

Cross-border impact assessment 2018

Student Dossier 6: The potential effects of the 'Experiment gesloten cannabisketen' on the Euregions Meuse-Rhine and Rhine-Meuse-North



Maastricht University

Cross-Border Impact Assessment 2018

Student Dossier: The potential effects of the 'Experiment gesloten cannabisketen' on the
Euregions Meuse-Rhine and Rhine-Meuse-North

Saskia Marks
Gaia Lisi
Floor van der Meulen
Calumn Hamilton
Castor Comploj

The *Institute for Transnational and Euregional cross-border cooperation and Mobility / ITEM* is the pivot of scientific research, counselling, knowledge exchange, and training activities with regards to cross-border cooperation and mobility.

ITEM is an initiative of Maastricht University (UM), the Dutch Centre of Expertise on Demographic Changes (NEIMED), Zuyd University of Applied Sciences, the City of Maastricht, the Euregio Meuse-Rhine (EMR), and the Dutch Province of Limburg.



Student dossier: The potential effects of the ‘Experiment gesloten cannabisketen’ on the Euregions Meuse-Rhine and Rhine-Meuse-North

On October 10 2017, an unprecedented Pilot Project with the name “Experiment gesloten cannabisketen” was presented in the Netherlands. The coalition agreement introduces the Pilot Project to address the current backdoor-problem. It comes with the scope of studying the effects of a potential legalization of the production of cannabis in particular on the reduction of crime and on decreases in adverse health effects from consuming low-quality marijuana. The Pilot Project consists of an experiment in which the cultivation of cannabis will be decriminalised within strict parameters and a finite, prespecified timeframe. This will take place in 6-10 municipalities in the Netherlands in a time-span of 4 years. The precise wording of the coalition agreement, in English, is as follows:

“The government will introduce legislation, if possible within six months, on uniform experiments with tolerated cultivation of cannabis plants for recreational use. The experiments will be carried out in six to ten large and medium-sized municipalities, with the aim of determining whether and how controlled cannabis can be legally supplied to coffee shops and what the effects of this would be. After these experiments have been independently evaluated, the government will consider what action to take.”

This study provides an ex-ante impact assessment of this Pilot Project on two Euregions. The geographical focus of the demarcated Euregions is formally known as Meuse-Rhine and Rhine-Meuse-North. The main findings can be categorized under three different themes, which are respectively European Integration, Sustainable/ Socio-economic development and Euregional Cohesion.

With regard to the theme of European Integration, it can be put forward that the Pilot Project will not further the goals of free movement under European Union law. The fact that specific municipalities will be selected into the Pilot Project could be regarded as a form of indirect discrimination among individuals providing services, as protected by European Law under Articles 49 and 56 TFEU. However, because there appears to be valid reason for the violation of EU law (i.e. reducing organized crime and improve the quality sold in coffeeshops), the new legislation could be justified upon the rule of reason. The cultivated cannabis cannot be exported freely and the selection of cultivators could therefore potentially infringe on the freedom of establishment and the freedom to provide services.

The analysis of potential impacts such a policy could have on a Euregional macroeconomic level is crucial to the scope of this impact assessment. While decriminalizing the production of cannabis itself could already at the national level have a strong impact on employment trends and tax revenue, the effect could be further amplified in the Euregion Meuse-Rhine and Rhine-Meuse-North due to its proximity to the neighbouring countries Germany and Belgium. In the Euregion in particular, a decrease in drug tourism and nuisance deriving from these countries’ nationals is being aimed at by participating in the pilot project. Although drug nuisance in the city of Maastricht has been decreasing over time from 58 to 39 percent, it still remains relatively high in the Netherlands.

At the level of Socio-Economic development, the new legislation is likely to be beneficial. In 2015 alone, almost 6000 illegal cannabis plantations have been seized all across the Netherlands which

according to the Dutch police was estimated to be only one fifth of the total. Since 6.55 percent of the population in the Netherlands live in the Euregion, this would imply that almost 2000 cultivators are operating in the Meuse-Rhine and Rhine-Meuse-North Euregions, assuming that the level of illegal cannabis cultivation and associated revenues in the Netherlands is independent of the geographic location. This, together with a CBS estimate of €450m for illegally produced marijuana in the Netherlands, or proportionally €29.5m in the Euregion, would imply that an upper bound estimate of €100m per annum is set for potential tax revenues from the decriminalisation of marijuana production in the Netherlands, proportionally €6.55m in the Euregion. Additionally, were the cultivation of cannabis to become tolerated under Dutch law, this would make a yearly contribution of €6000-8000 for every worker active in the cannabis production industry, provided that these currently produce a value added which is close to average in the Dutch economy.

With regard to the theme of Euregional cohesion it was established that in the jurisdictions concerned (the Netherlands, Germany and Belgium) the cultivation, trade, sales and consumption of cannabis are illegal, although all of these jurisdictions tolerate the possession and cultivation of cannabis in small amounts. The discrepancies between the different legal frameworks will now only become larger due to the Pilot Project. In addition, the Pilot Project tests the limits of obligations under the international legal framework by enabling the cultivation of cannabis on a larger scale. However, the potential incompatibility with international obligations is mitigated by the experimental and temporary character of the experiment. Finally, the paper identified an increased likelihood that Belgium and Germany step up border controls to combat illegal cultivation and trade of cannabis.

It is therefore clear that, although it forms only a national cannabis policy, the Pilot Project has the potential to impact the Meuse-Rhine and Rhine-Meuse-North Euregions both in terms of European Integration, Sustainable/socio-economic development, and Euregional Cohesion.



Gemeente Maastricht



Maastricht University



Zuyd
Hogeschool



provincie limburg
gesubsidieerd door de Provincie Limburg



ITEM is an initiative of Maastricht University (UM), the Dutch Centre of Expertise and Innovation on Demographic Changes (NEIMED), Zuyd Hogeschool, the city of Maastricht, the Meuse-Rhine Euregion (EMR) and the (Dutch) Province of Limburg.

Institute for Transnational and Euregional
cross border cooperation and Mobility / ITEM

Mailing address:
Postbus 616, 6200 MD Maastricht, The Netherlands

Visitors:
Bouillonstraat 1-3, 6211 LH Maastricht, The Netherlands
Avenue Céramique 50, 6221 KV Maastricht, The Netherlands

T: 0031 (0) 43 388 32 33
E: item@maastrichtuniversity.nl

www.twitter.com/ITEM_UM



www.maastrichtuniversity.nl/item