ECONOMIES OF DESIRE: SEXUALITY AND THE SEX INDUSTRY IN THE 21ST CENTURY

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Abstract
New data from sex surveys confirm that demand for commercial sex is based on permanent disparities between male and female desire, and is therefore ineradicable. Demand and supply are growing, facilitated by economic growth, the Internet, globalisation and changing sexual attitudes. A key objection to the sex industry is that pornography, lap dancing and prostitution promote rape and other kinds of violence against women. However, the evidence contradicts this contention. The commercial sex industry is impervious to prohibitions and cannot be eliminated. Laws which constrain sellers of sexual services or criminalise purchasers are not evidence-based, and are bound to fail, wasting public resources.

JEL codes: J12, J16.

Keywords: law; prostitution; sex industry; sex surveys; sexuality.

1. Introduction
Sexuality has always provoked comment and debate, curiosity, speculation, analysis, and artistic and erotic interest (Mottier 2008). It is therefore easy to assume that sexual lives are an unchanging universal of human existence. However, sexual cultures and customs vary substantially between countries and over time. Three developments in the late twentieth century fundamentally and permanently changed sexual markets.

First, the so-called ‘sexual revolution’ of the 1960s was made possible by the contraceptive revolution. For the first time in history, the pill and other modern forms of reliable contraception controlled by women gave women easier access to recreational sex without fear of pregnancy (Cook 2004; Szreter and Fisher 2011). The uncoupling of sexuality and fertility led to an increase in marital sexual activity in the West. It also made premarital sex more common, and eventually facilitated extramarital sexuality as well (Hakim 2012). Possibly for the first time in history, recreational sex became far more important than reproductive sex, for people of all ages and in all socio-economic groups. Marriage is no longer the precondition for an active sex life. The traditional distinction between marriage markets and sexual markets (typically, commercial sexual markets) eroded and seems to be vanishing in the twenty-first century.

Second, the AIDS scare of the 1980s prompted governments and research foundations to take an interest in what people were doing in the privacy of their beds at night. It became easier to talk about sexuality, condom adverts were displayed openly, and sexuality came out of the closet in policy circles. Sex surveys became ‘medical’ and ‘public health’ studies, so many more were carried out from 1990 onwards. The medical perspective usually entailed a narrow focus on AIDS awareness and relevant practices instead of obtaining a broad picture of sexual

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desire and its expression. Nonetheless, the plethora of nationally representative sex surveys carried out around the world in the two decades 1990–2010 greatly increased information on sexual practices and sexual markets (Wellings et al. 2006). For example, national surveys show that the vast majority of men and women self-identify and act as heterosexuals: 97 per cent in Britain, the USA, Australia, Scandinavia and Western Europe generally. The tiny sexual minorities that are often the focus of attention in academic sexuality research and journals do not affect patterns in the majority heterosexual market. The sex survey results demolished many misconceptions, new and old (Vaccaro 2003; Hakim 2015). One supposed ‘myth’ that was shown to be a continuing solid reality in the twenty-first century, long after the contraceptive revolution, is the idea that men typically have stronger libidos than women (Hakim 2015). Male demand for sexual entertainments and activity greatly outstrips female sexual interest, even in liberal cultures. This gives women an edge, although many are still unaware of it.

Third, the Internet stimulates continuing change in sociality and sexual markets. Dating websites cater to people of all ages, all socio-economic groups, married and non-married. Some websites specialise in particular social and/or sexual groups, making it easier for people with arcane tastes and interests to meet. Commercial sexual services have also taken to the Internet, and advertise their services under the guise of ‘call girl’ or ‘escort’ services and the popular ‘girlfriend experience’ (GFE).

One side effect of the swing towards websites providing meet markets is a greater emphasis on physical appearance and good looks for everyone, but especially for women (Hakim 2011). To the old adage ‘sex sells’ we can now add ‘beauty pays’ (Hakim 2011; Hamermesh 2011). Beautiful women and men have acquired increased value in sexual markets that rely heavily on photos for introductions and initial selection. A study of women offering sexual services around the turn of the century found virtually all were very attractive as well as young and slim, with good figures (Moffat and Peters 2004, p. 688). There is a premium for women with long blonde hair, and also for white women (in the West). In other countries, different looks are regarded as ‘exotic’ (Economist 2014).

Another side effect of the swing towards websites as meeting places is that markets become global in potential scope. Relatively cheap international travel and increasing migration rates make it feasible for men to seek brides and sexual partners in neighbouring countries, or even on the other side of the globe. As markets increase in size competition increases, but selection processes also become more time-consuming.

The three major social changes set out above have fundamentally altered sexual markets in the twenty-first century. Sexual markets are no longer clearly differentiated and separate from marriage markets. Women may use dating websites with a view to meeting a long-term partner, while men more often seek casual sex while dangling the bait of potentially offering marriage as well. Indoor commercial sexual services are no longer isolated in physical and social ghettos as they still are for streetwalkers; in many respects their websites look like dating websites – and vice versa. The process of reviewing profiles, selection and making contact seems fairly similar across websites for professionals and non-professionals. Sexual markets now overlap with marriage markets; they are larger, global, more transparent, more competitive, and more commercial in the way they operate. For example, some dating websites limit membership to people who are graduates and professionals (and hence attain a certain economic standing) or to people who are physically attractive. The key distinction between websites aimed at the traditional marriage market (for long-term relationships) and those
aimed at spot markets for casual sex and short-term liaisons (such as Tinder or Loving Links) is that women often do not pay fees on the latter, because the number of male customers outstrips female customers—sometimes by ten to one and up to 20 to one. The only websites where women greatly outnumber male customers are those for ‘sugar daddy’ relationships between an affluent and generous man and a younger and attractive woman who appreciates his gifts and financial support (Croydon 2011). However, many dating websites are free to use up to a certain level of activity, so distinctions between categories can be very thin and unclear.

This single open, transparent, sexual–marital mating market displays clearly men’s greater interest in sexuality in terms of attitudes and behaviour. Evidence-based policy can no longer ignore this fact. It is not surprising that the sex industry has been growing and expanding globally, despite periodic attempts to eliminate or constrain it. In line with Meadowcroft (2008, p. 194), we argue that the sex industry should now be fully decriminalised and allowed to flourish along with other businesses in the erotic entertainment industry. The Office of National Statistics (ONS) estimates that the sex industry in Britain adds £4.3bn (US$6.9bn) per year to the economy (more than the amount spent on the construction of houses in the first decade of the twenty-first century), and adds over 0.4 per cent to national GDP. In less developed economies, such as Indonesia, Malaysia, the Philippines and Thailand, the sex sector accounts for between 2 per cent and 14 per cent of GDP (Lim 1998). However, it has now become more difficult reliably to separate the sex industry from similar activities and exchanges available through the Internet. Public policy needs to be updated to take account of twenty-first century realities.

2. New evidence from national sex surveys

Between 1990 and 2010 more than 30 rigorous, nationally representative, scientific sex surveys were carried out around the world. Most countries, such as the USA, carried out just one survey. Britain and Finland are unique in having longer series of surveys showing trends over time. Britain carried out one of the largest, the National Survey of Sexual Attitudes and Lifestyles (NatSAL), interviewing 20,000 people in 1990, with smaller repeat surveys in 2000 and 2010 (Wellings et al. 1994; Mercer et al. 2013).

There is no synthesis of the results of all these studies around the world to identify the universal constants in human sexuality in modern societies. The diversity of the surveys makes that effectively impossible. The surveys cover different topics, social groups and age groups. They use different concepts, question wording, metrics and time reference periods for sexual activity (last month, last year, last five years, or last ten years). Topics included in European surveys were taboo in some other cultures. Some analyses focus on the couple as the unit of analysis rather than individuals (see Table 1). Reports sometimes present results in figures and graphs rather than tables of statistics, as shown in Figure 1 and Table 2. There is no standardisation of sex survey topics, methods and reports.

In Finland and Britain, reports note increasing similarity over time in the number of sexual partners for men and women (Haavio-Mannila, Kontula and Rotkirch 2002; Kontula 2009, pp. 112–14; Mercer et al. 2013), with similar results from meta-analyses on sexuality (Petersen and Hyde 2010). However, a key conclusion in all surveys is the large and continuing differences between men’s and women’s perspectives on sexuality (Laumann et al. 1994, p. 547; Wellings et al. 1994, pp. 100, 246–7, 252, 261, 265; Bajos et al. 1998, pp. 174–232; Lewin 2000, pp. 117–36; Kontula 2009, pp. 215–27, 231; Mercer et al. 2013). The sex differentials in sexuality remain
large, substantively important, and are found in all cultures, including the sexually liberated societies of Scandinavia. They cannot be dismissed as an outdated patriarchal myth, as argued by feminists (Buss and Schmitt 2011), especially as these national surveys were carried out long after the sexual revolution of the 1960s. Continuing sex differentials in sexuality in the twenty-first century include the following:

- The British, American, Finnish and Italian surveys all report a minority of men and a larger group of women aged over 35 years saying they were celibate – no sex at all in the last month or the last year (Hakim 2011, pp. 41–3; 2012, pp. 65–70). Between 2000 and 2007, the frequency of sexual intercourse had declined another 20 per cent in Finland (Kontula 2009, p. 130). By 2010 well over a third of adults reported no sexual intercourse in the past month in Britain (Mercer et al. 2013), but the proportions are invariably higher for women.
- At all ages, the majority of women regard love as a precondition for sex, while a majority of men reject the idea (Sweden 1996).
- Two-thirds of men accept, and two-thirds of women reject, the idea of sexuality without love (France 1992). At all ages, men engage in sexual intercourse without any feelings of love two to four times more often than women (Sweden 1996).
- Men express two to ten times more enthusiasm than women for trying every variation in sexual activity.
- The average number of sexual partners over a lifetime has fallen from two to three times higher among men to around 50–100 per cent higher today, but remains substantial.

Table 1: Sexual desire within relationships, couples aged up to 45 years, France, 1992

<table>
<thead>
<tr>
<th>Duration of life as a couple (years)</th>
<th>0–2</th>
<th>5–10</th>
<th>over 15</th>
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<tr>
<td><strong>First marriages/partnerships</strong></td>
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<td>Men’s responses:</td>
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<tr>
<td>The man</td>
<td>27</td>
<td>39</td>
<td>49</td>
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<tr>
<td>The woman</td>
<td>10</td>
<td>17</td>
<td>4</td>
</tr>
<tr>
<td>Both</td>
<td>52</td>
<td>44</td>
<td>47</td>
</tr>
<tr>
<td>Neither</td>
<td>10</td>
<td>0</td>
<td>0</td>
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<td>Women’s responses:</td>
<td></td>
<td></td>
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<tr>
<td>The man</td>
<td>48</td>
<td>34</td>
<td>61</td>
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<tr>
<td>The woman</td>
<td>10</td>
<td>12</td>
<td>4</td>
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<tr>
<td>Both</td>
<td>42</td>
<td>55</td>
<td>35</td>
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<tr>
<td>Neither</td>
<td>0</td>
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<td>1</td>
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<tr>
<td><strong>Second marriages/partnerships</strong></td>
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<tr>
<td>Men’s responses:</td>
<td></td>
<td></td>
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<tr>
<td>The man</td>
<td>43</td>
<td>53</td>
<td>42</td>
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<tr>
<td>The woman</td>
<td>24</td>
<td>8</td>
<td>13</td>
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<tr>
<td>Both</td>
<td>33</td>
<td>34</td>
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<tr>
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<tr>
<td>Women’s responses:</td>
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<tr>
<td>The man</td>
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<td>49</td>
<td>49</td>
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<tr>
<td>The woman</td>
<td>6</td>
<td>8</td>
<td>0</td>
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<tr>
<td>Both</td>
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<td>40</td>
<td>45</td>
</tr>
<tr>
<td>Neither</td>
<td>0</td>
<td>2</td>
<td>0</td>
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</table>

Source: Extracted from Table 11 in Bajos et al. (1998, p. 212).
When asked about their ideal sexual lifestyle, men are three times more likely to prefer several concurrent lovers: 20 per cent versus 6 per cent for women (Sweden 1996), 27 per cent versus 7 per cent for women (Estonia 2000).

Regular masturbation is two to three times more common among men, even among married men. A two-thirds majority of men masturbated in the last month, week or year compared with a one-third minority of women (Australia 2002; Finland 2007; Britain 2010).

Men are three times more likely to have frequent sexual fantasies, and to use erotica of all kinds. In Finland, a four-fifths majority of men find pornography very arousing compared with half of women.

Two-fifths of men versus one-fifth of women have an additional non-marital sex partner (Sweden 1996). Men report extramarital affairs twice as often as women, even when they condemn affairs as morally wrong (Hakim 2012). This pattern is observed both in

Table 2: Lack of interest in sexual activity (per cent) by age, Britain, 2010

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</thead>
<tbody>
<tr>
<td>Males</td>
<td>11</td>
<td>15</td>
<td>17</td>
<td>15</td>
<td>16</td>
<td>14</td>
<td>15</td>
</tr>
<tr>
<td>Females</td>
<td>25</td>
<td>32</td>
<td>37</td>
<td>38</td>
<td>39</td>
<td>34</td>
<td>34</td>
</tr>
</tbody>
</table>

Source: Extracted from Mercer et al. (2013).
villages and cities in China, where between one-quarter to half of divorces are now due to adultery (Liu et al. 1997). Only in France, Spain and Italy do men and women begin to converge in their acceptance (and practice) of affairs (Hakim 2012).

- Casual sex was regarded as acceptable by a two-thirds majority of men versus a one-third minority of women in Britain in 1990. In 2010, twice as many men as women regarded one-night stands as ‘not wrong at all’: 18 per cent versus 9 per cent, or 20 per cent versus 13 per cent for people aged 16–44.
- Men are four times more likely than women always gladly to agree to sexual approaches from their partner: 38 per cent of men versus 11 per cent of women (Finland 2007).
- When asked about the ideal frequency of sexual activity, one-quarter of men but only 8 per cent of women say they prefer sex at least once a day or more (Australia 2002). In Finland, men’s ideal frequency is around twice a week versus once a week for women.
- Twice as many men as women experience frequent sexual desire: half versus one-fifth of women in Sweden.
- One-third of women versus one in ten men have never had an erotic fantasy; one-third of men but only one in ten women have regular erotic fantasies (Italy 2000).
- The most commonly reported sexual problem is lack of interest in having sex. In Australia, over half of all women report this compared with one-quarter of men. In all countries, the rate for women is at least double the rate for men, at all ages. In Finland, one-third of women but only 13 per cent of men report lack of interest. Even in France, 8 per cent of husbands versus 41 per cent of wives aged up to 45 years reported lack of desire as a problem in 1992.

A cross-cultural study of 29 countries shows that sex differences in desire and sexual interest are universal, but the gap between men and women is larger in male-dominated cultures than in liberal Western societies. For example, the proportion of women reporting no interest in sexual activity rises from the average of around 30 per cent to 50 per cent among Japanese women (Meana 2010, p. 108). A European comparative study treated sexual desire and interest as a control variable, so no comparative results were reported. However, it noted that the large cultural–legal differences between European countries were not reflected in differential behaviour, so that differences between men and women remain the dominant story (Hubert, Bajos and Sandfort 1998, pp. 193–4).

Scholars sometimes argue that large sex differences in sexual activity are not plausible. However, sexual markets are not closed systems, and all surveys have refusals and non-response, especially among outliers, and especially for ‘private’ topics. There are several explanations for men reporting more sexual partners than women:

- Women who sell sexual services do not participate in sex surveys.
- Sex tourism to Thailand, the Philippines and other countries means that men can report female sex partners living in foreign countries, as illustrated by sex memoirs (Thomas 2006) and in the Swedish and Finnish surveys.
- Some men living as (married) heterosexuals also participate (secretly) in the gay scene, where numerous pairings are common, sometimes anonymously.
Although gay men remain a tiny minority (3 per cent) of the male population, like sexual superactives generally they account for a high proportion of all male sexual activity – with other men, obviously.

Women’s propensity to minimise the number of sexual partners, and men’s tendency to exaggerate the number, are additional factors, probably the least important, although cited most often.

The contraceptive revolution of the 1960s eliminated the fear of pregnancy among women – always a powerful demotivator (Cook 2004; Szreter and Fisher 2011). In the 1960s, over one-third of women with three or more children deeply regretted each new pregnancy (Cartwright 1978). Yet sexual interest/desire seems to be surprisingly constant across generations, despite changes in sexual activity. The 2010 British survey provides the most up-to-date information on sexual expression. It shows that in all age groups females are more than twice as likely as men to lack interest in sex (see Table 2). From their twenties onwards, one-third of women say they lack interest in sexual activity, compared with one in seven men. They are also twice as likely to say they lack enjoyment in sex (12 per cent versus 5 per cent of men).

The imbalance in sexual interest at the national level is repeated within relationships. Graphs for unmet sexual desire in an existing relationship show a large gap between men and women that starts at age 30 and grows quickly: around half of all men report unmet sexual desire, compared with around 10 per cent of women in Finland (Figure 1). The gap had reduced a little by 2007, but men still remain twice as likely to want more frequent intercourse (Haavio-Mannila and Kontula 2003, p. 81; Kontula 2009, pp. 41–2, 135, 222–9). The pattern seems to be universal. Despite a culture that welcomes female sexuality, French men and women are clear that male desire outweighs female sexual desire most of the time, and becomes the main driving force in longer-duration relationships, as women’s sexual desire wanes over time (see Table 1). In Britain, among couples aged 25 and over, one-quarter of men and one-third of women report an imbalance in sexual interest with their partner in 2010. The imbalance is smallest in the 16–24 age group – 15 per cent of young men and 20 per cent of young women report the problem – and grows thereafter (Mitchell et al. 2013, Table 3). Even in the twenty-first century, one-third of women report no sexual interest and/or an imbalance of sexual interest in a current relationship. From three different cultures, using different indicators, the patterns in Tables 1 and 2 and Figure 1 tell the same story.

Summarising four decades of sex research in developed countries, a Finnish expert notes (Kontula 2009, pp. 39–44, 215–30) that men report substantially more unsatisfied sexual desire, even today, because:

- women’s loss of sexual desire is four times greater than among men in the same age group;
- younger men experience sexual desire twice as frequently as women, and older men experience sexual desire four times as often as women in the same age group;
- as a result, male sexual desire is compatible with the level of desire in women approximately 20 years younger;
- overall, male sexual desire is manifested at least twice as often as female desire, and men would like to have sex twice as often as women; and
- the gap in sexual desire between men and women is growing over time.
The sexual deficit can affect men of any age. The largest numbers experiencing it seem to be in the prime age group, roughly 30 to 50. Research based on depth interviews and sex memoirs show that the problem is felt keenly, affecting behaviour and relationships among those who experience it (Arndt 2009, 2010; Thomas 2006). Among young men aged under 30, the desire for a variety of partners and sexual exploration may loom as large as any absolute shortage of sexual activity (Anderson 2012).

The broad results of the national surveys on sex differences in sexuality around the globe are corroborated by studies of the sex drive by social psychologists (Baumeister 2000, 2004; Baumeister, Catanese and Vohs 2001; Baumeister and Twenge 2002; Baumeister and Vohs 2004, 2012; see also Schmitt 2005). They show that differences between men and women are not due to socialisation, the repression of female sexuality, or women’s lesser sexual enjoyment, and may be due to the female sex drive being more plastic, malleable, and responsive to social influences, whereas the male sex drive is less compliant (Baumeister 2000, 2004).

Several factors suggest that the male sex deficit (or sexual surplus among men) will not disappear, and might even grow in the twenty-first century. First, surveys find a widening sex differential in desire in Finland (Kontula 2009, pp. 223, 225), and a decline in the frequency of sexual intercourse (inside and outside marriage) in Britain, the United States, Germany and Finland (Kontula 2009, p. 236; Mercer et al. 2013), and in Australia as well as Japan, which is understood to have the lowest frequency of marital sexual intercourse in the developed world. Second, women’s increasing economic independence allows them to withdraw from sexual markets and relationships that they perceive to offer unfair bargains, especially if they already have enough children or do not want any. Third, changes in national sex ratios towards a numerical surplus of men helps women to reset the rules in their own favour in developed societies (South and Trent 1988). Changes in the sex ratio are an invisible macro-level factor affecting gender roles and couple relationships (Guttentag and Secord 1983; Edlund and Korn 2002, pp. 205–6). The surplus of males in China and India is large and well known. However, the absence of major wars that traditionally eliminated the 6 per cent surplus of male births is slowly changing sex ratios in Western countries as well.

The sexual deficit among (heterosexual) men (alternatively, the sexual surplus among males) helps to explain many puzzles, including why men are the principal customers for commercial sexual entertainments of all kinds, are more likely to have extramarital affairs, sometimes rape unwilling partners or complete strangers, and offer other sexual violence against women. The male sexual deficit helps to explain the everyday sexism of male sexual harassment of women in workplaces and public places, even in the twenty-first century in sexually liberated Western societies (Bates 2014). It must contribute to explaining why sexual coercion and rape are male specialities, displayed especially in war zones (Jukes 1993; Scully and Marolla 1990; Macdowall et al. 2013). Sexual violence is about sex rather than – as many feminists have argued – about power games. A scientific explanation for sexual violence does not constitute a moral justification, of course.

Given the sexual surplus among males, it is no surprise that sex workers (male and female) cater to men almost exclusively. Male demand for sex invariably outstrips female demand.
3. The universal and expanding sex industry

Prostitution emerges quickly even among monkeys, once they learn the concept of money (Levitt and Dubner 2009, pp. 211–16). Commercial sexual services have existed in all societies with a coinage, whether such activities are criminalised or accepted. Criminalisation has been no more effective than Prohibition was in eliminating the production and sale of alcohol in the USA in the 1920s (Meadowcroft 2008, pp. 258–62).

Around the world, customers for commercial sexual services and erotic entertainments are almost invariably male. Male prostitutes have more male than female clients, on average. In Australia, 16 per cent of men have paid for sex, compared with 0.1 per cent of women, with similar figures for northern Europe. Across northern Europe and in Australia men are just as likely as, or more likely than, women to have sold sexual services. In Greece and Italy around 40 per cent of men have bought sexual services, compared with less than 1 per cent of women. Men predominate both as buyers and sellers.

The male sexual deficit explains why, in all societies, demand for sexual services rises steadily. In Britain, it doubled from 2 per cent to 4 per cent of men between 1990 and 2000 (Ward et al. 2005). Demand rose from 10 per cent to 14 per cent in Finland between 1992 and 1999 (Haavio-Mannila and Kontula 2003, p. 127). Demand for such services from women is minuscule in all cultures, and this is not due to women’s lack of economic resources. Even poor men find the money if necessary; even affluent women are rarely tempted (Lim 1998, p. 210; Kontula and Haavio-Mannila 1995, p. 126; Hakim 2011, pp. 42–3). The sex industry has always been highly stratified, with a diversity of services at all price levels, because male demand exists at all income levels. Men are ambivalent towards women working in the sexual entertainments industry possibly because they exploit men’s ‘weakness’ so effectively – very attractive young women can earn ten to 40 times more than in conventional jobs (Lim 1998, pp. 33–4, 45, 53–7, 88–90, 115, 155, 207; Frank 2002; Egan 2006; Hakim 2011, p. 158). Even average earnings are well above earnings in other occupations. Across Britain as a whole in 1999, estimated earnings were more than double the typical earnings in non-manual jobs and more than three times average earnings in manual jobs (Moffat and Peters 2004). The high earnings and flexible hours now attract students in higher education (Jenkins 2009; Hardy and Sanders 2015; Sanders and Hardy 2015). Even graduates and professional women find that selling sex can be a lucrative second job – leading to some large companies and public sector bodies (notably schools) dismissing staff who are discovered to be moonlighting in the sex industry broadly defined (Economist 2015).

Male prostitutes do not feel stigmatised, like women; on the contrary, they regard their work as demonstrating their masculinity and power (A. Taylor 1991). Male prostitution tends to be ignored by pressure groups and policymakers, who implicitly treat it as unproblematic (Whowell 2010).

Sexuality straddles the border between public and private life, commercial and amateur entertainment. The Internet is further eroding distinctions between categories. Global travel and increasing migration also make mating markets and prostitution a borderless enterprise (Agustin 2007; Ehrenreich and Hochschild 2003; Jenkins 2009; Magnanti 2012, pp. 140–71; Mai 2013a,b). An International Labour Office (ILO) study of the sex industry in the Far East (Thailand, Indonesia, Malaysia and the Philippines) was the largest such study ever undertaken. It concluded that demand for erotic services grows as a country (or individual) becomes more
affluent, so that overall demand is rising inexorably in the long term as the consumption of luxury goods and services expands (Lim 1998, pp. 10, 73, 88–90, 106, 135, 210). A study carried out by The Economist in 2014 provides similar information on developed economies, covering 84 cities in 12 countries, including the USA, Britain and other European countries. It found increasing competition as the Internet facilitated new entrants, including migrants from other countries, so that prices were being driven down. The 2007–8 financial crisis reduced demand for this luxury entertainment, further increasing competition. Nonetheless, the Internet has had an enormous positive impact on the sector – facilitating client searches; promoting part-time and amateur involvement; offering anonymity to workers; allowing more women to become independent by operating from their own website; and reducing risks through websites for sharing information on violent customers and other problems. As a result, The Economist also foresaw growth of the trade in developed economies, especially in cities, in the twenty-first century.

Countries that seek to eliminate the sex industry simply push demand abroad to neighbouring countries or Far Eastern countries such as Thailand where the industry thrives. In Sweden, for example, 80 per cent of men who have paid for sex did so abroad. In Britain, two-thirds of men who paid for sex in the previous five years did so outside the UK, most often in Europe and Asia (Jones et al. 2014; see also Groom and Nandwani 2006). People feel more comfortable about engaging in ‘forbidden’ or transgressive activities when they are away from home, in foreign locations. This applies to sex workers as well as clients, and helps explain the large numbers of migrants (legal and illegal) working in the trade (Agustin 2007; Mai 2013a,b). Being away from home on business or on holiday, staying in hotels, also reduces the practical logistics of buying in sexual services. This pattern of overseas purchase, which is increasing over time, makes it more tricky to measure the impact of local legislation and policy on behaviour.

Nonetheless, accessing these services is much more common in countries where the practice is traditional or widely accepted than in countries, such as Sweden or the USA, that stigmatise the entire industry, and criminalise customers and/or sellers. In Thailand and the Philippines, it is estimated that at least three-quarters of men have purchased sex (Ralston and Keeble 2009, pp. 77–95). In Spain the rate is 40 per cent, compared with 19 per cent in Switzerland, 16 per cent in the USA and Australia, 14 per cent in Denmark and the Netherlands, 13 per cent in Finland and Sweden, 11 per cent in Norway, 10 per cent in St Petersburg in Russia, and 6 per cent in Britain in 1990 rising to 9 per cent by 2000 (Ward et al. 2005; see also Sanders 2007).

Another indicator of growing demand for sexual services among men is the growth of erotic entertainments, such as strip clubs or stripping shows in pubs and bars, lap-dancing clubs, burlesque shows, sex shows and other events advertised on the Internet. Most of these cater almost exclusively to a male paying audience, and customers are of all ages and from all socio-economic groups. In Sweden especially, researchers attempt to portray customers for commercial sexual services and erotic entertainments as ‘losers’ and inadequate men who are unable to obtain all the sexual activity they want on ‘the normal sex market’ of non-professionals (Lewin 2000, p. 240). Yet all the available research on buyers shows them to be Mr Everyman, as well as those with arcane tastes (such as BDSM⁹ or fetishism) that are not readily satisfied in everyday relationships (Monto 2000; Sanders 2007; Hakim 2011, pp. 150–4).

Feminists, NGOs and pressure groups portray women who work in the sex industry and other erotic entertainments as the victims of male violence, trafficking or poverty who had no alternatives to selling commercial services. Economic theory still underpins this assumption,
through a focus on levels of inequality in a country as a driving factor for labour supply (Della Giusta, Di Tommaso and Strom 2009). Similarly, Edlund and Korn (2002) rely on the assumption of a sharp distinction between sexual and marriage markets, which no longer applies in the twenty-first century.

These perspectives are now outdated, at least in relation to Western countries. They fail to take account of the impact of the Internet on sociality or the latest research evidence on the characteristics of people working in this industry. This is partly due to an excessive focus on streetwalkers as the typical group, because they are easier to study (Weitzer 2005; Brooks-Gordon 2006). It is commonly estimated that streetwalkers form no more than 10 per cent of the industry today, as the vast majority of the trade has moved indoors, to become largely invisible to researchers and the general public. Streetwalkers are also unrepresentative in including high proportions of drug users, who enter the profession because it enables them to earn a lot of money in a short time in order to feed their drug habit. Campaigners also focus on migrants, claiming they are all ‘trafficked’. Migrants who come from poorer countries but may be well-educated often have a choice between working long hours in low-paid jobs as cleaners, or in restaurants, or selling sexual services for much higher earnings. Agustin (2007), Mai (2013a,b) and the contributors to Ehrenreich and Hochschild (2003) demonstrate the complex interlinkages between travel, tourism, work, marriage and sex work that belie simplistic claims of ‘trafficking’ or poverty as a main driver. Some sex workers marry a client to enable them to move to Europe. Some migrants choose to work for a time in brothels to pay off transport debts quickly. Some non-migrants find sex work a conveniently flexible job while raising small children alone. Some students enjoy lucrative work as dancers in lap-dancing clubs in order to pay off debts quickly. Campaigns to eliminate sex trafficking typically identify no more than five victims in the whole of Britain – at disproportionate public expense (Magnanti 2012, p. 156).

The key characteristics of the modern, Internet-based sex industry are threefold.

1. The majority of entrants stay a very short time; workers who are labelled as ‘permanent’ generally remain in the industry for around three to five years, until they achieve particular economic and other goals or get bored with the work (Jenkins 2009; Potterat et al. 1990).
2. The majority of workers are effectively part-timers with other sources of income – usually a white-collar or service-sector occupation – or else students in higher education who have flexible timetables (Jenkins 2009; Sanders, Connelly and Jarvis-King 2015). A few professional women and men also work part-time in the industry for short periods, if they like the work.
3. The majority of women make an active choice to engage in exceptionally lucrative work for a time, for a variety of reasons; a high proportion, at least of online sex workers, are well-educated graduates and postgraduates who expect to move on to professional careers in due course.10 Possibly the most famous example is Dr Brooke Magnanti, better known as the author Belle de Jour, who worked for a short time as a London call girl, and published several books describing her experiences.

One of the most popular bookings is the girlfriend experience (GFE). This illustrates the growing similarity of sexual and marriage markets. The GFE looks identical to an ordinary (blind) date between non-professionals but with added certainty: the woman (or man) will be
attractive, often exceptionally attractive and well-groomed; sex will be included in the date; there will be payment for the sex worker’s time, usually agreed in advance and often paid upfront. Otherwise, the couple will have drinks and/or dinner, chat and flirt just like any other couple on a (blind) date. Some websites specialise in making arrangements for a business or leisure trip that include an attractive travelling companion, or provide a partner for social events. The only difference from the American custom of having a ‘walker’ for social events is that the paid companion offers sex as well during the date or the trip. Clients want these encounters to look like ordinary dates; the woman (or man) must be styled like a conventional expensive partner, so that the client appears to be dating a model, thus raising his or her status. At the top end these services become Veblen goods (i.e. their high prices attract additional demand), with spectacular fees for young people who are physically and socially attractive – those who have erotic capital (Hakim 2011). But the general pattern of clients seeking a ‘normal’ relationship (rather than a brief sexual encounter) runs through all levels of the industry. Women with good social skills can earn more than the most beautiful. This is part of the reason why intelligent university students can be successful in the sex industry as well as in dating ‘sugar daddy’ men.

As economists recognise (Levitt and Dubner 2009, pp. 54–5), the puzzle is not why intelligent and attractive women become prostitutes, but rather why more women are not tempted into this lucrative occupation.

4. Criticisms of the sex industry

Feminists, religious groups and others raise two kinds of objection to the sex industry and erotic entertainments. One is ideological, and argues that prostitution, lap dancing, pornography and so on constitute sexual slavery, exploitation and violence against women, so are intrinsically morally wrong (O’Connell Davidson 2006; Jenkins 2009). The second objection claims to be evidence-based, with factual statements that involvement in the sex industry damages women (but not men, strangely) and that the presence of pornography, lap dancing and prostitution in a country promotes rape and other violence against women because these portray women as sexually available and reinforce what Carol Pateman called the ‘male sex right’ (Pateman 1988, pp. 82–6). Periodically, reports advocating the abolition of such entertainments present research results that appear to confirm these ideas. In reality, rigorous social science research shows that workers in the sex sector have high self-esteem and self-confidence (Jenkins 2009; Hakim 2011, pp. 160–2; Griffith et al. 2013) and finds either that no correlation at all exists between erotic entertainments and local violence against women, or else that the supply of such services reduces violence against women.

In the United States, the state of Rhode Island unintentionally decriminalised indoor prostitution between 2003 and 2009. Studies of the impact of this real-life social experiment found a steep decline in reported rapes – down by 31 per cent – and a steep decline in cases of gonorrhoea – down by 39 per cent (Cunningham and Shah 2014). In Britain, pressure groups that objected to the introduction of lap-dancing clubs (with all-nude dancing) in the 1990s sought to show that they cause a 50 per cent increase in rapes in the immediate neighbourhood, up to three times the national average (Eden 2003). In reality, areas with lap-dancing venues had sharply declining rates of rape and sexual assault, to levels lower than for comparable areas without such clubs, and even below the national average (Magnanti 2012,
A meta-analysis reviewing 110 publications that claimed adult entertainment businesses increased sexual crime rates concluded that there was no correlation between such businesses and the stated noxious consequences (Bryant, Linz and Shafer 2001; see also Hanna 2005). There are too few rigorous studies to allow us to draw definitive conclusions, but all the available evidence points in the direction of prostitution and erotic entertainments having no noxious psychological or social effects, and they may even help to reduce sexual crime rates.

Sweden has the highest rate of reported rape in Europe – about 63 per 100,000 inhabitants. One-third of Swedish women report sexual assaults by the time they leave their teens. A 2010 Amnesty International report on the Nordic countries notes that the number of reported rapes had quadrupled over the preceding 20 years in Sweden, many involving ‘date rape’. Statistics on rape and sexual assault are notoriously slippery due to variations in definition and reporting. Possibly, Swedish women are very energetic in reporting sexual assaults. But this is also a country that is doing its best to eliminate the sex industry, and has a profoundly sex-negative politically correct culture (Lewin 2000, p. 17). Countries such as Japan, Indonesia, the Philippines and Thailand, where the sex industry flourishes (even when technically illegal), have exceptionally low rates for rape and sexual assault. Within Europe, Spain, where prostitution is legal, also has exceptionally low rates of rape.

5. A new theory of prostitution

The survey results have implications for economic theory. Edlund and Korn’s (2002) theory of prostitution claimed that the work is low skill,12 and suggested that female sex workers earn a compensating differential for losing access to the marriage market. This claim was quickly undermined by Arunachalam and Shah (2008) using large-sample survey data for sex workers in Ecuador and Mexico. They show that sex workers are more likely to be married than non-sex workers at younger ages, when the premium for sex work is highest. Overall, around one-third of sex workers in Ecuador are married, as are one-fifth in Mexico. These figures are only a little lower than for other women of similar age and occupation. In some parts of sub-Saharan Africa, prostitutes are regarded as making good wives because they have already had their sexual adventures.

Della Giusta, Di Tommaso and Strom (2009) offer a gender-neutral theory of prostitution that focuses on stigma (damage to reputation) as the key factor. Here, too, the central assumption – that clients and sex workers can be interchangeably male or female – is demonstrably wrong and fails to take account of the actual composition of the two parties to the exchange for reasons unconnected with incomes.

Our gender-neutral theory of prostitution holds that the ubiquity of sex workers, both male and female, even in countries where commercial sex is banned, and the high earnings of sex workers, both male and female,13 are explained first and foremost by the male sexual deficit, which produces high male demand and relatively low female supply of sexual entertainments, both professional and amateur, within and outside marriage. Kontula (2009) concluded that, overall, male sexual desire is manifested at least twice as often as female desire, and men would like to have sex twice as often as women. This indicates a huge gap between supply and demand, and it is exacerbated by the fact that men generally prefer to have sex with young and attractive women (or men). An additional factor raising earnings is attractiveness, the physical beauty, social skills and personality of the workers, their erotic capital (Hakim 2010, 2011;
Arunachalam and Shah 2012). Another factor raising earnings in the sex sector is the risks involved. Prices seem to be higher in places where there are health risks, in countries where commercial sexual services are criminalised or otherwise treated as illicit, and in cultures where female sex workers are stigmatised.\textsuperscript{14} In Western countries, prices also seem to rise the smaller the gap between ‘normal’ (or amateur) sexual encounters and professional sexual encounters, as illustrated by the popularity of, and prices for, the girlfriend experience (Hakim 2011, pp. 141–2). There is added value when fantasy merges with reality, so that clients can forget the male sexual deficit when they are seen going out with beautiful ‘arm candy’. At the very top of the market, prostitution can be a Veblen good.

6. Conclusion

There are political and philosophical arguments, including those of classical liberalism (Meadowcroft 2008), against state prohibitions on consensual adult activities such as commercial sexual services and other entertainments. There are also practical and factual objections, which should be conclusive in an era of evidence-based policymaking.

The commercial sex industry is impervious to prohibitions and cannot be eliminated. Human sexual desire cannot be denied any more than hunger.\textsuperscript{15} The social expression of sexuality and sexual etiquette vary across cultures, but libido is the underlying universal force (Kontula 2009). Nationally representative sex surveys carried out around the world confirm that the ‘myth’ of men having greater sexual motivation/drive/interest than women is fact, not fantasy. It follows that modern attempts to eliminate the sex industry are doomed to failure and are a waste of public resources. In all cultures, there is a male sexual deficit of varying proportions. Monogamy is popular because it seems to offer sexual democracy. But even monogamy cannot eliminate the male sexual deficit – or surplus sexuality among men. Sex surveys regularly report sexually unsatisfied spouses among mismatched couples. Recent trends suggest the problem of an imbalance in sexual motivation between men and women is growing rather than shrinking.

The exchange of money, gifts and favours for sexual access and erotic capital in the spot sexual market is found in all societies with a coinage. In the twenty-first century, increasing use of the Internet as a meeting place for all types of friendship and relationship, especially by the young, means that sexual markets (commercial and amateur) are slowly merging with marriage markets. Traditional distinctions are eroding. The key remaining distinction is that between the spot market for casual sex and the formal market for arranged marriages where the outcome is fixed and well-defined. In between there is an enormous fuzzy area of dating that requires time-consuming negotiation. Many men find it easier to pay for a desired outcome. The sex industry catering to women – such as ‘beach boys’ in the Caribbean and African tourist spots, ‘host’ bars for women in Japan, and Chippendales-style male striptease erotic shows – has never developed strongly because of weak demand from women. The sex industry is an equal opportunities area, but female demand is lacking. Female porn stars earn more than male performers, a rare reversal of the usual Hollywood gender imbalance, reflecting the main audience’s focus.

Countries (such as Sweden) that seek to eliminate the sex industry by criminalising buyers simply push demand abroad to countries with a more sex-positive culture. Policies that criminalise sellers directly, or criminalise third parties who supply them with services, simply
push the sex industry underground, increasing risks for sex workers (Weitzer 2000, 2012). As economists have pointed out, pimps and madams offer protection but they also raise prices and earn their fees (Levitt and Dubner 2009, p. 38). There is no case for governments to interfere in consensual sexual activities between adults. The sex industry should be completely decriminalised.

Unfortunately, the European Parliament is endorsing campaigns that seek to abolish the sex industry – many of them run by women who claim to represent women’s interests. In 2012 the European Women’s Lobby (a coalition of some 2,000 women’s rights NGOs from across the European Union – and mostly funded by the European Union) met in Brussels to demand a Europe free from prostitution. In February 2014 the EU Parliament passed a non-binding resolution stating that prostitution ‘violates human dignity and human rights whether it is forced or voluntary’ and recommending the Swedish policy of criminalising clients instead of prostitutes, in the hope that this might eliminate demand (European Parliament News 2014). This is the exact opposite of evidence-based policymaking, and it completely ignores the wishes, and interests, of women in the sex sector.

In many countries, including Britain, it is perfectly legal to sell sexual services; however, any third-party involvement is against the law. The aim is to prevent exploitation by pimps or madams. The effect is to criminalise the industry and brothels, to prevent girls working together in a flat for their mutual protection, and to prevent anyone from lawfully supplying services to a sex worker or even letting a flat to them. There have been cases of boyfriends with their own job and income, and even the children of prostitutes, being prosecuted for pimping.

In 2012 the United Nations-backed Global Commission on HIV and the Law recommended that all countries decriminalise private consensual sexual behaviours, including voluntary sex work. It noted that the Swedish policy of criminalising clients had worsened the working lives of sex workers in that country. New Zealand offers the best example of decriminalisation – from 2003 onwards. There was no increase in prostitution, but the safety of sex workers improved after it became an occupation like any other (UNDP 2012).

European Union rules for national accounts require member states to include figures for the sex industry, whether legal or not: in 2014, Britain began to comply. Karl Lagerfeld, the elderly gay Paris-based dress designer, openly says he likes having sex only with high-class escorts. In Barcelona, Spain, an association of sex workers offers an introductory course for beginners. In Italy, prostitutes publicly demand the right to pay tax because the tax code still does not recognise their perfectly legal profession.

These are just some indicators of the normalisation of sexuality and the sex industry in Europe today. This normalisation is strongest among young people, whose sexual attitudes are worlds away from those of older generations and policymakers. Policy needs to adapt to current realities.

Notes
1. A study by Udry (1993) found a steady increase in the frequency of marital intercourse among women aged 20–45 years from 6.9 times a month in 1965 to 9.5 by 1974 in the USA. He found frequencies ranging from 6.42 for Thailand and 8.3 for Japan to 10.03 for Belgium (Udry 1993, Table 6.1).
2. Surveys differ in how they treat unmarried couples. For example, Swedish and Finnish surveys classify unmarried couples along with married couples, as the distinction is widely regarded as unimportant. In contrast, Spain and Italy focus on married couples to the exclusion of unmarried partners, but there are comparatively few of the latter in countries where the distinction remains important.
3. Traditionally, there was an enormous social distance between marriage markets and commercial sexual markets, and this continues in many countries, such as India and the Gulf states. In the Western world, premarital sex and cohabitation have become acceptable to most people, or even expected, so there is no firm distinction between the courtship rituals and social etiquette of meeting places (or websites) for casual sexual encounters and dating versus serious marriage prospects.

4. Abramsky and Drew (2014) set out the methods and assumptions they used to produce these estimates. They admit that a serious lack of data means the estimates tend to be guesstimates, especially for prostitution. See also Jeffries (2014).

5. Details of the sex surveys are given in Appendix B of Hakim (2011, pp. 221–4).

6. By May 2015, the 2012/13 Australian sex survey had reported only basic findings, with no comparisons of men and women.

7. The percentage of male and transgender sex workers varies a good deal across cultures, but their customers are typically other men. For example, Brazil has substantial numbers of male and transgender sex workers, as gender-bending is regarded with some tolerance, but customers are normally men. In Britain an online survey of sex workers carried out in winter 2014/15 found 82 per cent were female, 12 per cent were male, 5 per cent were transgender, and 1 per cent said ‘other’ (Sanders, Connelly and Jarvis-King 2015; D. Taylor 2015). An earlier online survey of almost 500 male and female escorts found that fewer than 7 per cent of clients were female, even though one-third of the escorts in the survey were male (Jenkins 2009).

8. The 2001/2 Australian sex survey found 1 per cent of men had been paid for sex (usually by another man) compared with 0.5 per cent of women (Rissel et al. 2003).

9. ‘BDSM’ refers to bondage, domination, sadism and masochism, and covers a wide variety of unusual sexual tastes. See Brame (2002).

10. An online survey of male and female sex workers carried out in winter 2014/15 in Britain found that over half of respondents had university degrees, and almost one-fifth had postgraduate degrees. See Sanders, Connelly and Jarvis-King (2015). These figures closely duplicate the results of an earlier online survey of male and female escorts (Jenkins 2009).

11. A Rhode Island District Court judge caused de facto decriminalisation in 2003 after the court’s discovery that a May 1980 amendment to s.11-34 of the General Laws of Rhode Island had created an inadvertent loophole decriminalising indoor sex work. In effect, indoor sex work was not unlawful from 1980 to 2009, but this was noticed only in 2003.

12. The occupation has low entry barriers, similar to domestic work and unskilled construction work, and hence is attractive to migrants; but that does not make it low-skill. There is a sexist tendency to regard women’s work as low-skill and low-value as compared with men’s work. Also, many earlier studies focus on streetwalkers, at the visible lower end of the occupational hierarchy, rather than on call girls, escorts and party girls at the top end, many of whom are university graduates or students (Sanders, Connelly and Jarvis-King 2015).

13. Some male sex workers can earn even more than females, especially in countries where homosexuality is not accepted, hence risky. See Note 14.

14. In Ecuador and Mexico female prostitutes earn around one-third more than women in alternative jobs, while male prostitutes earn 80 per cent more from their clients, who are almost invariably men (Arunachalam and Shah 2008). The premium for sex work may be lower in developing countries. Alternatively, the premium is lower in countries where commercial sex businesses are legal, regulated and routine – as is the case in most of South America and Mexico.

15. Some academic feminists continue to dispute the idea of a sex drive. As studies by Kinsey and Masters and Johnson showed in the 1950s and 1960s, human sexual response is partly physiological, even though the social expression of sexuality is shaped by the surrounding culture (Kontula 2009). There is also variation between individuals, and it is easy for low-libido people to assume everyone is just like them, that is, high-libido people do not exist.

16. The majority of people trafficking is for illegal immigration, supplying low-wage workers to richer economies, and has nothing to do with the sex industry. There are already laws for dealing with kidnap, false imprisonment, assault and so on. Almost everywhere the sexual coercion of minors is illegal anyway.

17. Women who sell sexual services do not want customers to be criminalised. This is one finding from a study of sex workers in Northern Ireland by Dr Susann Huschke in 2014, reported by BBC Television’s Newsnight on 17 October 2014.


19. For example, teenagers are in danger of being labelled as sex offenders for sending explicit photos, video clips and messages to each other (Gayle 2015).

References


