How does legalizing prostitution affect the sex traffic industry inflows?

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Abstract

This research investigates how the sex traffic industry prefers to traffic women over men and how countries that have partially legalized and those that have completely legalized prostitution have a lower or a higher sex traffic industry. I consider how human development and GDP per capita have an important role in the sex traffic industry. By comparing two different countries that have completely legalized prostitution with a country that has partially legalized prostitution, my research shows that countries that have legalized prostitution completely, have a lower sex traffic inflow than those who have partially legalized it. The two countries that fully legalized prostitution, approved laws with hopes of improving the position of sex workers.
CHAPTER 1

SEX TRAFFIC AND PROSTITUTION

Introduction

How does legalizing prostitution affect the sex traffic industry inflows? Europe is known for their liberal approach on prostitution. This research will evaluate the years 2015 and 2016 for three European countries that have sex trafficking victim’s data and have regulated and unregulated prostitution. Human trafficking is an international threat and it looks like it has no plan on stopping their expansion and their ways of recruiting victims. By paying attention to regulation between countries, this research investigates why some countries have a higher request for sex trafficking than others, if this preference varies depending on what type of nationality the victims are, and what gender controls the sex traffic industry. This study will also examine how globalization has impacted the sex traffic industry and how the economy also has attributed to a sex traffic increase. Sex traffic has multiple faces; this includes and is not limited to arranged marriage, prostitution, pornography, strip clubs and escort services.

How can an industry that makes $99 billion dollars in profits be stopped; or can it be stopped? Is this a market that will never cease to exist when it generates around $21,800 per victim? How can we identify the victims and what can we do to help them get out? Do some people participate in this willingly? Can prostitution be legalized worldwide and how could that impact the economy and those involved? These are some of the questions that remain unanswered when it comes to the future of sex traffic. Countries such as Netherlands, New Zealand, Austria, Brazil and Denmark have legalized prostitution in order to provide prostitutes with social benefits, provide the government with profits, and have control over one sector of
human trafficking. Legalizing prostitution also has its rules and laws. Like for example, in Denmark, the government will help those with disabilities get paid by incurring some of the extra costs they have to pay; in Brazil although prostitution is legal, pimping is not. In other places, such as Austria, prostitutes are required to undergo periodic health examinations, pay taxes and they must be 19 years or older. Some countries like France and Canada, did not legalize pimping, buying sex, and/or brothels. New Zealand for example, legalized brothels that operate under employment and public health laws.

When it comes to sex traffic, both the victims and the traffickers have something in common: they could be anyone, regardless of their religion, gender, nationality, age, or race. In some cases, victims are trafficked by relatives or acquaintances. Traffickers force victims to provide commercial sex against their will. This can take place in plain sight or behind closed doors. Those victims who are in plain sight, are more likely to interact with other people and, they are less likely to understand they are being victims of the sex traffic industry. Some of the most vulnerable groups include minorities, homeless, violence survivors, poor and displaced persons. They are unable to identify themselves as victims because they are unfamiliar with the whole concept of sex traffic or they are unwilling because they are afraid of the consequences of coming out. Traffickers take advantage of people’s vulnerabilities such as lack of education and financial instability.

Women and men are not the only ones at risk of being sex trafficked. Children are also forced to participate in commercial sex. Latino and African American youth are more likely to be sex trafficked. Technology serves as a tool to help sex traffic victims get out of the human trafficking industry, but it can also make it easier for the traffickers to sell their victims. Victims who can get out or are rescued have a huge role on providing insights that help save others and
prevent more sex trafficking from happening. They share their experience and provide certain aspects of sex traffic that is hidden from those who haven’t experienced it. Sex traffic is constantly finding new ways to promote their industry, most likely through the internet. Survivors provide insights about how technology was used to promote trafficking and whether they had access to certain types of technology. Their testimony helps save a lot of innocent lives.
CHAPTER 2

WHAT OTHERS HAVE DISCOVERED

Literacy Review

This chapter investigates the facts and statistics pertinent to the sex traffic industry. It uses the findings of professionals whose analysis have provided data on the following:

- Who’s most likely to be sex trafficked;
- what sex trafficking includes;
- the methods used to lure the victims;
- potential victims;
- who sells/buys the trafficked females;
- victims’ backgrounds;
- and how to identify sex traffic.

Sex Traffic Stats and Gender

There are different types of human trafficking; in this case, sex trafficking will be our primary focus. Sex trafficking has become an increasing problem in the global community. It is a form of forced or coerced sexual exploitation (Deshpande and Nour 2013). How does gender affect the likelihood of being sex trafficked? Statistics show that women are more likely to be sex trafficked than men. Why is this you may ask. Well, men are more likely to be victims of the labor exploitation in the private economy, while women are more likely to be sexually exploited in the private economy (Human Trafficking Center 2019).
The graphs pictured above show the percent of women and men that are trafficked in the private economy for labor or for sex.

ILO roughly calculates that Human trafficking makes around $150.2 billion illegal profits a year. Of those $150.2 billion, sexual exploitation makes up for 66% of it, generating around $99 billions a year and domestic servitude makes up for 5.3% and $8 billion. The Human Trafficking Center discovered that Asia and other developed economies have the highest profits. Traffickers make the most profits out of the sexually exploited victims, at a global estimate of $21,800 per victim (Human Trafficking Center 2019).

*Female Victims*
Around 800,000 people are trafficked yearly across international borders and out of these, 50% are females under the age of 18, and 80% are females 18 or older (Deshpande and Nour 2013). Prostitution and sex traffic are sometimes confused for synonyms. This is not correct since prostitution is one of the many jobs that sex trafficked victims are forced to perform. Deshpande and Nour (2013) mention some of the terms that are included but not limited to sex traffic.

“Sex trafficking is an umbrella term that may include commercial sex work such as prostitution, but also pornography, exotic dancing, stripping, live sex shows, mail-order brides, military prostitution, and sexual tourism. Although victims of sex trafficking can be of any age and of either sex, the majority are women and adolescent girls. Although many nations have outlawed the trafficking of females, it is still widely prevalent on a global scale.”

Traffickers, Tactics, and Methods

Victims are usually trafficked by someone they know. Most of the times, family members are the ones responsible for selling the victims into this industry. Other times, victims are kidnapped. Men are most likely to sell/purchase female sex traffic victims. Traffickers approach the victim’s family offering some sort of incentive. They usually promise a better life, education or financial assistance to the victims and their families. One of the tactics used to coerce the victims is called debt bondage which is an “illegal practice where the victim has to pledge personal services in order to repay some form of debt, such as transportation into a foreign country or living expenses.” (Deshpande and Nour 2013). The second one used is called the traumatic bonding; A tactic in which “the victim is instilled with deep-rooted fear coupled with gratitude for being allowed to live.” (Deshpande and Nour 2013).
The Polaris Project uses this wheel to explain the different types of methods that are employed in sex and labor trafficking. Deshpande and Nour (2013) go further into details of what types of female victims are more likely to be recruited.
Traffickers and/or pimps commonly recruit potential victims who are either economically or socially vulnerable. These include women and girls who are susceptible to poverty, societal isolation, drug addiction, violence in the family, a history of child sexual abuse, family dysfunction, school failure, or a history of criminal behavior. It may also include orphans, women with physical disabilities, and those who are innumerate and illiterate.

Usually, victims are recruited by two types of pimping; Guerrilla and Finesse pimping. Guerrilla pimping uses violence, aggression, threats and intimidation to enslave the victim, while finesse pimping uses “compassion, kindness, and psychological games such as luring victims through small gifts of cash, clothes, shelter, food, and drugs that make them feel obligated or indebted to the pimp.” (Deshpande and Nour 2013).

Victims

When women become enslaved in the sex industry, it is nearly impossible for them to escape. They are deprived from their liberty and any form of communication with the outside world. They are typically drugged and forced to commit sex acts in order to survive. They become trapped in a world in which they are stripped from their rights. These females often have their citizenry confiscated by their pimps, don’t know the language from this new foreign country, have little knowledge about the situation they’re in, are poor and/or fear being found if they try to escape from their captives.

Identify the Victims

Polaris Project mentions a couple of situations in which a person may help identify a sex traffic victim. They divide these into 5 categories: common work and living conditions, poor mental health or abnormal behavior, poor physical health, lack of control and other. Under
common work and living conditions they include: not being free to leave or come and go at their own will, the person is under the age of 18 and is providing commercial sex acts, has a pimp or a manager, is unpaid or underpaid, etc. For poor mental health or abnormal behavior, they feel anxious, depressed, nervous, fearful, is afraid of law enforcement or immigration officers and shows symptoms of substance abuse. They show poor hygiene, have signs of physical or sexual abuse and show signs of malnourishment as part of the poor physical health category. For lack of control, they own little to no possessions, are constantly being monitored, are not in control of their own money/financial accounts and/or their identification documents and are not able to express themselves without a third party being present. And lastly, for the other category, they lack knowledge of their location, time, claim they are just visiting and do not provide an address of where they’re staying at, protects their pimp, and/or says inconsistent stories.

*Prostitution in Europe between regulation and prohibition- Comparing legal situations and effects*

The Observatory for Sociopolitical Developments in Europe goes into details of how prostitution works across Europe. It explains how every country has their own policies, punishments and laws concerning prostitution. There are different models of prostitution policies, this research also explains regulations in 3 European countries, how places where brothels are legalized must be licensed, how customers must behave according to the laws, punishments for those who break the laws, obligations that prostitutes have to obey in order to legally work, the licensing and mandatory registration.
CHAPTER 3

LEGALIZING PROSTITUTION WILL NOT PUT AN END TO SEX TRAFFIC

Theory

In this section, I will build up on how the legalization of prostitution can or cannot increase sex traffic inflows and how countries with and without legalized prostitution can have better health conditions for the victims and workers of this industry. Deshpande and Nour (2013) explain how sex trafficking have become a growing problem in the global community, how it involves some forms of forced sexual exploitation, and how it includes but is not limited to prostitution. They also mention the indirect costs this industry has on a community’s socioeconomic development.

Deshpande and Nour (2013) explore the emotional and physical health conditions that victims go through and the disadvantages they face because of this; including how healthcare providers can help identify and assist victims of sex trafficking and provide them with legal and social services. They use the term umbrella to describe sex trafficking in which prostitution, pornography, sexual tourism, exotic dancing, live sex shows, exotic dancing, etc. are some of the work that victims are obligated to perform. Deshpande and Nour (2013) investigate the methods used by sex traffickers to recruit their victims, what people are at a higher risk of being victims, the economic side of this problem, the health implications, and questions that can be asked to people you suspect are part of sex trafficking.

Countries that have legalized prostitution are considered to have lower sex traffic statistics, but this is not always the case. Cho, Dreher and Neumayer (2013) investigate human trafficking inflows in countries who have legalized prostitution and how there are two opposing
effects to this, according to the economic theory, which have an unknown magnitude. One being an expansion of the prostitution market which cause an increase in man trafficking and the other one causing a substitution effect which lowers the demand for trafficked women since legal prostitutes are preferred over illegal ones. They analyzed 150 countries and found that the substitution effect dominates in most of the countries. Places in which prostitution has been legalized, have and increased human trafficking inflow.

People may prefer legal prostitutes over illegal ones mainly because of the health standards they need to have. They are obligated to undergo certain health exams in order to continue working in the sex industry. Meanwhile, street workers are at a higher risk of health conditions, drug or alcohol abuse, sexually transmitted disease, and mental illness. Women and girls are more vulnerable to be sex trafficked because of their economic status and because they are seen as weak preys. These and other factors increase their vulnerability to being coerced into the sex traffic industry. Trafficked females’ encounter high rates of physical and sexual violence (American Psychological Association 2018). Legal prostitutes chose to work as sex providers and can opt out of it whenever they want. It is just like any other legal job which you have the liberty of choosing. They are not supposed to experience any sort of abuse since they are constantly being monitored and protected by the government.

I propose the following set of hypotheses concerning prostitution, HDI, GDP per capita and sex trafficking:

Hp1: The more regulated prostitution is, the higher the sex traffic inflow.

Hp2: The higher social and economically developed a country is, the less sex traffic it will have.

Hp3: The lower GDP per capita, the higher the sex traffic.
CHAPTER 4

HOW DOES LEGALIZING PROSTITUTION AFFECT SEX TRAFFIC INFLOWS?

Methodology

For my case analysis, I will be using the most similar system design (MMSD) in order to achieve a better understanding on how legalizing prostitution affects sex traffic inflows in the host countries. MMSD will allow me to compare similar countries (cases) who’s independent and dependent variables will vary. This will also allow me to choose between similar countries for which I will be using two control variables, culture and government tiers, in order to keep my dependent variables constant.

My independent variables, legalizing prostitution, HDI and GDP per capita vary between my three case studies. I chose Europe as the continent for this research and the three European countries that I will be examining are: France (metropolitan), Germany and Netherlands. Two out of these three countries have completely legalized prostitution, while one of them has partially legalize prostitution. This research will go into further investigation to prove if countries that have fully legalized prostitution have, in fact, a lower sex traffic inflow than those that have partially legalized prostitution. In order to measure this, I will be using the 2017, and 2016 trafficking in Persons Report by the United States Department of State. My dependent variable, sex traffic inflow, is affected by the extent to which prostitution has been legalized in those countries. This will also be measured by using the 2017, and 2016 Trafficking Persons Report by the United States Department of State.
For the purpose of this research, I will be controlling for culture, tiers, and the Human Developing Index (HDI). These three countries share a similar culture background (geographical location). Countries are assigned to 3 different tiers by the U.S. Department of State. These tiers range from 1-3; Tier 1 countries are countries whose governments fully meet the Trafficking Victim Protection Act’s (TVPA) minimum standards (State.gov). Tier 2 countries are countries whose governments do not fully meet the TVPA’s minimum standards but are making significant efforts to bring themselves into compliance with those standards (State.gov). And Tier 3 countries are countries whose governments do not fully meet the minimum standards and are not making significant efforts to do so (State.gov). All three of the case studies are considered part of the Tier 1 category when it comes to human trafficking by the U.S. Department of State. These countries also share a similar Human Developing Index; they range from 0.901-0.936 on the HDI.

This European map, provided by the US Department of State, assigns different colors to countries to show the tier placements.

- **Green**: Tier 1
- **Yellow**: Tier 2
- **Orange**: Tier 3
- **Red**: Tier 4
CHAPTER 5

Case studies

Prostitution markets in Europe have been constantly changing over the last three decades. This has sparked controversy related to the extent to which regulations should be enforced. Every European country has a different approach towards prostitution. Prostitution policies have great variations among Europe, ranging from legalized brothels to punishing sellers but not buyers. For the purpose of this research, I chose to evaluate three European countries which have legalized prostitution to different extents. Two out of these three countries have fully legalized prostitution (brothels are legal and prostitution is regulated) and one other country that has partially legalize it (buying sex is illegal, but selling it is not and prostitution is unregulated). These countries are France, Germany, and Netherlands.

France abolished prostitution back in 1254, when King Louis IX ordered that ‘women from evil life’ were to be expelled from his kingdom and their belongings, including their clothes, were to be confiscated (Rossiaud 1988). In 1560, France abolished brothels thanks to Charles IX. He prohibited opening or keeping brothels or reception houses for prostitutes in Paris. Henry III reaffirmed the ordinance of 1560 and speculated that magistrates of the city had overlooked brothel establishments (Sanger 1858). The Bureau des Moeurs of Paris was established in 1802. This first started off as an administrative decree and ended up as a huge governmental department. It was demised in 1903, and at that time, it generated a budget of over 100,000 francs a year. The methods used to operate this government department were copied all throughout the rest of France. “Indeed the Bureau des Moeurs was the very model of state 'toleration' of prostitution, a model both hailed and decried by reformers around the world.” (Luker 1998). On April 13, 1946, France decided to ban brothels; solicitation was prohibited and
brothels were closed, yet prostitution remained legal (Corbin 1990). France finally decided to ban the purchase, but not the sale, of sex on April 6, 2016. “On Wednesday [Apr. 6, 2016] legislators approved a bill against prostitution and sex trafficking that bans buying sex, not selling it. Customers who break the law will face fines and be made to attend awareness classes on the harms of the sex trade…” (The Sydney Morning Herald 2016). This now meant that prostitution is legal in France, but pimping, brothels and sex with underage persons was illegal.

Back in 1927, Germany decriminalized prostitution. “Before 1927 prostitution was generally illegal but cities were allowed to regulate things such as STD testing, where prostitutes could live, and where prostitutes could travel "The... [Law for Combating Venereal Diseases] decriminalized prostitution in general, abolished the morals police, and outlawed regulated brothels. These were major achievements from the perspective of prostitutes' rights. However, to secure passage of the reform, Social Democrats and liberals were forced to make important concessions to the moral Right, who opposed a consistent decriminalization of prostitution. Clause 16/4 of the anti-VD law... made street soliciting illegal in areas adjacent to churches and schools as well as in towns with a population smaller than 15,000.” (Roos 2002).

On May 1933, the Nazis decided to recriminalize prostitution. They outlawed street soliciting. Those who publicly solicited in a way that was considered harassing or conspicuous, were to be criminalized. Because of these new prostitution restrictions, police conducted massive raids on streetwalkers; because of this, thousands of prostitutes were arrested during spring and summer of 1933 (Roos 2002). By 1934, the Nazi’s decided to regulate brothels and in 1939, they decided to regulate prostitution. This new state-regulated prostitution was meant “to protect 'respectable' society against moral 'pollution' by prostitutes.” (Roos 2002). The Nazis also wanted to eradicate street soliciting and imprison prostitutes to closely-supervised brothels. Finally, in
2002, Germany reformed their prostitution laws. This new law “declared prostitution was no longer immoral, that pimping is legal if enforced with formal contracts, it increased access to state health insurance and pension schemes and allowed prostitutes to sue their clients for non-payment.” (BBC 2001).

Napoleon Bonaparte was responsible for introducing a system of regulation for prostitution to the Netherlands in 1810. It did not last that much and ended in 1813, when the French withdrew. The local Government Act of 1851, slowly instituted regulations once again in order to prevent the spread of diseases. In 1911, Netherlands decided to ban brothels; they enacted a new public morality act which stated that it was forbidden to give opportunity to prostitution, specifically, to brothel keeping (Boutellier 1991). On October 1, 2000, Netherlands decided to legalize brothels by removing articles 250bis and 432 from the Criminal Code; now the ban on pimping and brothels was lifted. Nowadays, it is legal to own a business where women and men voluntarily and over the age of consent are employed as prostitutes. The owner of this business must get a license from the local authorities and satisfy certain conditions (Netherlands Ministry of Foreign Affairs 2005).
CHAPTER 6

Case Study Analysis

This research is based on three European countries that have different approaches towards legalizing prostitution. In the following table, I have assigned models to the countries. Each model stands for regulated and unregulated prostitution. Model 1 is for legal and regulated countries. These countries have legalized brothels and pimping; sex with minors is illegal. Prostitutes in these countries must be registered, undergo medical examinations, etc. Model 2 is a country where prostitutes and their clients are not punished for having paid sexual services, but pimping, brothels, and having sex with minors is prohibited. Prostitutes are not obligated to be registered or have any authorization from the government.

Country scale

<table>
<thead>
<tr>
<th>Model 1</th>
<th>Germany and Netherlands</th>
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<tr>
<td>Model 2</td>
<td>France</td>
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Sex traffic scale

<table>
<thead>
<tr>
<th>Low</th>
<th>Medium</th>
<th>High</th>
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<tbody>
<tr>
<td>0-500 sex traffic victims</td>
<td>501-1,000 sex traffic victims</td>
<td>1,001+ sex traffic victims</td>
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Based on the country scale, we know that Germany and Netherlands have a more liberal approach towards prostitution, while France has more of a conservative approach. Model 1 countries were assigned to Tier 1 by the U.S. Department of State, meaning that they fully meet the minimum standards in order to eliminate human trafficking. These countries have also sentenced traffickers to longer prison terms, have increased protections for sex workers, strengthened their criminal statutes on trafficking, and increased their number of convictions along with the number of identified victims. Model 1 has also been assigned to Tier 1. This
country tried to prevent trafficking by increasing international assistance. This country lacked data on trafficking because they forgot to screen people for trafficking. This made it very difficult to collect data. By using these models, I will test my hypotheses. The second chart, the sex traffic victims scale, assigns categories rated low, medium, and high to the amount of sex traffic victims. Low for countries that have 0-500 sex traffic victims a year, medium for countries that have 501-1,000 sex trafficking victims, and high for countries that have more than 1,001 sex trafficking victims a year.
Hypothesis 1: The more regulated prostitution is, the higher the sex traffic inflow.

Data extracted from: U.S. Department of State

Based on this data, it shows that Netherlands has the highest amount for sex traffic in 2015, while France has the highest amount for sex traffic in 2016. Netherlands reduced a significant amount of the victims for 2016, while France increased their victim amount. Germany increased their sex traffic victims at a very low amount compared to France. This hypothesis is inconclusive since France’s data increased, Germany’s data also increased, and Netherlands’ data decreased. For the year 2015, France is rated medium, Germany low and Netherlands high on the scale of sex traffic. As for the year 2016, France goes from medium to high, Germany increased their sex traffic victims but still remained low, and Netherlands’ sex traffic victims decreased and changed their classification from high to medium.
Hypothesis 2: The higher social and economically developed a country is, the less sex traffic it will have.

Data extracted from: United Nations Development Programme Human Development Reports

Model 1 countries score the highest in the data chart above. This validates hypothesis 2, for Germany and Netherlands have the lowest amount of sex traffic for years 2015 and 2016 and have the highest amount in the HDI for those years as well. This might be because the more developed a country is, the more willing it is to do things according to the law.
Hypothesis 3: The lower GDP per capita, the higher the sex traffic.

Data extracted from: The World Bank

As for Hypothesis 3, it is also validated. France scores the lowest GDP per capita compared to Model 1 countries. France happens to have the highest amount of sex traffic victims for years 2015 and 2016. This might be because people are becoming desperate for money and decide to get themselves into the sex trafficking industry to gain more money and perhaps provide for their families.
CHAPTER 7

Conclusion

For further research on this topic (for these countries, or European countries in general), it is very important to know that data is almost impossible to collect because it is either entirely mixed with labor trafficking, labeled as human trafficking without explaining what it consists of, and/or it simply does not exist. There is data for states in the United States that are divided into sex or labor trafficking, but there is little to no data when it comes to countries in Europe. I expected all my hypothesis to be valid and I was impressed that this was not always the case. I expected it to be more sex traffic in Model 1 countries than in model 2. This research shocked me entirely because sex traffic is going on right in our faces and I feel that we are so uninformed about the subject and how to identify/help victims. I believe more is to be done in order to identify, help victims, abolish or diminish sex trafficking.

France, has no data on sex trafficking (for a lot of years) because authorities are not screening ‘criminals’/people for human trafficking. Their shelters are poor quality shelters. France should create a government agency that focuses on traffic and provide data for all of the trafficking that’s going on in their country. They should provide proper care, including good shelters, for their victims; they’ve gone through a lot. Germany has increased their efforts to sentence traffickers and they’ve strengthened criminal statutes. Despite this, only a 30% of convicted traffickers in 2016 served prison time and others only received fines. Also, most of their victims have not received the proper specialized care. Germany should make their sentences stricter for traffickers and maybe offer some incentives for people who help identify trafficking. Also, they should focus on supplying proper care for trafficking victims. Netherlands increased their efforts to reduce trafficking, this includes an increase in their investigations, prosecutions,
and in convicting criminals for trafficking, but they failed to report statistics for trafficking, and they did not offer foreign victims the three-month reflection period. Netherlands should assign a government department to trafficking and report data on all of the trafficking that’s going on in their country; and they should also increase their support/help for victims, especially for foreign ones (U.S. Department of State).
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