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The value of the rhinoceros horn
by F. van Niekerk

CHAPTER 16

The value chain of the rhinoceros horn – F. van Niekerk

The technology and travel have turned the world into a global village. The internet has enabled industry to advertise and do business across the globe with ease. Regional trade agreements, neoliberalism, free trade and open markets were supposed to allow for equitable global trading and thus allow fair development. It had a devastating impact where Government money had to bail out banks and large cooperation's corporations to prevent a financial downfall. This also had an impact on the growth of transnational crime. As the world was sliding into financial problems it created an avenue for those who wished to hide away funds. As political decisions, military powers, wars, imperial processes and social changes throughout the last few decades and centuries have pulled the world system in various directions the one constant was the rise of globalised organised crime. This created a black triangle:

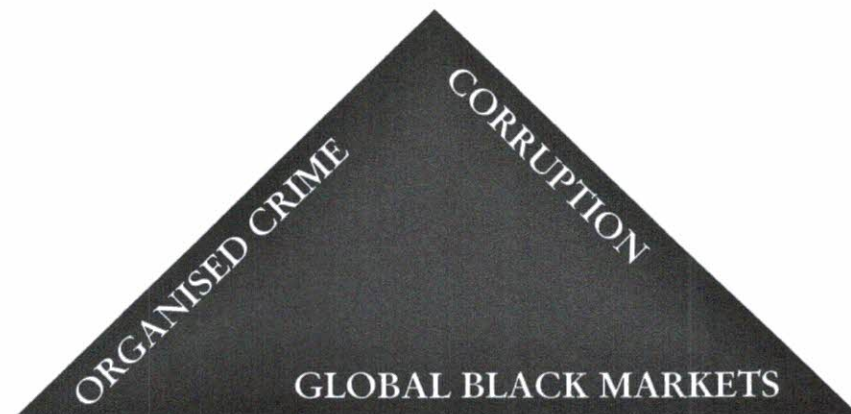


Figure 16.1: Black Triangle

The problem is that organized crime is hard to find: people who carry out illicit activities want to avoid detection. These groups have cloaked themselves in secrecy about their work and they have internal and external protection of some kind. In most countries, they are often better armed, better paid, and better organized than the police, so they are seldom caught and there is little information on their activities. Furthermore, because multilateral field operations lack the tools to assess criminal activity and believe that the issue is outside their mandate, they seldom go looking for it.

The world evolves daily and so does nearly every facet of our lives. The unfortunate thing is that the bad and evil also evolve and the scary fact is good people realise it when it is too late. This is exactly what has happened within the rhinoceros realm. Organised crime took over from the “Robin Hood” poacher years ago, yet reality has not dawned on society. Rhinoceros horns are big business and the individuals and organisations that are behind it are advanced and sophisticated. Perception however has society believe that the situation

is not nearly as bad as it seems and that the active role of organised crime is just merely a conspiracy theory. The following is an insight into how organised crime functions, it is a business motivated by greed. Due to sensitivity of the matter at hand, it would be explained in a generic way. Business is, in essence, supply and demand and in order to execute this, logistics plays an integrated role. The rest is mere economics.

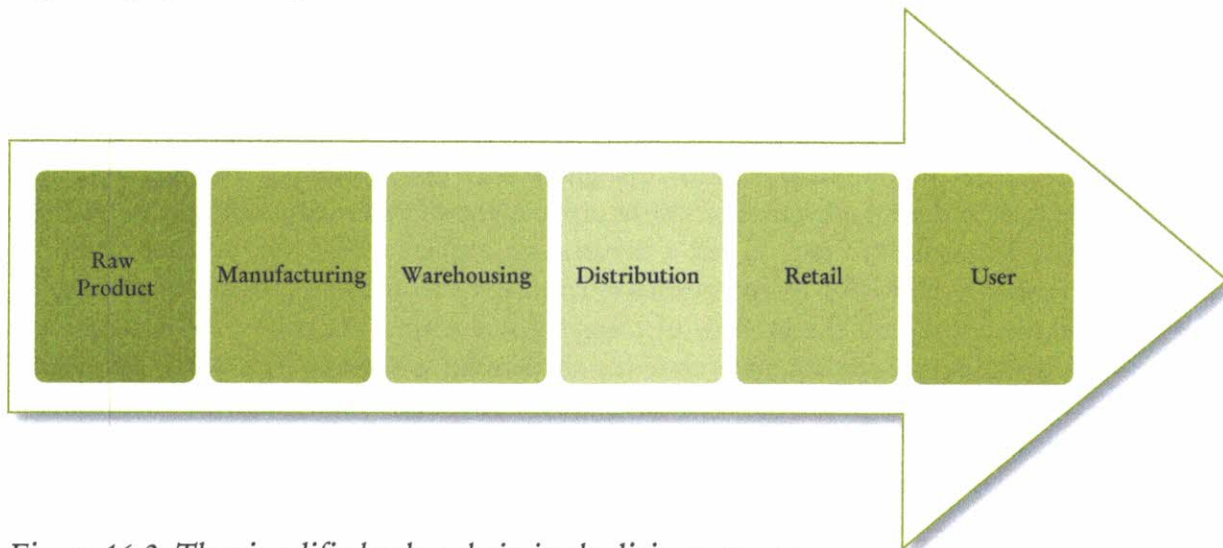


Figure 16.2: The simplified value chain in the licit economy

It is not much different in the illicit economy. The rhinoceros needs to be obtained in the licit world by a real conservationist or individuals of ill repute. This can be achieved by two ways: the rhinoceros can be bought or bred. According to legislation, permits are needed and government agencies are responsible for issuing of these permits. Alternatively, the rhinoceros already resides in a government reserve. That solves the raw product stage one for stage two where the horn and the rhinoceros need to be separated. To achieve this a few obstacles have to be overcome: first, to breach the facility and, second, to have good intelligence as to where the rhinoceros would be at the desired time of the poaching. That achieved, the actual poaching can take place. This can happen in a variety of ways. The rhinoceros can be subdued or killed. This normally happens in the following modus operandi; Darting method, stock theft method, shooting method, snaring method or hunting method.

Now the horns need to leave the area and are sold to a provincial buyer. The provincial buyer in turn sells the horn to the international buyer who is then responsible to export the horn to the international destination. During the process, the wheels are greased by corruption to evade arrest and detection. Based on the various modus operandi that exist, it can be seen that more than one value chain is involved. Once the product has reached the national buyers, however, the value stream is the same.

It is important to take note of the fact that the major role players operate above the process and thereby become untouchable as they work through proxies. The value chain starts with the actual raw materials, which in this case it is the actual rhinoceros. This animal can either be bought or bred.

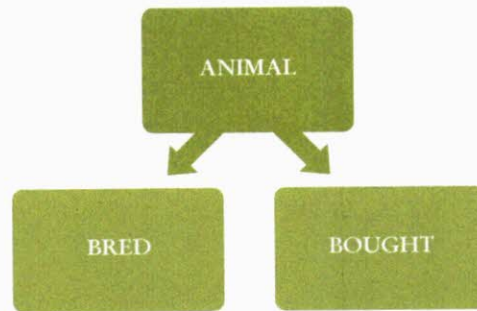


Figure 16.3: Origin of the product

Once the rhinoceros exists it needs to be able to live on a facility. Role players are needed for this facility to cater for rhinoceroses. These role players become important in the value chain as organised crime attempts dissecting the value chain to find a weakness to explore.

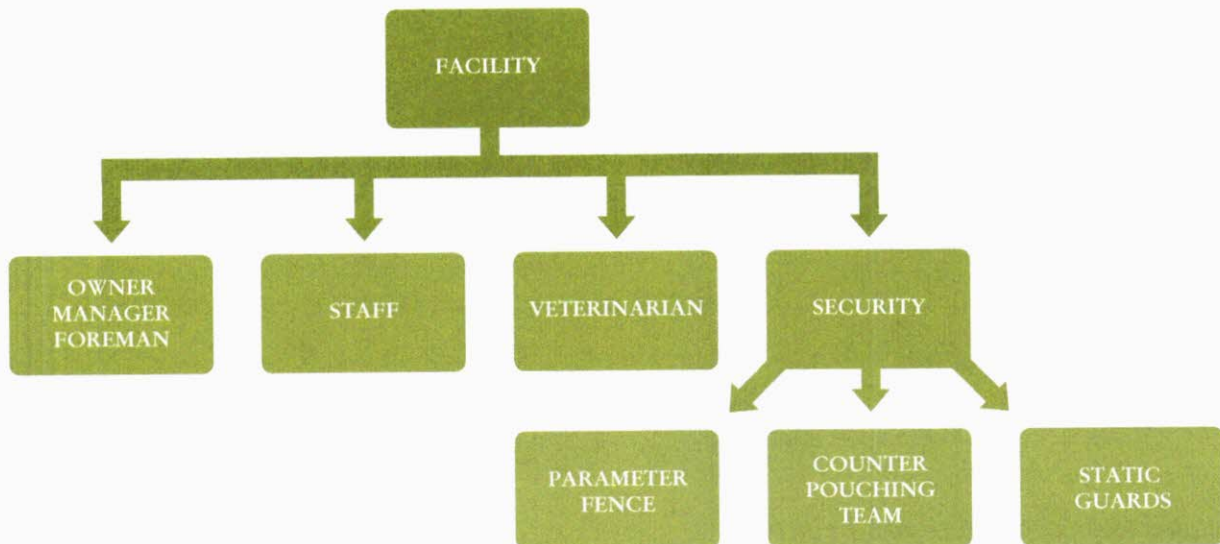


Figure 16.4: The value chain at the facility

The raw materials are now covered. The next phase is the harvesting of the horn and that is an illicit process as there is currently a prohibition to trade with the horn, with the exceptions of hunting and research. Thus the illicit market has to poach the horns and to achieve that goal different modus operandi are used, as illustrated in Figure 16.5 – 16.10.

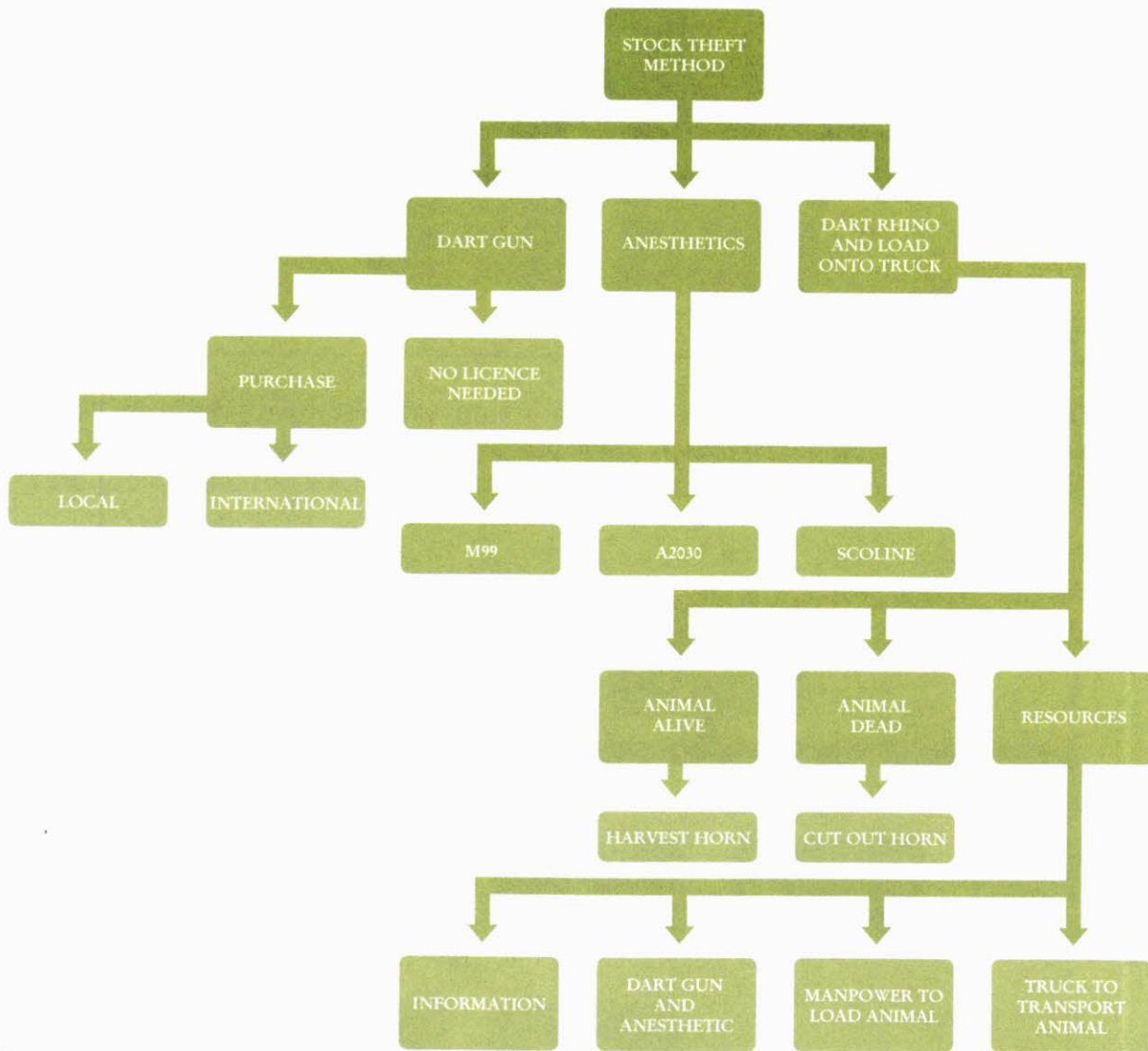


Figure 16.5: The animal can be stolen

The value chain of the rhinoceros horn

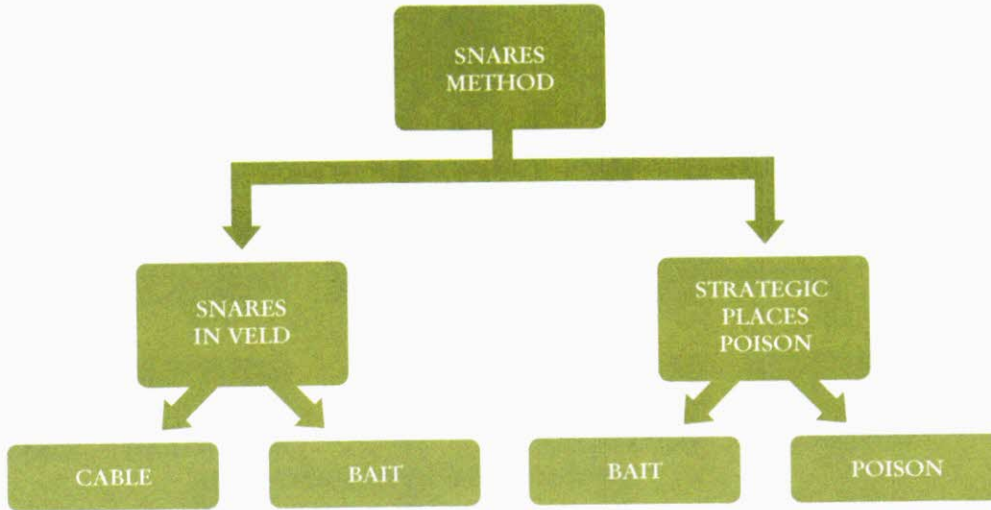


Figure 16.6: The animal can be snared

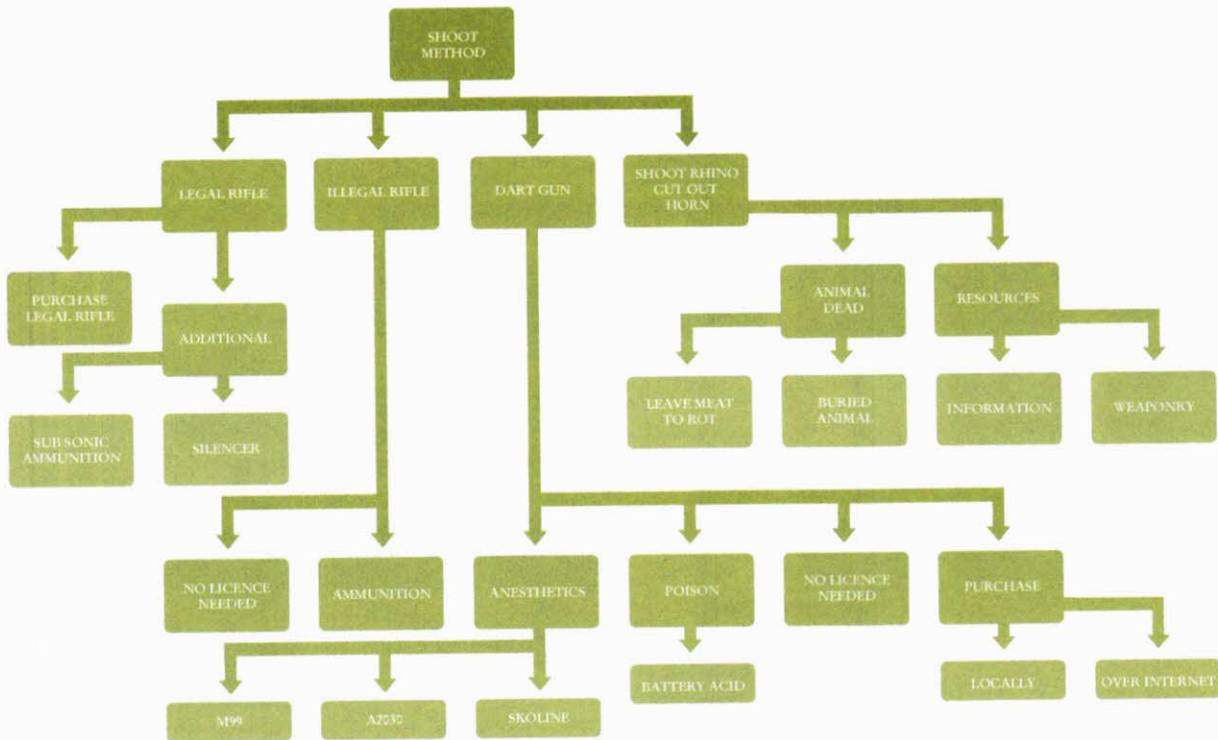


Figure 16.7: The animal can be shot

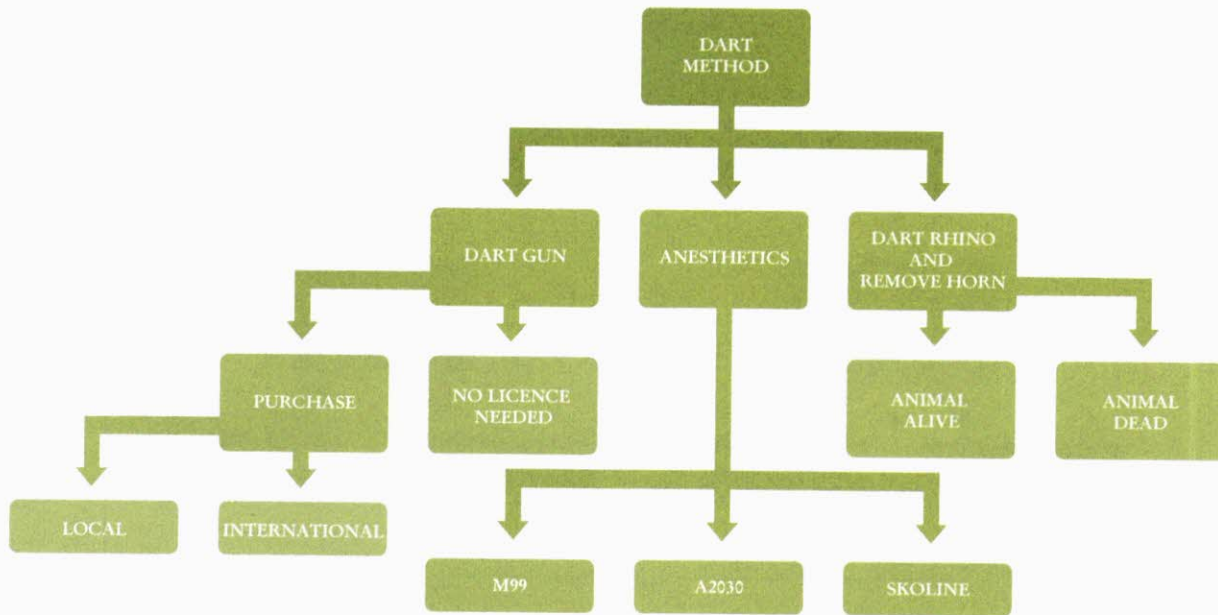


Figure 16.8: The animal can be darted (immobilized)

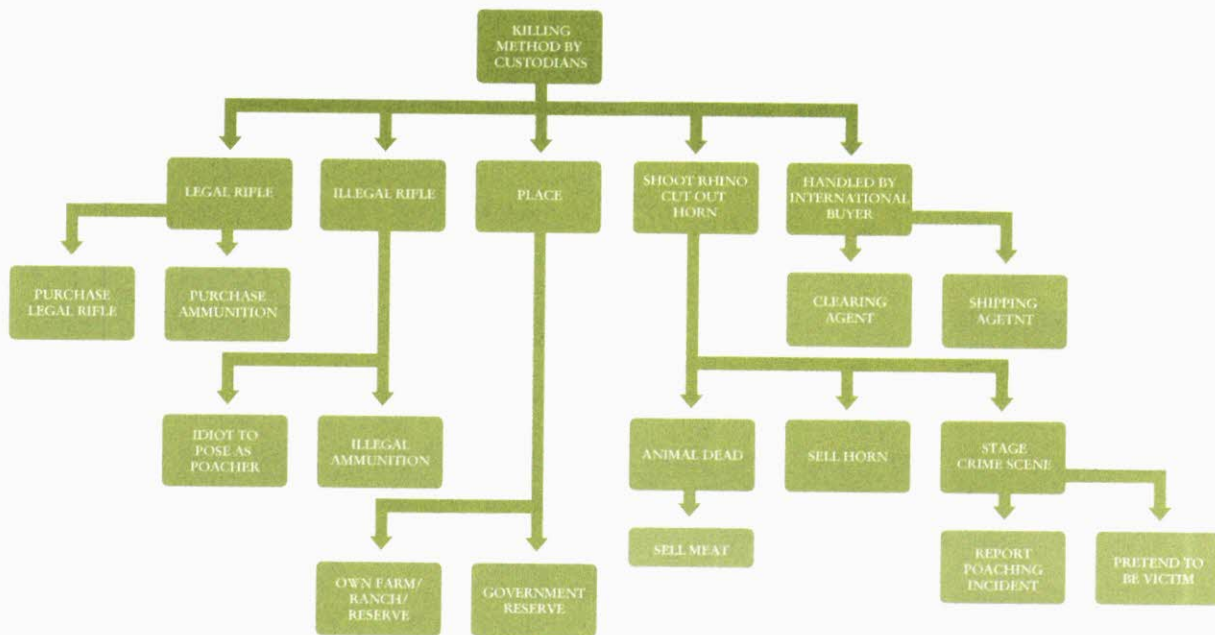


Figure 16.9: Animals are killed by custodians that have been entrusted by society to take care of them

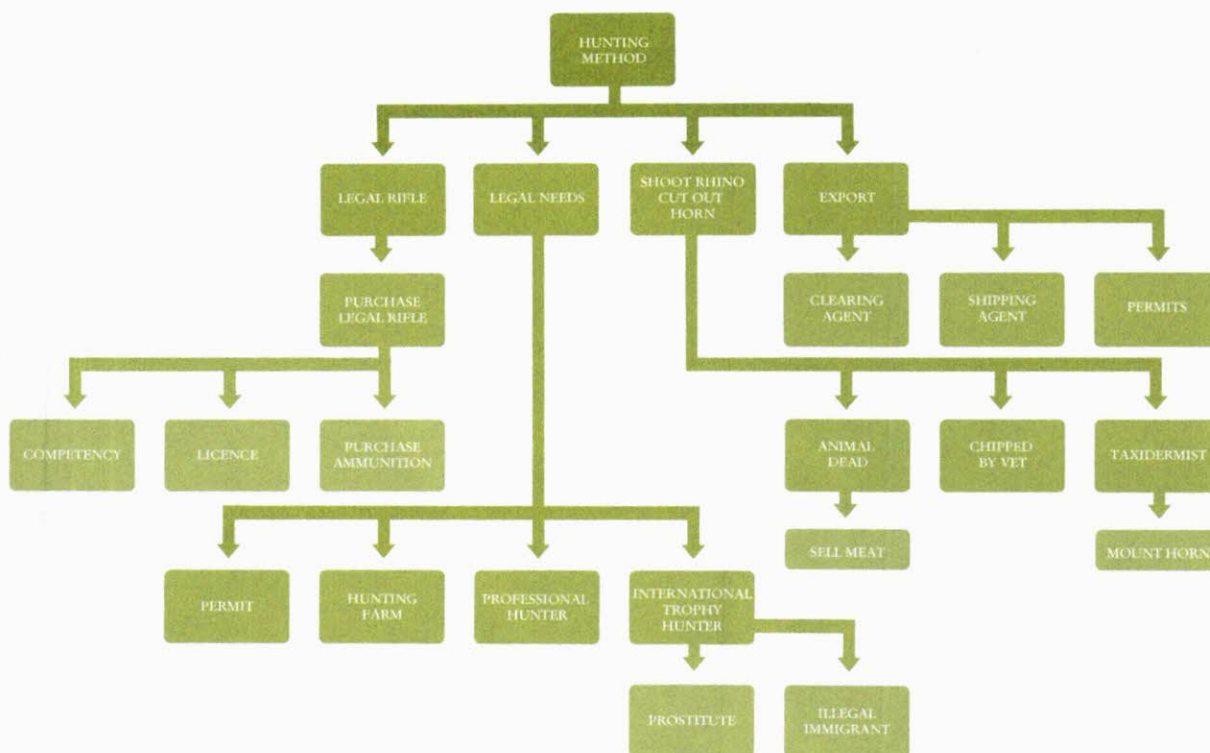


Figure 16.10: The animal can be hunted (medicinal hunt)

Once the horn has been sourced it now has to be sold. As this commodity is not the same as scrap metal or gold it cannot be turned into cash anywhere. It is at this stage where the local crime groups and organised crime merge to become one entity. Depending on the illegal source, the horns are sold to provincial buyers. They in turn sell to the national buyer who is normally the international facilitator. The facilitator is responsible to ship the horn to the destination country. The popular methods used are by air or by ship and it can be carried as hand luggage or packed into a container.

At the destination the horns are either turned into a medicine or sculptured into art products and sold to the end user. In order to achieve all of the above the system runs smoothly on the wheels of corruption that are greased by hard cash. This corruption is not limited to only government agencies/officials but also non-governmental agencies.

The cherry on this cake is then of course the entire industry that is collecting money on behalf of the "Protection of the Rhinoceros". The money does not always go into legitimate non-profit organisations and neither does the money land on the ground as intended by the actual donors.

The financial chain is the reverse of the value chain. The financial chain indicates the choke point just more clearly. The wholesale and distribution equals the international buyers and the provincial and local buyers are the suppliers. Due to the large amounts of money involved in these types of transactions, there are organised crime investors that invest X amount at a 20% interest rate per transaction. It spreads the risk and yield that is a very good return on the investment during the current recession.