



TOPIC

Making Legalized Marijuana Production and Sale Nonprofit to Protect Public Health

PROBLEM

Canada and U.S. states that have legalized recreational marijuana have generally allowed for-profit corporate producers and sellers. The economic interests of for-profit sellers are aligned with increasing the rate of heavy use.

For profit business depends on addicted customers, who account for most of the revenue from drugs that can be misused.

SOLUTIONS



Different models for selling addictive products through non-profit entities exist in the U.S. and other countries. These can be used by states choosing to legalize recreational cannabis.



For example, Vermont and Washington D.C. have a “grow and give” model which allows limited amounts of cannabis to be grown and shared with other people, but not sold. This model undercuts the black market and reduces arrests without creating incentives to increase sales of cannabis. Other countries sell cannabis in controlled non-profit or government settings.

CONCLUSION

For-profit production and sale of addictive drugs damages public health, as demonstrated by the tobacco and alcohol industries. Rather than reflexively adopt a for-profit model for cannabis, legalizing states and countries can consider alternatives such as government monopolies in retail or supply, restricting sales to non-profit public benefit corporations, or “grow and give” models.



KEY POLICY EVIDENCE

Several countries, such as Sweden and Norway, as well as some U.S. states, sell alcoholic beverages through government-owned stores that consistently check IDs, have limited hours, and do not engage in extensive product promotions. This government monopoly model yields lower rates of alcohol-related consumption and problems than does a for-profit retail model. Such a model may prove effective for cannabis as well.

Other countries formally legalize or condone cannabis use and sale in controlled settings including pharmacies (Uruguay), cannabis clubs (Spain and Uruguay), “coffee shops” (the Netherlands) and government stores (some Canadian provinces). These approaches weaken the black market and do not create a corporate industry that has an incentive to maximize consumption.

Lower consumption rates in monopoly states were associated with a 9.3% lower alcohol-impaired driving death rate under age 21, according to a 2006 study. Alcohol monopolies may prevent 45 impaired driving deaths annually.



Policy makers in 40 states are asking ‘Should we jump in?’ I would say that you don’t need to follow the model that’s been adopted in Washington or Colorado or California. There are other ways to change marijuana laws: simply legalize home cultivation, which, I think, is a very low-risk strategy. Or look at buyers’ clubs or state stores.”

Rob MacCoun, PhD

Professor, Stanford Law School

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