

## Marijuana & Money

A CNBC SPECIAL REPORT

[Home](#)
[The Business](#)
[The Law](#)
[The Consumer](#)
[State by State](#)
[Commentary](#)
[AP/CNBC Poll](#)
[Video](#)

### Overseas Marijuana Laws: Leaning Toward Lenient

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#### Key Points

It's only really legal in Peru.  
Asia opts to punish, Europe to prevent.  
Portugal, Holland lead the liberalizing trend.

Popular culture and marijuana are hard to disassociate, especially when it comes to the perception of permissive drug laws in Europe.

The smoky Dutch "coffee shops" are iconic images of the perceived laissez-faire European attitude about cannabis.

And while marijuana isn't technically legal in the Netherlands — the only country to legalize the drug is Peru — the general trend in Europe is one of prevention and decriminalization rather than punishment.

That's also in stark contrast to Asia, especially Southeast Asia, where governments concentrate much more on punishment as a deterrent to drug use and distribution. Countries like Malaysia, China and Singapore carry a mandatory death penalty from trafficking and throughout the area there are stiff prison sentences possible for consumption and use.

In Australia there is more a trend to decriminalization. States and territories impose their own penalties and many have moved to or are moving towards making marijuana possession a minor criminal offense.

#### Portuguese Precedent

In Portugal, drugs are illegal and possession of a "modest quantity" will result in the drugs being seized. And the person caught will have his or her case heard by a panel of a doctor, lawyer and social assistant to recommend treatment options, which are not mandatory.

"Since Portugal enacted its decriminalization scheme in 2001, drug usage in many categories has actually decreased when measured in absolute terms, whereas usage in other categories has increased only slightly or mildly," according to a [study](#) by the libertarian think tank, [The Cato Institute](#).

Supporters of more liberal laws also point out that leniency, especially when applied to what are called "soft drugs" like marijuana, has not resulted in a jump in use by the population.



Overall, cannabis use in Europe remained

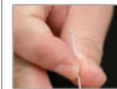
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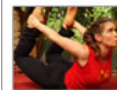
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Travel Ink | Gallo Images | Getty Images  
Amsterdam coffee shop

“relatively stable” from the mid-90s to last year, according to the [2009 World Drug Report](#) published by the United Nations

Office on Drugs and Crime.

About 5.2 to 5.4 percent of those aged 15 to 64 in Europe tried any type of cannabis product in the last year, about half the percentage in North America, according to the report.

While use of marijuana is prevalent, cannabis resin — often marketed as hashish — has its largest presence in Europe. Half of the world’s cannabis resin seizures in 2007 occurred in Spain, according to the UN. Spain acts as a main pipeline for Morocco, the top cannabis resin producer in the world, with 21 percent of the market.

Recently, seizures of cannabis resin in Europe have exceeded those of marijuana in both number and the amount seized.

In Asia, use is much lower compared with Europe and North America — about 1.6 percent to 2.3 percent of adults 15-64 had used any form of cannabis in the past year — with the trend increasing, according to the World Drug Report. But accurate figures for the region are tough to come by.

Most “countries in this region do not have effective drug abuse monitoring systems which means that no recent cannabis prevalence data exist,” the report said. “Trends from Asia —largely based on expert perceptions - must thus be treated with caution.”

### Will Europe's Liberal Trend Continue?

Whether Europe remains on the road to liberalization and decriminalization is unclear.



Raul Arboleda | AFP | Getty Images

Europe will likely move to more lenient laws and will, for the medium term, remain more lenient and spend less effort enforcing its drug laws than the United States, says [Jeffrey Miron](#), senior lecturer in Economics at Harvard University and one of the foremost authorities on the subject.

“I think the best approach is full legalization,” says Miron. “But any change that moves more of the market into legal /medical channels, shrinking the black market, is a step in the right direction.” ([Read a Q&A with Miron](#))

Any progress towards legalization will likely depend on the shift between conservative and liberal governments in Europe, but an overall European platform would be preferred, says Sabine Bätzing, member of Germany’s Bundestag for the Social Democratic Party.

But Miron argues for a country-by-country basis, rather than a European Union approach that would cause unnecessary bureaucratic delay.

Joel Hay, professor of clinical pharmacy and pharmaceutical economics and policy at the University of Southern California, disagrees, predicting a more restrictive attitude as was seen in the United Kingdom.

“It was really the tremendous burden of addiction that led to the drugs laws that we have today,” says Hay. “It didn’t work. Too many people got addicted.”

“We already know what’s going to happen if we move in that direction,” says Hay.

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A comprehensive guide to marijuana laws, enforcement statistics, medical marijuana programs and costs.

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A look at how marijuana figures into the history and culture of the nation.



[Marijuana: By The Numbers](#)  
Pot use and laws vary widely from state to state. Here are some highlights.



[Top Marijuana Travel Destinations](#)  
Some places have turned a blind eye to personal use, encouraging travelers from around the globe to visit.



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Marijuana users experience the drug in a variety of ways, and various products exist to facilitate consumption.



[A Gallery of Medical Marijuana](#)  
With medical use legal 14 states, there’s quite an assortment of varieties available.

## United Kingdom vs. Spain

The UK government's drugs policy advisor was fired in 2009 after criticizing a decision to classify marijuana as a Class B drug, a more dangerous classification from its previous designation as a Class C drug.



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That contrasts sharply with Spain, where possession and use is still illegal, but not a criminal offense if it is for personal use. Spain, however, remains largest Europe's gateway by far for the import of hashish from North Africa.

Europe must also reconcile its approach to stricter tobacco laws with any move to legalize another inhaled product.

It "would be hypocritical to allow a carcinogenic substance like marijuana," says Hay.

If Europe were to legalize marijuana there would be added tax revenue to budgets, but it would be modest, Miron said. His latest report estimated annual revenue of \$34.3 billion in the United States if drugs were legalized and taxed at rates comparable to alcohol and tobacco taxes. ([A CNBC analysis puts the market at roughly \\$40 billion](#)).

But once something is legal, retailers "have every legal right to ... basically peddle it to anyone at any time," he says.

Tax revenue should not be the reason for decriminalization, says Bätzing of Germany. But as long as the effects of cannabis-based medication have been scientifically proved, "There is a market and a necessity for this."

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