Demand for sexual exploitation as an economic and social phenomenon

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DESIRE

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I. Introduction: debating prostitution and exploitation
I. Introduction

- **Exploitation** is “taking unfair advantage of another person” (Arneson, 2013)
- Applied to sex, this usually is meant to refer to sexual activity, loss of welfare or quality of life, and sometimes involving vulnerability (compare DESIrE, 2017)
- Important: a normative concept, but: potential to test empirically (provided one agrees on what constitutes ‘unfair advantage’
II. What we mean when we say ‘demand’

II.1. Demand for prostitution
II.2. Demand for exploitation
II.1. Demand for prostitution

- ‘Demand’ is an elusive concept, especially if applied to prostitution
- First of all: demand for sex or demand for prostitution?
- At the very least, it means two things:
  1. People’s taste or preference for something
     → in market goods, this is denoted as ‘willingness to pay’
  2. Actual amount of products / services bought
     → indicated by turnover or number of transactions
II.1. Demand for prostitution

- The difference between 1 and 2 is quintessential.
- For prostitution: this may be due to price, deterrence by social norms or the law, risk aversion, stigma, physical risks, availability,…
- Big discussion: is demand for prostitution inelastic?
II.2. Demand for exploitation

- Is there a ‘market for exploitation’?
- Probably: only a tiny explicit consumer demand for exploited sex workers’ services
- But: demand for sexual services applies to exploited sex workers too
- More important: brokers and intermediaries may increase their profits by exploiting

Mainstream assumptions:
- predatory profits
- mainly brokerage in more vulnerable groups
- coercion prevents mobility
II.2. Demand for exploitation

- The questions then are:
  1. Are brokers (always) (evenly) predatory?
  2. Are brokers inevitable in prostitution?
  3. Is mobility impossible?

- Some research provides partial answers

- Problems:
  - probably local institutions affect outcomes (i.e. generizability is a heroic assumption)
  - Most research focuses on pimps
  - only one group of brokers
    - brothel owners, real estate, ICT providers
II.2. Demand for exploitation

- Two contradictory theses:
  1. **Embeddedness**: brokers bring in clients and safety (e.g. Farmer e.a., 2013)
  2. **Exploitation**: brokers seek rents, skim off revenue

- I know of one study showing that pimps correlate to more clients, but not more income (Brady e.a., 2015) → support for the exploitation thesis

- US research indicates that pimps are less interested in adolescent sex workers, because they bring in less (Marcus e.a., 2016)
II.2. Demand for exploitation

- So there is some support for the thesis that pimps exploit, i.e. reap an unfair share of the income generated by SW
- But are pimps inevitable, and are they directly coercing SW to remain “in the life”?
- Marcus e.a. (2014) investigated SW by minors in NYC
  - 10% had a pimp (n=249)
  - 4 had coercive pimps, all of whom were “an informal or legal guardian, or a friend or intimate companion of a parent”
III. Elements affecting demand

III.1. Structural: ascriptives and clusters
III.2. The role of migration
III.3. Institutional: formal regulation and culture
III.4. Technology
III.1. Structural: ascriptives and clusters

- Who buys sex?
- Strong bias based on source (self-reports, arrests, internet reports)

Table 1: Comparison between self-report, arrests, and internet hobbyists (Monto & Milrod, 2014)
III.1. Structural: ascriptives and clusters

- Who buys sex?
  - Men, from women, men and trans people
  - More by men above 40
  - More men without a partner

- Where / when is sex bought?
  Mainly where men congregate (Cunningham & Kendall, 2011)
### III.1. Structural: ascriptives and clusters

<table>
<thead>
<tr>
<th>Group</th>
<th>Period</th>
<th>Average Outcome</th>
<th>First Difference</th>
<th>Treatment Effect</th>
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<tbody>
<tr>
<td>Minneapolis</td>
<td>RNC Week</td>
<td>296.00</td>
<td>$D_t = 35.84$</td>
<td>$T = D_t - D_c = 106.94 (+41%)$</td>
</tr>
<tr>
<td></td>
<td>Off-Week</td>
<td>260.16</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>RNC Week</td>
<td>293.75</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Seattle/Philadelphia</td>
<td>Off-Week</td>
<td>364.85</td>
<td>$D_c = -71.10$</td>
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<tr>
<td></td>
<td>DNC Week</td>
<td>226.00</td>
<td>$D_t = 93.09$</td>
<td>$T = D_t - D_c = 98.85 (+74%)$</td>
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<tr>
<td>Denver</td>
<td>Off-Week</td>
<td>132.91</td>
<td></td>
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<tr>
<td></td>
<td>DNC Week</td>
<td>351.63</td>
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<td></td>
<td>Off-Week</td>
<td>357.39</td>
<td>$D_c = -5.76$</td>
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</tbody>
</table>

Table 2: Estimates of convention effect on SW supply
Source: Cunningham & Kendall, 2011
III.2. The role of migration

- International flows facilitate exploitation
  - Lack of knowledge of the host country
  - Dependence on local brokers
  - Lack of concern in the host country
- Most central predictors: GDP and inequality (=economic prospects in home country)
- Cho (2015) shows that trafficking follows mainstream migration patterns
III.3. Institutional: formal regulation and culture

- Increased demand (as in: turnover) is triggered by law allowing for it

\[
\text{Regulation} \rightarrow \Delta \text{ demand} \rightarrow \Delta \text{ exploitation}
\]

- Core thesis behind the neo-abolitionist plea: criminalization decreases demand through deterrence and socialization (norms)

- Assumption: the proportion of supply through exploiting brokers remains constant

\[\leftrightarrow \text{regulationists argue that the law can break connection 2}\]
III.3. Institutional: formal regulation and culture

- Some support that neo-abolitionist law affects demand negatively (Kotsadam and Jakobson, 2012)
- Same study indicates, however, that this effect is due to deterrence
- No change in social norms after criminalization (but: short-term study)
III.3. Institutional: formal regulation and culture

- Hotly debated question: effect of regulation
- Cross-sections indicate that regulated prostitution in host countries facilitates trafficking (Cho e.a., 2013; Jakobson & Kotsadam, 2013)
- Good papers, but problems of causal inference and of data quality (as the authors explicitly indicate)
- Akee e.a. (2014) have a better design qua causal inference: same results
- Data problem remains
III.4. Technology

- If ICT disrupts social life, this certainly applies to sex
- Which trends?
  1. Strong displacement effect on prostitution
  2.
Public in situ: window prostitution

Publicly visible

Secluded

In situ secluded organizations: clubs, brothels, massage parlours

Mobile private prostitution: escort & private

Public mobile: street prostitution

In situ
Figure 2: Share of transactions in 2015 per segment (FSW, Belgium)

Source: Adriaenssens & Hendrickx, 2017
Figure 3: Market share in 2015 per segment (FSW, Belgium)
III.4. Technology

- If ICT disrupts social life, this certainly applies to sex

- Which trends?
  1. Strong displacement effect on prostitution, affecting exploitation probability:
     1) Increased autonomy at a lower price
     2) Less visibility (policy hardly sees)
  2. Increased availability of sex outside of prostitution in
     - ‘free’ sexual intercourse (grindr, tinder)
     - quasi-reciprocal sex: compensated dating (Swader e.a., 2015)
IV. Discussion
IV. Theses for discussion (5)

1. Gender equality and cross-gender interaction reduce demand

2. *Brokerage* is central to understanding of exploitation in prostitution

3. Migration of vulnerable groups facilitates exploitation

4. Economic alternatives for (potential) SW reduce risks of exploitation

5. Technology plays a key role:
   - Alternatives to brokers; autonomy
   - Visibility
   - Alternatives for commercial sex
References


