

Save the Elephants! ... by Owning Them

Editor's Pick. Written by Bill Wirtz.

100 leading conservationists, politicians, and celebrities addressed an open letter to the government of the United Kingdom (which has been published by the Telegraph), asking for a ban on ivory trade. They want Her Majesty's Government to become a global leader on the prohibition of wildlife trade and help combat African poaching groups. Since we know how beneficial prohibition is for criminal gangs, the only group rejoicing over this leap forward would be the poachers themselves. The alternative lies in the private sector.

Were I presented with the opportunity to become the Al Capone of the ivory trade, never would the temptation be as strong as now. Governments are immensely successful at making products under prohibition enormously valuable. As Milton Friedman said regarding drug prohibition:

"If you look at the drug war from a purely economic point of view, the role of the government is to protect the drug cartel. That's literally true."

Every time there is a major call for an outright ban on ivory products, prices skyrocket, which ends up incentivising poachers to shoot more elephants. This has created a sort of cat-and-mouse game in which the volatility of ivory pricing is interdependent with outcries by NGOs. When the Chinese ivory prices tripled in 2015 due to increased calls for bans, wildlife NGOs said that the market was out of control and that "there is need for immediate action." There was no change in legislation, and when the Chinese prices fell back to their original level five months later, the same NGOs claimed their work to be going in the right direction.

Conservation from Private Property

If we want to talk about the preservation of endangered species such as elephants, then let's not engage polemic assertions destined to sell a newspaper or get donations shipped in. Some African countries have taken action regarding poaching: the privatization of elephants is provably effective.

Let's take the example of trophy hunting.

This hunting sport has gotten increasingly popular over the years. As National Geographic reported, these hunters imported more than 1.26 million trophies to the United States

between the years 2005 and 2014, which is an average of 126,000 trophy imports a year, or 345 a day.

Trophy hunting, however, is not the reason these species are endangered in the first place. They suffer considerably more from loss of habitat and poaching. In the case of loss of habitat, the endangered animals are driven out due to agricultural expansion for the harvesting of timber, wood, or fuel.

The local population can be incentivised economically to protect these animals. In Namibia, the revenue from trophy hunting is the main revenue source for the funding of wildlife conservancies, and in South Africa, trophy hunting reportedly incentivised locals to give rhinoceros land to live on and protect them from poachers (Conservation Magazine, 2015). This evolution has led the number of existing rhinoceros to jump from 100 in 1916 to over 18,000 today (World Wildlife Fund, 2016). According to South Africa's Department of Environmental Affairs, the total revenue from trophy hunting was close to R807 million (59.3 USD) in 2012 and just over R1 billion (73.5 USD) in 2013.

Elephants are victims of the tragedy of the commons: maximizing profits results in shooting as many animals as possible. The only protective measure we can install is private property rights through the rule of law. If elephants possess a certain utility, notably harvesting ivory, then we should prefer they were owned privately, since their owners would be incentivised to protect them.

No ban on the international trade of a good could ever do the same.

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