The Nonprofit Sector and Cannabis Industry: Creating Cross-Sector Partnerships For A Sustainable and Equitable Future In New Jersey and Beyond

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The Nonprofit Sector and Cannabis Industry
Creating Cross-Sector Partnerships For A Sustainable and Equitable Future In New Jersey and Beyond
by
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Capstone Research Report Submitted in Partial Fulfillment
of the Requirements for the
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in the School of Management
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This research report is dedicated to the individuals whose lives have been drastically affected and lost by the War On Drugs.
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Abstract

The Cannabis industry is currently rolling out a legal industry, medical and recreational, across the United States. While some state legislators are celebrating legalization as a success alongside Multi-State Operators (MSOs), Legacy operators, or those involved in the Cannabis industry prior to legalization, have yet to bask in the benefits of legalizations as their corporate successors. Even more so, those who have faced adversities or have been criminalized by Cannabis have yet to see the benefit of Cannabis than many MSOs do. While legislators try to reverse the wrongdoings of the War On Drugs set out by our own government, more must be done to ensure the sustainable future of the Cannabis industry.

Keywords: Legacy, Multi-State Operators (MSOs), War on Drugs, Sustainable Development Goals, Culture
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Section 1. Introduction

With pseudonyms such as marijuana, ganja, and hemp, Cannabis is a psychoactive medical and recreational drug and plant. Tetrahydrocannabinol (THC) is the psychoactive compound found in Cannabis, allowing it to rank as a Schedule I drug on the federal narcotics list next to methamphetamine and LSD. The U.S. Department of Health and Human Services houses the National Institutes of Health (NIH) research centers, many of which have studies relating to Cannabis. The NIH’s National Institute For Drug Abuse (2019) states that the use of the drug can have a wide range of health effects, including hallucinations and paranoia breathing problems, and possible harm to a fetus's brain in pregnant women. The same NIH under the National Center for Contemporary and Integrative Health publication on Cannabis (Marijuana) and Cannabinoids (2019) documents an array of different uses for Cannabis medically, from pain management, mental disorders, HIV/ AIDS, and cancer, just to name a few. This drastic contrast of public research, knowledge and bias in Cannabis is jarring to the current state of our federalist government system’s handling of Cannabis legalization.

The increase in Cannabis legalization in the U.S. has created an equal amount of pressure to support what city and state governments define as “Social Equity”, or justice for all people in policy, for applicants and businesses. By no means is social equity a new concept, however, new information suggests that individuals who meet the criteria face adversities that make the word “social equity” a feel-good term for governments legalizing the plant that they used to justify mass incarceration of people of color, specifically Black and Latino communities. While we are currently seeing this industry bloom that already has experienced legacy people, these same people are currently fighting to compete with Multi-State Operators (MSOs). MSOs are large-scale Cannabis corporations, most of which only started in a legal market, and already have legal operations in other states. That being said, MSOs have the capital and resources that “social equity” applicants and operators, who have lost their livelihoods due to criminalization, do not. The United Nations 17 Sustainable Development Goals define urgent action needed by all countries in global partnership. When Cannabis powerhouses such as governments, MSOs, and
nonprofits alike support and collaborate with “Social Equity” businesses, the potential to meet the Sustainable Development Goals is more achievable than ever.

On top of the SDGs, supporting nonprofits who are working towards SDGs in Cannabis allow for more robust and transformational programs to support those affected by the “War On Drugs”, which is what makes cross-sector relationships within the nonprofit industry so crucial. For instance, social equity manufacturing company Sunset Connect are using their status as the first Social Equity Verified Operator in San Francisco to create cannabis lines to raise money for organizations fighting setbacks imposed by the War On Drugs. Dutchie, an online Cannabis business platform, are supporters of New Jersey nonprofit Minority Cannabis Academy, giving free laptops to students of their 8-week training program. Further support is needed from MSOs to meet the Sustainable Development Goals.

Furthermore, the difference between the legal cannabis industry vs. the American legacy industry and those who reign from there is important to note when conducting this research. In conjunction with the literature review, the data analysis consists of four interviews with legacy industry leaders to professionals in the Cannabis industry. It was crucial to curate the methodology around interviews with those in the industry, with a majority of those who were a part of the legacy industry in some form, as the Cannabis industry is quickly changing.

Cannabis reform is currently best carried out by nonprofit organizations through research & development, communications, education, and fundraising. My time as a grassroots nonprofit leader and education at the University of San Francisco has helped me understand the dire need for nonprofit professionals to support grassroots efforts. Supporting such grassroots efforts in Cannabis is crucial to the sustainable success of Cannabis reform. I am also passionate about Cannabis as it has affected my life in ways both positive and negative, which topics are outlined in this research. One of the most prominent effects Cannabis has had on my life is my father's cannabis conviction in New Jersey in 2015 which led to a 1-year probation sentence. Even though this conviction is one of many reasons I am passionate about this research, it’s dire to note that the effects that my father's conviction has had on myself and my family were notably less severe than it is on individuals and families of color. Proclaiming this is the very reason that
this research must be carried out to ensure equitable opportunities for those most affected and most passionate about the cannabis industry.

The purpose of this research is to showcase not only the importance of cross-sector relationships to properly plan, promote, and execute the UNs SDGs but the power the cannabis industry has in promoting more fair and sustainable business practices and influencing better policy. This pivotal moment in U.S. history calls for voices to be amplified in order to create impactful and meaningful outcomes for legacy people in the cannabis industry. For this paper, I have created a set of three (3) research questions to consider:

● What gaps in the cannabis industry must be filled in order to create a sustainable, equitable industry in the United States and beyond?
● Why are cross-sector partnerships, especially with non-profits, important for the cannabis industry to meet SDGs?
● How can New Jersey influence better policy in the cannabis industry?
Section 2: Literature Review

Cannabis Basics

Gaoni & Mechoulam (1964) were the first to isolate THC and made waves towards understanding and researching cannabis. Gloss (2015) describes the cannabis plant consisting of three different species:

- **Cannabis Sativa**, a larger plant growing 5–18 feet or more, and often has a few branches.
- **Cannabis Indica**, growing 2-4 feet tall and compactly branched.
- **Cannabis Ruderalis**, a robust, low maintenance, low THC species known for its autoflowering property.

These three cannabis species break down into over 700 known strains. This can break down strictly to one of the three species or can be crossbred hybrids, a mixture of one or more species. Hybrid strains are where *C. Ruderalis* can play a role in unique cannabis strains and cultivation methods. In turn, these strains produce different cannabinoids at different strengths. Gloss (2015) categorizes four methods of preparing marijuana that exist today:

- **Bhang**, which is typically ground into a paste for edible consumption, is used in India, Bangladesh, and other countries as part of religious festivals.
- **Hashish**, a compression of potent and resinous trichome plant material
- **Oil (or hash oil)**, takes marijuana and uses solvents to extract the concentrated oil containing THC.
- **Leaves and/or buds**, also known as the flower or marijuana is the smokable content of the Cannabis plant.

Pellati et al. (2018) details each cannabinoid profile and what their use is:

On the basis of their cannabinoid profiles, five chemotypes have been recognised: chemotype I comprises drug type plants with a predominance of Δ9-THC-type cannabinoids; chemotypes III and IV are fibre-type plants containing high levels of nonpsychoactive cannabinoids and very low amounts of psychoactive ones; chemotype II comprises plants with intermediate characteristics between drug-type and fibre-type plants; chemotype V is composed of fibre-type plants which contains almost no cannabinoids.
Pellati et al. (2018) clarifies that Cannabis is nothing new and has been used for centuries, “as a psychoactive drug, as a folk medicine ingredient, and as a source of textile fiber since ancient times”. The differences between the species and cannabinoid profiles are important base knowledge to understand where cannabis originated from as well as modern day plant cultivation, consumption, and research.

_Cannabis Origins & Early Years_

While scientists have debated where Cannabis first emerged, Cannabis originated somewhere along the Tibetan Plateau (also known as the Pamir Plateau) in East China. In 2019, Chinese Archeologists Ren, Tang, et. al. discovered what they call the “oldest Cannabis artifacts” dating back to 2500 years ago in the Tibetan Plateau. Their discovery of the oldest recording of psychoactive use for Cannabis was said to have been “burned in wooden braziers during mortuary ceremonies at the Jirzankal Cemetery (ca. 500 BCE) in the eastern Pamirs region”. Lawler (2019), who wrote an article on this research by Ren, Tang, et. al., notes another important link; “In 440 B.C.E, the Greek historian Herodotus wrote that the nomadic Scythians, who controlled vast areas from Siberia to Eastern Europe, made tents and heated rocks in order to inhale hemp vapors that made them "shout for joy". Cannabis was known to be traded along the Silk Road by nomadic people that connected what we know today as Asia, Europe, and Africa.

The Yivo Institute for Jewish Research has been around for nearly 100 years and has accumulated over 23 million documents and artifacts related to Jewish contemporary life. _Am Yisrael High: The Story of Jews and Cannabis_, their latest exhibit, focuses on the connections of the Jewish people to cannabis through religion, historical, scientific, and spiritual contexts. In an interview by Klein (2022), Eddy Portnoy confirms that cannabis is mentioned in the bible and
hashish use was documented in the medieval period written in judeo-arabic. Aerie, Rosen, et. al. (2020) researching surrounding the discovery of Cannabis remains on the *Judahite Shrine of Arad* only further alludes to the narrative that Cannabis was being traded along the silk road. 

Cannabis production was flourishing and medical benefits were making its way out west, including by William Brooke O’Shaughnessy, spending years studying the medical use of cannabis in India and releasing multiple academic journals on the matter. Crocq (2020) details O'Shaughnessy move to West Bengal to study the use of Cannabis in India, where his methodology and findings were a testament to the nature of Cannabis in non-indigenous places in the 1800’s. Research in India allowed O'Shaughnessy to document the different potencies of Cannabis plants where they are indigenous, although looking similar to hemp grown in Europe where he originates. O'Shaughnessy (1843) also found that the psychoactive effects of cannabis (THC) depended on a “resinous secretion”. Cited in many academic journals today, O'Shaughnessy’s research also noted that “over-indulgence in other powerful stimulants or narcotics-viz, alcohol, opium, or tobacco” is not comparable to Cannabis use. With research favoring the use of the plant, O'Shaughnessy brought back seeds to Europe. Although trade of Cannabis was already recorded to have taken place along the Silk Road and into Europe, O'Shaughnessy was able to make strides for medical early cannabis research and bring a piece of Indian Cannabis to Europe. 

Since the United States was built off colonizations, it's crucial to assess the impact colonization has had on cannabis and how colonization affects marginalized people in the United States today. It’s no surprise that colonization confuses and, in some instances, erases the history of indigenous people of the Americas. As stated by Robinson (1996), the Vikings were the first record of bringing hemp to the pre-columbian Mound People native to North America. The Mound People used hemp-cloth, discovered in modern day Ohio and hemp fabric, discovered in
modern day Tennessee, similar to hemp use seen globally in this time period. Further along, Christopher Columbus brought various crops including hemp to the Americas during colonization. Warf (2014) notes around this same time, British territories were colonizing South America. While British colonization brought hemp to the countries it conquered, it's important to note that the Moorish Invasion and slavery and subsequently the Mexican Revolution, which ended hemp subsidies from Spain to Mexico, expanded Cannabis production drastically that made Mexico a leader in cannabis cultivation.

History of Cannabis in the U.S.

Warf (2014) describes that with colonization happening in the “New World” at a drastic pace, colonies had to keep up with the growing demand in hemp to reduce imports. With trade happening rapidly, the Virginia Assembly required farmers to grow hemp in the 1700’s, which its fibrous material was used to create things such as clothing, ropes, and sales. This drastic increase in production bred more potent cannabis. Cannabis became available in U.S. pharmacies around 1850 in an array of products, most popularly with oral consumption among the wealthy class. A company based out of New York began selling "Hasheesh Candy" in the 1860s for over 40 years.

Unfortunately by 1910, a shift in the viewpoint surrounding cannabis was underway when immigrants began to seek sanctuary from the Mexican Revolution. With this influx in immigration and advances in cannabis cultivation, refugees brought cannabis to smoke versus oral consumption that was once practiced in the United States. America's deep-rooted racist outlook and colonizer mentality outweighed the medical benefit of cannabis. This began the racist shift of cannabis consumption in the United States.

The disdain for cannabis during The Great Depression in the turn of the 1930’s set the tone for Cannabis for what was to happen there after. Gonzalez III, McGee, et. al. (2019) review the inception of the Federal Bureau of Narcotics in 1930 led by Harry Anslinger, including his
sudden shift in cannabis policy in recent years. Moving forward, The Boggs Act of 1951 and the Daniel Act of 1956 created mandatory sentences for cannabis related offenses resulting in racial-profiling. As all of this was taking place, the government continued to produce hundreds of thousands of acres of hemp for military-grade gear (p. 12).

The 1936 film *Reefer Madness* contributes to the narrative that racism plays a role in policy and decision making by linking cannabis use to violence, something that has since been disproven. Less than one year later in 1937, the Marijuana Tax Act (MTA) effectively criminalized cannabis. As racial tensions grew, this would eventually become the basis for *The U.S. v. Timothy Leary*, deeming the MTA unconstitutional in 1969. This triggered the newly sworn-in president Richard Nixon and his administration. By 1970, President Richard Nixon started the *National Commission on Marihuana and Drug Abuse*, also known as the Shafer Commission with Nixon eager to find evidence to back his claims that cannabis is a harmful drug. Shortly after, the Controlled Substance Act of 1970 (CSA) added Marijuana to the schedule I narcotics list alongside heroin where it still stands to this day.

Before the Shafer commission could release a report on his main enemy, cannabis, Nixon declared drug abuse to be “public enemy number one”. At a press conference in 1971, Nixon was asked if cannabis should be available for medicinal use, followed up with, “I am against legalizing marijuana. Even if the Commission does recommend that it be legalized, I will not follow that recommendation” (Procon.org, 2011). The headless argument surrounding cannabis in politics at this time blocked any positive legalization from happening. On top of that, little to no research was being conducted around this time due to lack of government funding. In 1973, Nixon went on to create the Drug Enforcement Administration (DEA), “a special police force committed to targeting illegal drug use and smuggling in the United States” (History.com, 2019).
Regardless of Nixon’s feelings, eleven states decriminalized cannabis from 1973 to 1977 (History.com, 2019).

“Talk About Reefer Madness”, wordplay alluding to the 1936 film is how a Washington Post article titled Marijuana Outrage (1978) starts, detailing the lengths the government was going through to combat this so-called “War On Drugs”. The Washington Post (1978) article reads:

In 1975, the Nixon administration gave Mexico $40 million to buy planes and train people to spray herbicides on poppy fields in order to kill off a major supply of heroin. On their own initiative, the Mexicans went on to more fertile fields and sprayed marijuana with the deadly chemical paraquat… Since about 50 to 60 percent of the pot smoked in this country comes from Mexico, it is assumed that for the past two or three years, a large number of the 15 million regular marijuana smokers have inhaled a substance that has a slow, cumulative effect on their lungs.

In reading The Washington Post article, it’s evident that the author, who was living through this adversity, was unhappy with this finding, ending the story with, “This paraquat punishment just doesn't fit the “crime” (Washington Post, 1978). This is just one of the many inhumane punishments for Cannabis use, unbeknownst to users at the time.

According to the Drug Policy Alliance, Ronald Reagan expanded on Richard Nixon's 'War On Drugs' fiasco where racism disrupted predominantly African-American and Latino communities. During Regan’s presidency, Congress and state legislatures passed an array of baseless laws, leading to a drastic increase of incarcerations for nonviolent drug crimes. In 1986, the Anti-Drug Abuse Act was passed, which created mandatory minimum prison sentences for certain drug offenses (A history of the Drug War). A decade later, cannabis started to become less stigmatized as the medical benefits were starting to be studied in terminally ill patients as states pushed to legalize medical cannabis.
Significance to Affected Groups

In 1996, California became the first state to legalize the medical use of cannabis, followed in 1998 shortly after by Washington, Alaska, and Oregon (Siff, 2014). Although legalization for medical use was rolling out, arrests still continued to happen, and at a disproportionate rate for minorities. ACLU’s (2013) report shows 2010 government data in Figure 11, outlining the likelihood of a black person to be arrested for marijuana possession with rates two to four times more likely depending on the geographical region in the U.S. A 2021 report from The Sentencing Project found that, “Black Americans are incarcerated in state prisons at nearly 5 times the rate of white Americans. [Additionally,] Latinx Americans are incarcerated at 1.3 times the rate of white Americans” (Nellis, Liston, En). Interestingly enough, the ACLU’s (2013) report showcases Figure 22, data from 2001-2010 showcasing that more white people used cannabis more than black people. While use remains almost equal among races, racial tensions in cannabis have created adversities where they continue to happen today under federal criminalization, regardless of state laws.

Since then, Cannabis has made waves on the corporate level on a state-by-state basis. When minorities (who have faced adversities such as homelessness, incarceration, poverty, etc.) struggle to access markets due to these adversities, it leaves large corporations ahead in an industry where executives are ones who have never struggled in the legacy market and profit off of state-based laws and subsidies. Active Listening (Tennant et. al., 2022) is effective when the sender and receiver expresses feelings, ideas, and information in all forms to enact a feedback loop. Active Listening is especially important to master when conducting research on the Cannabis industry. There are two dramatically different sides to the Cannabis industry: MSOs who control the market and follow the cryptic monetized path of corporate American companies
or Legacy Operators who want to make a living while radically uplifting communities affected by the War On Drugs.

When Colorado became one of the first states to legalize the recreational use of cannabis in 2012, Colorado, like many other state and local governments, did not take the time to consider social equity to its full extent while creating legislation and upholding their duties as governments overseeing social equity programs. Flowers (2022) notes that Colorado didn’t consider social equity programs until after a bill was signed into law making recreational cannabis legal. Now in a 2.2 billion dollar (USD) market, Colorado is trying to catch up on their social equity mishaps by offering grants for social equity applications. However, with already saturated markets and strict zoning laws in social equity cities such as Denver, finding a storefront or operation center for these businesses is anything from easy. It’s worth noting that a billion-dollar industry that has raised millions of dollars in tax money for Colorado is funneling money to the same state that used tax dollars to fund racially biased arrests. This is unsettling to know considering those profiting are corporations who were not affected by criminalization. This is happening across all states as legalization rolls out.

These qualms within American policies have created disproportionate opportunities and equalities among minorities. Equally as much, governments in the U.S. are failing to consider the implications of cannabis criminalization, including the history that created these disproportionate effects in the first place. While people have been building cannabis systems in legacy markets, trusting a government that has a history of harming legacy people is one of the many barriers to legacy operators entering the legal markets. On top of that, access to capital, stocking or growing product, and finding land are some of the other major issues facing legacy operators wishing to enter a legal industry. As stated by Donald Kettl in discussing adversities in relation to the history of Cannabis in the U.S., “Our system of federalism, as always, adds a special twist”
Sustainable Development Goals & Cannabis

The United Nations Sustainable Development Agenda consists of seventeen sustainable development goals (SDGs) that must be reached in order to promote sustainability for future generations. According to the United Nations website, “Sustainable development has been defined as development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (The Sustainable Development Agenda). While any global industry can benefit from the use of the SDGs, the SDGs have been a prominent framework within social equity spaces in the U.S. Cannabis industry.

For Alternative Approaches to Addiction, Think & do tank (FAAAT) is an international non-profit, non-partisan, and non-governmental research & advocacy organization that was founded in 2015 to address global policies advocating the medicinal use of plants including Cannabis. (Ethics In Drug Policy..., 2022). Kenzi Riboulet-Zemouli is the co-founder of the think tank, whose research alongside Krawitz, Executive Director of the non-profit Veterans for Medical Cannabis Access, paved the way for change in the World Health Organization (2022):

In January 2019, the World Health Organization (WHO) released the final outcome of its scientific assessments of Cannabis sativa-based products and substances, following the reviews undertaken at its Expert Committee on Drug Dependence (ECDD) 39th, 40th and 41st meetings. The very positive outcome (best result WHO could possibly come up with in the current context) acknowledges the medical benefits of Cannabis and cannabinoids, reintegrates them into pharmacopeias, balances harms, 1954 position stating, “there should be an extension of the efforts towards the abolition of cannabis from all legitimate medical practice.”

FAAAT’s members' strides in redefining Cannabis under the WHO lead to their new project of meeting sustainability goals in Cannabis by 2030. Riboulet-Zemouli, et. al. (2019) describes the need for Cannabis to be centered around the SDGs:

(Gonzalez III, McGee, et. al., 2019), alluding to the vast contrast of equitable cannabis laws among U.S. municipalities.
Rather than trying to solve the equation of the perfect Cannabis policy and its infinite variables, a more feasible approach would be to step aside, list all the different public policies that affect, or are involved with Cannabis, and address them individually. The 2030 Agenda for Sustainable Development and its 17 Goals is but a perfect tool for this purpose.

While there are an abundance of SDGs in relation to Cannabis, four that are prominent in this research are described by Riboulet-Zemouli et. al. (2019) and are described in brief summary below:

- **Quality Education:** Governments who partook in prohibition should shift public funding surrounding drugs, such as policing and anti-drug early education targeting cannabis, towards education across the board. In all aspects, opportunities for education should target young adults already involved in legacy Cannabis-related markets. Education should be inclusive of those in legacy markets, including access to opportunities to learn and teach. Additionally, Cannabis companies should provide financial resources consistently for education in professional, cultural, and environmental aspects.

- **Decent Work and Economic Growth:** The legacy of criminalization and judicialization among Cannabis users increase adversities and marginalization, creating barriers to opportunity and employment. Target 8.3 encourages the formality and growth of micro-, small- and medium-sized enterprises, including access to financial services for these businesses. Public policy should adopt social and sound tax policies that redistribute funds to those affected by and solving adversities faced by the criminalization of Cannabis. This industry demonstrates the need to uphold fair labor and just compensation while simultaneously showcasing the ability that micro- and small-sized enterprises have to uphold this the most.

- **Reduced Inequalities:** Because the overwhelming majority of those accused or convicted for Cannabis-related offenses are part of ethnic minorities, migrants, foreign national,
asylum seekers or people in irregular situation, indigenous and native populations, socially marginalized people and young people, Cannabis policy reforms need mechanisms targeted at these groups, and needs to monitor the impact of reforms undertaken on these populations. Sustainable Cannabis policies should address equality of opportunities and non-discrimination not restricting access to legal markets for people with prior drug-related convictions, and addressing barriers to entry into the legally regulated Cannabis industry for communities who have been harmed by prohibition (Riboulet-Zemouli et. al., 2019).

- **Partnerships for the Goals:** Partnerships within the Cannabis industry are necessary to achieve all 17 SDGs by 2030. As legalization happens globally and in the U.S., it's important to note cannabis trade and what opportunities this brings to cross-sector relationships to support many of the SDGs. Most crucially, it's important for governments to redirect drug control funding as they go against the SDGs while, in turn, funding development opportunities like businesses or nonprofits targeting the *Sustainable Development Agenda*. Overall, partnerships among all sectors are necessary to build, maintain, and carry out the SDGs.

The need for sustainable development across the Cannabis industry is crucial to future generations inhabiting this earth. David Martin Olivera Couto, the secretary general for the National Drug Council of Uruguay, notes the following:

> Policies that relate to drugs, in particular, have much to learn from the 2030 agenda. If something is to be considered problematic in this domain, it is not fundamentally in relation with the very substances, but rather in relation with shortcomings and limitations in terms of sustainable human development that our societies suffer. (Riboulet-Zemouli et. al., 2019).

The *Cannabis and Sustainable Development Toolkit*, which was released in 2019, notes that radical change must be implemented now in order to meet the 2030 goals. Many strides towards the SDGs have created imparable frameworks and solutions towards sustainability. On the same front, hardships pertaining to laws, access to capital, education, and more has created concern for Cannabis operators to be able to meet the 17 goals by 2030.
Social Equity In California

Oakland, California, one of the high-impact communities designated by the state, has a social equity program that has been praised for its social equity. Years later, we are still seeing those impacted face harsh adversities when entering the legal market. The Emerald New Deal was proposed by advocates Charles Reed, who spent 31 years in prison, and Gamila Abdehalim, pushing for more social equity initiatives, from economic development to mental health services. The goal is to allocate all of its Cannabis Tax Revenue to those most impacted by the War on Drugs. The dire need for this program is outlined throughout the history of its tax fund:

Since the City of Oakland began collecting taxes on cannabis businesses, over $45 million dollars have been generated for the General Purpose Fund, of which nearly 50% goes to the Oakland Police Department. Cannabis tax revenue should go to benefit the communities that were punished for using cannabis. To spend those dollars on further criminalization of working class Black, Brown, and Asian people is rotten and evil (Emerald New Deal).

Nani (2020) details Oakland’s social equity program as good, describing their Equity Program Tax Relief initiative that discounts taxes for business owners based on different equity parameters, noting “deeply problematic different cannabis arrest rates for white and black people in Oakland” (Nani, 2020, pg. 52-54). Rodas (2022) outlines the Emerald New Deal and reviews City Council and Cannabis Regulatory Commission (CRC) meetings. He states that people like Bryce Savoy, co-owner of family-run equity business Euphorium, mom-and-pop cannabis businesses can barely cover the cost of taxes and keep their establishments safe. Others like Lina Salams during the July 7th meeting said, “Marijuana may be legal now, but people are still reeling from years of racist policies that have harmed Black and brown communities”. Overall, Roberts (2022) alludes to an overall public objection to the Emerald New Deal, stating the lack of planning, but even council members have an opinion that can not be ignored:
“Few doubt Reed’s analysis—that cannabis legalization hasn’t been the boon it was promised to be. “I feel in a way we were lied to,” agreed Chaney Turner, a former dispensary operator who chairs the city’s Cannabis Regulatory Commission. “Nothing in the way of what Prop. 64 (California’s 2016 legalization ballot measure) promised with regard to equity has been fulfilled.” But where opinions differ is how to fix it.”

He ends the story by saying, “As elusive as the solution remains, at least everyone is clear on the problem—or at least everyone who agrees cannabis and equity should be part of legalization” (Roberts, 2022).

Across the bay in San Francisco, more success lies with their Cannabis Equity Grant Program, which has distributed over $5.5 million in flexible grant funding to more than 50 equity businesses since 2021 (City and County of San Francisco, 2022). After Proposition 64, which effectively legalized recreational cannabis (Klein, 2022), the City gave its first social equity verification to Sunset Connect who operates and distributes within San Francisco.

Roberts (2022) San Francisco Standard feature tells Ali Jamalian’s story with Cannabis in San Francisco:

In 1999, Jamalian was arrested for pot possession in the Presidio, which is federal property, and nearly deported. In 2011, after spending more than half a decade back in Germany, he returned to San Francisco and began growing and selling medical cannabis in the Sunset District.

Mojadad’s (2021) interview with the founder noted the stance he had on social equity in Cannabis:

It’s a form of reparations for those of us whose lives were ruined by a cannabis arrest,” Jamalian said. “I can tell you the San Francisco program should really be used for social equity programs across the country and industries.

With his street credit and connections in the Bay, Roberts notes, “he works to smooth relationships between suspicious ex-felons and their new partners in legalization” (2022). This isn’t to say the social equity program is perfect. Jamalian, who is the chair of San Francisco’s Cannabis Oversight Committee, also strives towards streamlined processes for social equity
applicants, noting his displeasure with the rate at which certain permits are issued as stated in its April 29th board meeting minutes (San Francisco Cannabis Oversight Committee, pg. 5).

However, not all opportunities for social equity applicants are equal. Timo Espinoza founded Seventh Wave, a manufacturing, distribution, and white-label organization after he was arrested in 1999 for small possession (Espinoza, 2022). Lessons from CA's Social Equity Program outlines his story in the legacy industry since he was 13 years old. Timo, alongside his wife Eliza, inherited and ran Timo’s father's legacy network that they operated since 2015. When Prop. 64 allowed for social equity applicants in San Francisco, they simply could not afford entering a legal market. That’s when Woody Ridge Farms in Humboldt County stepped in to help, allowing Seventh Wave to be awarded Humboldt County’s first social equity license at the beginning of 2021 under a micro license:

"It's a little late, you know?" Espinoza said. "And fortunately for us, we've been able to hold on by a thread and are trying to make our way through. But for many, they could have used that money a long time ago and probably would have still had a shot." (Lessons from CA's Social Equity Program)

Acquiring licenses is just the entry into the Cannabis industry, and even that can take years to face:

There is still rent, mortgages, and fees that equity programs don't cover. And with little capital and no access to loans, paying for additional costs before approval has been the demise of far too many applicants. (Lessons from CA's Social Equity Program)

Ultimately, Espinoza notes that no tax dollars have been allocated to support her company, or any other social equity applicant. Many issues face social equity applicants when starting their business such as high startup costs and lack of access to capital. For instance, social equity applicants in Los Angeles had investors back out on their business due to an untimely process of applications, leaving social equity applicants to fail (Gerber, 2022). States like California have left social equity up to local jurisdictions, but even a program as highly praised
as Oakland’s has its flaws. Smith (2022) mentions Oakland-based Amber Senter, CEO of Makr House, a processing and distribution company, and Executive Director of *Supernova Women*, a 501(c)3 empowering people of color to become self-sufficient shareholders in the Cannabis economy. Jaeger (2021) notes that California’s Governor’s Office of Business and Economic Development donated $29.1 million dollars to 58 nonprofit organizations to “advance health, wellness, & economic justice for populations & communities harmed by the *War On Drugs*”. Smith also notes that Senter played a role in the California Cannabis Social Equity Act of 2018 and Oakland’s cannabis equity program (2022). She proclaims, “I believe in liberation for all Black people and prioritizing the communities damaged by the war on drugs to have precedence in the cannabis economy” (Smith, 2022).

Senter also saw the need to support incubators for those wanting to enter the legal industry. Smith (2022) notes, “The U.S. Coast Guard veteran also co-founded *EquityWorks! Incubator*, a shared manufacturing facility/kitchen that incubates social equity operators”. Only recently have jurisdictions started to adopt incubator programs to assist in streamlining social equity applicants to success. Jessica F. Gonzalez, Esq outlines the *Importance of Cannabis Incubators* (Nani, 2020):

An incubator is a company that assists startup companies in their initial stages typically in return for equity in the startup company. Incubator programs vary in their execution but for the most part, incubator programs provide mentorship, education, comradery, business development, access to investors, access to capital, and, in some cases, a low-cost workplace (pg. 77).

Gonzalez goes on to note that 90% of startups fail, continuing with:

To begin preparing an application for a state cannabis license, a startup company must have a team of service professionals to properly advise them and that comes in the forms of lawyers, accountants, consultants, etc. Not only is financial capital important but human capital as well (pg. 78).
“Let us think about that catch-22—how is a social equity applicant supposed to have experience operating a cannabis business in a state that recently legalized cannabis?” says Gonzales, continuing to advocate for mentorship among incubators, noting a higher success rate under proper mentorship and an incubator (pg. 79). The conclusion to advocating for these incubators ends with a metaphor:

After shouldering the burden of the criminalization of cannabis, social equity applicants deserve a place where their business can be nurtured. Without such a nest to test out their wings, these companies will find that their wings were clipped from the beginning (pg. 80).

**Social Equity In New Jersey**

The State of New Jersey opened doors for the first day of recreational sales recently on April 21st, 2022. The [Official Site of the State of New Jersey](https://www.state.nj.us) designates [Impact Zones](https://www.state.nj.us) seeking to target communities disproportionately affected by the War On Drugs, which designates Elizabeth, NJ as one of those Impact Zones. Zen Leaf posted an article describing the first day of recreational sales at their store in Elizabeth, where Governor Phil Murphy proclaims in his attendance:

The first sale of legal, adult-use cannabis today marks a historic moment for New Jersey, as we leave behind the indefensible practices that led to the incarceration of countless people of color and embrace the opportunities of a fair, regulated adult-use market. It is a moment that required long hours of work to make sure we got it right the first time… (Rallas, 2022).

Leafly article titled *I’m Still A Prisoner of the Drug War* responds to Murphy’s pleasure with the program, stating that, “The juxtaposition is especially striking to Humberto Ramirez, a New Jersey native who is watching his state’s new legal weed market boom while he sits behind bars (2022). To say that something to this caliber is “right the first time” dismisses all of those affected by the War On Drugs in the past, present, and future.

*Impact Zones* are just one of the definitions that have been defined by the New Jersey *Cannabis Regulatory Commission (CRC)*, who, “establishes and enforces the rules and
regulations governing the licensing, cultivation, testing, selling, and purchasing of cannabis in the state” (NJ.gov). The chair of the commission was former ACLU policy council Dianna Houenou who led the organization’s coalitions advocating for cannabis legalization and police reform in Newark, which is now defined as an Impact Zone. The CRC’s focus on social equity has led to many discussions on equitable access for licensing, which includes priority applications for people like those with past Cannabis convictions. However, new proposed amendments to the rules and regulations set out by the NJ CRC have come forward, which Adams (2022) reports on public feedback:

…Some of the new changes include reformulated classes of licenses for delivery and manufacturing operations. Local lawyer Todd Polyniak, from Parsippany-based Sax LLP, provided some insight. “You can go from growing it to manufacturing it to wholesaling it to distributing it, and then finally selling it in retail or delivering it to a final customer,” Polyniak said. He said that problems remain, such as social equity startups that have little time to convert a conditional license into an annual license. “I think the state still needs to come through with some type of way of funding these startups, especially the social equity startups,” Polyniak said. “They have 120 days plus 45 days to actually execute on that conditional license and convert it into an annual license. So that’s not a whole lot of time to get everything done.

Unfortunately, Social Equity licensing in the state and across the country are just one of the various parts to running a successful Cannabis business. Nonprofits like Minority Cannabis Academy (MCA), run by Brendon Robinson and Stanley Okoro, are tackling the issues with licensing in the state:

It is great that the New Jersey Cannabis Regulatory Commission prioritized the application process for minority entrepreneurs,” Robinson said. “But there needs to be opportunities for minorities at all levels.” (Saulsbery, 2022)

MCA offers an 8-week training program for disenfranchised individuals looking to step foot into the Cannabis industry to build real jobs and real careers. Okoro said. “With education and technical training, we have the ability to reduce barriers and create a more diverse and equitable industry here in New Jersey” (Saulsbery, 2022). In an interview with Johnson, Robinson explains that, “Individuals are showing a lot of passion and determination to achieve their dream, which is to work in this industry” (2022). This point of view hints at Robinson’s and Okoro’s own view of determination to achieve their dream in the Cannabis industry, where they also proclaim that they
ve put a lot of “blood, sweat, and, well, money into this initiative themselves, because it’s something they’re passionate about” (Johnson, 2022).

Passion and culture in the Cannabis scene is something that individuals impacted by the War On Drugs fail to lack. For instance, Suzan Nickelson is the “first Black female cannabis entrepreneur [in New Jersey] to win a permit to sell cannabis to patients with her company, Holistic Solutions” (Gibson, 2022). Generations of West African and Jamaican word-of-mouth cultivation teachings on Cannabis were passed down to Nickelson, who grew to love Cannabis and its medicinal uses from her mother. Both Nickelson and the men behind MCA chose to bring their Cannabis vision into an emerging legal state where hardships for individuals like them, such as funding and lack of resources from the state, persists. For instance, Nickelson is highlighted for being the “first” black female operator while still not having an open storefront and Robinson and Okoro have been digging into their own pockets to support the efforts of the MCA. Both organizations, however, highlight the importance of culture and how it greatly impacts what they do and how they carry out business.

On the flip side, Governor Phil Murphy and the state of New Jersey has allotted families making under $65,000 to receive free tuition throughout the state's public colleges and universities under the Garden State Guarantee Initiative (Heyboer & Marcus, 2021). Public universities in the state such as Rowan and Stockton have started to offer Cannabis courses in their programs, a minor in Cannabis studies, as well as various initiatives that help support Cannabis education. The Cannabis & Hemp Research Initiative at Stockton (CHRIS) (n.d.) offers multiple opportunities to Cannabis and Hemp education, research, partnerships, and events to further their, “commitment to the development of an educated, motivated, diverse, equity-based cannabis and hemp workforce” (n.d.). This initiative is supported by key adjunct professor Robert Mejia, who was recently awarded the NJ Cannabis Insider Excellence in Education award (Lavin, 2022). These educational opportunities, while informative and robust, are not targeted towards legacy individuals due to the nature of Stockton being a higher-educational institution. This is where organizations like MCA come into play, to nourish an educational opportunity enriched in culture to bridge this learning gap.
While the state has been pushing for more equity and opportunities across the board, the contrast between the opportunities within New Jersey, however, are shocking. With many pressing issues surrounding Cannabis equity in the state, one thing is for certain: Opportunities for those once in a legacy industry are not built equally for those entering an emerging legal industry. While longstanding public universities are free to offer Cannabis curriculum with legalization, and pay for this education for low-income students, legacy industry leaders such as the men at MCA face hardships when bringing raw Cannabis education to their community, such as lack of funding, including from the state.
Section 3: Methods and Approaches

Active Listening (Tennant et. al., 2022) is effective when the sender and receiver expresses feelings, ideas, and information in all forms to enact a feedback loop. Active Listening is especially important to master when conducting research on the Cannabis industry. There are two dramatically different sides to the Cannabis industry: MSOs who control the market and follow the cryptic monetized path of corporate American companies or Legacy Operators who want to make a living while radically uplifting communities affected by the War On Drugs. Anyone who is a stakeholder in Cannabis must actively support and listen to Legacy Operators to reverse the harms done by the War On Drugs. To profit off such harms while simultaneously erasing its history in the U.S. is a shameful practice that is a human rights violation. To do this, we must accept constructivism and reject objectivism. Waters (2022) lecture states that constructivism is a philosophical idea that our reality, communication, and morality is constructed by humans unlike objectivism, where life is understood equally among the human race naturally. Everyone perceives the world around them differently, which was an extremely important sentiment to hold when carrying out this research.

The methods of this research takes a qualitative approach, conducting interviews in order to analyze and uplift the voices of those adversely affected by the War On Drugs and who have made great strides in the Cannabis industry. This approach led me to reach out to ten different people and/or organizations, four which made it into this research. That being said, this research was sought out through convenience-based sampling with semi-structured interviews. Prior to conducting interviews, I created (1) a list of indicators that detailed a good fit for an interviewee within the timeframe allotted for this research (Appendix A) and; (2) a set of baseline questions that I would potentially ask an interviewee (Appendix B). These interview questions were curated around finding answers to the three research questions. Given the short time period to conduct interviews is why a convenience-based sampling was chosen. Because this is a Capstone project for a Masters-level program, this project’s approach is to lay the groundwork for more favorable outcomes to equitable efforts within the Cannabis industry.
On that note, detailing the methodology for interviewing each participant, from initial contact to the conclusion of this research, is crucial to upholding the integrity of this research:

- **Ali Jamalian**: Sunset Connect is the first verified social equity operator in San Francisco who’s Founder and CCO has a history in the legacy industry and with education at *University of San Francisco* (Roberts, 2022). My local dispensary, *North Beach Pipeline*, is where I was first made aware of the organization. Using their products and researching their organization led to a conversation with Jamalian via Instagram direct messages about this research. He invited me to their facility to conduct an interview, however, due to the sensitivities of the day-to-day operations, this was the only interview I chose not to record. The methodology was to conduct research about Sunset Connect and their journey prior to the interview, converse with Jamalian about his story, and understand their opinion on various market strategies and opportunities. In order for me to represent the information in the interview appropriately while also following the approach accordingly, no notes were taken and there were no formal set of questions. Instead, I took the full interview time to listen to Jamalian’s words, take them as face-value, and transcribe my connection of the interview to the research questions in a timely manner. I followed up via email to ask clarifying questions. The goal is to use this conversation to relate Jamalian’s qualified knowledge and experience to the three research questions.

- **Eliza Espinoza**: Seventh Wave is an *Equity Trade Certified* manufacturing, distribution, and delivery company based in Humboldt County, the heart of Cannabis agriculture in the state whose COO promptly acquired her Masters in Public Administration from *University of San Francisco* (*Lessons from CA’s Social Equity Program*). The connection to Espinoza and Seventh Wave was brought about by Dr. Richard D. Waters, who has taught in programs throughout the School of Management. Since our connection on June 1st, 2022, we’ve established a relationship that allowed us to communicate thoughts for this research via text message, email, voice memo, and video recording software. On July 16th, I sent Espinoza a set of interview questions based on our conversations from the
past month and a half. In this case, I felt that asking questions in turn with follow up questions was adequate for relaying the story and message appropriately.

- Robert Mejia: Stockton Universities educational initiatives in regards to the Cannabis industry have been growing alongside adjunct professor Dr. Robert Mejia, who was recently honored with the Excellence in Education award by NJ Cannabis Insider. I contacted Mejia after learning more about Cannabis education through conversations with another academic, followed by a 45-minute Zoom interview with follow up questions. The methodology was to conduct research about his history in the Cannabis industry, discuss the opportunities for Cannabis education at Stockton as a public school in New Jersey, and relay their professional opinion on legality in the state.

- Brendon Robinson & Stanley Okoro: Brendon Robinson and Stanley Okoro starred as business partners with NJ 420 Events in the medical scene who went on to create Minority Cannabis Academy (MCA) after adult Cannabis use became legal in New Jersey in 2020. I found out about this organization first through research on the Cannabis industry’s social equity scene in NJ. After being recommended to this group through two different interviewees, I reached out to them through the MCA website with a prompt and eager response to be highlighted in this research. Due to time constraints, we were allotted 20 minutes for Q&A, followed later on with follow-up questions via text messages with Robinson.
Section 4. Data Analysis

Expert Interview #1

Ali Jamalian, Founder / Chief Cannabis Officer, Sunset Connect & Chair to San Francisco’s COC, San Francisco, CA (A. Jamalian, personal communication, August 3rd, 2022)

Walking into the Sunset Connect facility in San Francisco, California where Ali Jamalian houses his small yet fierce operations was, simply put, a well-respected headquarters with hardworking individuals running any other business, just with weed involved. Distribution, manufacturing, and indoor-growing have been their game since 2020, where they have now amounted to manufacturing around 60,000 joints a week. Jamalian is a respected pioneer in the cannabis industry, who is currently Chair of the COC in The City (Mojadad, 2021).

It’s important to note Sunset Connect's local business model has created strides towards the UNs SDGs, including significantly less CO2 emissions than MSO competitors (Goal 13: Climate Action). They have also grown their operations to create jobs that have workers, who I observed and spoke with during this tour, who love their craft and show dedication to Sunset Connect and their mission (Goal 8: Decent Work and Economic Growth). Jamalian’s work with The City has created better policy outcomes for those trying to emerge within the growing Cannabis industry (Goal 16: Peace, Justice and Strong Institutions). These examples are just a few of many connections to the SDGs that Jamalian and Sunset Connect address, which are important in indicating a true social equity model. Furthermore, his interview and experiences are used in relation to the three research questions:

What gaps in the cannabis industry must be filled in order to create a sustainable, equitable industry in the United States and beyond?

In California, Jamalian was adamant about larger entities like governments and MSOs taking advantage of social equity applicants like himself when he first got into the legal industry. Through his experience, he recounts the various government, MSOs, and consulting services that's goal is profit above all. As these same organizations are ahead and continue to be, social
equity applicants can't keep up and survive alongside multi-million dollar organizations that predate Prop. 64. As the Chair of the COC, Jamalian advocates for more equitable opportunities for those entering the Cannabis industry. The April 27th, 2022 board meeting minutes document Jamalian advocating for a quicker response to Social Equity OTC permits issued by the DBI, and advocating for Social Equity applicants to have a dedicated permit analyst (Expert Interview 1). Jamalian alludes to this, saying that there needs to be more equitable and consistent opportunities for micro- and small-social equity businesses to bridge the gap between MSOs and social equity applicants. This quickly leads to other issues, such as access to capital, operating space, supply-chain issues that divide the small and large cannabis operations, the reason why small-scale operations fail. More dollars need to be used to be redistributed to social equity applicants versus city-sourced and funded consulting companies, who can be difficult to work with.

Another opportunity for equity in the Cannabis industry is supporting efforts towards legalization federally. For many reasons, federal legalization allows for those who have faced criminalization on any level to be expunged of their crimes while shifting the public's view on Cannabis for the better. Jamalian notes that a big piece in federal legalization opens the doors to new import and export markets. For states like New Jersey where micro-license applicants are just starting to open doors, which are already saturated in MSOs, this can be groundbreaking for the market in the United States, especially for social equity operators.

**How can New Jersey influence better policy in the cannabis industry?**

One thing that San Francisco did right was allocating commission space to those equity applicants like Jamalian and having their voices be heard. And currently, Jamalian see’s the New Jersey CRC as “a joke”. New Jersey's Cannabis Regulatory Commission's chair Dianna Houenou, who has a history with Cannabis reform during her time at the ACLU, has called this a “learning process”. It’s not to say that Houenou has no experience, but to not have those social equity operators and individuals most affected on the chair is puzzling to Jamalian. For him, he started collaborating with The City when Prop. 64 had passed. New Jersey, however, put their attention towards MSOs first. Today, MSOs in New Jersey have an unfair advantage in the
market, creating uncertainty for new social equity applications who are pushing towards operations. Overall, better policy can emerge in New Jersey when those most affected have a say in advocacy and policy matters, and when social equity is on the forefront of Cannabis legalization.

Why are cross-sector partnerships, especially with non-profits, important for the cannabis industry to meet SDGs?:

There are few industries as intertwined with their local non-profits as California Cannabis Operators. This is reflected in the State's approach of giving a significant amount of the collected cannabis taxes to California non-profits. In addition to the budgetary measures of the state, it has become best practice in San Francisco to support a local non-profit with annual donations, resources, and other forms of support as part of the cannabis licensing application. This helps the cannabis retail applicants with the local community, at planning hearings, and other public engagements where providing support for local non-profits helps to lift the stigma and opens a channel of education. This works especially well in minority communities with prejudiced notions about cannabis use.

As SF's first social equity manufacturer and distributor, I initiated a series of collaborations with local non-profits. The concept is simple, we launch a collaboration which is fully financed by Sunset Connect. This means we design, develop, formulate, manufacture and distribute a cannabis line in collaboration with a non-profit, 50% of the profits go to said non-profit. This allows us to leverage our valuable licenses, IP, and expertise to enable our local non-profits in the cannabis space while generating income for them. The first one was a collaboration with Rudy Corpus from United Playaz by the Name of Playaz UP, a violence prevention organization. The second collaboration that is currently available in the market was formed between Sunset Connect and the Murray Athletic Foundation and benefitting inner city youth with their athletic development. The third collaboration is with 40Tons Brand, a restorative justice project with Corvain Cooper who was recently pardoned for a life sentence for cannabis (Expert Interview 1).

Expert Interview #2

Eliza Espinoza, Founder / Chief Operating Officer, Seventh Wave, LLC, San Francisco, CA/ Humboldt County, CA (E. Espinoza, personal communication, July 31st, 2022).

In an interview with Eliza Espinoza, understanding Seventh Wave's story, their view on social equity, and operations is crucial to examine the state of social equity in the United States
and what needs to be done to meet the UNs *Sustainable Development Goals* in Cannabis. No story better describes the adversities and hardships faced in a legal market than the story of family-owned, legacy-bred organization *Seventh Wave*. They were among one of the first social equity applications after *Proposition 64* in California legalized recreational cannabis. Eliza Espinoza and her husband Timo Espinoza, who co-founded Seventh Wave, both have a history with Cannabis. Timo’s father was a legacy operator who was thrown in jail by the FBI. At the age of 13, Timo started working and accumulated an array of citations, misdemeanors, and police detainments. In 1999, Timo was charged for small possession of marijuana. On Seventh Waves Instagram page, a repost from Timo’s private Instagram account shows his incident report from the police that narrates the interaction that the police had with him, noting that he was acting suspiciously according to police. “Acting suspiciously translates to being brown” Timo states, continuing with, “They left the part out about handcuffing me face down on the concrete before performing the “cursory search” (Espinoza, 2022). And for Eliza having parents refugging from El Salvador during the war, she was able to become a first-generation graduate, who’s Alma Mater is from the *University of San Francisco’s Graduate School of Management*. After inheriting Timo’s father’s legacy network in 2015, Timo and Eliza began to sell topicals and hash. When *Prop. 64* passed in 2018, the Espinoza’s qualified for the license under the pretense of being low income and for having lived in zones heavily affected by the war on drugs. With their history in the legacy space and combined with their entrepreneurial spirit, *Seventh Wave* started to operate under a legal market in 2020.

It’s hard to conceptualize the term “social equity” when state-wide social equity programs have been put in the hands of local communities since legalization. Unfortunately, it’s more complicated than Cannabis tax dollars being redirected to social equity applicants. For instance, *Dope Flavor’s*, one of Seventh Wave’s brands, is a certified member of the *Equity Trade*
However, this network is one of thousands of agencies, firms, and nonprofits not funded by and/or partnering with any state or local social equity programs, despite the government's pressing for this to happen. Espinoza points out the problem with the overused term and the metrics of being social equity verified:

Unfortunately, our experience utilizing the label "social equity" is either a hit or miss. I've seen many great benefits within ancillary services, it tends to open the door for discounted rates and/or pro-bono hours. But in the industry, there is like a scarlet letter on a brand or company when utilizing the label of social equity. Many retailers do not necessarily care about the verification, nor have incentives in place to need to care. Some retailers place us all in a box, if they have enough social equity brands, they automatically disregard us from shelf space. Other retailers do appreciate the verification and when we find those select few, we feel seen and acknowledged. We are shifting our focus from being defined as social equity, to being defined as just a cannabis company. We prefer the term legacy, and sometimes prefer it in place of social equity verified, as it defines having been a part of the cannabis industry before legalization in California (Expert Interview 2).

Espinoza also notes that the most important part of uplifting legacy operators today is preserving history, citing what went well and what went wrong, ultimately to project a sustainable future in Cannabis:

Legacy people are the ones who started and established this industry. The cannabis industry was already a sophisticated industry when legalized. Not having legacy people farming, distributing, consulting etc., allows for these large, well-funded corporations to dictate what is quality cannabis. As we have seen so far, the larger corporations have really misinformed the consumers of what quality cannabis is and taught to disregard what unsafe, unethical cannabis is. We need legacy folks to be consulting and pioneering the legal industry, just like the traditional industry if we want to preserve what quality and ethical cannabis practices are (Expert Interview 2).

It’s no secret that social equity is attainable when legacy people are at the decision making table, their voices are heard and action is taken accordingly. But with the influx of Multi-State Operators (MSOs) budding in the legal cannabis enterprise and surpassing micro- and small-business owners on all fronts, not all regulations, laws, and programs are equal. Espinoza notes a heavy inequality she’s seen since starting her business:
A change that is being worked on today and needs continued work is the tax structure of cannabis in California and the local jurisdictions. Cannabis is highly taxed, surpassing even the tobacco and alcohol industry. Decreasing or eliminating these taxes entirely for social equity operators would allow them to stand a chance in this industry. California alone has also made more than $1 billion dollars, within a year, from cannabis taxes, this doesn't include what the local jurisdictions make. And as we know, California always ends up with a surplus. Though only a small portion is granted to local jurisdictions to then have a small portion disbursed to social equity operators, more financial monies and resources are needed for social equity operators to be able to survive the current volatility, especially during this recession (Expert Interview 2).

Having to pay taxes to the state in which they disburse funds to Social Equity applications like Espinoza is one of the many unjust ways where the state proclaims a successful and sustainable social equity program. Since 2019, funds have gone to educational programs, nonprofits, and most notably jurisdictions, to solve these social equity issues on the local level. Redistribution of tax dollars on top of curating more local solutions can be perceived as California moving in the right direction. But this common misconception is anything but that. Espinoza notes that the state needs to adopt general social equity criteria for the entire state, versus leaving it to local jurisdictions.

As Espinoza has mentioned, leaving social equity up to local jurisdictions allows for inequalities to flourish and loopholes to arise, shying away from the social equity mission (Expert Interview 2). Like many people in the legacy-to-legal market trying to stay afloat, individuals like Espinoza are recognizing room for improvement for current legal markets. In places like Humboldt County where Cannabis is grown abundantly and has been for decades, the potential for business to grow under federal legalization:

Federal legalization and interstate distribution need to happen for many of our Humboldt County craft farmers to survive. California is over-saturated with cannabis and has the potential to do greater if we were allowed to expand to other states that want California cannabis and cannot produce in quality because of their geographical location (Expert Interview 2).
Without a doubt, the modern U.S. cannabis industry was built off the victims of the war on drugs. Espinoza adds, “Essentially, we built this industry based off of our own experiences in a poverty-struck community with little resources” (Expert Interview 2). What’s important and most learned from this interview is the need to preserve the history of the cannabis industry, or else history ends up repeating. “This industry was built off the victims of the “War On Drugs” and history has been erased in this country. Cannabis’s potential for social impact makes it very important to preserve history and change cannabis on a sociological level. Uplifting voices like Seventh Wave and others allow for that history not to be erased or go unnoticed” (Expert Interview 2).

Expert Interview #3

Robert Mejia, Ph.D., Adjunct Professor, Stockton University, Galloway, NJ (R. Mejia, personal communication, August 1st, 2022).

Robert Mejia is an adjunct professor at Stockton University, a public university in New Jersey where he has supported Cannabis efforts at Stockton since the near beginning. He teaches the Introduction to Medical Cannabis, Preparation for Cannabis Internship and Social Justice and Cannabis classes from his expertise in the industry (Expert Interview 3). Our Community Harvest, which was once dedicated to initiatives that cooked with Cannabis, shifted gears towards becoming an educational resource among legal Cannabis (Expert Interview 3). His dedication to Cannabis in New Jersey leads him to discuss the efforts currently sought out in New Jersey government:

We got a very slow start. We have a population of 9.2 million, and even now we only have 24 medical cannabis dispensaries that are open, 17 for adult use, with 2 more approved soon. The NJ CRC started with such a small number of people who are cultivating, manufacturing, and selling the product within a medical industry.
This small number does not apply to social equity applicants that are set to arrive in New Jersey within the next year or two. Now, the NJ CRC has to account for this influx of dispensaries, especially social equity applicants, as well as commission workload. Mejia (2022) adds:

With 2 hours distance from a NJ dispensary in a recreational market, the population served expands to 25 million. New York, Pennsylvania, Delaware, and Connecticut residents will come into New Jersey to buy legal adult Cannabis (Expert Interview 3).

With the workload stacking up for the NJ CRC, it's a big reason that the legacy market survives in New Jersey:

You can’t compete with what the underground market does. In some cases, people have a relationship with the person who’s been supplying them, a friend, a family member, who knows what they like. That low price point for a lot of people is a major seller (Expert Interview 3).

Although Cannabis is legal in recreational markets, that doesn’t ensure the quality and consistency of product across legal markets in the United States. Cannabis in New Jersey is arguably double the price of Cannabis in New Jersey, and most legal Cannabis is grown indoors. This is why people continue to stick with legacy operators. And in legacy markets, international trade has been around for centuries. “Enthusiasts”, as Mejia calls them, have been working along the seaboard for centuries. While we are far away from seeing trade among international markets, the reason that these markets still exist is clear.

Mejia notes that there is incentive to hire local, social equity applicants by including employment opportunities reserved to a certain percentage for this group, earning points on a NJ Cannabis license application. But in a legal market, he notes that there is not a lot of oversight on measuring employment opportunities for those adversely affected by the War On Drugs. With job training programs on the rise and as social equity applicants search for opportunities and access to education, programs are diverse. Mejia addresses what Stockton’s approach is on Cannabis education:

We allow students at Stockton to major anything they want. Some people are cultivators, some people are business leaders, and few are scientists. By offering a minor in Cannabis studies, we then give them a good base knowledge of the Cannabis industry. Once they get employed, they learn more on the job. Some people are cultivators, some people are business leaders, and few are scientists (Expert Interview 3).
In addition to Cannabis degree offerings, Mejia recently helped establish CHRIS -the Cannabis & Hemp Research Initiative at Stockton- as a hemp and non-medical research hub and cannabis education center. “I believe all Cannabis use is for some therapeutic reason”, he adds, after detailing the medicinal uses for Cancer and treating epilepsy.

All of this being said, Mejia notes that New Jersey is moving in the right direction towards social justice in the Cannabis industry. Academics like Mejia speculate that only time will tell how the public shifts their perception of Cannabis for the betterment of society (Expert Interview 3).

**Expert Interview #4**

**Brendon Robinson, President / Co-Founder and Stanley Okoro, Vice President / Co-Founder, Minority Cannabis Academy, Jersey City, NJ**

“Stanley [Okoro] talked me into it,” Brendon Robinson recalls as he details his start in the Cannabis industry with their business *NJ 420 Events* in the medicinal scene. During this run, Robinson and Okoro noticed the need for support in Black and Brown communities in the Cannabis industry. They realized, “Where are you going to get the money? Where are you going to get the knowledge?” (Expert Interview 4). Robinson and Okoro started “taking Cannabis seriously” after Cannabis legalization in New Jersey in 2020. From pushing initiatives in the community and gaining sponsorships and connections, they created Minority Cannabis Academy, a registered 501(c)3:

Minority Cannabis Academy is an adult learning institution designed for minorities living in *Impact Zones* and disenfranchised places in New Jersey. What we did was to provide higher education around Cannabis but for free. We’ve had a lot of opportunities to work with a lot of MSOs and large operators to fund the students going through the program - A great way to bridge the gap here in New Jersey (Expert Interview 4).

Well seasoned and educated individuals in Cannabis are teaching these courses, such as Anson McManus, a cultivator in the state. In combination with *NJ 420 Events*, the Robinson and Okoro have hosted expungement clinics, medical marijuana sign-up events, career workshops, and
educational seminars. Throughout their experience working in Cannabis, Robinson notes Phase 2 of MCA:

We are going to introduce an entrepreneurship program, an extracting and processing program, and a medical marijuana Cannabis law program. All in all, we are Social Equity advocates dedicated to showing Black and Brown folks the way in Cannabis (Expert Interview 4).

When asked what makes them different from other educational opportunities in the state, Robinson started with one simple word: “Culture. Providing that foundational information and education from subject matter experts hands on, for free, creates real impacts on students” (Expert Interview 3).

When questioning them about their needs as an organization in the nonprofit sector, they mentioned that they find many hardships raising funds (Expert Interview 3). They note they currently get their funding through private donors, however, with MSOs saturating their New Jersey market currently, their work is more important than ever. And to carry out that work, funding is a necessary component for the sustainability and feasibility of Minority Cannabis Academy.
Section 5: Implications and Recommendations

Throughout this research, the most prominent implication that has made itself clear is that, across the United States, governments have been giving established and privileged individuals and organizations a seat at the legal Cannabis table before giving those impacted by criminalization a seat. While governments, MSOs, and educational institutions have been basking in the successes in legalization, individuals and minorities who have been impacted by the War On Drugs and Cannabis criminalization have seen quite the opposite, and continue to face adversities in a legal market. Additionally, when success in the legal market is brought out by the aforementioned groups, this perpetuates the erasure of America’s discriminatory history with Cannabis.

To this point, promises of social equity have been made with little follow through. These promises are not enough; there need to be more measurable actions and outcomes to reverse the effects of the War On Drugs. Governments need to stop taking Cannabis legalization as a campaigning point, or political promise, if there is no reparations for those impacted by criminalization, whether it be through funding, legislation, or overall support. Currently, outcomes in Cannabis social equity that focus on restorative justice are being carried through by nonprofits, start-up’s, and grassroots organizations alike. The same governments who are advocating for social equity in Cannabis are the same governments that create hardships for those groups looking to repair the damage perpetuated for decades. Because of this, it is implied that social equity has always come second to supporting the MSOs controlling the market.

While there are actions being taken by statewide Cannabis commissions and MSOs to combat social equity, it is simply not enough. These imbalances in policy and organizational support prove the failure with social equity currently. Actions need to be taken today to ensure that the 17 Sustainable Development Goals are met within the Cannabis industry by 2030, and that a fair and inclusive Cannabis market is ensured for our next generation. The following recommendations will ensure that the Cannabis industry heads towards sustainability within the industry:
• We must shift gears towards the phrase “Social Equity” to “Legacy” operators when true social equity is far from being achieved. Additionally, we must continue to fight against the stigma of Cannabis and all the negative and false narratives surrounding it. This is why it is especially important to support Legacy operators who fight to end this stigma and support the benefits of Cannabis on all levels.

• Redirection of Cannabis tax dollars must go to support causes that have been impacted by the War On Drugs and Cannabis criminalization. While states like California have implemented this with the legalization of recreational Cannabis, states like New Jersey are only thinking about how to implement this after legalization. These tax dollars must be redirected towards legacy Operators, incubators, grassroots Cannabis nonprofits, and trade associations alike. Additionally, we must ensure the measurable success of this tax redistribution by creating state-wide programs to ensure that this is done fairly and appropriately.

• The New Jersey Cannabis Regulatory Commission needs to review social equity programs such as San Francisco’s to ensure that all avenues of social equity are being met throughout the state. For starters, having anyone who has a legacy in Cannabis on the CRC is a crucial piece to model from San Francisco. Additionally, the state needs to continue to collaborate with other state governments to guarantee that social equity is being met across the board.

• Cannabis organizations must collaborate with each other to ensure that we fight adversities mentioned in this research. The Cannabis industry can not go down the same path of every other industrialized and capitalized industry in this country. We must fight against this happening, whereas equitable and prosperous collaborations can solve this. This new and emerging industry has the potential to be one of the most sustainable industries in the country, however, this can only happen when everyone works together towards the Sustainable Development Goals.
Section 6: Conclusion

Nonprofits and the people they serve are the backbone to social equity in the Cannabis industry, from advocacy organizations to educational programs. Although education can be robust, as long as there are clear and measurable outcomes to the education and the organization as a whole, education from nonprofit organizations outreach programs should be just as supported as institutional ones, even those that are nonprofits. We can conclude based on interviews with those in Cannabis education that we cannot just defer people to getting degrees to solve this issue as we have done in many other industries. Institutions and outreach nonprofits alike should create cross-sector relationships to ensure people are choosing the education most aligned with their skills and background while creating new ones unanimously, as aligned in Goal 17: Partnerships for the Goals. In turn, these cross-sector relationships must ensure that there are equitable opportunities in this industry for those most impacted by the War On Drugs.

With this being said, one of the limitations of this research include the very short timeframe that this research was conducted (May 29th-August 5th). However, if this research was conducted under a Ph.D. with proper resources (time, funding, etc.), the ability to elevate this research to a mixed-method approach with quantitative data allows for more research opportunities in the Cannabis industry that is so desperately needed to help aid state and federal policy-making and public opinion. Cross-sector relationships between higher education, and government allows states like New Jersey the opportunity to nourish a rich and vigorous Cannabis equity program across the state. In turn, states like New Jersey can, and should, redirect funding from tax revenue towards these initiatives. Education and research are both things that can benefit the citizens of New Jersey while simultaneously creating a framework for sustainable programs across the United States and beyond.
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Appendix A: Potential Interviewee Considerations

- Ask them questions about their role in the Cannabis industry, their knowledge, their legacy, follow up questions to an online article and/or social media post, etc.
- Ask baseline questions to check if they are capable of thinking independently. For instance, do they have an obligation and/or are biased to their place of employment.
- Were they recommended by someone respected in the industry and/or another interviewee?
- Being this is a new industry that’s competition is its “illegal” or “legacy” market leaders, more than a person's qualifications are important to look for in an interviewee.
- Check their social media and/or online presence. Take the time to Google them and look through what you find.
- Check his motivation, interest, and dedication to Cannabis sustainability and reformative justice.
Appendix B: Potential Interview Questions

- What is your history with cannabis?
- How do you collaborate with other organizations to further sustainable development in the cannabis community?
- Do you collaborate with nonprofit organizations? If so, what do those collaborations look like or how are collaborations carried out?
- Do you engage in any political activities and/or activism?
- Do you plan on implementing future cross-sector collaborations in the future? Do you have plans to implement something new in the industry?
- If you could change one thing about social equity in the cannabis industry currently, what would it be?
Author’s Bio

Abigail Perl is the Founder of Kind Mind Collective, a 501(c)3 that was active from 2017-2020 promoting kindness and compassion in communities through their main advocacy program, *Life On The Outside*, an anti-bullying comic-book program supporting LGBTQ identity and allyship. Abigail started this program after obtaining their GED in 2016 struggling with navigating high-school.

Abigail’s passion landed her a TEDx talk titled *Advocacy in the 21st Century* where they detail their experience building this program and the importance of youth leadership in youth spaces. Their love for writing extended past *Life On The Outside* with her contributions to *Life On The Outside*, a New-York Times Bestselling Book.

After graduating with her B.S. in Business Administration, they decided to refine their skills at the University of San Francisco obtaining their masters in Nonprofit Administration. During their time in the MNA program, Abigail decided to study the Cannabis industry in New Jersey, where recreational Cannabis became legal in 2020. After graduation, Abigail plans to join the nonprofit and/ or Cannabis industry with their new found skills and knowledge.