



DESIRE
Demand
for Sexual
Exploitation
In Europe

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Acronyms

A-Z	Acronym	Meaning
D	DESIRE DoA	DEmand for Sexual Exploitation In Europe Description of Action
F	FLIGHT	FLIGHT, NGO
T	THB TiU	Trafficking in human beings Tilburg University
U	UU UW	University of Uppsala University of Warsaw
V	VUB	Vrije Universiteit Brussels
W	WP	Work Package

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Executive summary

In this paper, we aim to inform relevant stakeholders in the field of commercial sex and human trafficking about the state of affairs on demand for sexual services which can fuel sexual exploitation. It primarily focuses on demand for sexual services and how exploitation can become relevant in this broader picture. The second policy paper of DESIRE will focus on sexual exploitation more specifically. The call to: “discourage the demand that fosters all forms of exploitation of persons, especially women and children” in article 9(5) of the UN Palermo Protocol (2000) was actively supported by policy makers after the adoption of the protocol. However, examining demand in the context of sexual exploitation presents a number of issues, among others what is meant by ‘demand’ and ‘exploitation’. Particularly controversial is the question whether *sexual exploitation* as such indeed meets a specific demand. Therefore, in this policy paper we explain the demand for sexual services and place exploitation in the context of the sex industry in general.

The lack of a conceptualization of demand has led to misinterpretations of and discrepancies in research findings concerning the demand for sexual services. Market terminology has often been used inconsistently and without considering its origin in economics. The use of economic terminology (such as demand and supply) requires careful analysis of sex industry markets. One needs to identify exactly which services and actors are involved. That is the basis for an understanding of how actors evaluate costs and benefits within the sex industry. Most notably, this is necessary to form an understanding of (and, ultimately, to constrain) the decisions of facilitators to opt for the exploitation of sex workers. Mapping of cost-benefit analyses calls for a multidisciplinary approach. The decisions of actors are shaped (but never fully determined) by factors on multiple scales. For example, the decision of a customer to use sexual services is influenced by biological and psychological characteristics, by social norms, and by legislation (i.e., biology, psychology, sociology, law).

We therefore recommend considering the sex industry **holistically**. This can be done by identifying the markets in the sex industry, their actors, the factors that influence their decisions, and by recognizing how they are related to each other. Furthermore, we recommend considering how actors and markets are embedded in more complex social structures. Adopting this approach will (1) assist in creating a complete picture of the sex industry in which sexual exploitation can be situated; (2) insightfully map the relations between the different markets in the sex industry; (3) provide a solid basis for any research and policy proposals for the prevention of human trafficking in the context of the sex industry; and (4) foster more fruitful cooperation between policymakers and researchers in the combat of sexual exploitation. Due to recent technological developments, the sex industry and associated markets are rapidly changing. Actors are taking part in innovations in sex industry and constantly adjusting to them. To form an understanding of sex industry markets, one needs to take into account such recent trends.

1. What is demand and supply

Economists define demand as “*the willingness and ability to purchase a good or service*”, and supply as “*the willingness and ability to sell goods or services*”.(Mankiw 2014) The terms demand and supply describe the relationship between buyers and sellers. In this relationship buyers and sellers are constantly interacting and influencing each other.

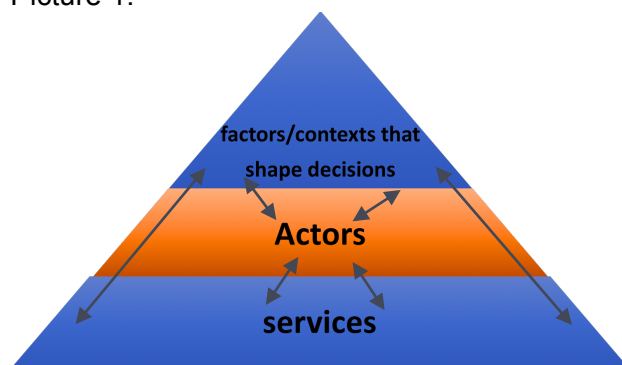
The demand concept in economics is about final goods and services, and not so much about people who provide them. In the sex industry (regardless whether or not it is criminalised or legalised), customers demand sexual services as a final product, not sex workers, however, brothel owners for instance, demand sex workers. Simultaneously, sex workers might demand managerial services from third parties.

Accordingly, we define the **demand for services** as *the willingness and ability to use services* and **supply** as *the willingness and ability to provide services*. The focus on services will assist us in the identification of relevant markets and actors¹.

There are two kinds of demand, primary and derived demand: (1) Primary demand is the demand for the final product e.g. customers demand sexual services; (2) Derived demand occurs as a result of the primary demand e.g. in order to provide services, sex workers will require a room to rent;

As such, in the context of sexual services, we propose to look at the markets as being embedded in a rather complex social structure, which influences individual choices. Similarly, individuals make choices within certain circumstances (the factors). Therefore we approach demand and supply for sexual services holistically and consequently tackle the limitations of a pure economic approach. Picture 1 illustrates the complexity of the situation, highlighting the interconnectivity and influence of all elements concerned: the demand and supply of services in the sex industry (see section 3), the actors involved in the sex industry (see sections 4&5), and the factors that impact on the decision making of the actors (see section 6).

Picture 1.



¹ actors or agents - decision-makers in economic transactions

2. Identifying markets in the sex industry

Markets in the sex industry represent a complex intersecting system, consisting of primary and derived demand and supply. To show what is covered by demand/supply terminology, we differentiate between services demanded and supplied and actors. This table can be further specified and adjusted.

As Table 1 shows, among all involved in the sex industry, three main actors can be identified, namely: sex workers, customers and facilitators. These actors are involved in both primary and derived demand/supply relationship (Picture 2). For example, sex workers might demand safe working conditions and facilitators could supply this. At the same time, customers demand sexual services and sex workers supply them. All actors are interrelated. Understanding of this basic relationship of facilitators, customers, and sex workers assists us in the further identification of markets involved in the sex industry.

Picture 2.

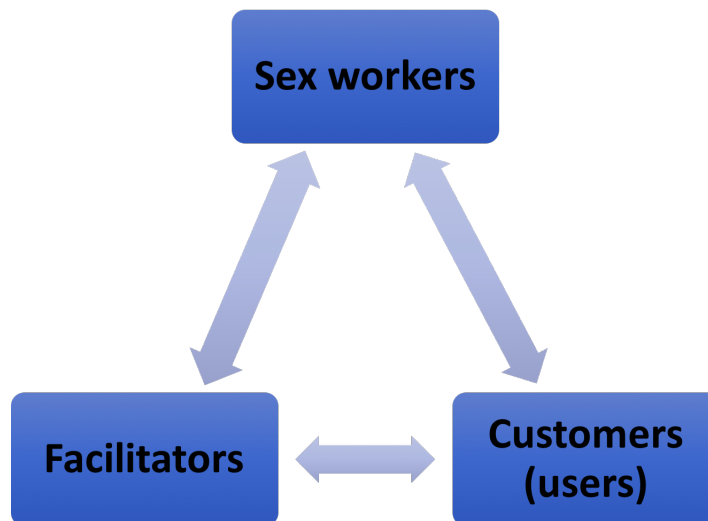


Table 1. Setting the scene: sex industry markets ²

	Markets for sexual services	Markets for services associated with sex work: - protection, real estate, transfer	Markets for recruitment
Demand	<p>Customers:</p> <ul style="list-style-type: none"> -direct intercourse, other sexual activities without direct interaction (web cam). -unsafe sexual intercourse -specific kinds of sex interactions (BDSM, sex with children). - Webcam services, live sex streaming 	<p>Facilitators:</p> <ul style="list-style-type: none"> Housing for sex workers. The building for brothel, street windows, - cleaning services - protection (guards) - mentoring services - healthcare services - web hosting (e.g. escort websites) - transfer services (from the work place to the house, brothel location) - international travel arrangements; 	<p>Facilitators :(recruitment agencies)</p> <ul style="list-style-type: none"> -people who want to move specifically to work in sex industry; sex workers: recruitment services
		<p>Sex workers:</p> <ul style="list-style-type: none"> - housing personal, - rent of the windows (in case of the Netherlands), apartments - assistance in settling down in the new city/country; - safe working conditions and protection; - managing services -transport services -international travel arrangements -international documents 	<p>Facilitators (brothels, escorts)</p> <ul style="list-style-type: none"> - services of recruiting agencies (to get new employees)
Supply	<p>Sex workers</p> <ul style="list-style-type: none"> -webcam models -escort workers -street sex workers - children 	<p>Facilitators & Sex workers-</p> <ul style="list-style-type: none"> services of agencies, private sex workers, independent manager – pimp (for sex workers) - Companies that rent the buildings; (sex workers/facilitators) - Companies that rent out/sell website hosting;(sex workers and facilitators) - freelance guards, cleaners (sex workers and facilitators) - NGOs, personal networks - freelance guards and managers (sex workers) 	<p>Facilitators</p> <ul style="list-style-type: none"> - recruitment agencies, individuals (women pullers) - Recruitment agencies, personal networks of employees.

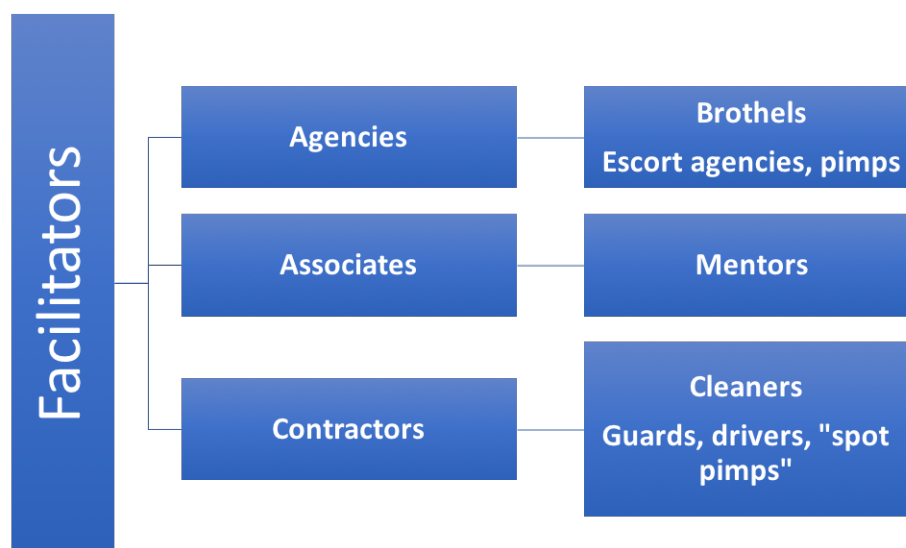
² Sex workers, facilitators, customers

3. Conceptualization of actors in the sex industry

The identified actors outlined in Table 1 can be further divided.

1. Facilitators: Brucket and Law (2013) proposed to look at this structure by dividing all third parties in three categories: (1) agencies; (2) associates; (3) contractors (see picture 3). Depending on the legislation and the level of knowledge of the facilitator, traffickers can be accommodated in this group of actors.

Picture 3.



2. Sex workers are people who provide sexual services for money (or non-monetary benefits). Sexual services may not be limited only to direct intercourse, but include other sexual activities (e.g. web cam masturbation, lap dancing). Although female sex workers are more often addressed in policies, there are also male and transgender sex workers.

3. Customers of sex workers can be both female and male and have different preferences and sexual orientations. Although male customers are the majority and receive the most attention in academic and policy fields, female customers also use sexual services. The motivations to use these services and the views towards male and female customers differs enormously. In rare cases, couples can also be customers of sex workers.

4. Interrelation of actors in markets

Current approaches to demand/supply in the context of sexual services do not present how actors interrelate to each other. Demand/supply often is viewed from the perspective of customers demanding sexual services only and omitting the interest of sex workers and facilitators to identify customers. The analysis of the literature revealed that in a complex market structure actions and choices of actors will influence each other and can be mutually beneficial. We propose to look at following examples of interrelation of actors:

- In some cases, not only facilitators are interested in acquiring employees, but sex workers are willing to cooperate. Brucket and Law found the following pros of

- working with agencies: (1) comfortable working conditions; (2) protection; (3) solidarity among workers instead of competition; (4) rules and protocols in negotiations with customers; Sex workers – agency relations
- To get the attention of customers, agencies/sex workers will identify and aim to attract certain categories of customers: high-class escorts will use classy images on websites popular among wealthy customers. Less ambitious escort agencies, will propose relatively low prices and make services “affordable for everyone”. Customer – agency relations
 - The location of service provision are also carefully chosen: highways, special districts. Some of the Red Light Districts might even become a tourist attractions like in Amsterdam. Similar strategies are used in advertising online: sex workers and facilitators can use google search optimization, place advertisements on porn websites, forums. Customer-agency relations
 - Marketing strategies utilized by sex workers and facilitators might be gender specific (e.g. differences between web sites that aim to attract female or male customers) Sex workers/agencies – customers’ relations
 - When one walks down the street of the Amsterdam Red Light District, most of the customers are male and female sex workers use visual stimuli to attract them. It is not a coincidence, since an experiment performed by Bradley and colleagues (2001), it was found that men reported “feeling sexy” and excited when viewing erotic pictures of the opposite sex. By contrast, women reported feeling primarily amused and embarrassed. Sex workers - customers
 - Both sex workers and facilitators are interested in positive feedback from customers, and this satisfaction is obviously connected with the sex workers’ performance. That is why facilitators do not always use explicit, violent coercion. Psychological exploitation is the most prevalent among facilitators. Facilitators – sex worker-customer relations

5. Factors in the decision-making process of actors

People’s preferences are affected by benefits of an outcome that is relative to its costs. The prospect of economic benefits and/or physical satisfaction may push actors to take a risk through criminal means. The rational choice theory claims cost benefit analysis and attitudes to risk taking can vary among individuals. Different strategies can develop and change in response to new situations. In the evolutionary game theory, we can see how facilitators adjust to new technologies and legislation.

Cost-benefit analyses are influenced, but never fully determined by different interrelated factors. For example, the cultural context shapes the behaviour of individuals. Conversely, the behaviour of individuals shapes stereotypes, expectations, moral values, et cetera.

Economic consideration is one the most prevalent factor that shapes the decisions of sex workers and facilitators. For example, although sex workers might be aware of the risk of exploitation and other accompanied risks, the economic interests or the need to provide for a family can push them to decide to perform sex work. Furthermore, economic benefits associated with the sex industry can also be crucial in making a choice to continue working in the industry, despite exploitative conditions, and even trafficking.

However, not only the economic motivation influences the choice to join or stay involved in the industry. Other factors such as personality characteristics and/or psychological state influence this choice as well. For instance, addictions and certain life styles associated with prostitution can influence the individual choices of sex workers to stay in the industry and provide the services.

Stereotypes and cultural contexts shape decisions of sex workers and customers. Sex is often described as “female resource”. Social and cultural norms make sex provided by women more valued than the one provided by men. Simultaneously, views on masculinity prevalent in some societies can also affect choices of customers to use sexual services.

Community relationship shapes decisions of all main actors. For instance, if the person is better integrated in the society he/she will not easily enter the behaviour that is perceived as deviant in the certain cultural context. This phenomenon was described first by Durkheim in 1897 and later expanded by other researchers. That can be a part of the explanation why sex work is performed by migrants or even commuters from different cities. Also, it explains why customers travel to different cities for sexual services.

The choice of facilitators to exploit workers might also be influenced by social background and family. Stalans and Finn (2016) found that pimps from less privileged families appeared to use exploitative methods more often than the ones growing up in the privileged ones.

Finally, legislative reform and changes may also influence the decisions of economic actors. For instance, when facilitating and buying services are criminalized, actors will re-evaluate marketing strategies and new emerging risks.

If we look at latest developments in technology as an example, we can see that markets for sex industry are constantly changing and adjusting to new trends. For instance, the effect of the internet on the sex industry. Firstly, internet becomes a tool to advertise services, to search for clients, to leave reviews. It gives more anonymity and creates a new direction of online live streaming sex, webcam sex and other forms of sexual activities. Simultaneously, the internet also creates new risks and possibilities of exploitation. For example, in online sex work, women/men encounter the risk of being filmed and broadcasted without permission. The derived demand/supply is also changing, for example sex workers may demand computer protection and web hosting services instead of renting property.

6. Coercion and exploitation

There is no explicit demand for sexual exploitation, but due to the demand for sexual services, some of the actors involved in this industry (e.g. facilitators, customers) will use exploitation as a tactic to increase benefits. Coercion and exploitation in the sex industry are tactics and strategies utilized by facilitators and customers to acquire a desired outcome. Not all facilitators and customers use explicit and violent coercion, because it can decrease satisfaction. The satisfaction of clients in business is of crucial importance and therefore facilitators have to make sure that sex workers perform well. Therefore, psychological coercion appears to be one of the most effective coercive strategies in the sex industry. Psychological coercive tactics include, but are not limited to the use of verbal tactics to manipulate sex workers or making sex workers fall in love with pimps to control workers emotionally. The exception to the absence of demand for sexual exploitation are those cases of demand for sex with children and demand for degrading practices that are generally not accepted in society. Demand for sexual services from children automatically qualifies as human trafficking since coercion or force (or any means to make a person perform sexual services) is not required in relation to children. In relation to the demand of degrading practices in sexual services, coercion is implied in the circumstances. A further elaboration on the concepts of coercion and exploitation will part of the policy paper on exploitation as part of the DESIRE project.

7. Recommendations

1. Consider demand and supply **holistically**, by identifying markets, actors in the sex industry and factors that influence their decisions and recognize their intersectionality. This **approach** will:
 - be a solid basis for any research and policy proposals for prevention of human trafficking in the sex industry;
 - assist in creating a complete picture of the sex industry and its relation to sexual exploitation;
 - insightfully map the relations between the different markets in the sex industry;
 - understand what factors play a role in market dynamics in the sex industry;
 - foster more fruitful cooperation between policymakers and researchers in the context of sexual exploitation.
2. Consider the interplay of individual choices of actors in sex industry and locate them in broader social structure that will assist in avoiding “commodification of actors”.
3. Utilize demand/supply terminology with respect to its economic origin;
4. Understand that markets are transforming rapidly in our globalized world, therefore policy recommendations must reflect these transformations. For instance, by addressing internet sex work and the emerging risks specific to this form of sex work.
5. Coercion and exploitation should be addressed as tactics/strategies used by facilitators to generate profits or as tactics used by customers seeking specific experiences (e.g. in case of sexual services performed by children).

The policy paper is based on analysis of the following resources:

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