

Legalization of Marijuana in the Canadian National Accounts

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In April 2017 the Government of Canada tabled legislation in the House of Commons to legalize, regulate and restrict access to cannabis for non-medical purposes. Pending approval in Parliament, its new legal status may come into effect in mid-2018. The licensed production and consumption of cannabis for medical purposes is currently legal in Canada. While illegal cannabis consumed for non-medical purposes is within the SNA production boundary, a lack of available information to produce reliable estimates of this activity has up to now precluded its inclusion in the Canadian national accounts.

This paper will chronicle the journey towards legalization of cannabis in the Canadian Macroeconomic Accounts program. This includes the development of early experimental estimates of illegal activity over time based on models and non-traditional sources, along with the use of innovative mechanisms to validate the assumptions required in their construction. It will cover measurement strategies leading up to the point of official legalization along with plans for implementation in the core Canadian national accounts. Both substantive and operational challenges will be reviewed, including the development of an effective, transparent communication strategy to accompany the release of the first official estimates in Canada.