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Reply to Kremer

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MICHAEL KREMER RAISES SOME REASONABLE POINTS IN HIS response, but fails to address my main critique, which is that despite offering a development of the Clark extinction model, Kremer and Morcom's analysis tells us little or nothing about the real world. Fair enough for an intellectual exercise, but the specific policy prescriptions of the article would only exacerbate the problem for endangered species worldwide. This kind of disconnect underscores the gap between the positive influence that economics *could* have on important issues such as the conservation of natural resources, and the abstractions that seem to have gripped the profession and torn it away from pragmatic analysis.

Storability certainly affects extinction pressure when poaching is the greatest threat to species survival. But poaching pressure pales in comparison to habitat loss for species ranging from African elephants and rhinos, to tigers in India, to sea turtles in the Caribbean, all of which are prized for various 'storable' parts. The World Conservation Union (IUCN), an internationally respected consortium of governments and conservation organizations, has identified habitat loss as the primary threat to 85 percent of all species on the IUCN Red List of threatened and endangered species worldwide (IUCN 2003).

Of course, illegal wildlife trade also poses a threat, but academic economists should know better than to propose saving species by *devaluing* them—which is exactly what Kremer and Morcom have done. In the case of elephants, even reducing their commercial value to zero will not save them, as the poor in the developing world will simply not tolerate such a

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nuisance unless elephants have some redeeming value. Making open-access elephants less valuable is counterproductive, and some form of secure tenure, whether private, communal, or something in-between, is the only way to change the incentives for depletion that underlie the tragedy of the commons.

Hence my objection to the assumption of open access, a defining criteria for the eventual decline of species, and certainly a far better indicator of extinction pressure than storability. Kremer and Morcom mention the possibility of private property arising in some instances, but only in passing, and say nothing about the effect of a devaluation program on the elephants that exist outside of state-controlled areas, where less-valued elephants would surely be less well protected.

Kremer is right, of course, that despite an international trade ban, there is still a market for ivory. But CITES is predicated on restricting trade, and it is hard to imagine any official government strategy of dumping stockpiled ivory into the marketplace as long as CITES remains in place. Kremer maintains that the article is "arguing for less regulation of international commerce," but that was not clear to me (even after the fourth reading). An institutional examination of whether CITES has been, or will be, good or bad for endangered species would be a far more promising way to "contribute new knowledge" to the substantive issue.

Economics has the potential to offer tremendous value to conservation efforts worldwide, but not by further refining ways to devalue whatever it is we want to see protected. Enough mischief has been caused by this approach already, and economists, more than anyone, should be leading the movement to recognize the importance of the definition of property rights, and to substantiate how different management institutions affect the conservation of natural resources.

It is tempting to conjecture that the distance between reality and Kremer and Morcom's deductive reasoning is driven by an endemic and institutionalized practice of passing models off as empirically relevant without holding up one's assumptions to anything like the real state of the world—thus, providing no basis for any policy implications. I am reminded of Barbara Wootton's remark: "the economists feed on their own tails by busying themselves with the analysis of imaginary worlds which they have themselves invented" (1938, 35).

Finally, Professor Kremer disparages me for "ideological language," without saying just what he means by that. Webster's defines 'ideological' as "of or concerned with ideas," which seems to be exactly the point of this exercise. I suspect he intended a different, more pejorative meaning, such as 'arrogant but unproven' or 'knee-jerk', or perhaps simply a viewpoint different from his own. Regardless, my use of theory and evidence to show that Kremer and Morcom's models are not applicable to the realities of elephant conservation in Africa hardly fits the pejorative definition. Professor Kremer's remark about "ideological language" is not a legitimate criticism of my Comment.

REFERENCES

IUCN. 2003. Causes of Biodiversity Loss: Habitat Loss and Fragmentation. Online: http://www.iucn.org/bil/habitat.html (cited: December 15, 2003).

Wootton, Barbara. 1938. *Lament for Economics*. London: George Allen & Unwin.