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China's Efforts to Wipe out the Trade in Endangered Species

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Background Briefing: China's efforts to wipe out the trade in endangered species

1. Introduction

Despite efforts by China and the international community to combat the illegal wildlife trade, poaching has reached unprecedented levels for some species and the world is facing a dramatic surge in wildlife trading. About 20,000 elephants are killed every year globally, a dramatic increase from the early 2000s. In 2013 more than 1,000 rhinos were killed, up from 15 in 2007. Wildlife trafficking attracts transnational organised crime networks and racks up profits only rivalled by trade in drugs, counterfeit goods and people.[1]

This is largely the result of a steep rise in demand from the newly affluent in Asia and particularly China, the world's largest consumer of illegal wildlife.[2] Pangolin parts, elephant ivory, shark fin, rhino horn, tiger bones, bear bile and rare tropical timbers are highly sought after for their medicinal properties, as delicacies or collectors' items. The European Union (EU) is also an important market and a major transit point, particularly between Asia and Africa.

While China has made tangible progress in protecting endangered species within its own borders over the past decades, it now needs to clamp down on endangered species imported through illegal channels as well as prevent the legal domestic trade of certain animal parts from fuelling further demand.

With regulation and trade bans proving ineffective, too little attention has been given to driving down the demand for endangered species. The recent drop in the consumption of shark fin soup in China demonstrates the potential of education and public awareness campaigns. Future efforts by China and the EU to inform the public about the consequences of trade in endangered species could make the illegal trade less profitable for those involved.

2. China's domestic wildlife protection

Protection of rare and endangered species is a relatively recent objective of the Chinese government. But since the late 1980s, rapid economic growth, urbanisation and widespread environmental degradation have led to rapid species loss and habitat destruction in one of the world's most biodiverse countries. In response, the government has developed a complex regulatory regime, including international treaties and conventions, national laws and policies and national and provincial regulations.

Government agencies work under the framework of the 1988 Wildlife Protection Law, which imposed penalties that include long prison terms or even death for killing or trading in the country's protected endangered species, such as giant pandas, Asiatic elephants and golden-haired monkeys. In 1993, under international pressure, the government added rhinos,

[1] Nellemann, C., Henriksen, R., Raxter, P., Ash, N., Mrema, E. (Eds). 2014. *The Environmental Crime Crisis – Threats to Sustainable Development from Illegal Exploitation and Trade in Wildlife and Forest Resources*. A UNEP Rapid Response Assessment. http://www.unep.org/unea/docs/RRAcrimecrisis.pdf

[2] International Fund for Animal Welfare (IFAW). 2013. *The Global Security Implications of the Illegal Wildlife Trade*. http://www.ifaw.org/sites/default/files/ifaw-criminal-nature-2013-low-res_0.pdf

African elephants and other non-Chinese species to the list. Since then, more than 30 people have been executed for killing or trading in parts of elephants and giant pandas.

In April 2014, China's top legislature went a step further and criminalised the consumption of rare wildlife: anyone caught eating an animal protected by the national wildlife protection law can be punished by imprisonment of 10 or more years. However, critics argue the legislation continues to emphasise the protection of wildlife for "human use", rather than for its own sake.

China relies on nature reserves to provide species habitats. More than 2,000 nature reserves offer protection in about 19% of the country, although a great many are "paper parks" that exist in official documents but not in practice. Veteran China correspondent Jonathan Watts tells tales of welcome banquets at nature reserves in which endangered species have featured on the menu and Chinese media investigations have revealed a flourishing trade of endangered species at the edge of nature reserves. Protected areas also rarely prove robust enough to prevent the exploitation of natural resources. For example, mining operations have been developed in even the highest level protected areas including in Deqin in Yunnan province as well as the Sanjiangyuan reserve on the Qinghai-Tibet plateau, often by companies that are either state run or with close ties to highly placed state officials, and against the wishes of local residents.

Meanwhile, wildlife managers tend to focus on wildlife farms and even cloning (in the case of the giant pandas), rather than habitat conservation. An estimated 7,000 bears are kept in captivity for their bile, which is used in traditional medicine, and about 6,000 tigers are held in Chinese farms and zoos. At a meeting of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) in July 2014, Chinese authorities admitted for the first time in public that it permits trade in skins from captive tigers, though it still bans the trade in tiger bone. Conservationists argue wildlife farming is stimulating the domestic market for tiger skins and animal parts and fuelling the poaching of animals elsewhere.

Green NGOS and the media have emerged as forces that can galvanise government to act on illegal poaching and habitat destruction. A high profile civil society campaign in the late 1990s to save the snub-nosed monkey resulted in the State Council ordering the provincial government to halt commercial logging. However, the illegal timber trade has persisted. Reserve officials say snub-nosed monkey numbers are growing, but the baseline is pitifully low: there are only thirteen isolated sub-populations of species left.[3]
Another campaign to protect the Tibetan antelope persuaded officials to crack down on illegal poaching and establish a national nature reserve. After a dramatic drop of some 80 to 90% of the nearly 1 million Tibetan antelopes in China in the 1990s and 2000s, populations of the antelope are slowly recovering, according to the International Union for Conservation of Nature, although they are still extremely vulnerable.

Despite these small and limited triumphs, conservation in China is still an uphill struggle. The spectre of the baiji haunts conservationists; the 25 million year old species, also known as

[3] More recently, public opposition to the practice of harvesting bile from caged live bears for the pharmaceutical business has derailed attempts by the Guizhen Tang pharmaceutical company to launch on the stock market. The company owns the largest bear farm in southern China.

the Yangtze River dolphin, was declared as functionally extinct in 2006, extinguished from its habitat by untrammeled development, river traffic and crude fishing methods.

While the government has undertaken massive reforestation and afforestation programmes (and brought in a nationwide logging ban after the devastating Yangtze floods in 1998), these have mainly replaced natural forests with lucrative mono crops of rubber, eucalyptus and coffee, which do not support biodiversity and which bring their own set of environmental problems.

NGOs have also directly influenced government policy by submitting draft laws, on nature reserves for example, to the National People's Congress (NPC), China's largely rubber stamp parliament. NGO participation strengthened the new Environmental Protection law adopted in April 2014 after three years of wrangling and public debate. The new law instructs central and provincial level governments to carry out Environmental Impact Assessments for their economic and technological policies, formalises the possibility of public-interest environmental litigation and strengthens the legislative tools to punish polluters. However, the success of the new environmental law will be determined in its implementation.

China's record of implementing wildlife protection and environmental laws remains weak. The laws are too vague and ambiguous, and enforcement statutes are toothless. Powerful officials and businesspeople can find ways around regulations, and until recently very few violators found themselves subject to criminal prosecution.[4]

The deeper problem is the culture of corruption and lack of confidence in the fair and equal application of law. Administrative inadequacies, lack of capacity and poor staff training within the country's institutions, lack of accountability between provincial and higher authorities and lack of financing have made things worse.

Other challenges are structural: there is no lead agency in control of all areas of conservation and no clear coordination between the many agencies involved in enforcing these laws, which include the State Council, the Ministry of Environmental Protection (MEP), the Ministry of Agriculture and the State Forest Administration (SFA). There is no clear chain of authority on environmental matters, which creates tensions between national and local government bodies. Provincial Wildlife Protection Bureaus are financed and controlled by local officials who often use wildlife trade to generate lucrative profits.

The staff employed by the Forest Police Department of the SFA are primarily responsible for enforcing wildlife legislation. While there are examples of impressive enforcement and seizures, lack of funding has made the forestry police the poorest equipped and most understaffed arm of China's police force. Their equipment, communications capabilities, and transport vehicles, particularly in Yunnan and the Qinghai-Tibetan Plateau, cannot match those of the local poachers and gangs.

Police and customs officials are also empowered to enforce trade controls, while the military police play a role in preventing illegal hunting and smuggling of wild animals in remote regions and along the country's long and porous borders. The military police have played a

[4] Although prosecutions are relatively few, according to information collected by international wildlife trade monitoring organisation Traffic, stiff penalties are applied in cases involving rhino, elephants and tigers. For example, in October 2011 prison sentences up to 15 years and fines of $15,000 were handed down to three people by a court in Yunnan for smuggling rhino horn from Myanmar.

key role intensifying enforcement in Guangxi province bordering Vietnam. In 2011, a routine truck inspection led to the confiscation of 1,300 pieces of ivory in one of the largest illegal ivory seizures in China.

3. International cooperation

After a faltering start, China has become a willing participant in environmental international conventions. In 1981, China joined the United Nations Convention on the International Trade in endangered Species (CITES), by which it pledged to ban the import and export of endangered species listed in CITES annexes.

China is also a signatory to most major wildlife-related international treaties and conventions, such as the Ramsar Convention on Wetland Protection and the Convention on Biodiversity (CBD), which also aims to stem species loss. In fact, China was one of the first developing nations to ratify this convention.

Since 2011, Chinese authorities have also been involved in a number of operations with international organisations and other countries to combat smuggling and illegal wildlife trade in China. China has participated in several major operations with African countries which have resulted in the seizure of over 2 tonnes of illegal ivory and has become actively involved in the Southeast Asian regional wildlife enforcement network.

But despite this, China continues to attract more criticism than any other country for undermining efforts to eradicate global trade in illegal wildlife. An examination of the issues behind the trade of specific species in the following section will highlight some of the failures of and challenges facing China and the international community.

4.1 Illegal ivory trade

International trade in ivory has continued to flourish despite a global ban since 1989. China is home to the worlds' largest ivory carving industry and the major destination for ivory, receiving about 70% of the world's illegal ivory (much of it passing through Hong Kong).

Less than a decade after the global ban, CITES agreed to a compromise "one-off" sale to Japan of 50 tonnes of stockpiled ivory from Zimbabwe, Botswana and Namibia, ivory collected from pachyderms that died of natural causes. A second "one-off sale" was sanctioned in 2008, despite fierce opposition from conservationists, who objected both to the auction and to CITES's approval of China as a bidding nation. They warned that China had failed to control the illegal trade and that the 70 tonnes it bought would stimulate demand.

But since 2008, ivory prices have risen, along with the number of elephants killed (reaching an estimated 25,000 in 2011). The Chinese government argues it needs to protect the country's traditional ivory carving industry. Licensed workshops are allowed to use existing stockpiles of ivory to make ornaments, jewelry and chopsticks, but this legal business has provided the cover for a vast illegal trade. Many sellers falsify documents "verifying" that items were made from legal ivory and some researchers estimate that as much as 90% of the ivory for sale in China is illegal.

This provides one pressure point: China wants a steady, legal flow of tusks, but it will not get international support until it suppresses its illegal ivory trade. At last year's meeting in Bangkok, CITES signatories demanded that China—and seven other countries—produce hard action plans and target dates for combatting illicit ivory trafficking, or face possible wildlife trade sanctions after July 2014.

Stung by mounting criticism, China has stepped up enforcement. In January this year, authorities in China publicly destroyed more than six tonnes of confiscated elephant ivory in an attempt to signal that it is serious about cracking down on the illegal trade.

Shortly after this, unprecedented collaboration between government law enforcement agencies in China and their counterparts in Kenya resulted in the extradition of a Chinese individual, whom, it is alleged, was one of those organising courier "mules" to transport ivory between the two countries.

China also played a leading role this year in a global law enforcement crackdown on wildlife crime called Operation Cobra, as one of 28 participating countries and agencies, which included Interpol, CITES and the World Customs Organisation. In China, more than 100,000 staff were involved and seizures in various countries included three tonnes of ivory and 36 rhino horns, and 250 suspects were rounded up. This was only the second operation of its kind involving law enforcement officers from so many different countries.

CITES– the global community's major tool to combat the wildlife trade – has attracted criticism, particularly its ivory trade system, which many argue is flawed and has merely driven poaching. Where CITES has attempted to ban trade, illegal trade has often flourished, and where trade has been allowed it has often been unable to regulate it effectively. The NGO Environment Investigation Agency argues that, since neither CITES nor Chinese regulators are capable of controlling the domestic ivory market because of the strength of China's demand, China should ban the trade entirely.

Conservation organisations have also called on the European Union, where many countries are seeing a revival of the ivory trade, to halt all commerce in ivory and to destroy all remaining stockpiles. The picture is complicated by the growing use of the Internet to conduct trade in ivory in the EU: during a survey period of two weeks in 2013, a joint Interpol/International Fund for Animal Welfare investigation found 660 advertisements for ivory on 61 auction sites, accounting for 44.5 tonnes of ivory, most of it destined for East Asia. The report noted that only one EU country - the Czech Republic - has implemented national legislation on e-commerce for CITES protected species. The Chinese authorities have also admitted that internet trade is a growing problem.

4.2 Tropical timber

China has also emerged as the world's leading trader in illegally logged timber, over the past decade. Imports of tropical hardwoods such as ebony, mahogany and rosewood from Africa and South East Asia have become increasingly scarce around the world and hence very profitable.

Environmental campaign groups blame the Chinese government for obstructing positive action to combat illegal trade. Although China's State Forestry Administration (SFA) has

engaged with the international community on illegal logging in recent years, it has resisted calls for legislation to prohibit illegal trade into and within the country.

Hong Kong is the major conduit for illegal timber flowing into China. Hong Kong and Chinese border authorities can intercept timber listed by CITES as a trade-restricted species. However, custom authorities are not empowered to stop timber that may have been harvested illegally - whether logged without permits, obtained through bribery etc. - from entering their borders. In contrast, the US, European Union and Australia now have legislation that bans the trade in illegal timber, and places the onus on the importer to ensure the wood is legally sourced.

However, China's role as chief protagonist has been over simplified and the situation on the ground is more complex. In Africa, for example, research has shown that illegal timber makes its way to China through complex networks of large and small Chinese and non-Chinese companies; local loggers and local elites also participate heavily in the value chains.

Corruption in Africa is also a major challenge. African governments' efforts to strengthen law enforcement and monitoring have had limited success, with a pervasiveness of bribery received by government officials throughout the various stages of timber production.

There is evidence that the Chinese government has tried to do something about the situation, even if its actions have largely been unsuccessful. The State Forestry Administration and Ministry of Commerce have issued voluntary guidelines intended to prevent illegal logging and trade and to promote sustainable forestry practices overseas, and China has launched its own legality verification initiatives. The government's 2012 Green Credit Policy attempts to control the financing of environmentally sensitive projects, including logging. In fact, Chinese timber companies explain that it is now extremely difficult to obtain bank loans. Most timber companies in Africa are private, with no financial links to the Chinese government.

However, government initiatives have not been effective. Chinese companies face fierce competition and the SFA does not monitor whether companies adopt sustainability guidelines nor does it sanction those which ignore them. Export bans of unprocessed timber introduced by some African countries have achieved limited success in addressing illegal trade. To comply with the regulation, most Chinese companies only engage in minimum processing. In Mozambique and Zambia, some companies reportedly own sawmills with inexpensive machinery which they never operate, in order to satisfy the requirement for acquiring a concession license for logging.

In the Mekong region, Siamese rosewood has been illegally logged to the brink of extinction to feed the Chinese demand for luxury *hongmu* furniture – expensive ornamental furniture in the Ming and Qing style. Between 2000-13, China imported a total of 3.5 million cubic metres of *hongmu* timber, mostly from the Mekong region. The soaring value of Siamese rosewood has spurred an international criminal trade increasingly characterised by obscene profits, violence, fatal shootings and widespread corruption at every level.

In March 2013, Siamese rosewood came under CITES protection, but because of an annotation that restricted the application of CITES controls to logs, sawn timber and veneers, this agreement is worth little. All other products are exempt from the CITES

certification, permitting and quota systems, which offers a massive loophole for unregulated, unmonitored and illegal trade in semi-finished products.

While the CITES ban has slowed the movement of rosewood through associated periodic land border closures, the illicit timber laundering through Hong Kong has continued unabated. The border between Vietnam and China's Guangxi province is another hotspot, largely controlled by powerful local mafia.

5. Changing consumer attitudes

Given the failure of China and the international community to regulate and crack down on illegal trafficking, a focus on raising public awareness of threats to endangered species offers an alternative and complementary strategy.

Consumption of shark fin soup has fallen by 50-70% in China over the past few years. This came in the wake of a campaign by environmentalists to raise awareness of the moral and environmental impacts of shark fishing, and to persuade Chinese customers not to celebrate weddings with shark fin banquets.

Shark fin has been a delicacy in China since the Song dynasty and is also commonly held to promote general health. Conservationists have grown increasingly concerned about the slaughter of sharks for the Asian market. An estimated 100 million sharks are killed each year, thrown back into the water to bleed to death after their fins are cut off. Many populations have dropped by over 90% in the last few decades alone.

Retired basketball star Yao Ming and actor Jackie Chan joined a campaign sponsored by multiple NGOs promoting the message "When the buying stops, the killing can too." A number of airlines, shipping companies and restaurant chains in China have taken shark fin off the menu.[5]

However, the change in public attitude is not just the result of effective consumer campaigning. In 2012 the Chinese government announced it would ban shark fin soup, and other dishes made with protected wildlife, from official banquets as part of its new campaign against extravagance. Similar instructions were sent out by the government in Hong Kong — a major centre for the shark fin industry. This crackdown appears to have had a significant impact on luxury seafood restaurants and other luxury industries.

In 2013, five species of shark were finally added to Appendix II of CITES, after decades of lobbying by environmentalists. China opposed the motion, yet promised to honour the vote.

This case demonstrates the need to combine sustained consumer awareness campaigns with stricter government regulations to tackle the demand side of the illegal wildlife trade.[6]

[5] Yao Ming subsequently travelled to Africa to raise awareness about the plight of rhino and elephants.

[6] A campaign has yet to be launched to save the Pangolin – a small and forgotten scaly anteater prized in China and Vietnam for its culinary and medicinal uses – from being eaten out of existence. It is the most illegally trafficked mammal in the world, according to the IUCN with more than one million poached over the last decade.

A recent survey by researchers at Beijing Normal University showed that consumption of endangered wildlife has declined significantly in Beijing and Shanghai over the past eight years. This was attributed to successful public awareness campaigns led by the government and civil society over the Beijing Olympics and Shanghai World Expo. The majority of people surveyed claimed they would not eat wildlife protected by law, but were generally not aware of which species were protected. The survey found wildlife consumption had not fallen in the southern cities of Guangzhou and Nanning, where there is a long tradition of consuming wildlife for wellbeing.[7]

6. Conclusion

To date, responses to the illegal wildlife trade have been predominantly regulatory. But trade restrictions have proved difficult to enforce and failed to stem the illegal wildlife trade. China remains the major destination for illegal species and EU is also an important destination and transit hub for goods moving between Africa and Asia.

China needs to introduce stronger laws (in the case of rare timber species) and ensure these laws are strictly implemented (in the case of ivory) to ensure legal trade is not used as a cover for illegal smuggling, thus further stimulating demand. China also needs to deploy effective border control, tackle corruption among border control officials particularly in Hong Kong, and increase its law enforcement penalties for those involved in the trade.

Since the legal sale of stockpiled ivory and the spike in Chinese demand have stimulated elephant and rhino poaching and made the illegal trade increasingly unmanageable, a full blown ban on ivory in China and the EU is now necessary.

China's effective response to the 2003 outbreak of Severe Acute Respiratory Syndrome (SARS) demonstrates the country's ability to enforce strict controls over wildlife trade when necessary. In fact, highlighting the health risks associated with the illegal wildlife trade could provide another pressure point to encourage the Chinese government to enforce stricter border controls. As the current outbreak of the deadly Ebola virus in West Africa threatens to spread to other continents, experts warn the disease can be spread through the trade and consumption of illegal wildlife, such as monkeys, chimpanzees and fruit bats. Similarly, campaigners may do better to focus on food safety issues when targeting Chinese consumers. If people are more aware of the food safety and health issues around rare species, they may be less willing to eat it.

The Chinese government and environmental NGOs should invest efforts in educating consumers and companies about the consequences of consuming wildlife species and how to be vigilant about the origin of products.

Research into consumer preferences, beliefs, lifestyle and cultural norms can help develop the most appropriate interventions to influence consumers to change their preferences and purchasing habits. European NGOs have considerable experience in developing successful public campaigns that they can share with Chinese organisations.

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[7] Li Zhang, Feng Yin, "Wildlife consumption and conservation awareness in China: a long way to go", *Biodiversity and Conservation*, August 2014, Volume 23, Issue 9, pp 2371-2381

7. Recommendations

China should:

- Close down domestic ivory markets and inventory and destroy stockpiles
- Ban trade in all tiger parts from wild and captive-bred tigers and phase out tiger farms
- Ban illegal timber trade and replace unenforceable voluntary guidelines with penalties for Chinese firms that violate this ban
- Strengthen efforts to develop and implement well-researched campaigns, using targeted strategies to influence consumer behaviour to reduce demand for endangered species and tackle myths around the medical benefits of consuming animal parts
- Increase efforts to communicate to Chinese nationals abroad that anyone caught importing illegal wildlife products will be prosecuted and severely penalised by the Chinese government(?)
- Develop a centralised wildlife crime database to collate police, customs and other law enforcement records and better analyse and disseminate information collected to international counterparts
- Revise China's Wildlife Protection Law, which gives priority to "development and rational use" of wildlife and promotes the breeding, domestication and utilisation of wildlife, including tiger and rhino parts

The EU can collaborate with China in a number of ways:

- Support an international ban on trade in ivory
- Share European experiences of legislative and policy reforms and effective and public awareness campaigns and organise high level roundtables to secure commitment among senior decision-makers
- Convene EU law enforcement professionals and their Chinese counterparts to discuss specialist investigative techniques to combat wildlife crime and offer technical support to infiltrate transnational criminal networks
- Provide training and funding for NGOs and civil society groups, particularly those doing excellent work to raise public awareness and reduce demand for illegal wildlife
- Ensure EU member states have law enforcement experts attached to their embassies to liaise with national law enforcement personnel and agencies
- Translate the International Consortium Campaign Combating Wildlife Crime Wildlife and Forest Crime Analytic Toolkit into Mandarin and liaise with the relevant Chinese agencies to support its application and action plans to improve law enforcement
- Highlight global health risks of illegal wildlife trade and health risks to consumers