

Factsheet: Cannabis legalization

Displacement of the illicit market

Benefits of combating the illicit market (Meadows, 2019)



Improvement of public safety

- Reduction of criminal activities, "gang wars"
- Reduction of income sources and the resulting power for players in the illicit market



Improving public health

- Reducing dangerous and unregulated products
- Testing and quality assurance of products

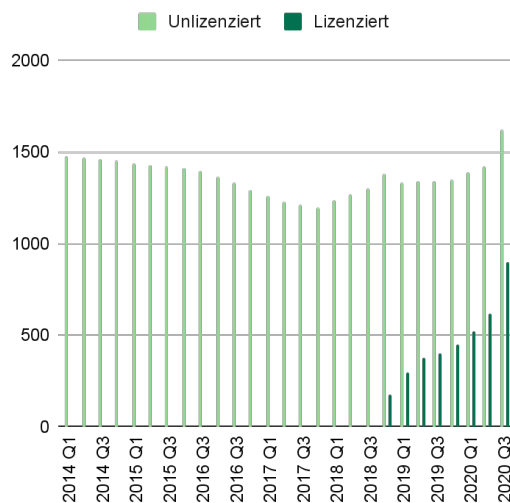


Improving the economy

- Tax revenue for social projects
- Job opportunities

Possible reasons why consumers do not switch from the illicit market to legal products (Meadows, 2019)

- Lower price
 - Tax free
 - No royalties, compliance costs, fair pay for workers
- Quality
 - "Craft" cannabis from experienced growers
 - No ionising irradiation of the product
- Uncomplicated
 - No restrictions on potency and quantity
 - Home delivery of illicit market products
- Variety of products
- Familiarity (close relationship with the "dealer")
- Discreteness and anonymity
- Underage
- Thrill seeking



Household expenditure on cannabis products for non-medical use, Canada 2014-2020 (UNODC, 2021)

Measures to sustainably combat the illicit market

- Allow import of products to meet market needs
- Low tax rate and prices at "illicit market" level
- High quality and variety of products
- No limits on THC content and maximum dispensing quantity
- Allow home grow and cannabis social clubs
- Allow online distribution
- Establish sales outlets throughout the country
- Allow advertising / information to adults
- Allow branding of products

Sources

- UNODC (2021): World Drug Report https://www.unodc.org/res/wdr2021/field/WDR21_Booklet_3.pdf
- Meadows (2019): Cannabis Legalization: Dealing with the illicit Market https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3454635