warn/>.

<sup>8</sup> “So Much to Fear.” *Human Rights Watch*. <https://www.hrw.org/report/2008/12/08/so-much-fear/war-crimes-and-devastation-somalia>.

<sup>9</sup> *Ibid.*

as a perceived defense of maritime resources. The humanitarian and environmental crises are causing many Somalis to seek refuge in neighboring countries, with Kenya a popular destination for many refugees given its relative stability. However, Kenya is not a particularly wealthy nation and it may strain under this flood of refugees who could potentially radicalize within Kenya or become criminals in order to survive—potentially perpetuating the piracy issue beyond the Horn of Africa.

## Piracy: A Growing Economic Threat

Although pirates set out to gain economically from their actions, piracy imposes immense negative externalities not only on the global economy, but also on the local and regional economies the pirates operate out of. On a micro level, there are direct effects to the local economy that piracy induces. In the beginning pirates did not have the capital to begin their endeavors, they often turn to Somali businessmen—who themselves have set up an informal banking system funded by overseas Somalis, businessmen from other countries, and terrorist organizations—to act as their financiers. Resultantly, this takes money away from the formal Somali economy, which is in dire need of investment to spur economic growth. Furthermore, price inflation wrecks many coastal economies, with reduced real wages and increased food prices being observed in those areas. This can be attributed to a decrease in aggregate supply caused by ships choosing to dock elsewhere in fear of being hijacked. Likewise, the fact that most wealth generated by pirates is not trickled down into the economy but rather is used to pay off their debts to financiers and reinvest into their enterprises heightens the effects of inflation for the masses in Somalia.<sup>10</sup>

### Global Economic Costs

On a more global scale, there is a net negative impact on the worldwide economy that can be linked to piracy in the Horn of Africa. Although piracy revenues total to around \$120 million in 2010, it is estimated that the overall loss in welfare due to piracy is conservatively estimated to be around \$1.5 billion—enough to employ 1.5 million laborers in the region for a year at the 2010 market wage.<sup>11</sup> Other estimates range from \$4 billion up to as high as \$12 billion.<sup>12</sup> This substantial cost is derived from increased costs to shipping companies to pay ransoms, fix damages to their vessels and cargo, bolster their security measures, cover delays in shipping, and pay for higher insurance rates.<sup>13</sup> In addition, further indirect costs arise due to the Horn of Africa's geographical significance, as Somalia's coastlines lie on both the Gulf of Aden and the Indian Ocean. The waters surrounding the Horn see millions of barrels of oil transit the waters daily, shipping traffic that connects eastern and southern



<sup>10</sup> "How Piracy is Affecting Economic Development in Puntland, Somalia." *Journal of Strategic Security*, 6(1). <https://digitalcommons.usf.edu/cgi/viewcontent.cgi?referer=&httpsredir=1&article=1222&context=jss>.

<sup>11</sup> "The Economic Costs of Piracy." *International Growth Centre*. <https://www.theigc.org/project/the-economic-costs-of-piracy/>.

<sup>12</sup> "Piracy Off the Horn of Africa." *Congressional Research Service*.

<sup>13</sup> *Ibid*.

Africa with Asia, and hundreds of millions in humanitarian aid tending the conflicts in the greater region, all of which are disrupted by the threat of piracy.<sup>14</sup>

The Gulf of Aden, where the pirates focus on many of their activities, is a critical lifeline for the global economy, allowing shippers to more promptly send goods between Western Europe and Asia. About 50 cargo ships passed through the Gulf each day in 2008, with roughly 4% of the planet's oil production flowing through the area on ships.<sup>15</sup> While in 2008 and 2009 only one-third of 1% of ships were seajacked, the mere threat posed by the pirates and potential for ships to be hijacked raises costs for shipping through the region; insurance companies make ships that transit the area pay a higher insurance premium and some companies struggle to find qualified crew members willing to serve on ships going through the region.<sup>16</sup> Countries with ports in the region, such as Eritrea and Saudi Arabia, or particularly reliant on their trade passing through the Gulf of Aden, such as India and the Gulf States, are particularly vulnerable to the economic impacts.

However, Egypt is the country most vulnerable to a decrease in traffic in the Gulf of Aden. The country is particularly reliant on tolls collected by ships that pass through the Suez Canal. Pirate attacks in 2008 contributed to a significant decline—estimated at around 20%—in Suez Canal revenue.<sup>17</sup> The Egyptian government is particularly reliant on revenue from the Suez Canal as the country's currency is weak and foreign currency earned from the Canal helps it pay for imports, particularly food imports.

## The Need for International Intervention

For a long time, piracy and armed robbery disrupted the delivery of humanitarian aid to Somalia and threatened vital sea lines of communication (SLOC) and economic interests off the Horn of Africa, in the Gulf of Aden and the Indian Ocean. Threats to global trade in Africa is what initially prompted global intervention in the region. Previously, The U.N. Security Council had issued four resolutions (1816, 1838, 1846, and 1851) in 2008 to facilitate an international response to piracy off the Horn of Africa. Resolution 1851 authorized international naval forces to carry out anti-piracy operations in Somali territorial waters and ashore.<sup>18</sup> Resolution 1872, adopted in 2009, authorized member states to participate in the training and equipping of the TFG security forces.<sup>19</sup> In 2009, a multilateral Contact Group on Piracy off the Coast of Somalia (CGPCS) was established through resolution 1851 to coordinate anti-piracy efforts. The U.S, NATO, European Union, regional, and other naval forces patrol near Somalia in coordination with the U.S.-led Task Force.<sup>20</sup> These initiatives have been mildly successful in capturing or stopping piracy efforts as they happen but have done little to stem the flow and aggression of pirates near the Horn of Africa.

## Operation Ocean Shield Comes to Fruition

In 2008, at the request of the United Nations, NATO started to support international efforts to combat piracy in the Gulf of Aden, off the Horn of Africa and in the Indian Ocean with Operation

<sup>14</sup> Ibid.

<sup>15</sup> "The Ongoing Piracy Problem in the Waters off of Somalia." *U.S. Department of Transportation*. <https://www.transportation.gov/testimony/ongoing-piracy-problem-waters-somalia>.

<sup>16</sup> Ibid.

<sup>17</sup> "Suez Canal Revenue Falls." *National Public Radio*. <https://www.npr.org/2009/04/28/103559334/suez-canal-revenue-falls>.

<sup>18</sup> "Resolution 1851 (2008)." *United Nations Security Council*. <http://unscr.com/en/resolutions/doc/1851>.

<sup>19</sup> "Resolution 1872 (2009)." *United Nations Security Council*. <http://unscr.com/en/resolutions/doc/1872>.

<sup>20</sup> "Combating Maritime Piracy." *Council on Foreign Relations*. <https://www.cfr.org/background/combating-maritime-piracy>.

Allied Provider and Allied Protector. Both operations were later expanded into Operation Ocean Shield. Initially focused on at-sea counter-piracy activities, NATO vessels conducted helicopter surveillance missions to trace and identify ships in the area; and helped to prevent and disrupt hijackings and to suppress armed robbery. NATO also agreed, at the request of the UN, to escort the United Nations Support Office for AMISOM (UNSOA) supply vessels to the harbor entrance of Mogadishu, Somalia. Operation Ocean Shield focuses on protecting the ships of Operation Allied Provider, which are transporting relief supplies as part of the World Food Programme's mission in the region. The initiative also helps strengthen the navies and coast guards of regional states to assist in countering the piracy in the Indian Ocean. China and South Korea have sent warships to participate in the activities as well. The biggest contributors are the U.S. and Indian navy.<sup>21</sup>

The success of this operation is dependent in part on the cooperation of other nations with interests in the region. Conducted at SHADE (Shared Awareness and Deconfliction), these meetings allow for shared tactics among a large number of international entities, including China, Japan, Russia, etc. Also utilizing innovative electronic networks to share anti-piracy tactics has allowed other task forces to be well informed. Since this was an informal system, it's not weighed down with bureaucracy and can be spread with other groups and organizations.<sup>22</sup>

While NATO led Operation Ocean Shield beginning in August 2009, counter-piracy efforts off the Horn of Africa were inherently multinational in scope. NATO provided the command structure, escorts, surveillance assets, and deterrent naval presence under an expanded mandate that built on earlier operations (Allied Provider and Allied Protector) to protect humanitarian shipments and commercial vessels. Yet many non-NATO states played vital roles in the mission's effectiveness. The United States contributed naval forces and intelligence support through Combined Task Force 151, while China's People's Liberation Army Navy engaged in independent escort missions that protected both Chinese and foreign merchant ships. India, Japan, South Korea, and others also deployed warships and helicopters to patrol high-risk areas, conduct boarding operations, and respond to distress calls. These contributions supplemented NATO's resources and demonstrated that the international commitment to maritime security in the Indian Ocean was broader than a single alliance, involving a diverse coalition of naval powers with shared economic and security interests.

### **Initial Successes**

Together with other international naval forces, the NATO mission has had some initial success in reducing piracy in the region. In 2009, pirates captured more than 40 ships and NATO recorded 130 further pirate attacks off Somalia.<sup>23</sup> While still high numbers, the operation has lowered the number of these incidents. Pirates are still often armed with automatic firearms, and without surveillance and protection, most non-naval ships aren't equipped with the defenses necessary to repeal pirates.

## **The True Crisis: A Lack of Governance**

Swirling across all these crises is an inability of the central government to exert control and authority throughout the country. The government is riven by internal disagreements and conflicts between its

<sup>21</sup> "Operation Ocean Shield." *NATO*.

[https://web.archive.org/web/20110513125123/http://www.manw.nato.int/page\\_operation\\_ocean\\_shield.aspx](https://web.archive.org/web/20110513125123/http://www.manw.nato.int/page_operation_ocean_shield.aspx).

<sup>22</sup> "Ocean Shield" Achieved its Mission." *Maritime Executive*. <https://www.maritime-executive.com/blog/ocean-shield-achieved-its-mission>.

<sup>23</sup> "Operation Ocean Shield." *NATO*.

[https://web.archive.org/web/20150310094806/https://www.nato.int/nato\\_static\\_fl2014/assets/pdf/pdf\\_topics/141202a-Factsheet-OceanShield-en.pdf](https://web.archive.org/web/20150310094806/https://www.nato.int/nato_static_fl2014/assets/pdf/pdf_topics/141202a-Factsheet-OceanShield-en.pdf).

members. Family loyalty and kinship bonds are incredibly important within Somalia and many feel that certain groups are monopolizing power within the government at their expense. The ongoing African Union peacekeeping mission is ostensibly in Somalia to help support the government, but with the continued successes of Al-Shabaab, the economic impacts of pirates, and the environmental and humanitarian catastrophes, the continuance of the peacekeeping mission by the African Union and the anti-pirate mission by NATO and its partners will be moot if an effective and respected government is not established across the nation.<sup>24</sup> While international powers must address the continuing threat from pirates, if they only address the pirates as a military threat, they will leave fertile ground from which future pirates could spring. The roots of the piracy problem in the Horn of Africa are multifaceted—the international coalition must both address the immediate pirate crisis and seek long-term holistic solutions that prevent the rise of more pirates in future years.

### Questions to Consider

- How can Operation Ocean Shield work alongside regional governing bodies and employ local resources to combat piracy around the Horn of Africa?
- To what extent is the global economy rendered vulnerable due to piracy?
- How has Somalia's 20-year civil war contributed to regional instability and the rise of piracy around the Horn of Africa?
- How can a respected and effective government be established within Somalia? How can international powers effectively establish this government without discrediting the government by virtue of it being imposed by other countries?
- What solutions exist to prevent future piracy, or has this become an issue that requires long-term intervention?

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<sup>24</sup> "Government near to collapse, says Somalia leader." *The Guardian*. <https://www.theguardian.com/world/2008/nov/17/somalia-government-islamists-insurgents-news>.