

The economics of drug legalisation

[Samuel Russell](#) asks can the market be trusted with something so controversial?

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North Cascades National Park

For many years the argument in favour of drug criminalisation has run along the following lines: 'taking psychotics and other harmful substances not only harms the user but also society'. The health service has to deal with the medical consequences, while the police, the criminal, and the rest of the population have had to deal with the social. Thus the only suitable solution to this particular problem seems to be to make this activity a crime, that is by imposing a very high cost to the activity – that of being arrested and getting a criminal record – participation will decrease or stop entirely.

Unfortunately this is only a one time solution. Once an individual has been caught once, and the resulting punishment has been applied, there is very little deterrent left. The effect of having another crime on your record is exceedingly little compared to the consequence of having the initial crime. Furthermore both the likelihood of being caught and the chance of being arrested are slight.

Thus the actual risk of taking illegal drugs is not that great. It has also been argued that the illicit nature of drugs is, in fact, part of their appeal. Finally, tarring all drugs with the same brush, that of criminality, leaves very little leeway to differentiate between the more and less harmful substances.

Recently, though, this mind-set has been under attack. Total or partial de-criminalisation of cannabis has spread like wildfire from state to state in America. Meanwhile, many other states have been looking into other 'radical' projects. Supporters cite the ineffectiveness of the current system as a reason for change.

Indeed the very system is broken. To date, illegal drugs have caused or prolonged both civil and international wars: a leading reason for the violence in Columbia and Mexico, for example, is the entrenched interests of the 'drug lords', while one justification for the Afghanistan war was to attempt to stem the flow of heroin from the country. Governments around the world spend billions of dollars on policing, health care and social rehabilitation in an attempt to deal with the effects of the illegal drugs trade. The consequences of the illegal trade in drugs seem remarkably similar to those of the drugs themselves. In fact, many have argued the attempted cure to the problem of drugs has instead led to a far bigger problem.

Legalisation of less harmful drugs and creating safe-centres where the more harmful substances could be

prescribed and administered would go a long way in dealing with this issue. Legalising certain drugs would then enable them to be priced and taxed by the government. The proceeds of the tax could then be used to both deal with the problems created by the drug takers and educate potential drug users.

Legalisation might also both remove the thrill of partaking in an illegal activity and help differentiate between the different types of drugs. Furthermore, it would transfer the cost from a one-time risk of being caught into a permanent price, thus better aligning the cost to society of using drugs to the benefit derived from the user. Finally, legal drug distribution channels could undermine the ability of drug related gangs to provide narcotics, thereby reducing both their income and role in society whilst ensuring that the drugs themselves were of a certain quality and sold to the correct people.

Harder substances would be provided free of charge by the state in licensed clinics or by nurses to those who could prove they were addicted, thus providing effective monitoring and ensuring safety for the users. Campaigners have likened their image of the future drugs market to that of cigarettes, heavily taxed and regulated with plenty of education about the side effects.

Though public opinion may be heavily divided on the issue, most economists are not; the market, after all, seems the best solution for everything.



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