

Comments on cannabis legalization in Lebanon in Arab News, 24 Apr 2020

The article titled "[Can cannabis legalization rescue Lebanon's ailing economy?](#)", published by Arab News on 24th April 2020 carried the below comments from Dr. Nasser Saidi.

Among those expressing guarded optimism is Dr. Nasser Saidi, a former chief economist at the Dubai International Financial Center who was Lebanon's minister of economy between 1998 and 2000.

The move to legalize marijuana for medical use makes a great deal of sense for Lebanon, he said, noting that the country has long been a producer of hashish.

"In particular, the crop has helped the poorer areas of Lebanon, mainly the Bekaa Valley, and allowed agriculturalists to survive because many of their other crops aren't necessarily exportable," Saidi told Arab News.

"For the more traditional crops like potatoes, beetroot, olives and others, there is a lot of competition, whereas for hashish there is much less competition.

"Lebanon can build its reputation as a source of quality hemp. Medicinal marijuana in particular can be an important high-value export product."

Saidi draws a parallel between Lebanon's decision to decriminalize cannabis production, manufacturing and its use with the policies of some advanced industrial countries.

Pointing out that the US and Canada have legalized use of marijuana, hemp and hashish without any negative fallout, he said: "There is no reason why Lebanon should not be able to successfully and securely decriminalize hashish."

Similarly, Saidi, who served as vice governor of the Central Bank of Lebanon for two terms, said the new law should not amount to control of the business by Lebanese politicians.

"Hashish growers are afraid that legalization means the industry will come under the control of a government-licensing administration or body, which could then be open to abuse, corruption and clientelism," he told Arab News.

"They will tell you they fear that licensing will be monopolized by politicians and their cronies, enabling the latter to control the production, distribution and export of hashish – to the detriment of the growers."

Said said legalization should mean decriminalization with a light regulatory structure but not a strict licensing system.

"You cannot, in a country with Lebanon's corruption levels, institute a system for the farming, manufacturing and distribution of hashish that can be monopolized by the state or captured by a corrupt political class and its cronies," he said.

"The government can play a role in terms of ensuring the quality of medicinal hashish, particularly for export purposes, and monitoring for statistical, public-health and taxation purposes. But I would not favor a strict physical licensing system."

Saidi sees a lot of hype surrounding the economic dividend of cannabis legalization.

But Saidi does not see income from the crop as something that can put Lebanon's public finances on a sustainable footing.

"We should allow producers to switch crops away – from low value-added crops like potatoes and sugar beet – to go into hashish, (as) it would help some of the poorest of the poor in Lebanon who eke out a subsistence income from agriculture," he told Arab News.

"But it's not a problem solver for the Lebanese government."

Said added: "You can impose a tax, which is fine. Hashish consumption could be subject to VAT for local consumption to generate revenue for government, or to a production tax at a low rate.

"But again, I am not in favor of a licensing system to raise revenue because of the potential of corruption and bribery.

"Effectively, a licensing system would mean a highly

inefficient regime for the benefit of politicians at the expense of growers. Licensing would become another form of political clientelism".