SOME THOUGHTS ON THE INTERNATIONAL BAN ON THE IVORY TRADE

1. What is the Objective of the International Ban on the Ivory Trade?

If the objective of the Trade Ban is to “save elephants” then this assumes there are hard data to demonstrate first, that it is the trade itself which is the prime cause of the decline in elephant numbers in Africa and second, that manipulating the trade will indeed effect elephant mortality rates. These are contentious issues to say the least. What is required here are empirical data relating changes in the quantity of the traded goods (ivory in this case) and changes in elephant mortality rates. If such empirical relationships cannot be demonstrated unambiguously then any causal link between trade and elephant mortality remains pure speculation and wishful thinking.

- Is it the trade itself or the lack of regulation of the trade that is at fault, and if the latter then why ban the former?

For example, bad agricultural practices can lead to serious soil erosion, yet the response is rarely to ban agriculture but rather to better its management.

- Or is it the pernicious expansion of people into previously unused areas that is leading to the decline in elephant populations?

If so, banning the trade in ivory will have little effect. Furthermore, the current “best” projections from the UN suggest a levelling out (2025) then continuing decrease (2050) of global populations, even in Africa, while rural populations will decline even faster in the face of increasingly rapid urbanisation. In other words, this effect, if present, may be self righting.

- Or is it a matter of property rights and ownership?

In most African states large wildlife such as elephants are owned by the State. The State empowers itself to capture benefits from wildlife while landowners and landusers must bear the cost of supporting it. To this day, a person killing a zebra in Maasailand may well be ignored – but try killing a cow. Trade bans have little influence on such policies.

- Or is it a matter of land use economics?

In Kenya, the remarkable decline in wildlife numbers (over 50%) dates from 1977 when all consumptive uses of wildlife (hunting, capture and sale, and the associated value added industries of tanning, curios etc) were completely banned. At the time of the ban the industry was worth in excess of $150m (in today’s currency) a very large proportion of which went directly to landowners and landusers. Since then it has been effectively impossible for landowners and landusers to capture significant benefits from wildlife (benefits from tourism being largely controlled by tourism cartels). European settlers in East Africa ruthlessly eliminated wildlife from their land: they needed good returns from their investment, and wildlife infested land produced lower returns than wildlife free land.

There was perhaps a time when man and wildlife lived together in what seemed to be harmony, but in reality all this reflected was the lack of capital, technology and need to eliminate it. But today, in the face of growing economic imperatives, rising prices, increases in school fees and medical fees, and wider opportunities for investment, landowners are responding by raising production through better land management. Quite simply, they can no longer tolerate the costs of wildlife on production.

Some landowners have indeed managed to capture the value of the wildlife on their land, but for many others this remains a chimera – especially in countries where tourism is poorly developed. So today, getting rid of wildlife and its associated costs, or at least not minding if someone else gets rid of it, would seem a sensible response on the part of landowners.

2. Are Trade Bans Effective?

It is generally accepted that trade bans are quite ineffective in the face of a continuing demand for the banned good. The most banned substances today are hard drugs, yet the world remains awash with them. In Afghanistan, the Coalition was able to defeat the Taliban but dared not interfere with the growing of Opium. In the USA, it was the impossibility of banning alcohol consumption that led to the ending of Prohibition. By what possible means does CITES believe they can do any better? Neither rhinoceroses nor tigers have noticeably flourished during their 10 year plus trade ban.

3. A Simple Trade Model

Here is a wonderfully simple model of the relationship between Supply (S), Demand (D) and the Price (p) of any commodity. In the model, both supply and demand can increase (+), decrease (-) or stay the same (o), while in response prices might stay the same (po), increase (p+), increase sharply (p++), decrease (p-) or decrease sharply (p--). Let us start at an equilibrium with both supply, demand and prices stable (So, Do, Po).

		DEMAND		
		D+	Do	D-
SUPPLY	S+	Po	p-	p--
	So	p+	Po	p-
	S-	p++	p+	Po

With a constant demand, any increase in supply will depress prices while any reduction in supply will increase prices. Similarly, with a constant supply, any increase in demand will increase prices while any fall in demand will depress prices. The largest swings in prices will be when demand increases while supply falls (D+, S-) and when demand falls while supply increases (D-, S+). In the former prices rocket, it the latter prices collapse.

Clearly, the objective of policy in the case of ivory production should be to manipulate the market so that prices collapse and then remain stable at the new low level, a level low enough one hopes to discourage production. So let us use this model to see how a CITES Trade Ban might effect the supply of ivory. A trade ban initially depresses supply (S-) which has the immediate effect of raising prices (p+). In other words the good, in this case ivory, becomes more valuable and therefore production is stimulated. Indeed, it becomes immediately obvious that all the normal activities of conservationists (trade bans, anti-poaching, closing down carving workshops, burning ivory and the like) all act to restrict supply. Their perverse impact is to raise prices, making the commodity more valuable and thus stimulating production.

It is equally clear that unless demand is tackled all other activities are, quite simply, in vain. Indeed, reducing demand (aka consumer boycotts) is a very effective way of influencing the amount of a good being produced and traded. In the USA and Europe, demand for ivory effectively dried up in the face of an extremely well orchestrated publicity campaign (as was the case with the collapse of the fur trade). The trade ban was immaterial, and accordingly unnecessary.

4. Other Perverse Impacts of a CITES Trade Ban

- In the face of continuing demand, the trade is forced underground where it becomes more difficult to monitor and control. This in turn increases the cost of doing business which forces up prices. The banned good thus becomes more valuable, thus stimulating production and trade. Furthermore, forcing the trade underground foments and nurtures deep corruption at both national and international levels.

- A trade ban also increases the volume of the banned good that has to be produced – by the amount seized by law enforcement agencies. Thus, if demand is for X,000 kilos, then the required supply must be X plus the amount normally confiscated. Not good news for elephants.

- Trade bans reduce the economic value of the good, in this case of elephants. While this may not necessarily effect elephants living within totally protected areas it will effect their survival in land outside protected areas, on and owned, managed and used by Africans. Elephants exact a huge cost from a landowner: if these costs cannot be offset then the elephant may not be encouraged.

- Countries who manage their elephant populations well are penalised by being unable to maximise the potential gains from good management. Perversely, CITES institutionalises and promotes bad management at the expense of good management. CITES panders to the lowest common denominator by rewarding and encouraging the worst rather than the best.

- Innovative approaches towards increasing, rather than restricting, supply – for example by farming elephant, rhinos, tigres or bears for their products rather than relying on natural stocks – are discouraged and marginalised, even if such approaches are to be used solely for domestic markets. The argument that wild (i.e. illegal) products will somehow be hidden by the legal trade in farmed products is as valid as insisting that Rolex should desist from making watches as you can buy cheap copies on the street.

- It is quite awesome to contemplate the annihilation of literally thousands of years of cultural history and artistic skills represented by the use of ivory.

5. So What Exactly IS the CITES Trade Ban, and What Does It Achieve?

The CITES Trade Ban on Ivory (and all other animal products) is essentially a cop-out brought about by (one assumes) well meaning but mislead conservation organisations. It is widely acknowledged that managing ivory production, or elephant populations, is extremely difficult indeed: while some African countries have shown the grit and determination to do so, others have failed miserably. Yet it is the failures who have instigated and maintained the ban and who in turn occupy the moral high ground and receive the global accolades. Rational and successful managers of elephants, who see consumptive utilisation as a valuable instrument of conservation, are regarded almost as dangerous perverts. By so doing, the failures appear to have done something useful and positive for elephant conservation: but, as we have suggested, they have in fact done the opposite.

Indeed, the CITES ban on the international trade in ivory will simply hasten the extinction of elephants: it is part of the problem not part of the solution.

Some Key CITES Decisions On Elephants and Ivory

1975: Asian elephants listed on Appendix I
1977: African elephants listed on Appendix II
1986: Introduction of ivory quotas
1989: African elephants transferred to Appendix I (the “ivory ban”)
1997: Elephant populations in Botswana, Namibia and Zimbabwe are down-listed to Appendix II
Experimental ivory quotas are introduced
2000: Elephant populations in South Africa are down-listed to Appendix II, but with no quota for ivory exports
2002: Proposal to transfer Zambia’s elephants to Appendix II rejected
Sales of ivory stockpiles in Botswana, Namibia and South Africa to be allowed once the MIKE monitoring baselines are in place
Request for ivory sales from Zimbabwe was rejected