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Unheard and Overlooked: The impact of Cannabis Legalization Policies On Kootenay Communities

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Abstract

For rural regions of British Columbia (BC) with a legacy of cannabis production, legalization brings insights into the dynamics of these rural communities, shedding light on the extent to which local residents are actively engaged in shaping their futures. Drawing on 56 interviews with government representatives and legacy cannabis participants from BC's Kootenay region, a qualitative thematic analysis based on the underpinnings of transitioning economies and stakeholder participation highlights the necessity of building trust for successful legalization in the Kootenays. Three main issues, rooted in prohibition and centred around distrust, emerge as findings. First, federal government participants exhibited skepticism towards cannabis participants, which affected cannabis participants' input during policy formulation due to a perceived criminal past and ties to organized crime. Second, cannabis participants largely reciprocated this distrust towards the federal government, understanding their believed past criminality led to exclusion from policymaking, and voicing their suspicion of government motives that favoured government participation, corporate interests, and taxation. Third, local government representatives expressed sentiments of exclusion from federal decision-making and dissatisfaction with Health Canada's management of personal medical license complaints during prohibition, revealing inter-government distrust.

Keywords: cannabis legalization, political economy, rural economy, transitioning economies, policy stakeholders, collaborative participation, distrust

Inouï et négligé : l'impact des politiques de légalisation du cannabis sur les communautés de Kootenay

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Résumé

Pour les régions rurales de la Colombie-Britannique (C.-B.) ayant un héritage de production de cannabis, la légalisation apporte un aperçu de la dynamique de ces communautés rurales, mettant en lumière la mesure dans laquelle les résidents locaux participent activement à façonner leur avenir. S'appuyant sur 56 entretiens avec des représentants gouvernementaux et des participants à l'héritage du cannabis de la région de Kootenay en Colombie-Britannique, une analyse thématique qualitative basée sur les fondements des économies en transition et la participation des parties prenantes souligne la nécessité d'instaurer la confiance pour une légalisation réussie dans les Kootenays. Trois problèmes principaux, enracinés dans la prohibition et centrés sur la méfiance, émergent comme conclusions. Premièrement, les participants du gouvernement fédéral ont fait preuve de scepticisme à l'égard des participants au cannabis, ce qui a affecté leur contribution lors de la formulation des politiques en raison d'un passé criminel perçu et de leurs liens avec le crime organisé. Deuxièmement, les participants au cannabis ont largement rendu la pareille à cette méfiance à l'égard du gouvernement fédéral, comprenant que leur criminalité passée les conduisait à l'exclusion de l'élaboration des politiques et exprimant leurs soupçons quant aux motivations gouvernementales qui favorisaient la participation gouvernementale, les intérêts des entreprises et la fiscalité. Troisièmement, les représentants des gouvernements locaux ont exprimé leur sentiment d'exclusion du processus décisionnel fédéral et leur insatisfaction à l'égard de la gestion par Santé Canada des plaintes relatives aux licences médicales personnelles pendant l'interdiction, révélant la méfiance intergouvernementale.

Mots-clés : légalisation du cannabis, économie politique, économie rurale, économies en transition, acteurs politiques, participation collaborative, méfiance

1.0 Introduction

Prior to the legalization of recreational cannabis in Canada on October 17, 2018, the illicit cannabis industry in British Columbia (BC) thrived, contributing an estimated \$2 to \$7 billion annually (Easton, 2004; Flister, 2016). In 2018, BC produced 38% of Canada's illicit cannabis, with estimates suggesting that approximately 88% was distributed outside the province (Diplock & Plecas, 2011; Flister, 2016; Hamilton, 2004; Ministry of Jobs, 2018). Despite efforts by the provincial and federal governments to seek input, the pre-legalization rural cannabis economy in BC remained largely invisible during policy-making processes (Harvey, 2021).

Enforcement risks, potential penalties of up to 14 years of incarceration, and limited access to the legal market caused many pre-legalization cannabis businesses to close or operate covertly; this was particularly the case for individuals with criminal charges. Consequently, the legal regime challenged and marginalized the rural cannabis economy. Provincial and federal governments viewed individuals participating in the pre-legalization cannabis economy as criminals, hindering their involvement in policy-making efforts aimed at curbing illicit activities (Harvey, 2021). In legacy cannabis-producing rural areas, legalization has affected two key stakeholder groups, namely cannabis participants and all levels of government, including law enforcement. These groups were forced to team up to transition illicit markets to a legal one. Acknowledging the socio-economic importance of the pre-legalization cannabis sector in the rural Regional District Central Kootenays (referred to as “The Kootenays”) alongside the politically disadvantaged individuals who participated in the cannabis economy (Eagland, 2016; Paris, 2018), legalization is framed as a traditional rural economic transition involving an underrepresented group. Historical tension between government agencies and the pre-legalization cannabis sector, along with the need for collaborative partnerships (the nexus of the framing literature) supplied rationale to examine relationships between various levels of government and BC’s rural cannabis sector within this framework. Consequently, this exploratory research aimed to understand the impacts of legalization in rural pre-legalization cannabis-producing areas and identify strategies to facilitate a smooth transition. Specifically, this study addressed two central research questions: (i) What are the perceived and experienced social, economic, and political impacts of legalization in the Kootenays? And (ii) How can the Kootenay region effectively transition to legalization, considering the key challenges and opportunities faced by the two stakeholder groups? To address these research questions, qualitative data was gathered through semi-structured interviews with 56 participants, including 33 cannabis industry members (referenced as cannabis participants) and 23 government representatives (referenced as government participants) within the Kootenay case study region. An additional 13 interviews were conducted in other legacy-producing regions for contextualization.

This paper begins by reviewing foundational literature around transitioning economies and stakeholder participation, which together serve as a framing for examining legalization. It follows with a brief overview of the cannabis legalization context in the Kootenays and BC, before a summary of the research methodology and data analysis approach is depicted. Findings are presented and discussed, and the paper concludes with recommendations for the Kootenay region and other similar rural jurisdictions hosting a pre-legalization cannabis economy. These recommendations aim to facilitate an effective transition of legacy cannabis businesses to legal operations in the Kootenays and beyond.

2.0 Literature Review - Theoretical Concepts of Transitioning Economies and Stakeholder Participation

Transitioning economies are first defined and characterized, and the staples theory is briefly discussed to support the choice of transitioning economies as foundational literature for studying legalization as an economic transition in the rural Kootenays. However, to fully understand the socio-economic impacts of legalization and to identify solutions for enabling a smooth transition, the inclusion of illicit cannabis participants merited an additional framing based on stakeholder participation. Stakeholder participation, arising from stakeholder theory and the concept of public participation, then supplies a foundation for studying cannabis participants as an equity-seeking group. What follows will not only link these two bodies of literature but also provide a rationale for the selection of these specific themes, connecting them to the examination of the impacts of legalization policy in the rural Kootenays. A transition is generally defined as a major shift or change, but there is not one accepted definition of a transitioning economy. This is because it is a multi-part concept that can be applied to a range of different circumstances and scales. For example, transition economies are broadly referenced as economies which convert from a communist or “central” state to a capitalist or “free market” state (Jackson et al., 2005; Meyendorff & Thakor, 2002). It can also be simply an economy that shifts from one economic development strategy to another, such as from a primary focus on agriculture to a diversified, tourism-based economy (Gannon, 1994).

In BC, there are references to “resource hinterland transitions” occurring “within a ‘hyper-connected’ and increasingly ‘commodified’ global economy” (Halseth & Ryser, 2017, p. 3). Such transitions emphasize the utilization of unique rural assets like culture, community and the environment (Halseth et al., 2010). Additionally, “transitioning resource towns” are thematized by economic restructuring of a primary resource, new consideration for environmental and Indigenous rights and collaborative regional approaches accompanied by local empowerment (Hayter & Nieweler, 2018, p. 82). For this research, a transitioned economy is defined as an economy which restructures away from a dominant, externally controlled and precarious single-resource dependence to a locally (and relatively) autonomous and diversified economy. Ultimately, a transitioned economy rids itself of the two staples dependencies as it progresses from instability to stability. These staples dependencies are at the foundation of staples theory, which perpetuated a long-term focus on natural resources within the Canadian economy (Hayter & Barnes, 1997; Innis, 1933; Watkins, 1963). Delving into staples theory, the first dependency is based on the export of a single and raw natural resource destined for global markets. The second dependency is influenced by core-periphery dynamics, which is characterized by truncated investment and remote control (i.e., that of which is away from the periphery). This latter dependency assumes a concentration of political control and economic capital that is situated in industrialized foreign nations as well as Canadian metropolitan areas, which both represent the core (Minnes & Vodden, 2019). The periphery, on the other hand, refers to small, rural, and remote places (collectively referenced in this paper as rural) that are distanced from the core and endow rich resources but lack political clout. These two dependencies situate the Kootenay’s pre-legalization cannabis industry as a staple. Cannabis was believed to be a primary industry locally, particularly after the permanent decline of forestry in the region starting in the 1980s (Kootenay United Cannabis Association, 2019). The region, with a population of 62,509 residents (Statistics Canada, 2022), purportedly produced

substantial amounts of cannabis that could not be consumed locally. Consequently, speculation arose that up to 80% of the raw (mostly unprocessed) cannabis flower that was grown in the region was exported, both domestically and internationally (Fletcher, 2019). Unsanctioned retail stores in BC, known as dispensaries, sold some of the rural Kootenay's products pre-legalization. However, focusing on international distribution, large groups purportedly gathered up a considerable amount of cannabis, controlling wholesale price (Harvey, 2021). This research considers *transitioning* economies as generally characterized according to triggers or major events that forced the economic transition, such as the 1980 recession and the 2008 financial crisis (Behrisch et al., 2002; Halseth et al., 2004; Hayter & Barnes, 1997), and the economic development paradigm(s), such as place-based development, that help(ed) to enable the transition (Halseth et al., 2010; Hayter, 2000; Hayter & Barnes, 1997). *Transitioning* economies are additionally characterized by a focus on building social capital, community capacity, and local, collective efforts that enable greater adaptability, resiliency and local empowerment (Hayter & Nieweler, 2018). This latter focus stemmed from an understanding of the troubles associated with outmigration following devastating levels of unemployment (Canadian Rural Revitalization Foundation, 2015; Hutton, 2002; Markey et al., 2008) that followed the 1980 recession and the 2008 financial crisis. After these crises, outmigration broke personal connections when people exited town, which in turn affected social capital. A decrease in social capital impacted local capacity to engage in community development and on-the-ground efforts to diversify. Indeed, social capital has increasingly become important as a mechanism for surviving the complexity and uncertainty common to resource communities in transition (Reed et al., 2010), as well as for responding to crises (Reimer et al., 2013). Although social capital can be interpreted in many ways and applied to a variety of social processes and outcomes, like community development and economic prosperity, it generally refers to groups of people working towards common goals (Sturtevant, 2006). The term "capital" implies an asset that is, in this case, associated with human society and its people; social capital can be considered a resource rooted in social relations (Reimer et al., 2008).

In summary, important political and cultural shifts marked by collaborative bottom-up regional and place-based approaches are critically important for many rural economic transitions (Markey et al., 2012). At the foundation of these approaches are trust, strong social capital, and local empowerment among varied groups of stakeholders. Such collaborative partnerships require acknowledgement of how diverse groups are represented, treated and valued with an explicit commitment to empowering disadvantaged groups (Ansell & Gash, 2007). Collaborative partnerships then anchor *transitioning* economies to stakeholder participation. At the root of stakeholder participation is the stakeholder concept and the notion of participation. Within the public policy context, which relates to this research, participation is the act of taking part in public policy decision-making. Public participation is defined as processes that involve people "who have interests that will be affected by the outcome of the particular decision-making event" (Bardati, 2002, p. 5).

However, those who decide to participate are often a wealthy, educated self-selected subgroup of the whole population who hold particular interests and firm beliefs (Fiorina, 1999; Fung, 2006). In this view, those holding interests and/or a stake tend to take part, which narrows the concept of public participation to stakeholder participation.

Within the context of transitioning economies responding to BC's troubled natural resource sector, stakeholder participation is highlighted through public demonstrations and civil disobedience in response to the long-running forest conflicts mainly occurring in the 1980s and 1990s (e.g., Carmanah Valley [Davey, 2019], Great Bear Rainforest [Warford, 2016], Clayoquot Sound [Robinson, 2001], and more recently in Fairy Creek [Winter, 2021]). These events were productive at forcing the provincial government to address the escalating issues, in some instances using "unprecedented collaboration" between government, industry, First Nations and other stakeholders (Government of British Columbia, 2006, para. 3). Indeed, Markey et al. (2008) note the growing importance of genuine and inclusive stakeholder participation in these types of public policy decisions because "local stakeholders and institutions are playing more important decision-making roles" (p. 410). However, public participation expert Sherry Arnstein (1969) highlights how hidden or underrepresented groups are often exploited through stakeholder engagements categorized as consultation and informing. These tokenistic acts are employed by powerholders to give the illusion of participant engagement while bypassing genuine stakeholder involvement (Arnstein, 1969). Hence, analyzing stakeholder engagement in the Kootenays' move towards legalization to understand the social, political, and economic impacts of legalization, as well as what can be done to facilitate a smooth transition, necessitated the consideration of power dynamics and relationships between government regulators and legacy cannabis participants. Within this examination of power and relationships, trust was also explored because of its importance for engaging underrepresented stakeholders effectively (Ansell & Gash, 2007). Finally, the transition to legalization in the Kootenays differs from traditional transitions for two key reasons. First, it is a transition governed by legal terms rather than changes in global economies and environmental pressures. Second, it involves a unique and diverse group of underrepresented people, recognized as an equity-seeking group.

3.0 Cannabis Legalization Context

3.1 The History of Kootenay Cannabis

In the 1960s, the Kootenay region became a refuge for freedom fighters, draft dodgers, and back-to-the-landers, including American migrants who sought alternative values and ideologies (Rodgers & Ingram, 2014). With limited employment opportunities, cannabis production allowed these off-the-record refugees, who were already outside the law and mainstream society, to generate a living wage (Paris, 2018). Following the permanent decline of the lumber industry in the 1980s, local homesteaders, off-the-record refugees, and Canadian easterners who migrated west to the Kootenays established a somewhat cooperative relationship that built new forms of social capital; they quietly honed their skills in breeding, cultivating, harvesting, and processing cannabis (Harvey, 2021). Cannabis was believed to provide well-paying and flexible work for undereducated individuals and other vulnerable groups, allowing them to remain in the area (Eagland, 2016). This economic transition marked a shift in reliance from a primary resource industry to the underground cannabis economy (Paris, 2018). The cannabis industry in the Kootenays purportedly fostered social cohesion by creating common employment goals, which challenged stereotypes associated with the drug market (Scott et al., 2017). Instead of the typical characterization of "dealers" and "users," the pre-legalization cannabis markets seemed to operate through mutual supply

agreements supported by social networks and shared norms that enhanced community interconnectedness and social capital (Scott et al., 2017, p. 392). BC's reputation for producing high-quality BC Bud, renowned worldwide, has been well-known, supporting the region's economy for decades (Eagland, 2016; Sutton, 2015). However, law enforcement actions forced cultivators to conceal their gardens, creating a culture of secrecy and insularity (Stoa, 2018). Lessons can be drawn from the University of California, Berkeley [Cannabis Research Centre](#), which studies Northern California's longstanding legacy cannabis industry and the complex dynamics of cannabis governance. Elevated market ethics and facilitated social relations, where trust and reputation deepened with heightened risks, characterized the pre-legalization cannabis economy in both Northern rural California and the Kootenays (Polson, 2018).

3.1.1. Study area. Nelson, located in the southeastern corner of BC, is a quintessential rural idyll nestled between the Selkirk Mountains and Kootenay Lake. Despite its modest population of 10,000, Nelson boasts a vibrant culinary scene with a high concentration of restaurants, earning it the distinction of having "more restaurants per capita than San Francisco" (Nelson Kootenay Lake Tourism, 2021, para. 3). The town is also a popular tourist destination, offering a wide range of ethnic eateries and boutique stores. Nelson and other rural and seasonally operated Kootenay towns have shown resilience by diversifying their economic base from a previous reliance on natural resources (Breen, 2012). One such industry that has gained attention in recent times is the pre-legalization cannabis industry. Nelson serves as a central hub within the entire Kootenay district, a diverse mountainous region encompassing the Kootenay Boundary, Central Kootenay, and East Kootenay Regional Districts. This research focuses on the Central Kootenay Regional District. The district was chosen due to its concentration of communities that were dependent on cannabis prior to legalization (Paris, 2018).

3.1.2. The legal environment. Prime Minister Justin Trudeau mandated three ministers representing the Ministry of Health, Ministry of Public Safety and Emergency Preparedness, and Ministry of Justice and Attorney General of Canada to develop the federal framework for cannabis legalization (Government of Canada, 2017). The Canadian Task Force on Cannabis Legalization and Regulation, which consulted various stakeholders, including over 30,000 Canadians through an online survey, guided this framework (Government of Canada, 2016a). The task force provided 88 recommendations, many of which were adopted by the federal government, which continues to maintain sole authority over policies related to criminality, cannabis cultivation, licensing, packaging, labelling, as well as revenue and taxation collection (Wesley, 2019). In British Columbia, the Ministry of Public Safety and Solicitor General oversees cannabis policy for provincial distribution and retail through the Cannabis Legalization and Regulation Secretariat, established in 2017. The provincial legislation is enforced by the Community Safety Unit (CSU), which focuses on dismantling non-compliant dispensaries or retail stores that meet the needs of medical patients in accordance with the Canadian Charter of Rights and Freedoms (1982). However, dispensaries on Indigenous lands are mostly being respected, leading to legal disputes between licensed retailers and the provincial government (Brown, 2021; Potenteau, 2022).

Since legalization, the CSU has made an impact on illicit businesses. By December 2019 (14 months post-legalization), the CSU had closed 21 illicit retail stores and issued 217 warnings to unlicensed operations (Smyth, 2019). While some shops closed voluntarily, others faced hefty consequences, such as the Victoria Cannabis Buyers Club, which received a \$6.5 million fine following raids by the CSU (Dickson, 2022). Over three years post-legalization, the CSU conducted 70 inspections, resulting in the seizure of \$20 million worth of illicit products and the closure of 173 stores (Wylie, 2021). While the current number of illicit sources to purchase cannabis is unknown, it is believed that more than two in five Canadians continue to purchase illicit products (Canseco, 2022; Deloitte, 2024; Passifiume, 2024).

3.1.3. Personal production of cannabis for medical purposes. Personal medical licenses, available under different legislative frameworks before recreational legalization, primarily fueled the cannabis production landscape in rural BC prior to legalization (Eagland, 2016). The Allard decision in 2016 led to the Access to Cannabis for Medical Purposes Regulations (ACMPR), which allowed personal medical production alongside corporate production (Government of Canada, 2016b). This hybrid approach combined elements from the previous medical systems, the 2001 Marihuana Medical Access Regulations (MMAR) and the 2013 Marihuana for Medical Purposes Regulations (MMPR) (Government of Canada, 2016b). Under the ACMPR program, personal medical licenses grew substantially. For example, between April 2017 and March 2018, the number of personal medical licenses in Canada increased from 4,480 to 15,618 (Government of Canada, 2019). While it was believed that many people obtained these licenses for legitimate medical reasons, there were also reports of many unlawful motives (Pfeffer & Dumont, 2017). In the years leading up to legalization, personal medical licenses in rural areas like the Kootenays were rarely inspected by Health Canada and largely unaffected by local law enforcement who held no legal authority to cease their operations (Eagland, 2016). This absence of enforcement allowed individuals to exceed their plant limits and sell the excess to unlicensed retail stores or through other illicit networks (Eagland, 2016).

3.1.4. Organized crime and control in the Kootenays. Reports from the federal government's Task Force, the Royal Canadian Mounted Police, as well as newspaper articles substantiated the involvement of organized crime in the former MMAR program (Bolan, 2018; Government of Canada, 2016a; Government of Canada, 2010). Despite this, rumours suggested that the large number of individuals involved in the illicit cannabis sector in the Kootenays kept organized crime at bay. Seeking clarity on the extent of organized crime in the Kootenays, local elected officials heard from policing veteran Andy Richards (2019). He stated that only 20% of organized crime groups operated outside the lower mainland, and the Southeast District, including the Kootenays, had the lowest representation of organized crime in the province (Richards, 2019). However, agreement on organized crime in the Kootenays and the rest of BC is unsettled due to a lack of consensus on its definition (Government of Canada, 2015). Law enforcement broadly defines organized crime as involving more than two people engaged in illicit activities (Government of Canada, 2020). They acknowledge the attractiveness of the cannabis market for organized crime due to its popularity, profitability, and ease of production (Government of Canada, 2010).

Law enforcement has raised concerns about the "epidemic" of cannabis production facilities in BC, which they believed were fueled by organized crime (Chin et al., 2001, p. 3). The media played a role in disseminating this narrative held by law enforcement of large-scale organized crime driving cannabis production, emphasizing its spread into residential areas, particularly in BC (Boyd & Carter, 2014). However, evidence suggests that Canadian cannabis producers were rarely involved in other crimes (Boyd & Carter, 2014; Capler et al., 2016).

4.0 Methods

This research analyzed qualitative data from semi-structured key informant interviews to understand the implications of the *Cannabis Act* in the Kootenays and explore potential solutions for a successful transition from an illicit economy to a legal one. The interview questions covered decision-making, policy involvement, the local cannabis sector and culture, social, political and economic impacts of legalization, and ideas for transitioning the illicit cannabis economy to the legal regime. Participants were selected from two groups, cannabis stakeholders and government stakeholders, using a snowball sampling technique. Interviews were conducted over a six-month period, from June 19, 2019, to December 18, 2019, or eight to 14 months after legalization. After ensuring all key sub-groups were engaged, a saturation of narratives and perspectives within each group determined the optimal number of participants. In the case study, cannabis participants, including cultivators, processors, and retailers, completed 33 interviews. These participants engaged in various legal and illicit activities, with different intentions regarding their transition to the legal framework.

Among the 23 government participants, elected officials and administration personnel at all levels of government were involved, with a focus on local representatives due to their proximity to the sector. Government participants included regional directors, municipal mayors, administration personnel, law enforcement, members of legislative assemblies, and representatives from relevant ministries and departments at the provincial and federal levels. Promised confidentiality restricted the sharing identities of participants who can only be referred to by stakeholder group and date spoken to, and more than one participant was often spoken to on one day. Around one-third of those approached for interviews responded, with most interviews conducted in person and some over the phone or via video conference. The selection of these two stakeholder groups was based on the expectation that they, as individual groups, as well as how they worked together (i.e., their relationships) would be greatly impacted by legalization. Since collaborative participation is deemed crucial for addressing complex social problems (Nair & Howlett, 2017), such relationships were considered vitally important for this economic transition. Interviews were transcribed and analyzed using NVIVO software. A content analysis of the framework literature deduced high-level themes, focusing on challenges and strategies for effective transitioning economies and genuine engagement with powerless stakeholders. Deducted themes central to the intersection of the two bodies of literature around collaborative partnerships (such as trust) were a focus of the analysis. Open coding allowed for the identification of emergent themes to seek feedback from participants and to validate findings, member checking fostered ongoing communication. It provided accuracy and multiple perspectives, even in the face of contentious issues such as cannabis legalization.

5.0 Findings and Discussion

The analysis uncovered three prominent themes concerning distrust and its implications for the Kootenay region following legalization:

1. *Federal government distrust of cannabis participants*: The federal government shared a general lack of trust in cannabis participants, expressed by their disregard for the insights of pre-legalization cannabis participants during federal cannabis policy formulation, owing to a perceived criminal history. This distrust was exacerbated by the industry's apparent secrecy during prohibition and the federal government's perception that organized crime played a central role in Kootenay's illicit cannabis market prior to legalization.
2. *Distrust of the federal government among cannabis participants*: Cannabis participants expressed distrust toward the federal government, while their skepticism toward local (and, to some degree, provincial) governments was comparatively minimal. This sentiment was underpinned by several beliefs cannabis participants shared: first, that cannabis participants were excluded from federal policy-making processes due to their criminal past; second, that the federal government held a key interest in the corporatization of the legal cannabis industry; third, allegations of conflicts of interest among government officials within the legal cannabis framework; and fourth, the perception that the federal government's engagement with cannabis was primarily driven by a desire for increased taxation.
3. *Intra-government distrust*: Within the government group, a shared sense of distrust towards the federal government was evident, aligning with sentiments expressed by many cannabis participants. Local government representatives voiced distrust in the federal government, attributing their exclusion from federal policy-making to their rural location and small population. Additionally, most echoed the four reasons for distrust articulated by cannabis participants. Furthermore, local government participants expressed their lack of trust in the federal government through their dissatisfaction with Health Canada for the handling of personal medical license complaints under prohibition.

The prevailing lack of trust expressed among and between these stakeholder groups poses a substantial obstacle to the seamless transition to the legal regime. Nonetheless, there are some promising strategies, informed by the theoretical framework of transitioning economies and stakeholder participation, that can be implemented to facilitate a more effective transition in the Kootenay region and beyond.

5.1 Federal Government Distrust of Cannabis Participants

The implementation of legalization has highlighted long-running distrust of the pre-legalization cannabis sector by federal government agencies, which may have encumbered the local industry's contribution to and consideration of cannabis policy. Certainly, some government participants rationalized the importance of engaging with the local pre-legalization sector:

They should have come here. The Minister should have come here—government should have come here and heard directly from people who live

here. It's not a secret [in] this part of the country—it has been for many, many years, been a source of cannabis. Back early in the consultation they should have come here and listened and heard from our growers directly (government participant, personal communication, August 29, 2019).

Further, a government participant shared the potential impact of the lack of local consideration, “If you are ever going to eliminate the black market, the grey market, it has to be fairly open; they will automatically eliminate lots of people looking at the rules with criminal convictions” (personal communication, July 30, 2019). However, as the same government participant mused, perhaps eliminating such people from the legal market was part of the federal government's strategy; after all, plenty of disdain and distrust was shared by senior government representatives towards the sector. For example, a government participant criticized the employability of participants from the sector saying, “That whole lifestyle—it can be addictive—it's destroyed a lot of lives. They [people participating in the pre-legalization cannabis sector] can't get work anymore, they can't do this anymore, they are not productive” (personal communication, October 29, 2019). According to those interviewed, the industry attracted individuals from diverse backgrounds, including artists, athletes, musicians, academics, gardeners, farmers, and professionals such as doctors, nurses, lawyers, and teachers. Adding to the description of who was participating in the pre-legalization cannabis industry, a cannabis participant said,

It's not just the stereo-type hippies, and there are a lot of people who appear more conservative who are doing it. Grandmothers. I personally know senior citizens who have been doing it. I personally know single mothers who have been trying to put their kids through college who have been doing it. I personally know families ... who ... Dads who wanted to be more involved with their families were doing it (personal communication, July 25, 2019).

As another cannabis participant explained, “These are people who are just trying to feed their families ... they are just people who are spending money in the local economy and raising children” (personal communication, November 4, 2019). However, pre-legalization cannabis industry participants were also labelled gun runners, gangsters, and criminals due to the perception that they evaded income taxes or engaged in illegal activities subject to civil forfeiture. The stigmatization of individuals who participated in the illicit cannabis economy signalled distrust by the federal government, with reference to these individuals as pretentious, morons, and elitists. Additionally, as a government participant summarized, “I want nothing to do with that culture, I am not going to hang out with people that are in part of that culture. I find it annoying. It's the best way I can put it” (personal communication, October 29, 2019). Consequently, some government participants defended the minimal engagement with the cannabis sector since they claimed cannabis stakeholders' ideas were “out of whack.” For example, at one point, some cannabis industry members had convinced the government that:

A joint consisted of five grams of marijuana, which is like massive, there is no way, and then they were listening to people who say, I need 150 grams of marijuana in a day. We are talking like—you don't need that. And someone said, well you blend it up in a shake. And I know someone who tried that, and they seriously went crazy because it was way too much—they got sick and went bananas and ended up in the hospital (government participant, personal communication, October 18, 2019).

People in the industry recognized and to some degree, understood, such distrust by the federal government. As one participant mentioned, “People might be more trusted if we weren't hiding this.... when something is illegal, the energy around it is secretive, and it makes things more difficult to be educated on what is right” (cannabis participant, personal communication, August 15, 2019). Therefore, the lack of engagement with cannabis participants during federal policy making may have been due not only to the government's failure to actively seek input from this group but also due to the reluctance of some cannabis participants to offer it. Several cannabis participants expressed fear of persecution, leading them to refrain from engaging with federal government officials during policy-making. They said their fears stemmed from years of continuous oversight, property seizures, and prosecutions by law enforcement.

Some government participants recognized the position in which this placed cannabis stakeholders and confirmed it as appropriate. As a government participant pointed out, “They can't say anything, they can't go and complain, they can't go and say I was a criminal for 25 years and now I can't be. It's like, well, that is what criminals get” (personal communication, October 18, 2019). However, another government participant recognized the law enforcement's persisting application that expressed the senior government's mistrust of the industry through what they described as, “Vietnam in the Kootenays” to target the apparent cannabis criminals around 2005:

They [the RCMP] hammered certain areas of the Kootenays, they hammered the East Shore [of Kootenay Lake], they hammered Lasqueti Island, they hammered [the Slokan Valley] ... this was enforcement in helicopters, roadblocks, every other week there would be a roadblock on the highway ... That's not constitutional. Because they are asking for your insurance and drivers licenses ... for them to do that once or twice, that is policing, but every two weeks is harassment (personal communication, June 27, 2019).

A cannabis participant said they hoped to counter the criminal perception of the pre-legalization cannabis sector believed to be held by the federal government by showing government representatives their “wholesome family home.” However, efforts to change this narrative by engaging some federal government representatives were ineffective:

I invited them to my farm! She said, “I guess they aren’t all criminals.” She said the weirdest thing! And I told her my partner has [a disease] and he has a medical license, and do you want to come and see because we are very legal, and I feel like you should just come and see, and she said, “I have to leave today, but otherwise I would....sort of” (cannabis participant, personal communication, June 20, 2019).

A government participant validated their approach to consultation with the cannabis sector; “You can only consult with stakeholders so long and then you start hearing the same things over and over again, and it’s time then to act. Consultation can be used as a reason to postpone acting” (personal communication, September 30, 2019). Indeed, like sound qualitative research, when stories are being repeated, a point of saturation can be assumed to be reached. However, it is important that no key groups, like personal medical license holders, are omitted. When pressed about who was engaged, the government participant said:

We sought out representatives from the Canadian Medical Association, the police, the Federation of Municipalities we sought those people out to either include in round tables or to meet one on one individually [also], the Canadian Nurses Association, the pharmacists, law enforcement, you know, we heard from a lot of different organizations in terms of what their views were ... and organizations like that who Health Canada had a relationship with and thought we should talk to (personal communication, September 30, 2019).

As this government participant pointed out, not every group or person can be consulted during policy-making, so the key groups must be sought out. When asked if the federal government reached out to the personal medical license holders group for input into cannabis policy, a government participant said, “I don’t know personally if they did or they didn’t, I would be surprised if they were able to do it in a form where it was a cart blanche—it probably was more targeted through associations” (personal communication, November 22, 2019). As most personal medical license holders interviewed for this research were not part of an association, perhaps it was believed they did not need to be engaged during federal policy-making. Certainly, this may have been an unconscious bias, as one government participant mentioned: “There is still a lot of shame associated to it. So even if you are legitimate, and your parents know it was illicit, they will be embarrassed ... since it still involves a lot of shady people” (personal communication, October 18, 2019). Fueling distrust held by the federal government towards the prohibition-era cannabis sector was an understanding that organized crime powered the sector pre-legalization. The governance of the Kootenay’s cannabis sector’s distribution was generally believed to be overseen by “heavies” or “bikers” who controlled wholesale prices, but their local presence was believed to be limited, according to some local government and cannabis participants. As mentioned by a cannabis participant:

The Kootenays were also considered a Hells Angels safe zone, so that means this is where they send their retirees, this is where they send people trying to hide out. This is where they send people who got injured and they are no longer in the force, they are not active Hells Angels, they are retired. So, this is a safe zone, no colours are allowed to be worn here (personal communication, November 14, 2019).

As said by some local cannabis and government participants, it was generally believed that notorious groups did not oversee day-to-day cannabis operations in the Kootenays. However, this understanding may not apply to other rural areas in BC or Canada. A participant explained, “I don’t see organized crime here in Nelson ... they don’t have anything to do with the pot industry, you know ... pot is totally independent – how are you going to regulate everybody and their dog?” (cannabis participant, personal communication, November 21, 2019). However, a government participant was firm in their belief about how the pre-legalization industry operated:

It’s not friend to friend. Marijuana has been a huge unofficial corporation within Canada for years and years and years and it is such an industry, and it is such a machine, you know? ... think about hippies in the ‘60s and smoking a joint under a tree and playing some music—it’s not like that—it’s a hard-core industry full of violence and bad people” (personal communication, October 18, 2019).

The uncertain influence of organized crime cast doubt on the legitimacy and integrity of the pre-legalization cannabis sector that also spilled into the legal regime. Indeed, legalization was said to attract big players to the cannabis sector. As some participants pointed out, some of which have been infiltrated by organized crime including Mafia members and notorious criminal families (Denis, 2018).

Some government participants acknowledged that cannabis production was prevalent in the region, regardless of the actual involvement of organized crime, recognizing the pre-legalization cannabis economy as just part of the way of life in the region. As one government participant said, “Some people did start growing it illicitly and they did make a lot of money. It was just a casual topic of conversation...it’s been a normal part of conversation for decades” (personal communication, July 30, 2019). Additionally, another government participant simplified cannabis down to “just being a plant”: “I was quite comfortable with the fact that it’s a plant—take it to relax for enjoyment like I would grab a mint plant from my garden and put it in my tea and drink it. It’s a plant. I didn’t have any moral judgment” (personal communication, September 5, 2019). However, the federal government seemed too distant to hold such beliefs:

I think federal is very remote and it’s not our MP [Member of Parliament] that is remote, I think he has just as much difficulty. Maybe if you are coming from an area that is heavily from an industry [it] would make him a very

valued informant for policy. I don't know that he was offered that opportunity (government participant, personal communication, September 5, 2019).

Another participant supported the idea that the federal government was too remote to understand and value the local economy. They pointed out that a local Member of the Legislative Assembly acknowledged the federal government's unlikelihood to listen to the pre-legalization industry:

Even Michelle Mungall, did you notice she even admitted that? Oh, they might listen to those guys [the Nelson Chamber of Commerce]! She was like, dude, [the federal government] don't give up power, but the Chamber of Commerce, if they all came together and actually lobbied the government to do some changes, they are more likely to get that" (cannabis participant, personal communication, October 21, 2019).

The data demonstrates the federal government's mistrust for the pre-legalization cannabis industry and understanding of organized crime's influence in the sector. This mistrust was amplified by the industry's inherent privacy, resulting in a devaluation of the local sector's input into and consideration within federal policy.

5.2 Distrust of the Federal Government among Cannabis Participants

Most cannabis participants discussed amicable or neutral relationships with their local government. One participant commented: "Our local government has really worked with us in every way ... they know this is our economy; they want to help us because they benefit" (cannabis participant, personal communication, July 2, 2019). Conversely, many were critical of the federal government in four main ways: (1) because of the rural cannabis industry's apparent exclusion in federal policy-making, (2) due to the federal government's purported corporate preference within the legal regime, (3) because of some claimed conflicts of interest among federal government officials within the legal regime, and (4) due to the perception from cannabis participants that the federal government wished to "just tax cannabis." These doubts fueled the cannabis industry's mistrust.

Several cannabis participants noted their exclusion from legal cannabis policy-making; they believed it was part of the federal government's intention to make small pre-legalization producers fail in the legal market. Several cannabis participants, therefore, claimed they didn't want to participate in the "wreck-reational market, with a 'w' anyway (cannabis participant, personal communication, October 16, 2019). Indeed, most cannabis participants said they did not agree with the intent behind the legalization policy. As one of the participants stated:

You can still get a criminal charge up to 14 years. How is this legalization? We went from 12 offenses to 45 offenses still ranging up to 14 years in prison. Instead of saving money, the cops got an extra [hundreds of] million dollars from Trudeau for enforcement. If that is legalization, I need to re-read that in

the dictionary, ‘cause that is not what I think legalization would have been” (cannabis participant, personal communication, October 21, 2019).

Additionally, it was acknowledged that stigmatism negatively affected the legalization policy for the rural area. As a participant pointed out:

That is the thing with stigmatism—it goes both ways, right? Like you know, we have a problem with the man, which is why we do what we do. So, to trust the man, and that this information isn’t going to just all of a sudden go right to the RCMP and then a cop is going to be at our front door, it’s kind of scary. So, there is a lot of unwillingness to communicate, which is also one of the issues with policy; because people aren’t willing to communicate, policy was left up to people that weren’t involved” (cannabis participant, personal communication, December 11, 2019).

The federal government consulted with some members of the cannabis industry and some government representatives; this was primarily with Health Canada licensed producers and federal and provincial agencies, as described by a government participant earlier. Consequently, some cannabis participants questioned the favoritism shown towards large producers and people in government and the disregard for individuals from the pre-legalization industry and those with prior arrests. As a cannabis participant said, the federal government demonstrated an “unwillingness to allow people who have been popped [arrested] from being in the industry to participate. Yet people who have been incarcerating people are allowed to participate in the industry. It seems like a complete double standard” (personal communication, June 28, 2019). Many cannabis participants claimed that legalization was an attempt by the federal government to regain control over the multibillion-dollar industry, which had escalated out of their control while under prohibition. According to many cannabis participants, one of the results of the Cannabis Act, which was positioned to protect youth, ensure a safe supply chain and dismantle organized crime, was a new political force driven by interests to remotely control the local sector and earn taxation revenue. Coming down as a federal directive, some cannabis participants viewed legalization as initiating the transfer of local control and wealth in the Kootenays to remote authorities and, to some degree, distanced corporations. As a cannabis participant said, legalization brought “players who just want to make money, so I am referring to a new gang in town” (personal communication, June 28, 2019). The “new gang”, according to cannabis participants was comprised of large corporations as well as the remote federal government.

These entities, external to the rural area, were unwelcomed by the rural cannabis industry because they threatened to impose economic redistribution for a system that had largely benefited the local area. A cannabis participant went on to lament that the legal regime was:

...so clearly stacked and biased towards the people who have money, who have wealth. So, it’s a transfer of wealth, all the wealth from all these small little farms that was tacitly allowed to carry on, was never really enforced,

was not really stopped, no one really got busted, tacitly approved, bankers who were in on it, teachers, lawyers, doctors, real estate agents flipping properties from grows (personal communication, June 28, 2019).

Legalization was further characterized as a deceitful “powerplay” from top down which started under medical legalization. Discussing what they perceived as the government’s move to “take-down” and control the sector, a cannabis participant lamented:

That is government; they set that [Us versus Them] shit up, because they don’t want to go out of business and they are going to put their people in place, and they are going to be with the Mas and Pas—off with their heads! And then we will be out here as criminals. Or, I am going to have to, at 60, go full time on my web development job (personal communication, June 27, 2019).

Believing such motives of the federal government, several cannabis participants further discussed how they did not trust the law as established by the government: “The law is there to benefit the people who the law is made by ... I don’t have much trust in the law. And I am a very moral person. I believe more in morality than the law” (cannabis participant, personal communication, June 20, 2019). Upholding their morality, some cannabis participants pointed out how the federal government was twisted into several conflicts of interest that originated during medical legalization. Such hypocrisy compounded controversy in the legal cannabis space which blemished the legal recreational industry as ex-police, retired politicians, and people with close relations to the federal government, hoped to cash in on legal cannabis along with a lengthy list of others (DiMatteo, 2018). Like Chuck Rifici, the previous volunteer chief financial officer for the federal Liberal party, who co-founded one of Canada’s first cannabis companies (Tweed) in 2013 (Helmer, 2015). Julian Fantino, former Ontario Provincial Police commissioner who once likened cannabis legalization to legalizing murder (CBC Radio, 2017), cofounded the cannabis company Aleafia Health, along with Raff Souccar, former Royal Canadian Mounted Police deputy commissioner and member of the federal government Task Force (Government of Canada, 2016a). While both gentlemen announced their resignation from Aleafia Health as of May 15, 2020, for undisclosed reasons (Robertson, 2020), their and many others’ rapid transition to the cannabis industry raised questions by cannabis participants about how recreational cannabis policy was influenced and what interests were at heart.

On top of this, according to several cannabis participants, the federal government demonstrated a primary interest in cannabis tax collection for quite some time since, according to the alleged history of court cases in BC, you never went to jail “so long as you were paying in, they [the CRA] were cool with it” (cannabis participant, personal communication, July 3, 2019). To many cannabis participants who were interviewed for this research, it appeared like the federal government was more concerned about cannabis taxation revenue over other characteristics like the legality of the operations, deepening their scepticism around the federal government’s intent behind legalization.

Trust issues towards the senior government also arose from “post-traumatic stress disorder from being handcuffed in front of their kids” (cannabis participant, personal communication, July 25, 2019). Another cannabis participant who was trying to work with government under medical legalization further rationalized the industry’s lack of trust:

For us to engage in a process with the government ... there is no trust there, cause they have already screwed me twice—three times—cause they keep changing their rules. They would say these are the requirements—we met the requirements—no, actually these are the requirements ... [now] I am stuck with a facility that can’t be licensed because the government just kept changing the rules, so I don’t trust them. So why would I trust them? When they have been doing nothing but undermine what I have ever done to become official” (personal communication, August 1, 2019).

Despite this, this cannabis participant claimed they tried to

... participate with a sense of openness and transparency that most of my colleagues are scared to, quite frankly. They don’t have any confidence in the government ... especially the federal government—there is not a lot of trust for the RCMP and police, especially, because they just change the RCMP every four years. I understand why, but we have to deal with a whole new batch of police officers every four years, and they don’t know who you are, and they don’t know your position in the community and all they think is you’re bad, you associate with this person, you are bad. You are in this industry, you are bad” (personal communication, August 1, 2019).

In the Kootenay’s pre-legalization cannabis industry, trust played an integral role. One of the participants pointed out:

Cannabis really kind of brings this energy of cooperation and because people had to operate in this kind of secretive lifestyle, is what happened is people kind of came together and the amount of trust and relationships that have been built, in the areas was really huge” (cannabis participant, personal communication, August 15, 2019).

Trust was required to participate in the industry, and a cannabis participant stated:

You gotta know somebody to get into it, a lot of trust has to be happening, cause you are facing up to 14 years of prison when you are growing weed, so you gotta have some trust. I have seen this happen a lot where you have this trusted person and they put together a trimming team of people they

trust ... it is a very tight social network” (cannabis participant, personal communication, October 21, 2019).

However, as the data demonstrates, many cannabis participants expressed mistrust and cynicism towards the federal government, which they said contributed to one of the greatest problems with implementing legalization, “I think that’s one of the biggest challenges for the area, is figuring out how do you establish that trust?” (cannabis participant, personal communication, December 14, 2019). This challenge was acknowledged as bi-directional, “Both sides; they don’t want to trust each other. The government doesn’t want to trust industry, and industry doesn’t trust government” (cannabis participant, personal communication, June 26, 2019).

By largely excluding local cannabis participants from federal cannabis policy-making, policymakers created cannabis policy that many deemed unsuitable for the rural Kootenays. As a result, most cannabis participants continued to support the local illicit economy. Furthermore, it appeared that the federal government was interested in the corporatization of the legal cannabis industry and faced allegations of conflicts of interest involving government officials within the legal cannabis framework. Finally, the federal government’s engagement with cannabis seemed to be primarily driven by a desire for increased taxation. As a result, distrust towards the federal government had escalated within the cannabis stakeholder group. This was stalling the successful implementation of the Cannabis Act in places like the Kootenays.

5.3 Intra-Government Distrust

Several local government participants said that the federal government excluded them from policy-making and expressed a desire to provide input into shaping a cannabis policy that worked for their rural area. For example, a government participant said, “If they had asked us in the beginning, we could have gotten together like we do for other issues—gotten a room in Vancouver for three days and worked out a really good policy” (personal communication, July 2, 2019). While cannabis participants believed their perceived criminality was a key reason they were largely unheard, local government participants were unsure as to their reason for exclusion in federal cannabis policy making. Although some acknowledged it could be due to their small population and rural location. A government participant discussed the local problems created by such oversight, “There’s got to be a model where you are not relying on somebody who has almost no context or understanding of a local market, of local operations, whose mandate will be to come shut it down” (personal communication, July 30, 2019). Another government participant offered, “I don’t think the current policy and the way it’s been regulated is done well, at all, it’s in the wrong department. It shouldn’t be in Health Canada. It should be in Economic Development, [but] there should be a Health Canada component to it” (personal communication, September 3, 2019). This local problem, specific to cannabis, resembled other rural challenges; another government participant explained: “I fight the meat inspection regulations all the time with the same story. The cost to build an abattoir is completely cost prohibitive to our small famers, so I am like—well, know your farmer, know who they are, watch their practices, help them slaughter, get involved, here’s your meat” (personal communication, September 4, 2019). While a small number of local participants did say they had the opportunity to contribute to the policy-making process, which may be evidenced by

the creation of micro licensing and outdoor production allowances, many local government participants expressed that the general lack of local government input into federal cannabis policy contributed to inequitable and unmanageable policies for the rural sector. A government participant explained how they were now enforcing policies unfit for rural settings: “We have to enforce it and I can even say I know it sounds like it’s not going to work for you, and it’s actually going to hurt you, and there is nothing I can do about it. So, we become the front face of regulatory systems that are completely ignorant to rural settings” (personal communication, September 4, 2019).

Distrust within the government was mainly expressed as occurring between local governments and distanced federal groups like Health Canada. During the 17-year period between medical and recreational legalization, historic challenges actively fueled tension, primarily driven by the grey market relying heavily on personal medical licenses. The key problem rested on monitoring personal medical license facilities, which created a disconnect between local government agencies, which were forced to deal with the operation of the facilities and Health Canada, which regulated the licenses. Government participants who were frustrated by a lack of tools to regulate the facilities discussed how they could try to monitor them using “electrical, plumbing and building inspection services. But how do you do that in an illicit market?” (government participant, personal communication, September 23, 2019). The government participant went on to say, “It comes down to a [local] government problem. How are they going to deal with it?” (personal communication, September 23, 2019). To be sure dealing with the alleged thousands of personal medical licenses in the Kootenays over the years (Keating, December 22, 2019) left some government participants still reeling. A government participant discussed the conflict that the personal medical licenses had created:

We had suspected on several occasions that the licensed growers were exceeding what they were allowed to grow, and I suggested to [Health Canada], what would be great—let’s get your investigators and we can go with you to keep the peace, and make sure everyone is safe and you guys can do your thing, and the response was: we don’t have any investigators. We don’t have any (personal communication, October 29, 2019).

Local governments should hold power over whether a cannabis retail store is allowed within their jurisdiction; the issuance of licenses for cannabis retail stores is supposed to be contingent upon receiving a positive referral from the local government by the BC Liquor Distribution Branch (Government of British Columbia, 2024). However, litigation with Weeds Glass and Gifts (Keating, August 23, 2019) challenged the idea that local governments had the final say in allowing cannabis businesses in their jurisdiction. Knowledge of this dispute further frustrated local government participants.

In fact, many local government participants went back to the concept of decriminalization, saying they didn’t fully support legalization, or at least the way in which it was being rolled out: “We even had officials in there saying, don’t ever legalize it, it will kill the economy of this region” (government participant, personal communication, September 4, 2019). One government participant suggested the federal government should “just stay out of it, let the market do what it’s going to

do, [there is] the potential to screw it up by incentivizing the wrong thing” (personal communication, September 5, 2019). Legalization to many local government participants felt like a “loss of democracy” that was mired in punitive policy and new “worry about them living in the illegal zone of it” (government participant, personal communication, September 5, 2019). Such worry was elevated with legalization because of the tougher criminal sanctions for those operating outside the legal framework, including up to 14 years of incarceration for illegal production (Government of Canada, 2022). Yet, federal agencies such as the Royal Canadian Mounted Police did not share the same level of acceptance towards most pre-legalization cannabis operations, contrasting the claims made by many local government participants. Furthermore, Health Canada’s approach to regulating personal medical licenses remained disconnected from the needs expressed by local governments, which created conflict in the management of recreational legalization. For example, a government participant who looked for help from Health Canada to address citizen complaints around an operation that was suspected of overgrowing its personal medical license limits explains, “I am getting calls from the community saying there’s gun shots, there are dogs attacking kids. There’s definitely more plants than they should have” (personal communication, September 4, 2019). Yet, Health Canada responded, saying there was nothing they could do because of firm privacy rules around medical information, which include these licenses. The government participant reflected:

How does that work? You are overly onerous on one level to even be able to achieve [legal recreational] certification, yet when it comes to people who have loads of evidence of criminal activity, you have no way of enforcing it? (personal communication, September 4, 2019).

Despite the claims of inadequate engagement from local government stakeholders, the voices of law enforcement and Health Canada representatives appear to have been heard during the policy-making process, according to those interviewed. This apparent prioritization fostered distrust among local government officials, which consequently obstructed important local-federal relations and further hampered the transition to legalization. However, some trust and cooperation between local government participants and the local cannabis sector were noted; some government participants demonstrated acceptance for cannabis participants feeling underrepresented and for those who were “justifiably paranoid,” understanding cannabis participants were fearful of incarceration and the potential seizure of personal property. Largely siding with the local cannabis sector, these government participants believed that prohibition itself was what was criminal.

As an industry arising from prohibition, many local participants explained how the federal government appeared to overlook how the legal cannabis industry could transition from prohibition rather than start anew. This oversight deepened a lack of trust by both cannabis and local government participants towards the federal government that originated during prohibition. In fact, it’s the same story rural towns have been decrying for decades perpetuating a historical pattern of rural isolation. Considering the social and economic significance of this industry prior to legalization, the roll out of legalization in rural BC is reminiscent of rural resource extraction between the 1950s and 1970s. Eyeing up the hinterlands for their rich timber, powerful corporations earned senior government support that enabled

industry favourable policies. Decisions at the local level were driven by remote company headquarters and orders of government that lacked on-the-ground familiarity (Halseth et al., 2010). As a result of global change and various pressures, rural areas were left abandoned and vulnerable with flailing industries. By outlining the pains of rural inequities in the past, it helps to create an understanding of and acceptance for sentiments held by many local government participants in the Kootenays who frequently sided with the local sector. Disincentivized by what was seen as a complex process with unattainable security clearances, invisible treatment, or treatment as if they were criminals, as well as the federal government's new jurisdiction and apparent fixation on collecting taxes, and costs to go legal, some illicit participants were driven further underground while others went out of business. In these ways, the implementation of legalization failed the Kootenays, owing, a large part to a lack of trust for and by the federal government.

6.0 Conclusion

Cannabis legalization is shining a light on the historic illicit industry that once hid in the shadows of the tall mountain ranges in the Kootenay region of BC. According to those interviewed, the region's pre-legalization cannabis industry was substantial in size and private in their operations. This research examined the impacts of legalization by considering the relationships between government and cannabis participants who mostly shared a long history of mutual mistrust. However, the approach taken in creating Bill C-45, the Cannabis Act, aimed to eliminate criminals without considering the unique circumstances of the rural Kootenays, where organized crime while thought to be engaged was actually relatively inactive. This approach has endangered numerous small rural farms that were invisible to policymakers, disrupting their traditional way of doing business. Based on 56 interviews with government and cannabis participants, findings reveal how legalization has affected rural pre-legalization cannabis producing communities like the Kootenays. The findings also explored how and whether local stakeholders effectively contribute to decisions within the context of cannabis legalization policy. Three main issues, regarding distrust and its consequences, emerge from these findings in the Kootenay region post-legalization. First, the federal government exhibited skepticism towards cannabis participants, disregarding their input during policy formulation due to their perceived criminal backgrounds and ties to organized crime. Second, cannabis participants reciprocated this distrust towards the federal government, attributing their exclusion from policy-making to past criminality and suspecting government motives in favoring corporate interests and taxation. Third, there was intra-government distrust, with local representatives sharing sentiments of exclusion from federal decision-making and dissatisfaction with Health Canada's management of personal medical license complaints during prohibition. While public health and safety were prioritized for the implementation of legalization, issues of social justice and reconciliation and injustices stemming from prohibition appear to have been sidelined (Wesley, 2019) despite calls for their correction (Owusu-Bempah et al., 2019). Decades of condemnation have shaped the perspectives of many local participants, who view the current legalization structure as unmanageable. While they may not have necessarily desired legalization and felt overlooked by policymakers, many local participants from both stakeholder groups acknowledge the complexity of public policy and the need for time to get it right. Cannabis participants recognized some progress within Health Canada around their understanding of cannabis production and the federal government also recognized

they could come to the rural region to meet with the sector in their spaces, to help build trust. Together, these recognitions point to the importance of building trust; a key ingredient in enabling a smooth transition to legalization. Indeed, acknowledging and accepting cannabis culture, as well as respecting government processes, can help bridge longstanding differences between these groups while fostering an environment of trust which may slowly steer legalization in the Kootenays towards success.

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