

BETTER SAFE THAN SORRY? ETHICAL ISSUES ON THE LEGALIZATION OF RECREATIONAL CANNABIS IN CANADA

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Abstract: *On October 17, 2018, the law of the legalization of recreational cannabis comes into force in Canada. Considered by some to be a marked gesture of irresponsibility and political calculation on the part of the Government of Canada, or applauded by others, this event does not go unnoticed. This paper sets out to present the path to the legalization of cannabis in Canada, the main articles of the law on cannabis, but especially the ethical issues related to this legalization. Indeed, the legalization of cannabis was one of the Liberal Party's flagship promises during the federal election race in Canada in 2016. Having won the elections by becoming a majority in Parliament, the Liberal Party of Canada will have to keep its promise. Yet, there are several ethical issues on the horizon: protecting young consumers or encouraging consumption? Resolving some societal problems related to addiction or their aggravation? Profitability for the government or deficit? Positive or negative impacts on the organizations management? Here are questions whose answers remain to be validated by time. This paper is a work in progress one. It represents a personal reflection of the author. It is not based on a comprehensive literature review and does not claim to be standard scientific research.*

Keywords: *recreational cannabis legalization; Government of Canada; ethical issues; impact on organizations.*

JEL Classification: *M12.*

Introduction

In 2018, the arrival of the legalization of cannabis inflamed everybody in Canada. Critics pointed to the hasty decision to make the pot legally, accusing the government of taking it without reflection, without taking into account the views of stakeholders directly affected by it, and without having a solid support for studies of impacts on health and on society in general. For them, it seemed that electoral interests and anticipated economic benefits outweighed the common well-being. On the other hand, detractors of the legalization advocated the fact that it will give a blow to the black market of the cannabis, thus protecting the population of poor quality products and more expensive than those envisaged by the government. In addition, the incomes from the sale of cannabis would be far from negligible and can be used to promote responsible consumption.

Despite the controversy over the legalization of cannabis, the Government of Canada is moving ahead and putting it in place on October 17, 2018. Since then, spirits have cooled in a certain way, and we are in a sort of waiting for results. If several studies begin to surface, the picture of the consequences (positives or negatives) is far from clear. After a few failures in October, it seems that the production and distribution of marijuana has returned to a normal path.

On the other hand, several ethical questions still remain with an incomplete answer: wish to fulfill at all costs an electoral promise, impact on young people and on people with problems of consumption, profitability versus social responsibility. Finally, what about the presence of cannabis on the business premises?

This paper is intended as a start for a reflexive look at the social responsibility of governments for controversial and sensitive decisions that affect a large part of a country's population. It will begin with a brief history of cannabis use and status in Canada, followed by the presentation of the product itself, and end with a personal reflection on some of the ethical issues that emerged as a result of the government's decision to legalize marijuana in all Canadian provinces and territories.

1. History of Cannabis Legalization in Canada

The prohibition of cannabis was decreed by the federal government in 1923, even his consumption it was practically non-existent in Canada at the time. At the same time, the Ministry of Health decided to ban heroin and codeine, adding to them the list of already banned substances, which for the last 12 years had included morphine and cocaine. As a result, Canada became one of the first countries in the world to criminalize marijuana use. Over the next 15 years, several countries followed it. (Several descriptive parts of this work are largely inspired by the book "Cannabis, 350 questions and answers" from the magazine La Semaine / Pratique and the government website "encadrement cannabis.gouv.qc.ca")

More recently, following five months of consultation and work, the expert group tabled its final report on November 30, 2016. On April 13, 2017, the Government of Canada introduced Bill C-45 to strictly regulate the production, distribution, sale and possession of cannabis, which was passed by the Senate by 52 votes to 29, on June 19, 2018. The cannabis law came into force on October 17, 2018, making Canada the second country to legalize cannabis after Uruguay in 2013. Due to the specificity of Canada, the provinces and territories should adopt their own laws to regulate cannabis on their territory. Thus, after the announcement of the federal law, the province of Quebec consulted its own experts, citizens and organizations, in the summer of 2017. In November 2017, Bill 157 was introduced, law regulating cannabis and amending various regulations on road safety. The new law was adopted by the National Assembly on June 12, 2018.

The objectives of the federal and Quebec law are to better control the production and distribution of cannabis, as well as to reduce the burden of criminal justice:

"In general, the purpose of the law is:

- restrict cannabis access to young people;
- protect public health and safety by introducing strict requirements regarding the safety and quality of the products offered;
- to discourage criminal activity by imposing significant criminal penalties on those who contravene the law;
- to reduce the burden of the criminal justice system on cannabis.
- The federal government will be responsible for creating and maintaining a national framework by determining:
 - the regulation of production;
 - adoption of health and safety standards;

- the establishment of criminal prohibitions."
(<https://encadrementcannabis.gouv.qc.ca>)

According to Quebec law, the use of cannabis is prohibited in enclosed areas and public spaces. The limit of possession in a private residence is 150 g of dried cannabis or its equivalent and 30 grams in a public place, as provided by federal law. Possession and use of cannabis is prohibited in certain places where there is a majority of minors, on the grounds of health and social services establishments, on college and university grounds, on bicycle paths and in transportation waiting areas and wherever it is already forbidden to smoke tobacco.

Provincial and territorial governments will be responsible for prevention, health promotion, public safety, including road safety, workplace coaching, distribution, sales and regulatory compliance; licensing, monitoring the distribution and sale of cannabis in accordance with minimum federal requirements. Quebec, like the other provinces, will have the flexibility to adapt certain provisions, which it intends to do with Bill 157. The bill also provides for the creation, at the Ministère des Finances, of a revenue fund from the sale of cannabis. A prevention and research fund will also be created at the Ministry of Health and Social Services to fund cannabis-related activities, programs and care.

According to the law governing cannabis, amendments were made to the Act respecting the Société des alcools du Québec (chapter S-13) to establish the model of non-therapeutic cannabis sale in Quebec. Among its main measures it is the expansion of the mission of the Société des alcools du Québec (SAQ) so that it can sell something other than alcohol and the constitution of the Quebec Cannabis Society (SQDC), a subsidiary of the SAQ whose purpose is to carry out the SAQ's mission concerning the sale of cannabis. According to the law, to carry out its mission, the SQDC can notably:

"Purchase cannabis that meets the standards set out in the Cannabis Act from a producer who meets the requirements of the Cannabis Act;

- operate retail cannabis outlets;
- sell cannabis using the Internet;
- authorize a person to transport, including the delivery, and storage of cannabis that he sells on his behalf;
- inform consumers about the health risks of cannabis, promote responsible consumption, raise awareness of appropriate support resources and direct those who want to stop using cannabis".
(<https://encadrementcannabis.gouv.qc.ca>)

To sell cannabis in the province of Quebec, for the moment, an agreement has been signed with six companies whose mandate is to supply the branches of the SQDC. These will be in number of twenty, in order to properly distribute the offer on the Quebec territory. According to the SAQ, it is possible that we can count 100 stores in 2021.

Lastly, Bill 157 will have significant impacts on many of the laws that will be amended following its coming into force, such as the Automobile Insurance Act; the Cities and Towns Act; the Highway Safety Code; the Law on the confiscation, administration and use of proceeds and instruments of illegal activity; the Tobacco Control Act; the Société des alcools du Québec Act.

2. Why is Cannabis so Popular?

Cannabis is a drug that comes from the plant of the same name. It is usually found in the following forms; marijuana, hashish, hash oil and THC concentrate extracts. You can eat marijuana rolled in a cigarette paper (joint) or mixed with tobacco. It can be smoked in a pipe or mixed with butter used to prepare food products. Its strong smell is easily identifiable.

The active substance of cannabis, the one that gives the euphoric sensation, is THC (tetrahydrocannabinol). It also contains CBD (cannabidiol), the other active ingredient, but it does not cause a psychoactive effect. It is used mainly for its therapeutic properties in the relief of certain symptoms.

According to the site encadrementcannabis.gouv.qc.ca, cannabis consumption has the effect that the consumer feels euphoria, carelessness, feels more sociable, his senses (smell, sight, touch, hearing, taste) are accented and he feels more creative. This is called the *high*, which occurs one or two hours after the consumption of a cannabis product. After an hour or two after inhaling cannabis and 6-8 hours after eating it, the user feels a physical and mental slowdown, the time of elimination of THC.

3. The Issue of Removing Cannabis from the Black Market

To ensure that organized crime does not take over the market, the federal government has strict rules and procedures to follow for cannabis producers and sellers. Also, a licensing system and tracking mechanism to monitor the movement of cannabis have been put in place to ensure that no product will end up on the black market.

To encourage Canadian consumers to abandon black market vendors, the price should be competitive compared to this market. Thus, if a few weeks before the entry into force of the legalization, the gram of cannabis was selling at \$ 8.03 in Montreal (one of the lowest prices in the world for a big city), the Government of Quebec announced its intent to recover at least 30% of the black market with a price of between \$ 7 and \$ 9 per gram in the first year.

Another element on which governments put is the supposed high quality of the products sold in the state company's stores. In practice, unauthorized pesticide use will be banned and there will be mandatory inspections by government officials. For tests the samples, researchers at UBC Okanagan have developed a test that is twice as fast as the standard currently used.

The ethical issue here concerns the danger that the black market will survive the legalization of cannabis and adapt to it. For example, we can bet on a decrease in the price of cannabis gram or on changing its composition, to make it even more dangerous from the point of view of dependence

4. The issue of encouraging consumption and aggravating dependence

One of the reasons that cannabis use is strongly contested by some is the associated risks. We note, among other things, its psychoactive effects. Cannabis impairs the ability to drive a car, can cause addiction, impair the development of young people's brains, cause psychosis, and harm people with heart or respiratory diseases.

Thus, cannabis affects the consumer's central nervous system, cognitive functions and psychomotor abilities. After a few hours, the active substance (THC) disappears almost entirely from the blood, but it remains present in the brain, the consumer being always on the effect of the drug. In addition, according to the National Institute of Health and Medical Research, in France, cannabis affects the ability to simultaneously perform different tasks and increases the reaction time. Attention and immediate memory are also affected, as well as sensory perception (vision, hearing, etc.), all of this, accompanied by drowsiness, with obvious detrimental effects on driving, for example.

Also, the risk of a toxic psychosis increases by 40% from the first time that cannabis is consumed. In short, according to the Quebec Association of Psychiatrists (AMPQ), the higher the THC content of cannabis, the more the consumer begins to consume at a young age, the higher the frequency of consumption and the more the quantity consumed, the more the person who consumes cannabis is at risk of developing mental illness.

Other diseases may also appear or worsen as a result of cannabis use, such as heart problems (increased heart rate and increased blood pressure) as well as some respiratory diseases.

Last but not least, cannabis can create addiction problems for consumers who already have this predisposition. According to several opinions, about 2% of regular consumers of a product (this is also the case of video games!) may develop an addiction, with sometimes very harmful effects on several spheres of life of the affected person.

In trying to reduce these negative effects on consumers, Canada's federal and provincial governments are placing a lot of emphasis on the control of production and consumption, as well as on the work of informing and educating the public about significant risks that occur with occasional or regular consumption of cannabis-based products.

What's more, research on the effects of cannabis on various aspects of society is an essential part of understanding the phenomenon and its good management. For example, the National Research Council of Canada awarded \$ 1.7 million for the study of cannabis between 2014 and 2017. For example, in early 2018, the Canadian Institutes of Health Research awarded \$ 1.4 million to studies in hospitals and universities on topics such as conduct and mental health, related to the use of cannabis.

In Quebec, the government has planned to pay \$ 25 million over the first five years of legalization to the Cannabis Prevention and Research Fund. Additional funding of \$ 26 million in 2018 and \$ 36 million in 2019 will be used to increase funding for public safety and municipalities.

This issue is the first that comes to mind when we talk about the legalization of cannabis and it will be the first to be scrutinized after some time. According to critics of the legalization of cannabis, anyway, those who have the propensity to develop an addiction, will get there anyway. For the opponents, they oppose it specifically because they think that legalization goes hand in hand with dependency.

5. The Issue of Profitability

Undoubtedly, the legalization of cannabis, its exit from the black market and the attribution of its distribution to state-owned enterprises represents a very lucrative

activity. According to the Parliamentary Budget Officer, Canada's national cannabis market generates about \$ 6 billion a year. According to Statistics Canada, in 2017, more than 5 million Canadians used cannabis, for an average expenditure of \$ 1,200 per person. Nearly 90% of these purchases were illegal, and therefore non-medical. For comparison, during the same period, Canadians spent more than \$ 22 billion on alcohol and \$ 16 billion on tobacco products. Cowan and Co. estimates that the Canadian cannabis market could be around \$ 12 billion in 2025.

In terms of government revenue, according to the C.D. Howe Institute, the sale of cannabis could bring about \$ 675 million to the federal and provincial governments. In this regard, the Government of Canada has an agreement with the provinces to allocate the excise tax levied on the sale of cannabis, a share of 75 to 25 in favour of the provinces, because of the costs they will incur.

For the province of Quebec, it is estimated that it will receive \$ 23 million in 2018-2019 and \$ 50 million in 2019-2020 in revenues for the sale of cannabis to the population and the economic benefits generated by the economic activity related to this market. However, the province will have to cover a \$ 9 million deficit related to the establishment of the Quebec Cannabis Company branches.

As for the market for cannabis-containing foods and beverages, it will only become legal in October 2019. If we take the example of the United States, in California, this more populous state than Canada, in 2017 we had sold cannabis-based foods and beverages for a total of \$ 180 million, which represents about 10% of the state's total cannabis sales. In Colorado, edible products have grown in the last two years at a rate of 60% per year.

If we look at the stock market profile of cannabis companies in Canada, we can see that there are close to 90, with a combined market value of about \$ 31 billion. Canada has some "unicorn" cannabis companies, that is, publicly traded companies worth more than \$ 1 billion (Canopy Growth, Aurora Cannabis, and Aphria). Several Canadian companies specializing in the cultivation of therapeutic cannabis have seen the value of their share increase significantly in 2018. For example, the cannabis company with the highest market value is Canopy Growth, of Smith Falls, Ontario. Founded in 2013, it was the first company to exceed \$ 1 billion in market capitalization. When it was listed on the Toronto Stock Exchange, its stock value was less than \$ 5, reaching in 2018 ten times that amount, for a market valuation of more than \$ 8.3 billion at the end of the summer. 2018.

Again, some of this impressive amount that should be in the coffers of governments will necessarily be used to prevent excessive consumption and to fund research aimed at improving the management of cannabis production and use.

This aspect is the most controversial of all in terms of its ethical scope: is it ethical to make it possible for companies to get rich on the backs of cannabis users who could themselves become addicted to it? And further, is it ethical for a government to rely on revenue from the sale of cannabis knowing that the consumption of this product can have many adverse effects on the health of the people of the country?

6. The Issue of the Presence of Cannabis in the Workplace

According to its stewardship right, the employer may regulate, including prohibit, any form of use of cannabis by members of its personnel in workplaces within the meaning of the Health et Safety Act (chapter S-2.1) unless this form of use is already prohibited under this chapter.

Clarifications have been made to the Health et Safety Act to clarify the responsibilities of employers and workers with respect to the performance of work where the worker's condition poses a risk to his or her health, safety or security, to its physical integrity, or that of other persons because his abilities impaired by alcohol, drugs, including cannabis, or a similar substance. The worker must not perform his work in such a state and the employer must ensure that he does not do so. In addition, the Act specifies that on a construction site, the condition of a worker whose abilities are impaired by alcohol, drugs, including cannabis, or a similar substance represents a risk.

Yet, many questions seek their answers, especially with respect to the reasonable accommodation of people who might require cannabis use on the premises of businesses because of an addiction, for example, as well as in relation to the acceptability of consumer drugs screening tests. To this end, the Quebec Order of Certified Human Resources Advisors (AHRC) has developed a guide for employers to prepare them for the arrival of the legalization of cannabis.

Despite all this, the management of cannabis on the corporate premises is watched with attention, but with some concern by several employers. So, we cannot say that their stewardship responsibility is reduced!

From an ethical point of view, we want to respect the rights and freedoms of the person, but at what cost for the people affected (employees directly involved and their colleagues), but also for the profitability of organizations (sick leave, class actions, complaints to the justice system, etc.)

Conclusion

On October 17, 2018, Canada was the first Western country to legalize cannabis throughout its territory. According to some, it would be the greatest social, medical and economic experience that the world has known since the end of the prohibition of alcohol in the United States in the thirties.

With some failures at the beginning of the sale (lack of inventory, unexpected crowd), the legalization of cannabis does not seem at the time of writing these lines to have disrupted the usual life of Canadians. On the contrary, we hear about it less and less, which could be seen as a good sign for the initiators of the project.

This paper has had the purpose to presenting the experimentation of the legalization of cannabis to a public that is less familiar with this subject. To do so, we have had no choice but to rely on what cannabis laws and regulations state, given Canada's practical experience is recent in this area.

Obviously, the link with the management of organizations is spread over several levels: first, the legalization of recreational cannabis seems to be a very lucrative activity, as shown by the stock market value of companies in the field, a value that is constantly increasing. Secondly, this legalization comes with its lot of problems concerning the presence of cannabis on the companies' site. Thus, employers are asking questions about the accommodations that are required by some cannabis users, but also about occupational health and safety, which could be jeopardized by cannabis use. Finally (last but not least), making legal cannabis could put additional pressure on health and social service organizations, as it can be assumed that many people would be tempted to try cannabis. Also, the prevention activity may require additional investments in the domain, which means that the management of these organizations should be adapted to the new reality.

Still, there are a few things that need to be watched in the years ahead: has the legalization of cannabis made Canadian citizens more aware of the impacts and risks of using cannabis on their own physical and psychological health? Has the cannabis black market really shrunk? Have funding for prevention and treatment of addiction really paid off? Or, finally, it is only a respected election promise and a good revenue issue for governments?

Only the future will tell us...

As stated several times in this paper, Canada's experience in the field of legal recreational cannabis is very recent. Further research, with a scientific methodology "to the letter" would, in my opinion, be very hasty, given the experience of only a few months in this field. We must wait until the process of legalization is more advanced, before seeing the consequences and impacts on many sectors of society, including organizations.

This paper is intended to be a personal reflection on the subject, given the author's experience and expertise in ethical aspects of organizational management. It is neither a review of international writings on the subject of recreational cannabis, nor a scientific research in due form. The aim was to make researchers think about a subject that is less familiar to them by a researcher who lives this social experimentation. So it's a work in progress, which will continue in the future on a more in-depth basis.

In the future, researchers could look at the analysis of statistical data on sales of the SQDC, the analysis of the black market (activity quite difficult to achieve), the number of patients admitted to hospitals because of cannabis use, the number and typology of prevention programs implemented by health and social services organizations, the number of accidents in companies due to the use of cannabis. In another approach, research could investigate the impacts of cannabis legalization on job satisfaction and conflict, leadership, or turnover. Also, research in the field of management could focus on the effectiveness of several programs (prevention, dependence, etc.).

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