



Medical Marijuana Laws Decreased Drug-related Crime at the Mexican Border of the US

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Medical Marijuana Laws



- ▶ Medical marijuana laws (MML) legalized the consumption and production of marijuana for patients
 - ▶ First MML in California in 1996. 29 states + DC
 - ▶ MML allow for home cultivation and dispensaries, up to 24 plants per patient
- In effect: cannabis consumption and small- to- medium scale production are legal in MML states
- ▶ Other decriminalisation policies target only possession



- ▶ Mexican Drug Trafficking Organizations (DTOs) import most drugs to the US
- ▶ They protect the trade with violence (homicides, assaults, robberies)
- ▶ The seven major DTOs sell most types of drugs
- ▶ Marijuana is \was the nr 1 product for DTOs in terms of market size & revenue
- ▶ It is the only product grown ‘at home’
- ▶ We suspect that the proceeds are used for investment in other drugs



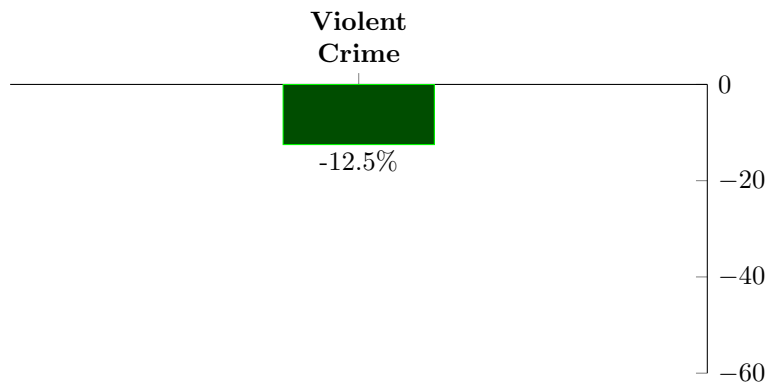
1 MMLs provide licit **competition** to the cartels

- ▶ Many small-medium cannabis growers with a better product
- ▶ No risk when buying
- ▶ DTO's revenues ↓ and their capacity to invest in violence ↓

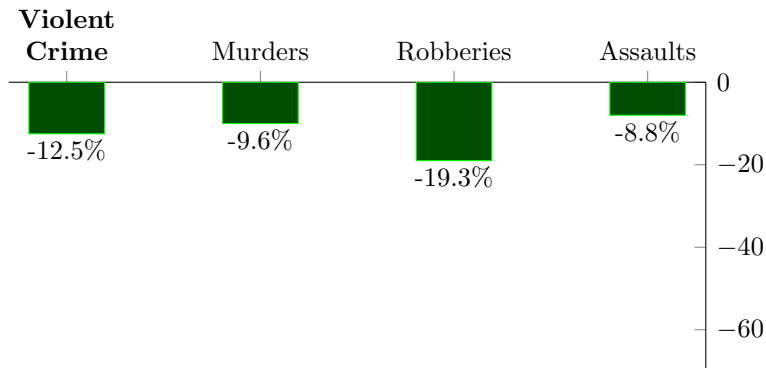
2 **Spillover** channel

- ▶ As more US states introduce MML, the crime at the border ↓ (along drug routes)

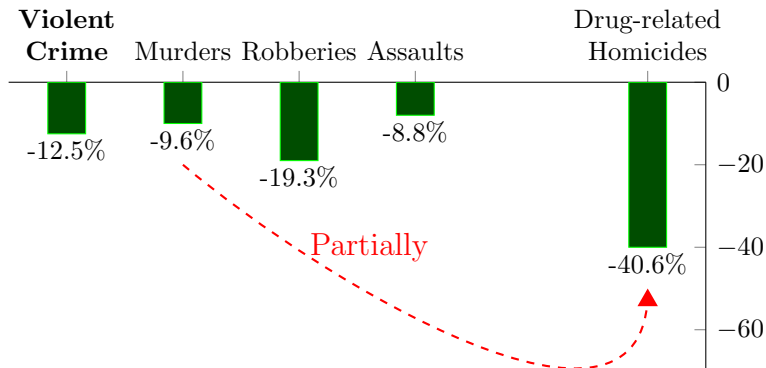
Effects on Crime at the Border



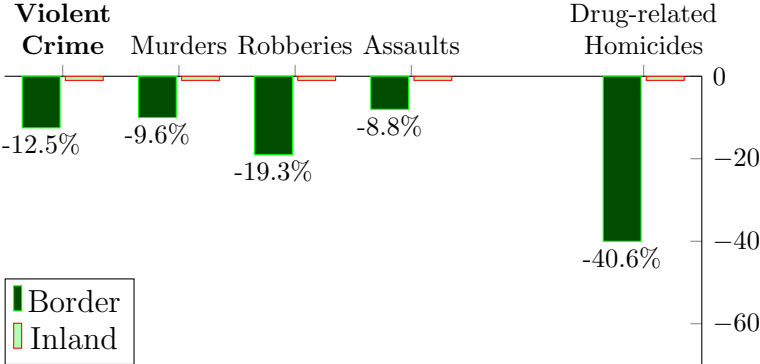
Effects on Crime at the Border



Effects on Crime at the Border



Effects on Crime at the Border



Conclusion



- ▶ Medical Marijuana Laws led to a decrease of 12.5% in crime at the Mexican Border
- ▶ This decrease is driven by the licit competition and spillovers along drug routes

Thank you for your attention