

WAR, MIGRATION AND THE ORIGINS OF THE THAI SEX INDUSTRY

Abel Brodeur
University of Ottawa

Warn N. Lekfuangfu
Chulalongkorn University

Yanos Zylberberg
Bristol University

Abstract

This paper analyzes the determinants behind the spatial distribution of the sex industry in Thailand. We relate the development of the sex industry to an early temporary demand shock, i.e., U.S. military presence during the Vietnam War. Comparing the surroundings of Thai military bases used by the U.S. army to districts close to unused Thai bases, we find that there are currently 5 times more commercial sex workers in districts near former U.S. bases. The development of the sex industry is also explained by a high price elasticity of supply due to female migration from regions affected by an agricultural crisis. Finally, we study a consequence induced by the large numbers of sex workers in few red-light districts: the HIV outbreak in the early 1990s. (JEL: O17, O18, N15, J46, J47)

The editor in charge of this paper was Claudio Michelacci.

Acknowledgments: Special thanks go to David Card, Andrew Clark, Ted Miguel and Steve Pischke. We would like to thank the editor Claudio Michelacci and four anonymous reviewers for useful comments. We also thank Bénédicte Apouey, Eleni Aristodemou, Paola Conconi, Victor Couture, Stefano DellaVigna, Gilles Duranton, M. Shahe Emran, Ben Faber, Pierre-Yves Geoffard, Pat Kline, Alan Manning, Logan McLeod, Enrico Moretti, Petra Persson, Barbara Petrongolo, Nattavudh Powdthavee, Gérard Roland, Edson Severnini, Eric Strobl, Pam Vachatanont, Nipit Wongpanya, Katia Zhuravskaya and seminar participants at Bristol U., CEA meetings, CHESG, ECARES, European Winter Meeting and World Congress of the Econometric Society, LSE, NEUDC, PSE, RES Post Graduate meetings, UC Berkeley, UIB, U. Laval, U. of Ottawa and UPF for comments and suggestions. We are grateful to Thailand's Ministry of Public Health and National Statistical Office for providing the Sex Workers Survey data and the Censuses. Financial support from the SSHRC and PSE research grant are gratefully acknowledged. Any remaining errors are our own.

E-mail: abrodeur@uottawa.ca (Brodeur); np_warn@yahoo.com (N. Lekfuangfu);
yanos.zylberberg@bristol.ac.uk (Zylberberg)