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The Fate of Ivory Stockpiles

Opinions | 2020-12-15

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AN INTENSE debate continues to rage over whether the Namibian government should maintain its existing stockpiles of collected legal and confiscated illegal ivory. Trading in valuable wildlife products is one of the most important incentives for Namibia's coexistence with wildlife, especially rhinos and elephants, to support its conservation.

There are two categories of stockpiles: Those held legally and those held illegally. Legally-held stockpiles consist of raw ivory, and are mostly owned by the government under the Controlled Wildlife Products and Trade Act 9 of 2008. They are sourced from natural mortality and culls or the confiscation of illegal ivory, in transit or from consumer countries. Illegal stockpiles are privately held and clandestine. Their location and the extent are not fully known.

Following the Convention on International Trade in Endangered Species (Cites) international trade ban vote in 1989, limited legal trade was permitted for two one-off sales only. The ban was an attempt to stem the decline of Africa's elephant population.

However, opinions are divided on what effect this has on poaching, and whether trade in ivory products should generally be outlawed worldwide.

At the 18th Meeting of Parties (CoP18) in Switzerland last year, Namibia and some SADC member states proposed that the ban be lifted and that they should be allowed to sell their stockpiles, with the proceeds going towards wildlife management and community programmes.

These programmes are geared towards protecting animal species and their habitats. Although three southern African countries, Namibia, Botswana and Zimbabwe, are home to 61% of the continent's elephants, the proposal was rejected in totality.

A pertinent question is how much external influence Namibia can still endure over the sustainable use of its natural resources, especially elephant tusks, in terms of Article 95 of the Namibian Constitution. In 2018, Namibia had 69,4 tonnes of legal and illegal ivory, valued at N\$125,48 million. The secure storage of the tusks places an extra burden on countries like Namibia which have to store and secure large volumes of ivory that haven't been sold since around the time of the ban. Namibia estimates its storage costs at about US\$75 000 a year.

PLAYING THE MARKET

Critics question why ivory should be incinerated or destroyed and not used to raise revenue for underfunded domestic programmes, especially those focused on wildlife conservation. Others believe destroying stockpiles may help eradicate any temptation for speculation of ivory releases awaiting the possibility of new trade regulations.

This could raise the current ivory prices, which in turn puts more pressure on remaining elephant populations. Another dilemma of putting more ivory into the legal supply chain is that it would create a smokescreen for illicit trade in ivory, making law enforcement and effective prosecution of criminals more difficult. The root of the problem is the soaring demand for ivory in the Far East.

Poaching levels respond in part to the anticipation of future market conditions. The fact that Cites seems unlikely to approve further legal sales for the foreseeable future may create incentives for criminals to accumulate stockpiles. Legal stockpiles act as a counterweight to these illegal stockpiles and the threat of future legal sales may deter some poaching. Indeed, there's no theoretical rationale for destroying legal stockpiles for conservation purposes.

Destroying legal stockpiles would essentially concentrate market power with those holding illegal stocks, and if demand for ivory persists, it would make the extinction trajectory of endangered species more likely. Therefore, the future demand for ivory is a crucial issue that must be properly researched.

Trade bans and stockpile destruction are primarily supply-oriented. Their demand effects are unclear. If not carefully handled,

demand for ivory will be maintained, if not accelerated. As a result, attempts to change consumer behaviour and thereby reduce ivory prices through employing both coercion (trade bans) and moral suasion (demand reduction campaign) may not succeed.

However, reducing supply via bans and stockpile destruction may even exert upward pressure on prices, offsetting gains from demand reduction.

Therefore, attempts to reduce supply and demand simultaneously makes no sense at all. Demand reduction may make short-term sense, but it ought to precede supply reduction to pre-empt the conflict. In short, decisions to destroy confiscated and other legally held ivory stockpiles do not conform to good policy aimed at deterring illegal raw ivory hoarding.

Holding legal stockpiles as an insurance policy to lessen the benefit to hoarders of concentrating on ivory stocks that gain in value from the decline in elephant populations, is a misconception. The rapid increase and scale of poaching in recent years defies a simple explanation.

Fundamentally, criminal organisations and speculators have undoubtedly determined that stockpiling ivory is a viable investment. Ivory destruction is not perceived as a threat but as concentrating market power in the hands of criminals and encouraging them further. Comprehensive research must be carried out to better understand the dynamics of the legal and illegal ivory trade systems in order to formulate evidence-based policy.

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