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United Nations Office on Drugs and Crime



IN FOCUS CANNABIS LEGALIZATION

WORLD 2020 DRUG REPORT

UNITED NATION OFFICE ON DRUG AND CRIME

AGENDA:-

**Evaluating the correlation
between legalization of
marijuana and drug
trafficking.**



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DEVELOPMENTS IN JURISDICTIONS WITH MEASURES REGULATING THE NON-MEDICAL USE OF CANNABIS

As at December 2019, legal provisions had been approved in Canada, Uruguay and in 11 jurisdictions in the United States, including the District of Columbia and the Northern Mariana Islands, to allow the production and sale of cannabis products for non-medical use. The common feature of the legislation in Canada and in the jurisdictions in the United States is that most of them allow for-profit industry to produce and sell cannabis products for non-medical use. There are some differences in the level of regulation, its implementation and the control of the non-medical use of cannabis (see tables 3, 4 and 5 for details on cannabis regulations in each jurisdiction in Canada, the United States and Uruguay). Moreover, those regulations are implemented in different local contexts and influenced by different dynamics, which is likely to have a different impact on the development of cannabis markets within each jurisdiction, on the extent of the non-medical use of cannabis and on other indicators relating to public health and safety and criminal justice. It may take years of regular monitoring of different indicators to fully assess the outcome and impact of the legislation. The sections below therefore do not represent an attempt to assess the impact of cannabis legalization, but rather to describe the outcome of one year of implementation of different features of the legislation, the status of legislation and the regulation of the non-medical use of cannabis in Canada, as well as the developments in Uruguay and selected jurisdictions in the United States.

Legalization of the non-medical use of cannabis in Canada

In 2018, the Government of Canada passed the Cannabis Act, which permits the commercial production and sale of cannabis products for non-medical use by people aged 18 and older. The new legislation and its supporting regulations came into effect on 17 October 2018, although the use

of cannabis products for medical purposes had already been allowed in Canada as early as 1999. The objectives of the current cannabis legislation in Canada are to keep cannabis away from young people (under 18 years of age), to prevent criminals from profiting from the distribution and sale of cannabis and to safeguard public health and safety by allowing adults (aged 18 and older) legal access to cannabis.³²² Under the constitutional division of powers in Canada, the federal Government and provincial governments have different responsibilities.³²³ As the provinces historically developed their own systems to regulate the sale of alcohol, a similar approach has been applied to regulate the non-medical use of cannabis products.

To monitor the outcome of the new cannabis regulations, the Government of Canada has invested in a formal system that may eventually help to evaluate their impact and support the further development of policies and programmes. One of the main measures taken to that end is a cannabis survey that established a baseline in 2018 and is repeated every quarter in order to provide objective information on trends in the use of cannabis products, both medical and non-medical, as well as on how the legal cannabis market has evolved over time.

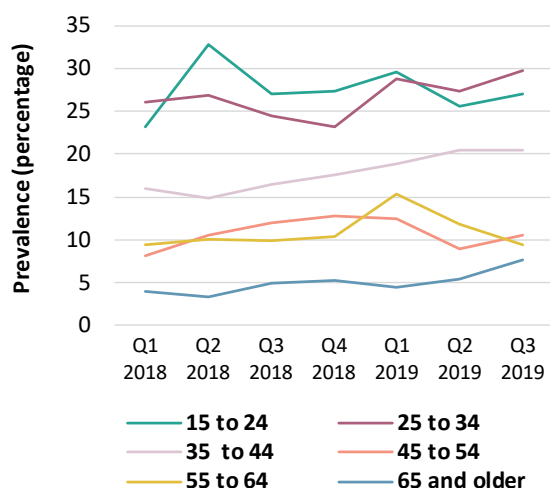
Following an initial increase in 2018, cannabis use appears to have stabilized

At the baseline, in the first quarter of 2018, nearly 14 per cent of Canadians (12.2 per cent of women and 15.8 per cent of men) reported that they had used cannabis, including cannabis products for medical purposes, in the past three months.³²⁴ The highest prevalence rates were reported among those aged 25–34 (26 per cent) and 15–24 (23 per cent). By the beginning of 2019, the prevalence of use in the past three months had increased to 17.5 per cent, and it remained close to that level until the third quarter of 2019 (17.1 per cent). While the

322 Canada, Ministry of Justice, “Cannabis legalization and regulation”. Available at www.justice.gc.ca/eng/cj-jp/cannabis.

323 See table at the end of the present chapter.

324 It should be noted that prevalence of use in the past three months is not a measure generally used in the *World Drug Report*. The information on past-three-month prevalence is presented here only because it is the period of monitoring and reporting established by Statistics Canada.

FIG. 1 Use of cannabis in the past three months in Canada, 2018–2019

Source: Statistics Canada, “National cannabis survey 2018 and 2019”.

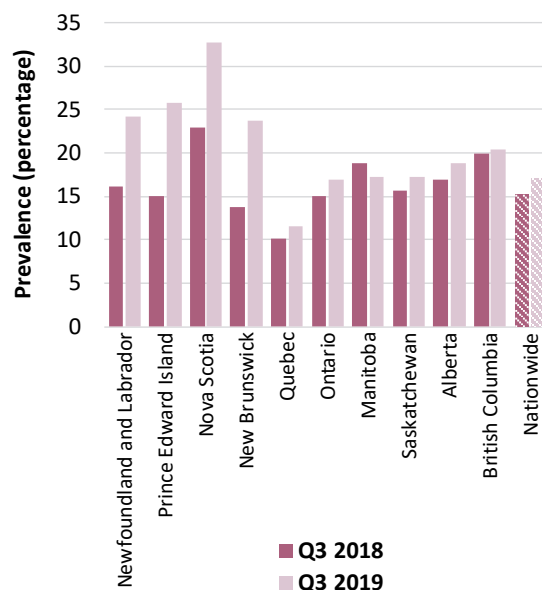
Note: The quarters on the horizontal axis refer to the times at which the survey was conducted. Data refer to cannabis use for medical and non-medical purposes in the past three months.

prevalence of cannabis use in the past three months rose in most age groups in 2019, the most marked increase was observed in the oldest age group (65 and older), for which the prevalence nearly doubled in comparison with 2018. There also seems to be a larger proportion of new users among older adults than in other age groups: while 10 per cent of new cannabis users were aged 25–44 in the second and third quarters of 2019, more than one quarter were aged 65 and older.³²⁵

Cannabis use has increased in all provinces but Manitoba. In most provinces, the increase between 2018 and 2019 was rather modest. In four provinces, however, cannabis use increased considerably (Newfoundland and Labrador, Prince Edward Island, Nova Scotia and New Brunswick).

Most young people are using cannabis for non-medical purposes

There is a considerable level of overlap between the medical and non-medical use of cannabis products in Canada, although the proportion varies by age group. In the second and third quarters of 2019, 52

FIG. 2 Use of cannabis in the past three months across provinces in Canada, third quarter of 2018 and third quarter of 2019

Source: Statistics Canada, “National cannabis survey: third quarter 2018 and 2019”.

Note: Data refer to cannabis use for medical and non-medical purposes in the past three months.

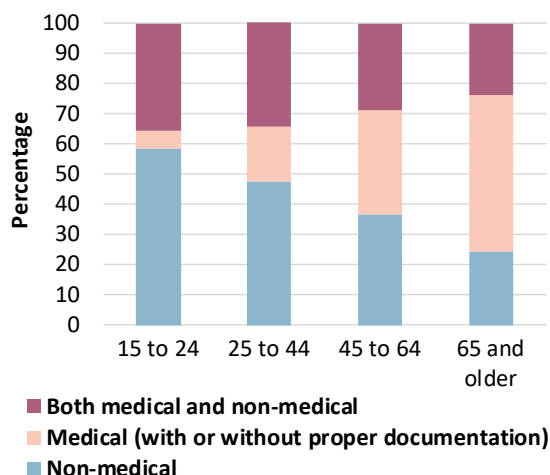
per cent of cannabis users aged 65 and older reported using cannabis for medical purposes (with or without proper documentation for such use). On the other hand, nearly 60 per cent of cannabis users aged 15–24 reported the use of cannabis products for non-medical purposes, and one third of respondents in that age group reported using those products for both medical and non-medical reasons.

Along with the increase in prevalence, the frequency of cannabis use also increased marginally. At the beginning of 2018, some 5 per cent of the population aged 15 and older were daily users of cannabis products; by the third quarter of 2019, this proportion had increased to 6 per cent. Increases in the proportion of daily users of cannabis were observed mainly among males, young people aged 18–24 and those aged 65 and older.

Daily or near-daily use of cannabis is more frequent in younger users than in older ones. Nearly 8 per cent of people aged 15–24 and 9 per cent of those aged 25–44 were daily or near-daily users of

325 Statistics Canada, “National cannabis survey: third quarter 2019”, 30 October 2019.

FIG. 3 Distribution of reported reasons for cannabis use among people who used cannabis in the past three months, by age group, Canada, second and third quarter of 2019



Source: Statistics Canada, "Cannabis survey 2019".

Note: The proportion of people between 15 and 24 using cannabis medically was considered unreliable.

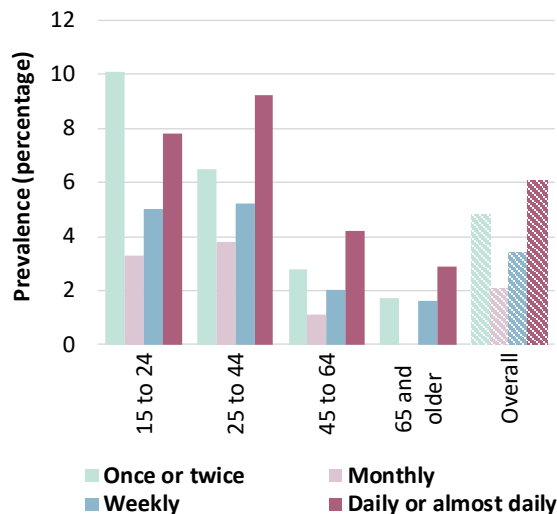
cannabis, compared with 4 per cent of people aged 45–64 and nearly 3 per cent of those aged 65 and older. Men were twice as likely as women to be daily or near-daily cannabis users. A commonly observed pattern of use is that regular and frequent users of cannabis, such as daily or near-daily users, represent a small proportion of all cannabis users, but they account for the bulk of cannabis products consumed. It is estimated that in 2018, for example, around half a million people in Canada consumed some 810 tons of cannabis, of which half (426 tons) were consumed by daily or near-daily users and another 355 tons by those who reportedly used cannabis at least once a week.³²⁶

Many cannabis users continue to purchase cannabis from illegal sources

The transition from the illegal market to legal sources of cannabis has been a gradual one. The proportion of cannabis users sourcing their products from the legal market increased from around 25 per cent in the second and third quarters of 2018 to

³²⁶ Statistics Canada, "Prevalence of cannabis consumption in Canada", table 36-10-0597-01.

FIG. 4 Use of cannabis in the past three months, by frequency of use and age group, Canada, second and third quarter of 2019



Source: Statistics Canada, "Cannabis survey 2019".

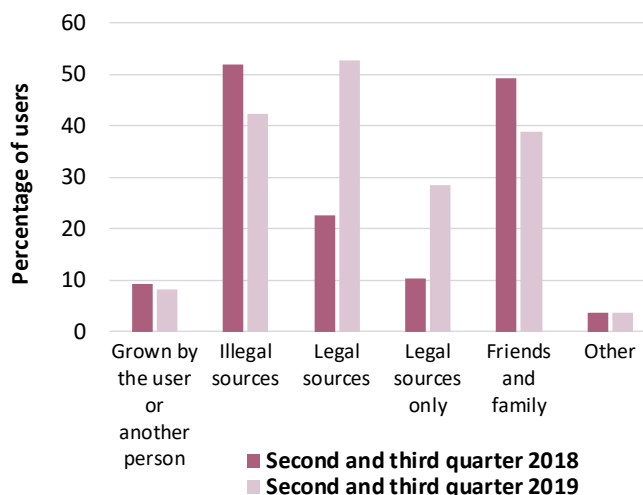
Note: Data refer to cannabis use for medical and non-medical purposes in the past three months.

about 50 per cent one year later, and in 2019 nearly 30 per cent relied solely on the legal market for their cannabis (compared with 10 per cent in 2018). Many users relied on multiple sources to obtain their cannabis, with about 40 per cent of cannabis users still getting their product from illegal sources.

In 2019, young people aged 15–24 were more likely than those in older age groups to obtain cannabis from illegal sources, whereas a larger share of older cannabis users relied solely on legal sources; 41 per cent of cannabis users aged 65 or older reported using only legal sources to obtain cannabis, compared with roughly one quarter of the other age groups.

While most cannabis users had used more than one product, over three quarters of users purchased and consumed dried cannabis flower or leaf for smoking. Although the sale of edibles and extracts started only at the end of 2019, a substantial share of cannabis users reported using edible cannabis products (26 per cent), cannabis oil or vape pens (19 per cent), hashish (16 per cent) and solid cannabis concentrates (14 per cent) during the same year.

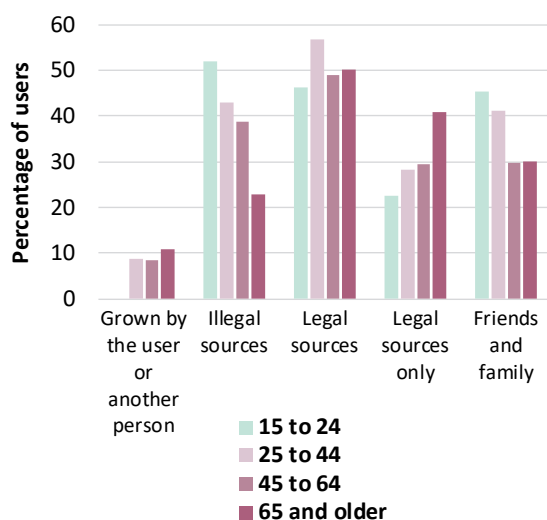
FIG. 5 Sources of cannabis among those who reported cannabis use in the past three months, Canada, 2018 and 2019



Source: Statistics Canada, "Cannabis survey 2018 and 2019".

Note: Multiple responses could be provided by each respondent. Data refer to people who used cannabis for medical and non-medical purposes in the past three months.

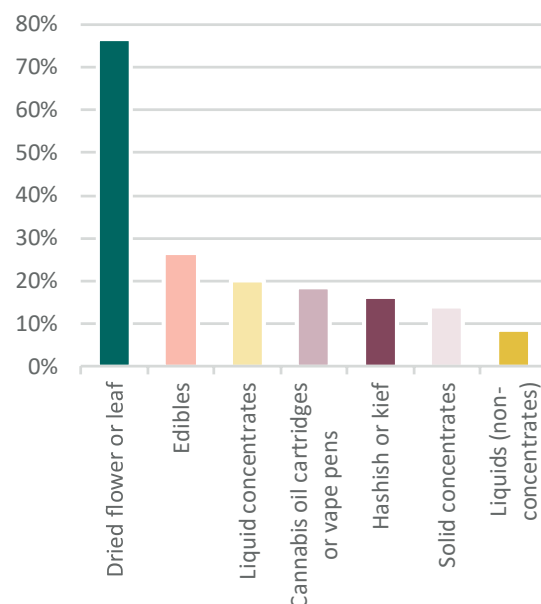
FIG. 6 Sources of cannabis among those who reported cannabis use in the past three months, by age group, Canada, 2019



Source: Statistics Canada, "Cannabis survey 2019".

Note: Combined data for the second and third quarters of 2019. Multiple responses could be provided by each respondent. Data refers to people who used cannabis for medical and non-medical purposes in the past three months.

FIG. 7 Proportion of cannabis users consuming different products, 2019



Source: Statistics Canada, "Cannabis survey 2019".

Implementation of cannabis regulations differs across provinces

According to the new cannabis regulations, the federal Government of Canada is responsible for setting the requirements for those who grow and produce cannabis, including the types of cannabis products available for sale. For example, the regulations were amended in October 2019 to allow the production and sale of edible cannabis, cannabis extracts and topicals, and the sale of those products began gradually from December 2019.³²⁷ The provincial and territorial governments, for their part, are responsible for developing, implementing, maintaining and enforcing systems to oversee the distribution and sale of cannabis.

In most provinces, the retail licensing regime is similar to that regulating the sale of liquor, and cannabis is sold through licensed retailers (private sector),

³²⁷ On 14 June 2019, the Government of Canada announced new regulations for edible cannabis, cannabis extracts and cannabis topicals. Those regulations were published in the *Canada Gazette*, Part II, vol. 153, No. 13, on 26 June 2019 and came into force on 17 October 2019.

provincial retail stores (public sector) and online. Many provinces have adopted a hybrid model that allows either public or private physical retail outlets together with online retail controlled by regulatory authorities, or a combination of all three. With the exception of the Nunavut territory, all the provinces and territories allow retail sales of cannabis products online. British Columbia and Yukon are the only

TABLE 2 Models of cannabis sales in Canada, by province and territory

	Physical retail		Online retail
	Public	Private	
Newfoundland and Labrador		✓	✓
Prince Edward Island	✓		✓
Nova Scotia	✓		✓
New Brunswick	✓		✓
Quebec	✓		✓
Ontario		✓	✓
Manitoba		✓	✓
Saskatchewan		✓	✓
Alberta		✓	✓
British Columbia	✓	✓	✓
Yukon	✓	✓	✓
Northwest Territories	✓		✓
Nunavut	Not allowed	Not allowed	Not allowed

Source: Statistics Canada, "The retail cannabis market in Canada: a portrait of the first year", 12 December 2019.

province and territory that allow all three modes, while Alberta, Manitoba, Newfoundland and Labrador, Ontario and Saskatchewan have allowed private bricks-and-mortar retail stores.

By the end of July 2019, about 400 retail outlets had been opened across Canada. The opening of retail outlets has been slower in some places than in others. Ontario, the most populous province in Canada, with a population of 14 million, began with a retail system in which licences were issued to operators by way of a lottery. At the end of July 2019, the province thus had only 24 outlets, fewer than 2 outlets per 1 million population, whereas Newfoundland and Labrador had the same number of outlets per 500,000 population. The province of Alberta permitted the opening of the largest number of retail outlets, with 176 private retail outlets for a population of 4 million.

After the cannabis regulations were adopted and sales began in October 2018, retail sales of non-medical cannabis online and in cannabis stores up to September 2019 totalled some 908 million Canadian dollars,³²⁸ or an average of Can\$24 (approximately \$18) per capita. Although Ontario had the smallest number of retail outlets, it had the highest retail sales (Can\$216 million), followed by Alberta (Can\$196 million) and Quebec (Can\$195 million), by the end of September 2019. Out of the

TABLE 3 Number of retail cannabis outlets in Canada, by province and territory, July 2019

	Population	March	May	July
		Number of outlets		
Canada	36,540,268	217	285	407
Newfoundland and Labrador	528,567	26	26	26
Prince Edward Island	150,566	4	4	4
Nova Scotia	950,680	13	13	13
New Brunswick	766,852	21	21	21
Quebec	8,297,717	14	16	18
Ontario	14,071,445	NA	20	24
Manitoba	1,335,396	21	23	23
Saskatchewan	1,150,782	19	26	35
Alberta	4,243,995	75	101	176
British Columbia	4,922,152	16	27	57
Yukon	39,628	2	2	4
Northwest Territories	44,936	6	6	6
Nunavut	37,552	-	-	-

Source: Statistics Canada, "The retail cannabis market in Canada".

328 At an exchange rate of 1 Canadian dollar to \$0.75, this figure would equal \$681 million.



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REGIONAL GROUPINGS

The *World Drug Report* uses a number of regional and subregional designations. These are not official designations, and are defined as follows:

- East Africa: Burundi, Comoros, Djibouti, Eritrea, Ethiopia, Kenya, Madagascar, Mauritius, Rwanda, Seychelles, Somalia, South Sudan, Uganda, United Republic of Tanzania and Mayotte
- North Africa: Algeria, Egypt, Libya, Morocco, Sudan and Tunisia
- Southern Africa: Angola, Botswana, Eswatini, Lesotho, Malawi, Mozambique, Namibia, South Africa, Zambia, Zimbabwe and Reunion
- West and Central Africa: Benin, Burkina Faso, Cabo Verde, Cameroon, Central African Republic, Chad, Congo, Côte d'Ivoire, Democratic Republic of the Congo, Equatorial Guinea, Gabon, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Sao Tome and Principe, Senegal, Sierra Leone, Togo and Saint Helena
- Caribbean: Antigua and Barbuda, Bahamas, Barbados, Cuba, Dominica, Dominican Republic, Grenada, Haiti, Jamaica, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Trinidad and Tobago, Anguilla, Aruba, Bonaire, Netherlands, British Virgin Islands, Cayman Islands, Curaçao, Guadeloupe, Martinique, Montserrat, Puerto Rico, Saba, Netherlands, Sint Eustatius, Netherlands, Sint Maarten, Turks and Caicos Islands and United States Virgin Islands
- Central America: Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama
- North America: Canada, Mexico and United States of America, Bermuda, Greenland and Saint-Pierre and Miquelon
- South America: Argentina, Bolivia (Plurinational State of), Brazil, Chile, Colombia, Ecuador, Guyana, Paraguay, Peru, Suriname, Uruguay, Venezuela (Bolivarian Republic of), Falkland Islands (Malvinas) and French Guiana
- Central Asia and Transcaucasia: Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan
- East and South-East Asia: Brunei Darussalam, Cambodia, China, Democratic People's Republic

of Korea, Indonesia, Japan, Lao People's Democratic Republic, Malaysia, Mongolia, Myanmar, Philippines, Republic of Korea, Singapore, Thailand, Timor-Leste, Viet Nam, Hong Kong, China, Macao, China, and Taiwan Province of China

- South-West Asia: Afghanistan, Iran (Islamic Republic of) and Pakistan
- Near and Middle East: Bahrain, Iraq, Israel, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia, State of Palestine, Syrian Arab Republic, United Arab Emirates and Yemen
- South Asia: Bangladesh, Bhutan, India, Maldives, Nepal and Sri Lanka
- Eastern Europe: Belarus, Republic of Moldova, Russian Federation and Ukraine
- South-Eastern Europe: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Montenegro, North Macedonia, Romania, Serbia, Turkey and Kosovo⁴¹⁷
- Western and Central Europe: Andorra, Austria, Belgium, Cyprus, Czechia, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Monaco, Netherlands, Norway, Poland, Portugal, San Marino, Slovakia, Slovenia, Spain, Sweden, Switzerland, United Kingdom of Great Britain and Northern Ireland, Faroe Islands, Gibraltar and Holy See

Oceania (comprised of four sub-regions):

- Australia and New Zealand: Australia and New Zealand
- Polynesia: Cook Islands, Niue, Samoa, Tonga, Tuvalu, French Polynesia, Tokelau and Wallis and Futuna Islands
- Melanesia: Fiji, Papua New Guinea, Solomon Islands, Vanuatu and New Caledonia
- Micronesia: Kiribati, Marshall Islands, Micronesia (Federated States of), Nauru, Palau, Guam and Northern Mariana Islands

⁴¹⁷ All references to Kosovo in the *World Drug Report* should be understood to be in compliance with Security Council resolution 1244 (1999).

For further reference

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All the best!