

The Economics Of The Illegal Wildlife Trade

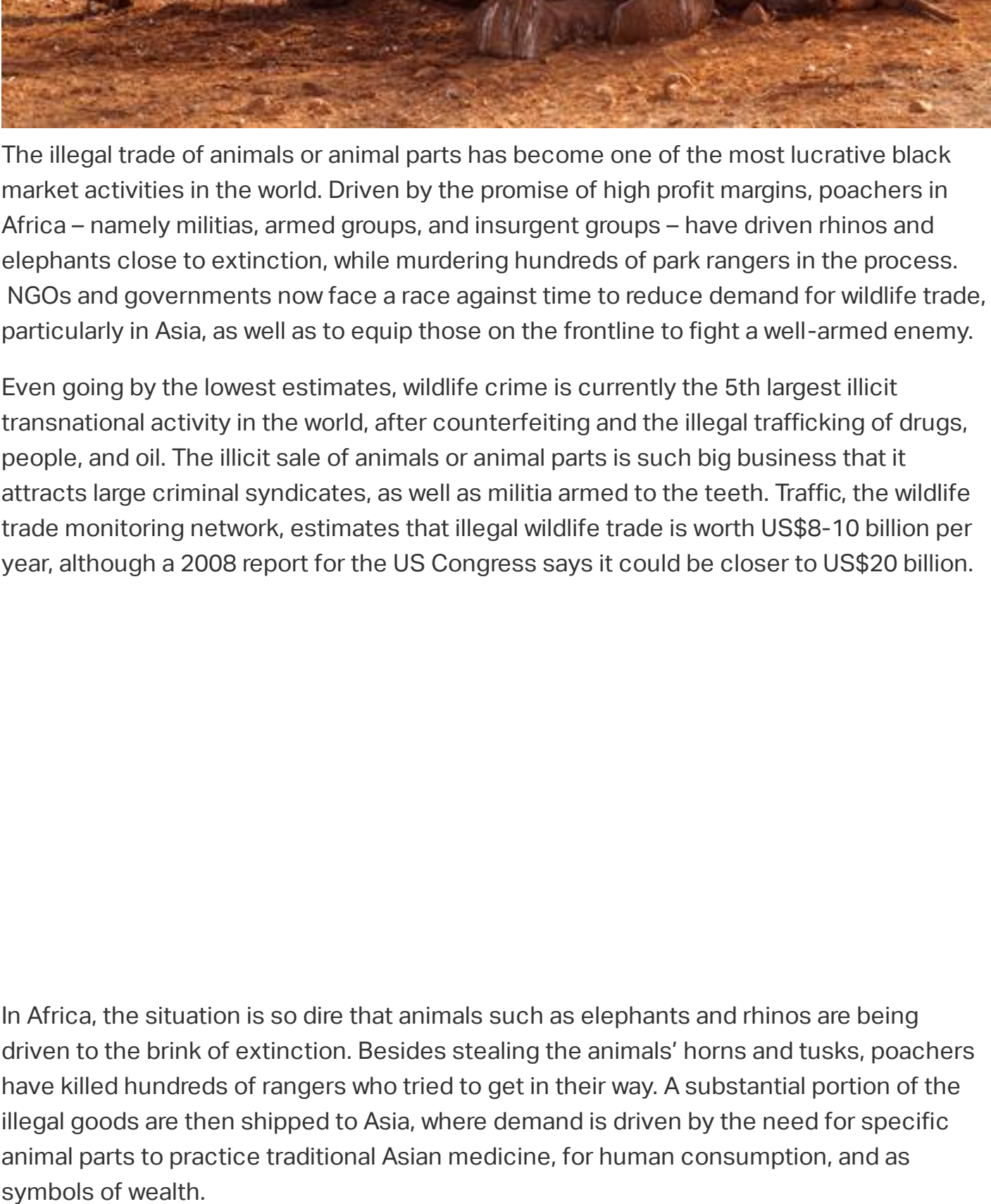
MAY 29, 2013 • GLOBAL CHALLENGES • BY DAVID SMITH

@ EMAIL

f FACEBOOK

in LINKEDIN

Twitter TWITTER



The illegal trade of animals or animal parts has become one of the most lucrative black market activities in the world. Driven by the promise of high profit margins, poachers in Africa – namely militias, armed groups, and insurgent groups – have driven rhinos and elephants close to extinction, while murdering hundreds of park rangers in the process. NGOs and governments now face a race against time to reduce demand for wildlife trade, particularly in Asia, as well as to equip those on the frontline to fight a well-armed enemy.

Even going by the lowest estimates, wildlife crime is currently the 5th largest illicit transnational activity in the world, after counterfeiting and the illegal trafficking of drugs, people, and oil. The illicit sale of animals or animal parts is such big business that it attracts large criminal syndicates, as well as militia armed to the teeth. Traffic, the wildlife trade monitoring network, estimates that illegal wildlife trade is worth US\$8-10 billion per year, although a 2008 report for the US Congress says it could be closer to US\$20 billion.

In Africa, the situation is so dire that animals such as elephants and rhinos are being driven to the brink of extinction. Besides stealing the animals' horns and tusks, poachers have killed hundreds of rangers who tried to get in their way. A substantial portion of the illegal goods are then shipped to Asia, where demand is driven by the need for specific animal parts to practice traditional Asian medicine, for human consumption, and as symbols of wealth.

According to Dr Richard Thomas, the Global Communications Co-ordinator for Traffic, the demand for rhino horn, for instance, was mainly coming from Vietnam.

"Demand kicked off in the mid-2000s when rumours spread about its medicinal properties. It's become the recreational drug for the nouveau riche to flaunt their wealth. It's supposed to cure hangovers, enhance virility and even cure cancer. There's no medical evidence whatsoever for any of that. Rhino horn is made of keratin, the same stuff as human fingernails," he said.

Dr. Thomas says that the Vietnam black market is largely responsible for the rapid increase in poaching rhinos in Africa, particularly in South Africa, where 75 percent of them live. The figures for poached animals in South Africa climbed from 13 in 2007 to 668 last year. This year, the figure is likely to be even higher, around 800.

"These are catastrophic figures getting close to the tipping point where animals killed exceed numbers born," said Dr Thomas. "The trend is reversing major successes of conservation. White rhinos, for example, came close to extinction around the turn of the century, but a concerted effort brought the numbers back up to around 20,000 in South Africa."

Meanwhile, the mass poaching of African elephants is driven by demand from China and Thailand, where the ivory is carved into household ornaments, jewellery and chopsticks by artisans who favour African over Asian ivory. The main buyers are nouveau riche Chinese nationals in prosperous cities such as Shanghai, Guangzhou and Beijing.

The direct consequences of China's ivory obsession are proving deadly for African elephants. In Southern Sudan, the elephant population has fallen from an estimated 130,000 in 1986, to 5,000 today. Tanzania had around 80,000 elephants in 2009, but 10,000 elephants a year are being slaughtered. More than a third of all elephant tusks seized by law enforcement last year came from Tanzania, with neighbouring Kenya a close second.

Unfortunately, the frontline battle against the ruthless poachers is being lost, as evident by the tragically high death toll among Africa's poorly resourced rangers. According to Sean Willmore, the President of the International Ranger Federation (IRF), at least 1,000 rangers have been killed in 35 different countries over the last decade, although he says the real figure may be closer to 5,000.

Chris Galliers, Chairman of the Game Rangers Association of Africa, noted: "The rangers never signed up to becoming military personnel so they haven't traditionally had the skills to confront people who are well-trained and have military capabilities... Many have nothing but a sharp stick, or a machete to protect themselves, which clearly puts them in great danger.

Some of them work in isolation and make incredible sacrifices. The job can put huge pressure on families. Rangers have to be ready 24/7 as you can't tell the poachers when they're allowed to come. It's vital that we find the right guys with the passion for the job. Otherwise, there's a danger that the poorly paid rangers will take bribes from the militia," he said.

In Mozambique last month for example, 30 rangers were arrested for their role in helping poachers to butcher the nation's remaining 15 rhinos. The animals were discovered in the Great Limpopo Transfrontier Park, a wildlife reserve along Mozambique's southern border where rhinos numbered in the hundreds a decade ago.

Black-market ivory is worth more than gold. The value of a pair of bull elephant's ivory tusks on the black market is around 15 times an average ranger's annual salary. This means the militia are able to tempt rangers with financial rewards that dwarf their pay packets. The weaker, less committed ones succumb.

Galliers said that a lot of military instruction had been given to rangers by armed forces from rich Western nations, but to little avail.

"Invariably, it doesn't work because the African context is so different. Both the mindset and the landscape are so alien that you can't just apply a military blueprint that works elsewhere for the US, or another international army. What would be more effective is bringing in a UN peace-keeping force to help out where governments cannot ensure the security of their own natural resources," he said.

"The Mozambique Government has now declared there are no more rhinos anywhere," Galliers lamented. "The Government there has not shown the necessary commitment to fighting the poachers. All African nations have a responsibility to the world, as well as their own people. Other nations, such as Kenya and Botswana, are showing greater political will at the highest level to defeat the problem."

With the demise of Mozambique's rhino population, the armed militia are now likely to target rhinos in neighbouring South Africa. Sadly, the South African rhinos could be headed towards an equally grim fate. So far this year, 350 rhinos have died and the toll is expected to reach 750 by the end of the year. South Africa's flagship national park, the Kruger, which lies alongside the border with Mozambique, has lost more than 50 percent of its rhinos since 2010. The South African army has been sent to help rangers and there are daily reports of violent gun battles and mounting human casualties.

This month, the Kruger rangers began fighting the poachers using modern technology. They launched the first flight over the park of an Unmanned Aerial Vehicle, or drone, to search for poachers. The small, lightweight, battery-powered Falcon drones cost just US\$23,000, including ground control equipment and training. Operators direct them to poaching "hot spots", and position the rangers nearby. Fitted with high-resolution infrared cameras, the drones can pick out elephants, rhinos and lions as well as anyone that might be tracking them.

Poachers: The Real Heart Of Darkness?

Advanced technology was necessary to combat gangs of poachers, who are equipped with equally sophisticated military equipment and tactics. Last year, for example, in Congo's Garamba National Park, a herd of 22 elephants was gunned down from an army helicopter. Forensic investigations conducted by African Parks found that the elephants were shot using AK-47 assault rifles. Further evidence showed that at least 15 of the herd were shot with a single shot to the top of the head – evidence of professional marksmen firing from a helicopter.

A number of different militias, armed groups, and insurgent groups are profiting from poaching. During its years of war with Northern Sudan, the Sudan People's Liberation Army – in what is now South Sudan – poached elephants with grenades and rocket-propeller guns. Meanwhile, Sudanese militias, including the Janjaweed, poached ivory in Chad, Kenya, and elsewhere. Further east, Somalia's lack of governance makes it the perfect ground for smuggling of all kinds, and Somali poachers have been engaged in significant poaching operations in Kenya.

War is often the perfect front for poaching. During the recent war in the Democratic Republic of Congo, the Congolese Army, the Rwandan Democratic Liberation Forces (FDLR) and the National Congress for the Defence of the People (CNDP) all participated in poaching. In addition, Angola's National Union for the Total Independence of Angola (UNITA) and the Mozambican National Resistance (RENAMO) were two more insurgent groups involved in wildlife trafficking during conflicts in those countries.

But the African militia are only part of a complex global network, which ties illegal wildlife traders to drug and people traffickers, and terrorist groups. The close ties to terrorism include providing funding for two Bangladesh-based, Islamic terrorist groups affiliated to Al Qaeda. Both Jama'at ul Mujahideen Bangladesh (JMB) and Harkat-ul-Jihad-al-Islami (HuJI) raise funds through the illegal poaching of ivory, tiger pelts, and rhino horns, in the Kairiranga jungle in north-eastern India. Last year, The Independent on Sunday, and Vanity Fair, both reported that Al Shabaab, a Somali Islamist group which also has ties to Al Qaeda, is involved in the illicit poaching and trafficking of both ivory and rhino horn.

The scale of the problem caused five international organizations to join forces in late 2010 to create the International Consortium on Combating Wildlife Crime (ICWC). ICWC exists to coordinate the diverse responses to the problem and to try and ensure more successful prosecutions. Currently, the crime is an attractive one for criminal gangs because the risk of detection and punishment is too low. ICWC comprises CITES (Convention on International Trade in Endangered Species) Secretariat, INTERPOL, the UN Office on Drugs and Crime (UNODC), the World Bank and the World Customs Organization (WCO).

Related: [Infographic: The Black Market, The Second Largest Economy In The World](#)

Related: [East Asia Criminal Gangs Earn \\$90 Billion A Year: Report](#)

Raising Awareness

The WCO is on the frontline fighting the problem of illegal wildlife crime, but many officers in the past have been unfamiliar with wildlife crime. Daniel Moell, Environmental Programme Manager at the World Customs Organization, said the WCO was been raising awareness among its officers.

"We chose three African 'ambassadors' with a lot of experience of wildlife crime – one from Burkina Faso, one from Kenya and one from Nigeria. We had them travelling to 20 countries speaking to frontline customs' officers. We assembled 700 customs officers under one roof in Congo and told them how to target the problem. The programme had a big impact and we immediately saw an increasing number of seizures at African airports," he said.

WCO's recent success stories include Operation Hope, which targeted air and maritime consignments from October 22nd to 31st last year. The joint efforts of 41 Customs administrations in Africa, Asia and Europe, resulted in several arrests and the seizure of 2,100 items. The Operation was conducted within the framework of Project GAPIN, an initiative coordinated by the WCO and financed by the Swedish Government.

But Moell acknowledges the restricted role of customs officers.

"The role of customs in intercepting drugs is more significant as most of the harm is done once the drugs reach the streets. When we seize ivory, the damage has already been done. The animals are dead and the blood of the rangers is on the ivory. The rangers do a tremendous and very important job. Our job is to buy time before the demand reduction programmes take effect. If we reduce demand, the criminal syndicates will no longer be interested."

Traffic is assisting with a campaign of demand reduction in Asia, alongside the World Wildlife Fund and CITES.

"We've got a poster campaign on advertising hoardings all over Vietnam. The posters show rhinos with hands or feet instead of horns to get across the message that the horns are made of the same material as our skin and nails," said Dr Thomas. "Another programme in Vietnam has sent a text message telling people why they should not use rhino horn. All three major mobile phone providers agreed to send them out. There are 90 million people in Vietnam, but the texts went out to 110 million mobiles."

Dr Thomas says high-level political buy-in would ensure greater resources and there are signs that governments are getting the message. In December, Hillary Clinton, then US Secretary of State, upgraded wildlife trafficking from a conservation issue to a national security threat.

"Over the past few years wildlife trafficking has become more organised, more lucrative, more widespread, and more dangerous than ever before," she said. "We are increasingly seeing wildlife trafficking has serious implications for the security and prosperity of people around the world."

The British royal family has also begun to raise awareness. This May, at a conference at St James' Palace in London, the Prince of Wales told the audience:

"As a father and a soon-to-be grandfather, I find it inconceivable that our children and grandchildren could live in a world bereft of these animals. Humanity is less than humanity without the rest of creation. Their destruction will diminish us all."

By David Smith, EconomyWatch.com

Get more special features in your inbox: [Subscribe to our newsletter](#) for alerts and daily updates.

Do you have a strong opinion on this article or on the economy? We want to hear from you! Tell us what you think by commenting below, or contribute your own op-ed piece at editorial@economywatch.com

See also: [Infographic: The Black Market, The Second Largest Economy In The World](#)

News Desk

- ▶ Australia in Danger of Credit Downgrade
- ▶ Initial U.S. Job Data Strengthens
- ▶ Russian Economy Shows Little Sign of Improvement
- ▶ Is Chinese Push for Innovation Just a New Economic Bubble?
- ▶ Trade Balance Expands as Fed Turns Soft
- ▶ Indian Prime Minister Visits Mozambique

[More](#)

Newsletter Signup

WE RESPECT YOUR PRIVACY

SUBMIT

Contributors

An English journalist who, when he's not exploring the social consequences of political actions, likes to write about cricket for some light relief.

- ▶ British Brexit was a Victory for Far Right Politics
- ▶ Hillary Plays Dangerous Game with Bill's Legacy
- ▶ Betting Markets 'Trump' the Polls when it comes to Presidential Forecasting

[View all contributors](#)

Call for Contributors

Got something to say about the economy? We want to hear from you. Submit your article contributions and participate in the world's largest independent online economics community today!

CONTACT US

ECONOMICS

- ▶ ECONOMIC CONDITIONS
- ▶ GLOBAL CHALLENGES
- ▶ INTERNATIONAL ORGANIZATIONS
- ▶ INTERNATIONAL TRADE
- ▶ MONETARY POLICY
- ▶ POLITICAL ECONOMY

PERSONAL FINANCE

- ▶ CREDIT CARDS
- ▶ BANKING
- ▶ TAXES

MARKETS

- ▶ UNITED STATES
 - ▶ CANADA
 - ▶ EMERGING MARKETS
 - ▶ ASIA PACIFIC
 - ▶ EUROPE / MIDDLE EAST
- ## INVESTING
- ▶ INVESTMENT MANAGEMENT
 - ▶ BONDS
 - ▶ STOCKS
 - ▶ COMMODITIES
 - ▶ CURRENCIES
 - ▶ FUNDS

INDUSTRIES

- ▶ ENERGY
- ▶ HEALTHCARE
- ▶ INFORMATION TECHNOLOGY
- ▶ UTILITIES

