

# The Transparent Market as an Alternative to Marijuana Regulation

Dr. Jitendra Kumar Singh  
SOMC, Sanskriti University, Mathura, Uttar Pradesh, India  
Email id- jitendra.somc@sanskriti.edu.in

**ABSTRACT:** *This remark assesses regulatory systems for legalized marijuana production, sale and consumption. We argue in particular that the main objective of legalizing should be to end the illegal trade in marijuana, and that the best way to accomplishing this is to maximize market involvement through open markets and home production. This argument is based on the idea that the regulatory model based on a closely regulated government market would fail because the fatal faults of the prohibition model will be replicated. These commentaries on the reasons for the failure of prohibition, the government's inability to regulate the production of marijuana; totally undermines the fundamental assumption, depending on the government's capacity to control production, of a tightly controlled market. An efficient regulatory framework which recognizes and exploits competitive market dynamics will better serve the public interest. This study suggests that the removal of an overcapitalized illegal market necessitates the reduction of adolescent marijuana availability. It further argues that this purpose and tax maximizing income from the legal market in marijuana are mutually incompatible goals.*

**KEYWORDS:** Cannabis, Drug, Federal Prohibition, Legalization, Marijuana.

## 1. INTRODUCTION

It is the purpose of this article to argue for the legalization of marijuana in a free and open industrial and competitive market, with the option for personal use and small-scale production included. It is now possible to make significant changes to marijuana laws in the United States. Several campaigns for voting measures have been launched in recent years, with the goal of circumventing state administrations, gaining widespread popular support, and speeding along a decades-old trend of state withdrawal from the federal law restriction system. When it comes to the list of state strategies to get around the federal criminalization of marijuana sales and possession (as well as its classification as a drug that is comparable to heroin in terms of individual and social harm), the outright legalization of the use and commercial trade of marijuana has incorporated decriminalization, prosecutorial discretion, conditional release, and medical-legalization[1].

In light of this, what type of legalization is most beneficial to the public interest now that legalization is on the table, so to speak? The answer is simple: the kind of policy that succeeds in situations where the abandoned prohibition policy has failed. Many academics, however, do not seem to be aware of this fundamental issue. The problem, as with drug enforcement, is the matter of control, and the reality of the new strategy is that there is no such thing as control at all. Because of this, states have been and will continue to opt out of the federal prohibition on marijuana, which is severe and uncompromising.

Some academics and policymakers are now suggesting new methods that are motivated by a desire to impose strict regulations, but they are missing the exact strategy that resulted in the present problem, according to the authors. It is the purpose of this paper to examine this point of view, to expand on what the prohibition lesson should be, and to apply this lesson in order to preserve free market solutions to the problems and obstacles of enacting good laws for a legal marijuana market.

The argument over marijuana policy is moving from whether or not to legalize it to how to manage a legal marijuana industry, among other things. The prohibition of marijuana has drawn widespread condemnation, and opponents are generally in agreement that it has failed and that the reasons for its failure are well understood. Criticism is also directed at the continuation of widespread and unchanged access to marijuana (particularly for adolescents), the failure of the prohibition to provide access to marijuana for medicinal purposes, racial disparities in arrests for marijuana possession, and the financial burden of arrests on both individuals and communities. An enormous amount of controversy has been raised by the conflict between state-level modifications, such as medicinal marijuana laws, and the ongoing federal prohibition in the United States of America. This argument also

focuses on a) how to reconcile state reforms with federal prohibition, and b) the benefits of policy innovation at the state level[2].

The legalization of marijuana at the state level in Colorado and Washington in the United States, as well as at the national level in Uruguay, has sparked a fresh round of discussion, with the potential of additional state action in the United States. Priorities, trends, future features, and other key topics linked to regulatory systems for the legal marijuana industry are now the focus of discussion. Examples of this discussion can be found in articles and additional commentaries by other contributors, in the journal addiction.

### *1.1 The Significance of Frameworks:*

Several key problems surrounding the legalization of marijuana are now under investigation and discussion, and tales like this one create much more concerns than they answer. Although this is an example, it demonstrates the need of discussing this problem in terms of regulatory structures and the broad ideas that are implemented by these structures. The points raised in the preceding discussion are intended to introduce new elements into the discussion of prospective marijuana regulatory policy, such as a) the failure of the prohibition argument, b) the empirical limitations on the ability of the government to enforce restrictions, and c) a more useful viewpoint or model for understanding the market-affecting powers[3].

The use of simplifying assumptions is common in academic review and/or policy analysis, although it is not always followed through to completion. This is the Jeffersonian notion that people who are affected by government action should have a voice and a say in how the government formulates its policies. As a result, input and cooperation from producers and consumers are essential in the drafting of laws for marijuana legalization in order to guarantee that the voluntary enforcement necessary for new regulations to be effective is achieved throughout the legislative process. Because they manage key issues and make particular decisions for stakeholders, structures are very important.

### *1.2 Impact On Competition and Pricing:*

There is now a prohibitionist regulatory paradigm in place for marijuana. This means that the production, sale, and possession of marijuana are all illegal under criminal law, and the underground market that has resulted is governed entirely by a risk assessment system. Entry into and participation in the market is open to anybody who is willing to take on the risk of being prosecuted criminally. The illegality of the economy acts as a support for the rate of inflation. Additionally, the concept of a risk premium is explained below. It may, on the other hand, be viewed as a result of a lack of consumer protection, since sellers are free to overcharge consumers who have no redress against them. In other words, price fixing is a feature of both the legal and illegal markets. The inference is that there is great competition and that prices are high[4].

The interventionist model, which is the second kind of model under consideration, allows for the legalization of marijuana, and it will be discussed more below. It comes in two flavors: a government-monopoly (such as alcohol sales in 18 states) and an access market governed by government licenses that are only available to a limited number of people (such as the current legal market for marijuana in Washington State). In terms of market access restrictions, high costs, limited levels of merchant competition, and high levels of tax revenue, it may be described as a result, there will be no competition in either kind of market, and prices will remain high.

As previously said, the third model also allows for legalization, but it does so via the use of an open, competitive market method rather than through government regulation. With the exception of a few rudimentary regulatory criteria, market entrance will be uncontrolled, and there will be a huge number of producers. In other words, anybody or any organization that is capable of entering the market and ready to face the risks will be allowed to participate[5].

Most significantly, this pertains to those who want to grow cannabis for their own personal use and/or for the purpose of transferring modest amounts to their friends and acquaintances. This degree of competition would result in prices that are much lower than the prices that now exist or would exist in the present market under the

interventionist model, which is currently in effect. It is expected that competition would be fierce and rates will be competitively low as a result of this.

### *1.3 The Government's Role:*

In the prohibition paradigm, the government attempts to impose control by using a single weapon: prohibition. When it comes to criminal punishment, this is often portrayed as such, but when it comes to reality and market forces, determining entrance fees is just an attempt to influence the market. The notion that criminal penalties and law enforcement would be effective in curtailing this behaviour has already been proven false by historical experience.

The interventionist approach seeks to exert control over the economy via the use of three instruments: central planning, tax policy, and consumer protection laws. It is claimed in this article that central planning is difficult when it comes to a commodity that is produced so rapidly and broadly without consideration for government policies. Tax policy will be addressed in more detail below. Rules for consumer protection should be included in any marijuana regulatory system, and they are not in dispute in the present case[6].

The competitive free market model, like the interventionist model, seeks to exert control over the market via the use of economic power and, like the interventionist model, consumer protection laws. The entry of current producers into the market via open access and personal cultivation not only co-opts participation in the illegal market, but it also enhances competition. A fair market has many of the same characteristics as a wide republic, evoking the warning of James Madison in *The Federalist* that different factions maintain their independence via the establishment of what has come to be known as a "balance of power." This concept also applies to competitors in the economic marketplace. In political economics, pluralism helps to maintain liberty. In economic marketplaces, pluralism protects the customer's interests. Pluralism ensures that the public interest is protected in both sectors.

It is preferable to absorb input from the current market rather than eliminate it from the future controlled market. Many existing marijuana producers are concerned about the possibility of a corporate takeover of the marijuana growing sector, which would force them out of business. The aim of a controlled market, on the other hand, is to eliminate or limit the scope of the illicit market; otherwise, old manufacturers would continue to manufacture and undermine the regulated market in much the same manner as prohibition undermines the sector in which they were previously active. In this case, people convicted of marijuana production or distribution offences should be allowed to participate in the contemporary, authorized market, rather than being barred from doing so. In political economics, pluralism helps to maintain liberty. In economic marketplaces, pluralism protects the customer's interests. Pluralism ensures that the public interest is protected in both sectors[7].

## **2. DISCUSSION**

Over the last two decades, there has been a groundswell of support for ending cannabis prohibition across most of the United States (US). Beginning with the passage of medical cannabis legislation in California in 1996, states have embarked on a series of natural experiments in regulatory regimes governing the manufacture, sale, and use of medical and retail cannabis in their respective jurisdictions. The results have been a mixed bag of successes and failures. As of 2018, more than one in every five Americans (21.5 percent) resides in a state that has authorized recreational cannabis sales (US Census Bureau, 2018).

The federal Controlled Substances Act still lists cannabis as a Schedule I substance, despite the fact that access to a \$8.5 billion legal cannabis industry has increased dramatically in recent years. Research on cannabis is currently prohibited by law, and states are forced to rely on an inadequate body of knowledge about the public health effects of cannabis usage when drafting new laws, due to the lack of federal funding.

Despite widespread disagreement among cannabis researchers, as demonstrated by the American Academy of Pediatrics' declaration opposing cannabis use among children and adolescents, neuropsychiatric hazards to teenagers are one of the few areas of agreement among cannabis researchers. This indicates that regulatory measures should be designed to postpone the start of cannabis use by children and adolescents. As of 2017, 15.3

percent of 12- to 17-year-olds in the United States have used cannabis at some point in their life, with 12.4 percent having used cannabis in the previous year[8].

Adolescents who begin using cannabis before the age of 18 have 3.9–7.2 times larger chances of developing cannabis use disorders (i.e., daily or problematic use that does not progress to addiction), while youth who begin using cannabis before the age of 16 have higher odds of developing cannabis dependence (i.e., cannabis use that produces withdrawal). Furthermore, early onset chronic cannabis use (defined as chronic use by the age of 15) has been linked to reduced cortical functioning as well as the development of schizophrenia.

It is unclear if recent changes in regulatory methods regulating the usage and retail sale of medicinal and recreational cannabis have resulted in an increase in the number of young people who use cannabis. Cannabis marketing is one element of the new business that merits consideration, since there is evidence to think that adolescents who have had more exposure to cannabis marketing are more likely to engage in cannabis use and suffer the consequences of that usage. In example, statistics from the marketing of alcoholic beverages and tobacco products offer strong evidence that marketing may have an impact on adolescent drug use.

Tobacco marketing has the potential to enhance the attractiveness of smoking and to attract new smokers to the habit. Two systematic analyses of longitudinal research on alcohol marketing have shown that young individuals who have had more exposure to alcohol marketing are more likely to begin drinking (if they have never done so before) and to engage in binge and hazardous drinking behaviors (if they did drink previously)[9].

Cannabis, like alcohol and tobacco, is increasingly becoming recognized as a lawful intoxicant for adults. Cannabis, on the other hand, is distinct in a number of respects. Youth may believe that cannabis is safe and/or has potential health advantages since cannabis usage for medical reasons has been allowed in certain places, and teenagers are rapidly becoming more likely to believe that cannabis offers no or fewer dangers than other forms of drug use.

The alcohol and tobacco companies developed their first marketing campaigns decades ago using conventional media (e.g., print, billboards, radio), while cannabis firms have their roots in the digital era and, as a result, depend mostly on social media to promote their goods to consumers. This change may have significant ramifications for young people, who are 45 percent more likely than adults to be online "nearly continuously." In addition, the increased opportunities for interactive engagement and integration into peer networks may enhance the susceptibility of adolescents to the marketing tactics of digital companies. The combination of high adolescent social media use and the ubiquity of online cannabis marketing indicates that further research is needed to determine who is targeted by these promotions and how they influence outcomes such as juvenile cannabis use[10].

### 3. CONCLUSION

It is the recognition that prohibition failed because of an incapacity to control demand that is missing from most studies. "A significant part of the issue is that the federal government has enacted legislation that it is unable to implement." A significant portion of the issue stems from the fact that the federal government has enacted legislation that it cannot execute. Every new marijuana regulation system must pass the compliance test before it can be implemented. There is an unenforced ban on personal cultivation that will remain indefinitely. This is not the only issue with the use of public policy to boost the price of marijuana, regardless of the reason or purpose behind the decision. In a market where there is no practical method to restrict output through law or criminal penalties, high marijuana prices serve as an incentive for the growing of marijuana.

The primary public health issue in all these systems is how vulnerable populations can be protected. Researchers explains the problem: "Marihuana has certain potential benefits, and some potential hazards, like most drugs. Most marihuana-related risks are mild in severity, and the prevalence of the use of marihuana shows that a large minority of the population are likely to experience some harmful effects. In addition, three groups are more vulnerable to the harmful effects of marijuana: young people and men."

Each of these groups has unique features that pose public health concerns. Banning was not able to provide defense for any of them. One of the most convincing justifications for legalizing is the necessity to safeguard high risk

populations more effectively. Marketing may discourage young people from smoking marijuana, but what researchers called 'the inherent difficulty of altering the behaviour of teenagers' is the actual problem. Researchers even with the government monopoly is reconciled with the prevalence of adolescent marijuana use, stating that marijuana from near-legal channels would be safer for young people than from the black market, where it could have access to harmful illicit medicines such as opioid, cocaine and methamphetamine. Mentally ill individuals and women who are pregnant or nursing are problematic, as is their schooling, and preventative and frequently interventional measures are required to combat potentially hazardous behaviors. There are more participants in a competitive market and thus more incentives to work together, fund and support such efforts elsewhere.

## REFERENCES

- [1] J. Gettman and M. Kennedy, "Let it grow-the open market solution to marijuana control," *Harm Reduct. J.*, 2014, doi: 10.1186/1477-7517-11-32.
- [2] D. G. Amen *et al.*, "Discriminative properties of hippocampal hypoperfusion in marijuana users compared to healthy controls: implications for marijuana administration in Alzheimer's dementia," *J. Alzheimer's Dis.*, 2017, doi: 10.3233/JAD-160833.
- [3] N. D. Volkow *et al.*, "Decreased dopamine brain reactivity in marijuana abusers is associated with negative emotionality and addiction severity," *Proc. Natl. Acad. Sci. U. S. A.*, 2014, doi: 10.1073/pnas.1411228111.
- [4] J. S. Alpert, "Marijuana for diabetic control," *American Journal of Medicine*. 2013, doi: 10.1016/j.amjmed.2013.04.003.
- [5] M. M. Heitzeg, L. M. Cope, M. E. Martz, J. E. Hardee, and R. A. Zucker, "Brain activation to negative stimuli mediates a relationship between adolescent marijuana use and later emotional functioning," *Dev. Cogn. Neurosci.*, 2015, doi: 10.1016/j.dcn.2015.09.003.
- [6] B. Fischer, S. Kuganesan, and R. Room, "Medical marijuana programs: Implications for cannabis control policy - Observations from Canada," *International Journal of Drug Policy*. 2015, doi: 10.1016/j.drugpo.2014.09.007.
- [7] G. T. Kerr, "Understanding the Relationship Between Marijuana Use and Self-Control," *ProQuest Diss. Theses*, 2016.
- [8] S. Chihuri, G. Li, and Q. Chen, "Interaction of marijuana and alcohol on fatal motor vehicle crash risk: a case-control study," *Inj. Epidemiol.*, 2017, doi: 10.1186/s40621-017-0105-z.
- [9] J. G. Ramaekers, G. Kauert, P. Van Ruitenbeek, E. L. Theunissen, E. Schneider, and M. R. Moeller, "High-potency marijuana impairs executive function and inhibitory motor control," *Neuropsychopharmacology*, 2006, doi: 10.1038/sj.npp.1301068.
- [10] N. P. Vadhan, C. M. Corcoran, G. Bedi, J. G. Keilp, and M. Haney, "Acute effects of smoked marijuana in marijuana smokers at clinical high-risk for psychosis: A preliminary study," *Psychiatry Res.*, 2017, doi: 10.1016/j.psychres.2017.07.070.