

CANNABIS & SUSTAINABLE DEVELOPMENT

Paving the way for the next decade in Cannabis and hemp policy



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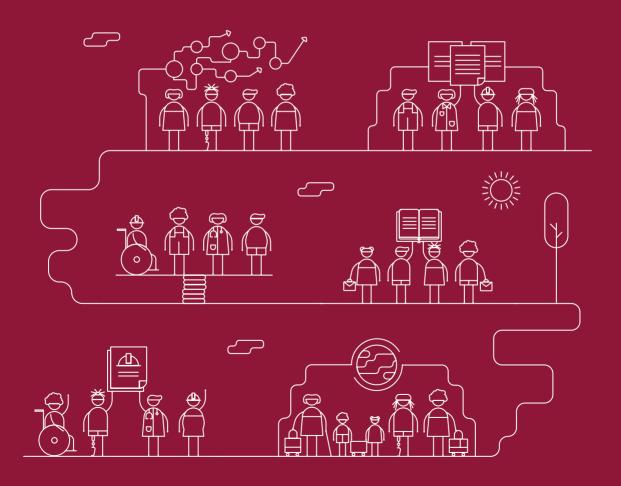
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DECENT WORK AND ECONOMIC GROWTH

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.



GOAL 8: KFY POINTS & RFCOMMENDATIONS

Working in illegal settings is inherently unsafe, unsecure and never as decent as working in legally regulated settings. Lack of regulatory protections, workplace safety oversight and insurance, but also constant pressure and treats from DTOs and law enforcement agencies, make labour in illicit settings a preliminary and central target of policy reforms.

Forced or compulsory labour in relation with illegal Cannabis-related activities should be targeted with priority, in particular as it relates to exploitation or human trafficking.

Criminalising and judicialization of people who use Cannabis contributes to increasing stigma and marginalisation, acting as a barrier to job and employment.

All forecasts on the development of legally regulated markets for Cannabis show the expected positive impact on job and employment.

Large legal Cannabis industries develop new technologies for cultivation, fertilization, processing, and manufacturing of the plant. Small-scale cultivators tend to focus on regenerative agricultural methodologies, increases in productivity and sustainability and reduction of their environmental impact. Both are needed in legally regulated settings. Public policies should adopt social and sound tax policies that are differentiative, in order to foster local investment and ownership over legal Cannabis operations for all.

In all cases (even for larger businesses) taxes waged on Cannabis businesses should be reasonable and proportionate, for legal market to compete prices of the illegal market.

Cannabis policies should encourage the diversification of Cannabis farms production, relying also on non psychoactivity-related purposes derived from the plant, to propose products such as clothing, cosmetics, paper, food, beer, biofuels, animal bedding, building materials, insulation, car moldings, and other consumer and industrial products.

Legally regulated Cannabis cultivation, manufacture, and trade are suitable to village-development and local employment of women and youth, as most jobs in the sector are capable of being performed by young people, or by people with disabilities. It is also suitable for cities or suburbs where job opportunities are scarce in middle-and high-income countries.

The cultivation of Cannabis to tackle depopulation in remote villages is currently implemented, and encourages people to engage in long-term jobs in the rural Cannabis production sector. Such programmes should be encouraged as experimentations to foster rural development.

Governments should assist and monitor the transition of populations previously involved in Cannabis cultivation, from an illicit to a regulated and taxed market, and take particular care in ensuring that legal regulations benefit the people that are reliant on this income. Opportunity must be seize to help small-scale farmers transition to legal settings, ensuring that opportunities are also given to small and medium-scale operations.

Authorities must ensure that financial and insurance services are not denied to legal Cannabis-related operations.

Cannabis has a long historical relationship with travels, travelers, and tourism, and the plant magnifies the development of tourism, particularly in regions where its use or cultivation are traditional. Yet uncontrolled or unregulated tourism can cause social dislocation, loss of cultural heritage, economic dependence or ecological degradation. Sustainable tourism guidelines and indicators should be contemplated, and multimodal tourism (combining agro-tourism, eco-tourism, therapeutic/health tourism) should be preferred.

Local communities in traditional areas of cultivation would benefit from the potential of Appellations of Origin to promote sustainable tourism, increase job creation, community ownership, and promote while preserving local cultures, knowledge, and products.



Target 8.2

Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value-added and labour-intensive sectors.

Operational Recommendations from the UNGASS 2016 Outcome Document 6- cooperation (d) 7- development (h) (i) (j) (k) (l)

All *Cannabis* crops (both small-scale and large industrial scale operations) are labour-intensive. While large legal *Cannabis* industries are developing new technologies for cultivation, fertilization, processing, and manufacturing of the plant, small-scale cultivators tend to focus on regenerative agricultural methodologies enabling them to increase productivity and sustainability while reducing their environmental impact.

In the United States of America, forecasts show that legal *Cannabis* industries could produce between \$21 and \$48 billion in 2022¹³⁰. Such growth of the market is an important factor that is expected to have a positive impact on investment and employment, among others. Financial speculation related to the emerging *Cannabis* industries should be monitored to ensure that profits are reinvested in the economy. Public policies should adopt social and sound tax policies that can be differentiative to foster local investment and ownership over legal *Cannabis* operations. In all cases, even for larger facilities, the taxes waged on *Cannabis* businesses should be reasonable, otherwise legal businesses will hardly competing the underground market in terms of price point¹³¹.

Diversification is a key word for future *Cannabis* farmers, as diversity is what most characterizes the *Cannabis* plant, its possible uses, and the populations that make use of it. An increased use of *Cannabis* for non psychoactivity-related purposes can have positive economic consequences, as hundreds of potential products – including high-value-added products – derived from the plant have been identified, such as clothing, cosmetics, lotions, shampoos, soaps, paper, food, feed, beer, biofuels, animal bedding, building materials, insulation, car moldings, among many other consumer and industrial products.

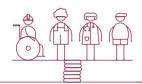
¹³⁰ Arc View Group, 2018; New Frontier Data, 2018.

^{131 &}quot;Although tax revenues climbed throughout 2018 [...] the totals reflected a state government caught off-guard by a resilient underground market" (Marijuana Business Daily, 2019)



Target 8.3

Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.



Target 8.5

By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.



Target 8.6

By 2020, substantially reduce the proportion of youth not in employment, education or training.



Target 9.2

Promote inclusive and sustainable industrialization and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries.



Legal *Cannabis* markets create job opportunities, promote innovation of new products (in particular, with diversified crops merging *Cannabis* cultivation for both psychoactivity-related and non psychoactivity-related purposes), and can encourage the growth of locally owned businesses of all sizes if socially sustainable policies are implemented. During the year after US state of Colorado regulated adult use sales, the legal *Cannabis*-related sector created 18,000 full-time equivalent job positions in-state and a US\$2.4 billion

economic revenue¹³². In Uruguay, it was estimated that the different legal operations generated the equivalent of US\$22 million, with unaffected prevalence rates¹³³, making likely that this amount was directly taken from the margins of profit of DTOs¹³⁴. *Cannabis* cultivation, manufacture, and trade are suitable to village-development and local employment of women and youth, as most jobs in the sector are capable of being performed by young people, or by people with disabilities. Policies are key.

This is not only valid for *Cannabis* farmers, as "even in middle- and high-income countries, in cities or suburbs where job opportunities are scarce and social cohesion is weak, drug trafficking and dealing may represent attractive opportunities in the absence of better alternatives in the legal economy" 135.

Meanwhile, the evidence that "criminalising people who use drugs merely increases stigma and marginalisation, acting as a barrier to education, employment, health and social services" still stands unaddressed¹³⁶.

In developed countries, a large number of youth are unemployed and live outside of urban settlements – which adds difficulty when looking for job or education opportunities. In Poland, young people are forced to move to cities to overcome these issues¹³⁷. In Spain where the same problems exist, the adversities of post-2008 economic crisis led villages to launch calls for the cultivation of *Cannabis* as a measure to tackle their depopulation, with the aim to mobilize people to stay and engage in long-term jobs in the local sector of *Cannabis* production¹³⁸.

Assisting and monitoring the transition of populations involved in *Cannabis* cultivation from an illicit market to a regulated and taxed market is key to achieving Goal 8. Authorities should take particular care in ensuring that legal regulations of local or international trade in *Cannabis*-based products benefit the populations that are reliant on this income, and seize the opportunity to help small-scale farmers transition to legal settings¹³⁹. Regulating authorities should also ensure that financial services are not denied to legal *Cannabis*-related operations¹⁴⁰, and that equal opportunities are given to small and medium-scale operations rather than exclusively to large corporate companies.

¹³² Marijuana Policy Group, 2016.

¹³³ According to Musto and Robaina (2018), the trends in increased use of Cannabis in Uruguay, observed since 2001, was affected in a minor extent by policy reforms. These findings confirm those of the European Monitoring Center on Drugs and Drug Addiction (EMCD-DA, 2018(1), p. 22) according to which policy changes, either towards more repressive or more permissive enforcement, do not affect consumption rates.

¹³⁴ Instituto de Regulación y Control del Cannabis, 2019.

¹³⁵ OAS, 2013.

¹³⁶ GCDP, 2018. p 5. See more under Goal 10 and 16.

¹³⁷ Ministerstwo Rodziny, Pracy i Polityki Społecznej; Departament Rynku Pracy, 2014.

¹³⁸ In 2012, the village of Rasquera (Catalonia, Spain) voted locally at 56% in favour of a city-led licit Cannabis cultivation (Villarreal, 2012), and in Santa Cruz de los Cañamos, a village which historic symbol includes a leaf of the Cannabis plant, a project is currently ongoing to grow hemp against depopulation (Castilla-La Mancha Media, 2018)

¹³⁹ Bramall, 2018.

¹⁴⁰ Unlike what happened in Uruguay, for instance, where pharmacies were denied access to their bank accounts and threatened for legally selling Cannabis-based products. (Martínez, 2016)



Target 8.8

Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.



Target 16.2

End abuse, exploitation, trafficking and all forms of violence against and torture of children.

Operational Recommendations from the UNGASS 2016 Outcome Document		
4- rights	5- trends	
(d)	(u) (v) (x) (y)	
6- cooperation	7- development	
(d)	(h) (i) (j) (k) (l)	

Working in illegal settings is inherently less safe, secure and decent than working in legally regulated settings. Not only the absolute lack of regulatory protections, workplace safety oversight and insurance, but also constant pressure and treats from DTOs and law enforcement agencies, make labour in illicit settings be a critical element in achieving Goal 8.

The involvement in illicit drug- and *Cannabis*-related activities is a major source of lack of labour rights, when not direct exploitation, forced, or compulsory labour, or human trafficking¹⁴¹. **Children and youth are not left apart**¹⁴² – they are known to be particularly vulnerable to forced recruitment for "illicit activities, in particular for the production and trafficking of drugs"¹⁴³.

The International Labour Organization (ILO) finds that "forced labour is [...] organized [...] around international criminal gangs who find the trafficking of humans to be less dangerous than trafficking of drugs. Much forced labour involves underground or illegal activities and is otherwise hidden from public view"¹⁴⁴.

¹⁴¹ Shelley, 2012; and Levy-Pounds, 2009.

¹⁴² Bulman, 2017.

¹⁴³ ILO, 1999.

¹⁴⁴ ILO, 2001.

Although there is a shortage of data on this topic, forced, or compulsory labour in relation with illegal *Cannabis*-related activities controlled by DTOs is starting to be studied. In Ireland, researchers found that the lack of data on the trafficking in human beings for purposes of illicit *Cannabis* cultivation, and the lack of awareness by authorities, was leading potential victims to be prosecuted, convicted, or imprisoned for offences they may have been forced to commit¹⁴⁵.



Target 8.9

By 2030, devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products.



Target 12.b

Develop and implement tools to monitor sustainable development impacts for sustainable tourism that creates jobs and promotes local culture and products.



Accelerate climate action for all Sustainable Development Goals.

Operational Recommendations from the UNGASS 2016 Outcome Document		
4- rights	6- cooperation	7- development
(a) (i)	(d)	(h) (i) (j) (k) (l)

¹⁴⁵ Migrant Rights Centre Ireland, 2014.

Repression rather than diminishing traffic displaces it and increases its levels of associated violence. For that reason, policy reforms seem rather the only way to offer labour rights to people involved in *Cannabis* cultivation, processing, or trade and to put an end to exploitation and compulsory labour.

Cannabis has a long historical relationship with travels, travelers, and tourism¹⁴⁶. Besides a decrease in Cannabis-related tourism conveyed by the progressive implementation of the international drug control Treaties – in particular, the 1961 Convention provision for eliminating all non-medical traditional uses within 25 years¹⁴⁷ – travels motivated by personal, cultural or therapeutic interest in Cannabis has persisted. Under the impulsion of the ongoing processes of policy reforms worldwide, this sector is currently experiencing unprecedented opportunities¹⁴⁸ of developing in legal and sustainable settings.

Tourism by itself is already "one of the world's fastest growing industries and is a major source of income for many countries. Being a people-oriented industry, tourism also provides many jobs which have helped revitalise local economies." ¹⁴⁹ *Cannabis* magnifies the development of tourism, particularly in regions where its use or cultivation are traditional.

Yet, like other forms of development, uncontrolled or unregulated tourism "can also cause its share of problems, such as social dislocation, loss of cultural heritage, economic dependence and ecological degradation"¹⁵⁰, and *Cannabis*-related tourism can be a source of added trouble for local populations¹⁵¹, in particular when clear policy regulations are missing¹⁵².

The importance of *Cannabis* in the choice of a destination for travel is an element that should not be overlooked. Two main elements drive the choice of a destination for travelers interested in *Cannabis*¹⁵³: non-repressive *Cannabis* policies or recent policy normalization processes (like in the Netherlands¹⁵⁴, or in the US states of Washington and Colorado¹⁵⁵, where legal adult use policies have led to a boost in some tourism sectors) or known traditions and culture around the *Cannabis* plant (a "quest for authenticity", valid in Morocco¹⁵⁶, India¹⁵⁷, Jamaica¹⁵⁸, but also California¹⁵⁹, Barcelona¹⁶⁰, etc.).

CARICOM, a multilateral organization grouping 15 Caribbean countries – that all have an important historicity of *Cannabis* – declares that "the region's already **established and developing tourism economy can be**

¹⁴⁶ Liechty, 2018; Veverka, 2010.

¹⁴⁷ UNODC, 2013. See Article 49, Single Convention on Narcotic Drugs, 1961.

¹⁴⁸ Kovacevich, 2018.

¹⁴⁹ UNESCO. s.d.

¹⁵⁰ ibid.

¹⁵¹ See the case of Cannabis-related tourism in the Dutch "coffeeshops", that challenged policies and led to a re-examination of the authorization of sales of herbal Cannabis to tourists, in BBC, 2011 and Sifaneck et Kaplan, 1995. For the cases of the villages of Malana and Shringa Rishi in India, which restricted access to tourists, afraid of losing local culture's particularities, see Lonelyplanet, 2017 and hillpost.in, 2017.

¹⁵² Márquez Daniel, 2016.

¹⁵³ Belhassen et al., 2007.

¹⁵⁴ Amsterdam Tourist Information, 2007(1&2).

¹⁵⁵ Kang et al., 2016; and Kang, 2018.

¹⁵⁶ Agence France Presse, 2017.

¹⁵⁷ Butler, 2017; and Dutta, 2017.

¹⁵⁸ Caribbean Council, 2018; and Curated Caribbean, s.n.

¹⁵⁹ Meisel, 2017.

¹⁶⁰ Pauné and Ferro, 2014.

leveraged further by a cannabis industry located in safe and secure environments. Cannabis can be produced for export as well as for local healing and can be the foundation for a new and vibrant wellness tourism industry"¹⁶¹. While noting the "potential for the use of [Cannabis] for developing the medical [...] and recreational [Cannabis] tourism markets" they note that "[all] of these policy decisions will require targeted law reform. For example, the amended Jamaica law 2015 does not fully liberalise the tourist market. Rather, it requires visitors to obtain a special permission to access [Cannabis]."¹⁶²

National and local policies that contemplate creating AO¹⁶³ for regulated *Cannabis* markets could also take advantage of AO's potential to promote sustainable tourism, increase job creation, community ownership, and promote local cultures, knowledge, and products.

Local communities in traditional areas of cultivation, which by nature are rural and face challenges for economic development and integration, would primarily benefit from such programs of intellectual property protection. The recognition and value added for local products, cultivation practices, and chemovars¹⁶⁴ can meaningfully contribute to meeting target 8.9 by strengthening the competitiveness of a region in the tourism sector, while achieving the broader Sustainable Development Agenda. Indeed, it is already documented for products other than *Cannabis* that AO intellectual property protections – and resultant market recognition of a region – "have enormous assets in relation to the positive repercussions they generate in the economy as a whole (job creation, opportunities in other sectors such as tourism, brake the rural exodus), the protection of environment, gender issues, preservation of traditional knowledge and biodiversity, etc." Finally, the potential for **combining agro-tourism, eco-tourism, and therapeutic or health tourism** would likely abound in a *Cannabis* producing region with an Appellation of Origin system in place.

Public policy reforms of *Cannabis* should integrate sustainable tourism indicators¹⁶⁶ in the design and monitoring of policy impacts and consider valorizing regions of tradition as potential fuel for tourism and protecting them as a potential target for mass-tourism.

¹⁶¹ CARICOM, 2018, p. 5.

¹⁶² ibid., pp. 54-55

¹⁶³ Stoa, 2017; see also WIPO, s.d.

¹⁶⁴ Malsbury, 2016.

¹⁶⁵ Office Marocain de la Propriété Industrielle et Commerciale, s.d.

¹⁶⁶ Tanguay et al., 2013.