

## CHAPTER 8

## UNINTENDED CONSEQUENCES OF TRADE IN RHINO HORN ON RHINO RANGE STATES: A KENYAN PERSPECTIVE

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## 1. INTRODUCTION:

The recent upsurges in rhino poaching are linked to deep and fairly complex socio-economic, criminal networks and political factors. Several solutions ranging from proposals to legalise trade in rhinoceros horn to proposals for combination of different strategies have been proposed to address some of these challenges. Legalisation of trade in rhino horn is being considered by the South African government as a solution to curtailing the upsurge in rhino poaching. The South African Government has based its argument on the law of supply and demand; that by flooding the market with horns, prices will go down and thus the incentive to poach would be lowered. The text in the box 1 below, for example, provides alternative arguments to legalization of trade in rhino horn.

## 2. RHINO POACHING: UNIQUE CHALLENGES

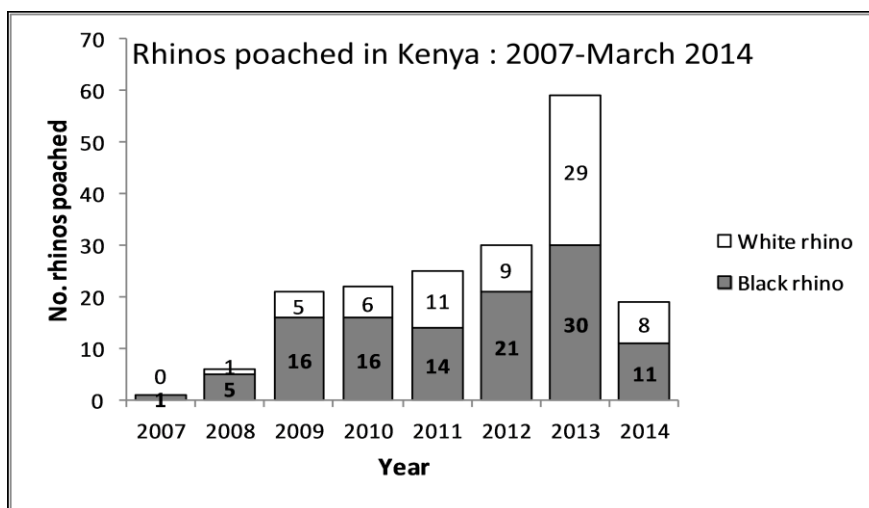
**Box 1: Rhino Poaching: Unique Challenges**

IN THEIR POLICY FORUM “LEGAL TRADE OF Africa’s rhino horns” (1 March, p. 1038), D. Biggs *et al.* advocated legalizing trade in rhino horn through harvesting horns of 5000 white rhinos in South Africa as the panacea to the current rhino poaching crisis. Their arguments were based on the law of supply and demand and supported by the example of crocodile farming. The law of supply and demand only applies to commodities for which supply is independent of demand. It does not apply specifically to white rhino horn because the market does not differentiate between horns of the five extant rhinoceros species, and therefore the supply exceeds the quantity of horns of the white rhino alone. Because the rhino horn has no medicinal properties (1, 2), drug producers can dilute it at will, making the price formation normally dictated by the law of supply and demand unpredictable. Furthermore, legal access to rhino horn risks reawakening demand in older markets,

In this paper the likely unintended consequences of legalising trade in rhino horn on African and Kenya Rhino and possible solutions are presented.

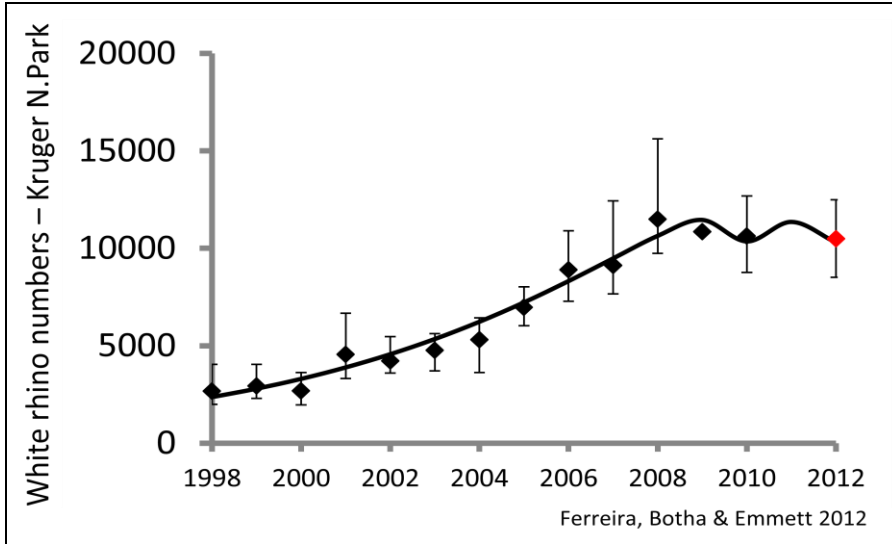
### 3. UNINTENDED CONSEQUENCES:

1. Legal access to rhino horn risks reawakening demand in older markets, where demand for rhino horn was prevalent in the 1970s and 1980s and has since decreased. If demand grows again in these markets, indiscriminate poaching may increase putting look-alike black, Indian, Javan, northern white, and Sumatran rhinoceros at higher risks. Already, figure 1 below shows indiscriminate poaching of black and white rhinos in Kenya. Look-alike species are likely to suffer from poaching if trade in white rhino horn as advocated by South Africa is allowed.

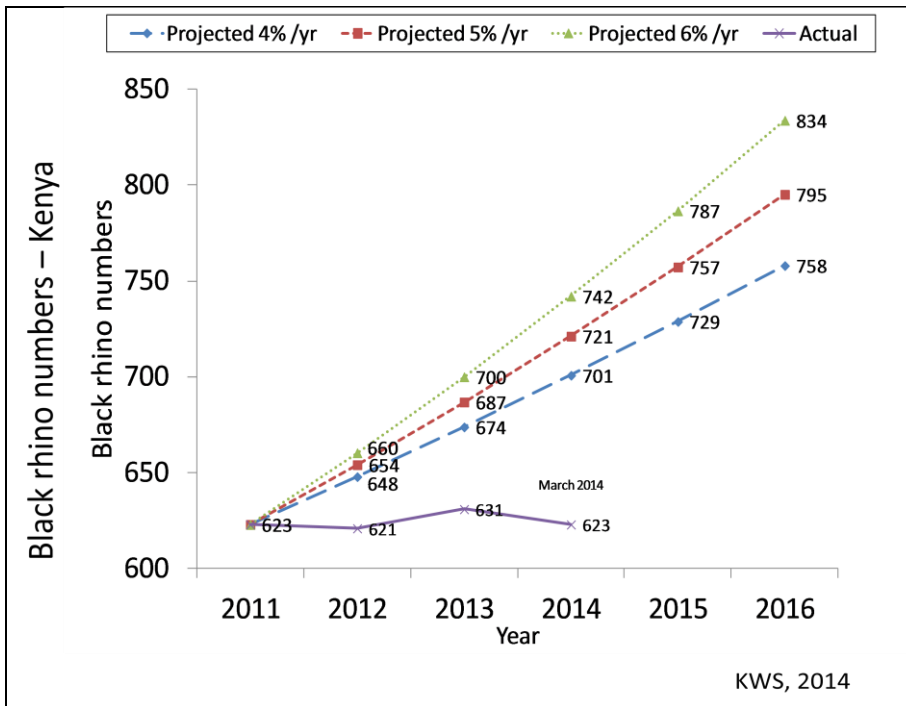


**Figure 1:** Black and white rhino poached between 2007 and March 2014.

2. If poaching increases, then rhino population in Africa and Kenya will imminently decline. Figures 2 and 3 illustrate the current scenario in Kruger National Park and in Kenya. Figure 3 also demonstrates that with current population decline, Kenya will not be able to achieve its set overall goal which is “to achieve and maintain a 6% per annum growth rate in well-established sanctuaries and a minimum of 5% per annum at national level to attain 750 black rhinos by 2016.” The figure shows that the number of animals in 2014 is as was in 2011 despite the enormous amount of resources and investment that has gone into protecting the animals.

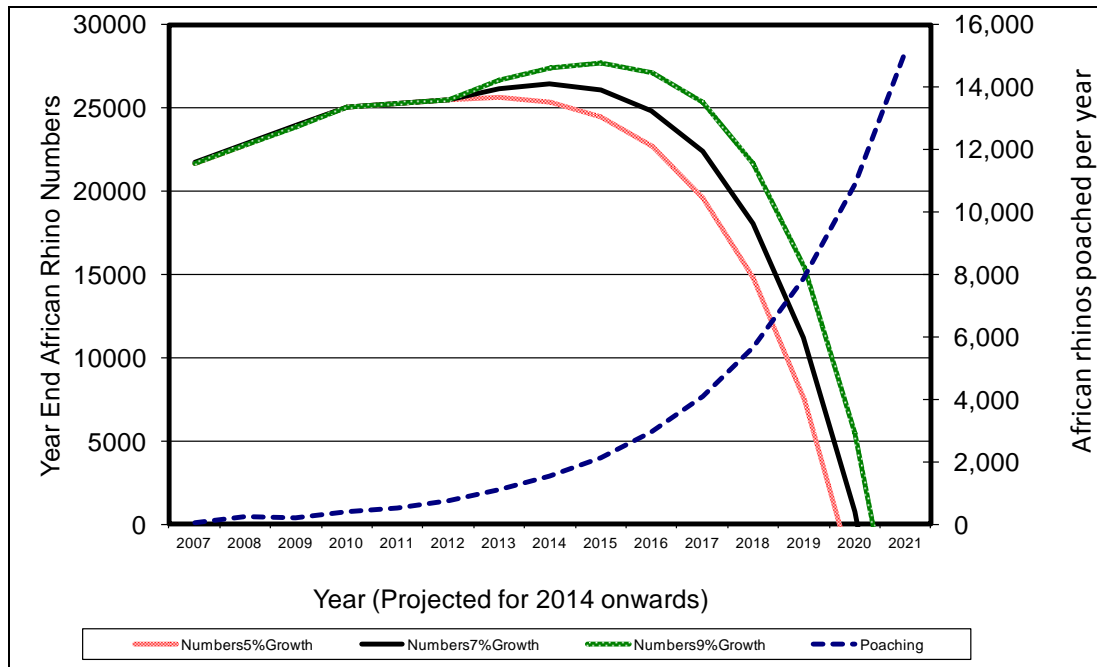


**Figure 2:** White rhino numbers in Kruger national park showing and eminent decline from 2012 if current poaching rate continues.



**Figure 3:** The projected Kenyan black rhino population growth rate for the period of the current 2012-2016 Kenyan black rhino conservation and management strategy. The bold line shows the actual numbers following impact of poaching.

3. Projections based on the current increase in poaching rate of 38.78% increase per year, indicate that even with the highest possible underlying growth rate of 9% for rhinoceroses, the African rhinoceroses are likely to be reduced to near zero by 2020 (Figure 4). Genetic erosion and thus imminent.



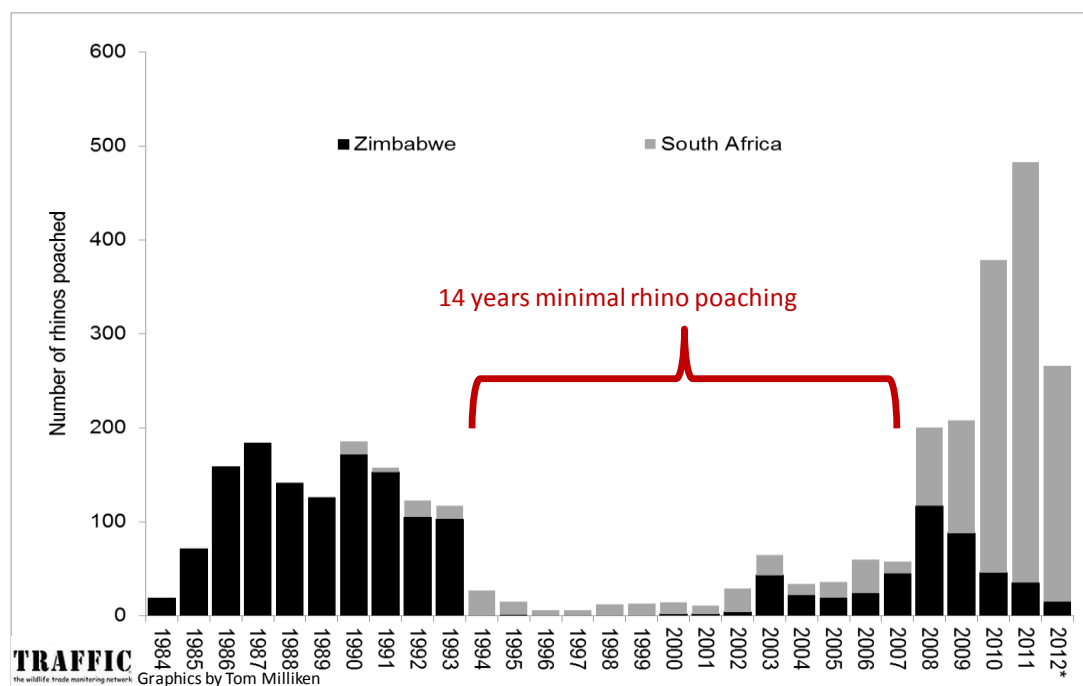
**Figure 4:** Projected African Rhino Poaching and Rhino Numbers if Poaching continues to escalate as it has done since 2008 (38.76% increase per year) given underlying growth rates of 5%, 7% and 9%. (Graphics by R. Emslie).

4. Under such scenario, Kenya's vision of 2000 black rhinos in the wild would not be realised, thus a set-back for Kenya in terms of range expansion from fenced sanctuaries to large open areas. Some implications associated with this include little protection for larger areas. Other species that depend on this wider protection are likely to suffer from poaching and illegal bush-meat trade. Further this would stifle Kenya's wildlife tourism that contributes 10-12% its gross domestic product.
5. Over time, the risks and costs associated with rhino protection has led to closure of some six private rhino conservation areas between 2010 and 2013. A seventh private rhino conservation area recently expressed inability to sustain the risks and costs of rhino conservation. The effect of these risks and costs are overstretched government resources and disincentive to the private sector in rhino conservation. More so, available safe land for rhino conservation continues to shrink.
6. Corrupt business men and women, politicians, individuals/conservationist including staff charged with protection of wildlife, government and judiciary officials are likely to take advantage of this situation form a cartel to bank on extinction. Mason et al 2012 in their paper titled Banking on extinction: endangered species and speculation report that *"Many wildlife commodities, such as tiger bones, bear bladders, ivory, and rhino horn, have been stockpiled in large quantities by speculators who expect that future price*

*increases justify forgoing the interest income associated with current sales. When supply from private stores competes with supply from 'wild populations' (in nature) and when speculators are able to collude, it may be optimal to coordinate on an extinction strategy (Charles F. Mason,\*Oxford Review of Economic Policy |28|No. 1|2012|pp. 180–192|)*

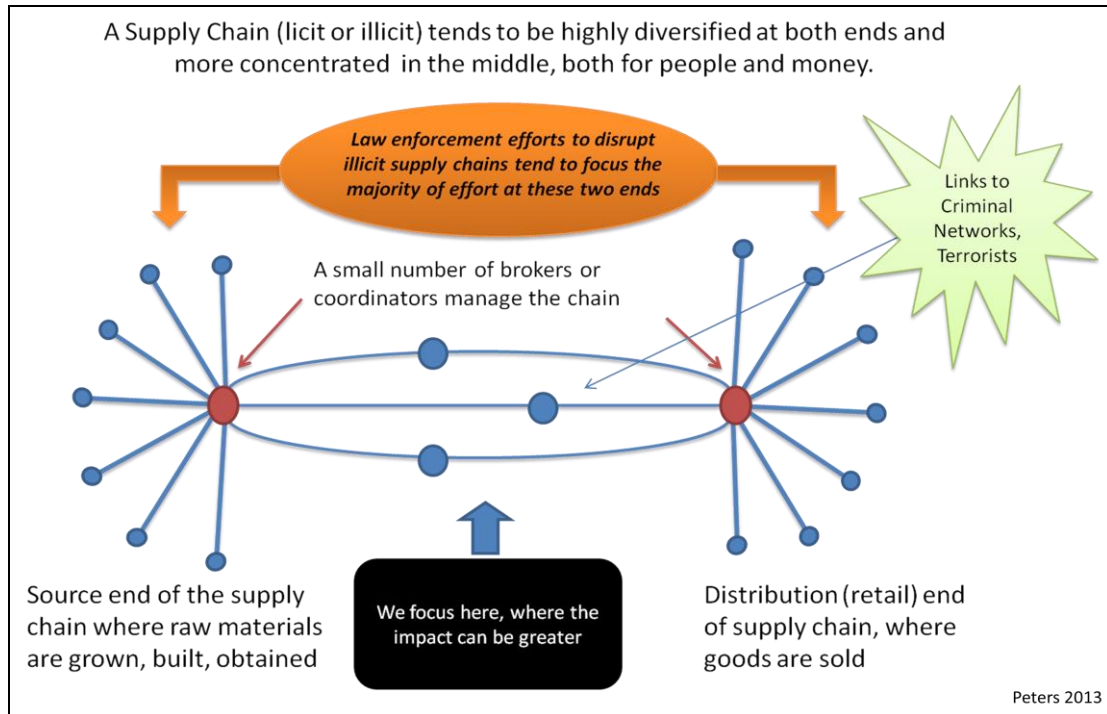
#### 4. ALTERNATIVE SOLUTIONS

1. International trade sanctions to consumer and corrupt rhino range-states should be considered. This could be proposed at CITES meetings. Figure 5 illustrates when trade ban combined with trade sanctions led to a 14 year period of respite from rhino poaching.



**Figure 5:** Rhino poaching trend in Africa between 1984 and 2012 showing a 14-years period when poaching was within manageable levels. This is the period when international trade sanctions/threats were imposed on countries that were illegally trading in rhino horn.

2. Figure 7 by Peters 2013, illustrates the need to understand illicit supply chains and financial operations. This is by identifying the linkages between the supplier and the consumer and concentrating efforts to break those linkages.



## 5. IN CONCLUSION

In conclusion the unintended consequences of legalising trade in rhino horn seem to outweigh the intended benefits. Continued debate on this matter may lead to speculation and further poaching of rhinos. It is therefore important NOT to formally publicise a possible legal trade in rhino horn. Instead, both the pro- and anti-trade groups and conservationists should unite in curbing poaching through other means such as the two examples proposed above.