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The Internet and Sex Industries

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The Internet and Sex Industries:

Partnered in Global Sexual Exploitation

Mongkok Sex Market, Hong Kong.

As a part of globalization, women and children are increasingly becoming commodities to be bought, sold, and consumed by organized crime rings, tourists, military personnel, and men seeking sexual entertainment or non-threatening marriage partners. Through financial and technological interdependence, the sex industry and the Internet industry have become partners in the global sexual exploitation of women and children.

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Those with power are using new information technologies to expand their capacity to exploit women and girls throughout the world.

INDUSTRIALIZATION AND GLOBALIZATION OF SEXUAL EXPLOITATION

The sexual exploitation of women and children and the trafficking of women for purposes of prostitution have existed for all of recorded history, but the escalation and “industrialization” of sexual exploitation are less than a few decades old. The sex industry, as defined in this article, is the collection of legal and illegal, single and multi-party operations that profit from the selling of women and children through trafficking, organized prostitution and/or pornography.¹

The trafficking of women and girls has reached crisis proportions around the world. Each year, an estimated four million people, mostly women and girls, are trafficked throughout the world and one million children are trafficked into local and international sex industries [1]. The selling of young women into sexual bondage has become one of the fastest growing international criminal enterprises, earning traffickers an estimated US$6 billion per year [2]. Recently, U.S. Secretary of State Madeleine Albright met with fourteen women Foreign Ministers to draft a letter of concern about the increased trafficking of women [3] and First Lady Hilary Clinton has made public condemnations of this growing trade [4], [5].

Sexual exploitation, as defined in this article, refers to all practices by which a person achieves sexual gratification or financial gain through the abuse or exploitation of a woman or child by abrogating her human right to dignity, equality, autonomy, and physical and mental well-being.

¹Although there is sexual exploitation of men in gay pornography and prostitution, this paper will focus exclusively on the sexual exploitation of women and children.

Around the world today, women and children are increasingly vulnerable to sexual exploitation when they are refugees or migrants and when they are suffering from the effects of poverty, racism, and caste systems. Women and children are compelled into sex industries by varying degrees of violence, ranging from prior victimization and lack of economic alternatives, to deception, debt bondage, and enslavement. Under these conditions, women and children are increasingly becoming commodities to be bought, sold, and consumed by organized crime rings, tourists, military personnel, and men seeking sexual entertainment or non-threatening marriage partners.

Much of this article will focus on the United States, as this country is mainly responsible for the industrialization of prostitution and pornography, either in the U.S. or in prostitution centers spawned by demand from U.S. military personnel. The United States is also the main home of the Internet pornography industry. In the United States, the modern sex industry had its origins in the 1950s and 1960s, and has steadily expanded since then. Currently, it is in a steep growth phase, and is meeting with little effective resistance from communities and lawmakers. The growth and industrialization of the sex industry is based on de jure legalization through liberalization of laws regulating prostitution and pornography and de facto legalization through wide scale tolerance of men’s sexual abuse and exploitation of women and children in organized forms.

Technology has given the sex industry new means of exploiting, marketing, and delivering women and children as commodities to male buyers. Usually when a new technology is introduced into a system of exploitation it enables those with power to intensify the harm and expand the exploitation. The growth and expansion of the sex industry is closely intertwined with new technology. In the early years it followed new technological innovations, later it assisted the public adoption of new technology, and recently, the success of technology is dependent on the sex industry. The Internet as a communications medium would exist without the sex industry, but the Internet industry would not be growing and expanding at its present rate without the sex industry. According to an exhibitor at the 1998 Adultdex, a trade show for the Internet sex industry, “The whole Internet is being driven by the adult industry. If all this [referring to products at a sex industry trade show] were made illegal tomorrow, the Internet would go back to being a bunch of scientists discussing geek stuff in email” [6].

The Internet industry does not like to admit how much it is being supported by the sex industry, but a few indicators are revealing:

- The sex industry is among the top five groups buying state-of-the-art computer equipment [7].
- Sex industry businesses were the first to buy and use expensive T3 phone lines that transmit compressed, high-resolution images [8].
- One of the largest Internet companies in the world, Digex, whose largest customer is Microsoft Corporation, has a sex industry site as its second largest customer [9].
- One of the Web site designers who works at a large sex industry Web site, described his work as a “dream job” because any new technology was available for the asking [10].

In 1998, US$1 billion was spent online on “adult content,” 69 percent of the total Internet content sales [11].

SEX AND INTERNET INDUSTRIES: PARTNERS IN GROWTH AND DEVELOPMENT

In 1994, Netscape, with its multi-media capabilities, initiated a
new and popular information transmission medium—the World Wide Web. From the beginning, those in the sex industry saw the potential of the Web, and the Internet industry encouraged the sex industry to use the Web. The first web-based prostitution business, A Personal Touch Services, from Seattle, WA, U.S.A., appeared in late September, 1994 [12]. In late 1994, Brandy’s Babes, a Phoenix, AZ, prostitution service also started advertising on the Web. The Internet Business Journal described this site as the most significant Internet marketing innovation of 1994 [13].

At the beginning of 1995, there were 200 businesses on the World Wide Web selling “erotica services” and products [13]. By mid-1995, strip clubs set up advertising Web sites. They featured pornographic photos of strippers and women engaged in types of legal prostitution offered at that club, such as couch dancing, table dancing, shower shows, and dominatrix acts [14]. In August 1995, a search on Yahoo found 391 listings under “Business and Economy: Companies: Sex” for phone sex numbers, adult CD-ROMS, X-rated films, adult computer software, live videoconferencing, prostitution tours, escort services and mail-order-bride agencies. A year later, in August 1996 there were 1676 listings—a four fold increase in one year [15].

Mainstream publications from the sex industry quickly moved to the Web. Playboy made its debut in 1994. Its content on the Web is designed to appeal to a younger, wealthier audience, the majority of which (75 percent) do not subscribe to the print Playboy magazine [16]. In 1996, Playboy magazine’s site was the eleventh most visited site on the Web [17]. In 1997, the site generated US$2 million in advertising revenue. Many of Playboy’s online advertisers are exclusive to the Web and do not buy advertising in the print publication [16]. In April 1996, when Penthouse went online, its web site recorded the highest number of visits for publication sites on the Web [18].

Organized prostitution tours from the U.S. started appearing on the Web in Spring 1995. International travel and tourism are components of globalization. A type of tourism, engaged in almost exclusively by men, is prostitution tourism, whereby men from wealthy countries in North America, Europe, and Asia travel to well-known sex industry centers in order to buy women and children in prostitution. Alan J. Munn, from New York City, advertised group prostitution tours to the Dominican Republic and Nevada, U.S.A. on the Web in Spring 1995. Calling himself PIMP’S ‘R’ US, he offered four days and three night trips to a “wonderful setting” which includes “many female prostitutes.” A tour guide on the trip provided “practical information about how to find and deal with prostitutes and how to arrange group orgies.” On one night, courtesy of the tour, “oral sex (fellatio) is provided by an attractive female whore chosen by the tour guide.” His tour packages also included instruction in html, so the men could use the tour as a tax deduction [19].

Advertisements for prostitution tours to Asian, European, and South American locations soon followed. “Tropical Paradise Vacations” to Central America and the Caribbean were advertised for “single men.” An advertisement for Erotic Vacations to Costa Rica quoted a price, which included double occupancy rooms and intra-country flights, booked for two. Men were told that “Your companion [a euphemism for prostitute] will meet you at your hotel...” If the tour guide chose [sic] a longer tour his “companion” was changed half way through the trip, so the man could buy two women on the longer prostitution tours [20]. In early 1998, Pakistani pimps were advertising on the Web for “Pakistan Dating Services” in The Diamond Market in Lahore [21].

Individual men, upon returning from their prostitution tours and business trips, use Internet newsgroups, such as alt.sex.prostitution, to post information on where to buy women and girls in prostitution in hundreds of cities throughout the world. Their writings reveal cruel, racist, misogynist attitudes and treatment of the women and girls they bought on their trips. Numerous accounts by human rights groups have revealed that many women and girls are literally enslaved in the sex industry. The men’s writings reveal that they know, accept, and exploit women and girls in sexual slavery [22]. In writings on this newsgroup, establishments where women and girls are enslaved are recommended for men who perpetrate sadistic sexual violence [23].

Another global enterprise premised on men’s search for compliant, non-threatening women is the mail-order bride business. Bride traffickers advertise their forms of sexual exploitation through catalogues on the Internet. For a fee they offer to assist men in finding a “loving and devoted” woman whose “views of relationships have not been ruined by unreasonable expectations.” The women advertised on the Internet are “known to be pleasers and not competitors. They are feminine, NOT feminist.” One of the first mail-order-bride catalogs on the Web, Asian Bride Magazine, appeared in mid-1995 [24]. Many of the international “introduction services,” as the agencies often call themselves, specialize in women from certain regions of the world: Latin America, Southeast Asia, the former Soviet Union, and even, Africa [25].

Internet technology enables Web pages to be quickly and easily updated; so mail-order-bride agents update their selection of women weekly. The Internet...
reaches a global audience faster and less expensively than any other media. One mail-order-bride agent explained why he preferred operating on the Internet, “So when the World-Wide Web came along, I saw that it was a perfect venue for this kind of business. The paper catalogs were so expensive that the quality was usually very poor; but on the Web you can publish high-resolution full-color photos which can be browsed by everyone in the WORLD” [25].

One of the sources of many mail-order-brides for men in the U.S. is the Philippines. Each year, due to poverty and lack of employment opportunities, 19,000 women leave the Philippines, either as migrant laborers or mail-order-brides. Some mail-order-bride agents operating out of the U.S. include young teenage girls in their catalogues on their Web sites. One agent offering women and girls from the Philippines complained that the U.S. government “won’t give a visa to a bride under age sixteen.” In his catalog of potential brides there were 19 girls under 17 years of age; one named Hazel was 13; another, Eddy Mae was 14 [26].

In March 1999, the United States Immigration and Naturalization Service (INS) reported that there were over 200 mail-order-bride agencies operating in the U.S. with the number rapidly increasing. Each year, 4,000 to 6,000 women, mostly from the Philippines or the new independent states (NIS) of the former Soviet Union, are brought to the U.S. through mail-order-bride agents. The U.S. government is starting to do more investigation of bride agents out of concern that women from the bride trade are vulnerable to exploitation and violence [27].

In late Spring 1995, live videoconferencing, a technology that enables live person-to-person video and audio transmission was introduced to the Internet [28]. By late 1995 the new video technology was delivering strip shows and live sex shows to buyers over the Internet [29]. The electronic merger of pornography and prostitution had arrived. Either by keyboard or telephone the buyers could communicate and direct the sex shows taking place in another state, or even another country or continent. One of the first live videoconferencing sex industry sites was Virtual Dreams, running off the CTSNET server in San Diego, CA. The site advertised itself as follows: “Virtual Dreams uses cutting-edge technology to bring you the most beautiful girls in the world. Using our software and your computer, you can interact real time and one-on-one with the girl of your dreams. Ask her anything you wish—she is waiting to please you!” [30].

Many of the owners of sex industry sites with live-sex shows moved to the Internet from phone-sex operations [10]. One advantage they had was money for the capital investment. For example, the Internet Entertainment Group (IEG), owned by Seth Warshavsky who had a phone sex business, invested US$3 million in computers and communications equipment to start up his Web site. In interviews, online live-sex show promoters claim that men talking to and buying women over the Internet is just a step up in the distanced interactivity of audio prostitution created by phone sex lines. They say they have an advantage in understanding how to create and market long distance sexual exploitation. In creating shows they say they think in terms of action and response, creating “free-floating, computer-facilitated, user-directed fantasy.” They also know that buyers on the end of the phone or computer supply the most

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1. That amount includes 12 SGI servers, 12 Pentium-based video servers, two Oracle servers for credit card processing, two T3 connections and 48 PCs for point to point videoconferencing and long distance telephone billing [10].

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2. This data comes from credit card companies [10].
success of the online sex industry has been men's ability to download pornography or engage in online prostitution from the privacy of their homes or offices. The pimps of the sex industry also depend on men's impulse buying, so quick financial transactions are crucial for their profits. Sex industry businesses were on the leading edge of online payment schemes with credit cards. At the beginning of 1995, only a few sites were accepting credit card payments by email. In early 1996, Warshavsky's Internet Entertainment Group introduced "ecommerce software," which provided buyers with fast, secure, online credit card transactions [33].

The Internet sex industry is also leading the way in Web database management. Many of the sex industry sites have tens of thousands of images and video clips, which need to be organized in multiple and easily accessible ways. Lapis Labs in Tuscon, Arizona is an example. As of early 1998, Lapis Labs operated 25 sex industry web sites which contained 150 000 images, 1000 downloadable Quick Time videos and 700 RealVideo live videos, and received 15 000 to 30 000 buyers each day. The owners say, "If it's legal, we have it. There's some material that I personally find repulsive, but not everyone has the same tastes." This site has a sophisticated search engine that enables the buyer to search images and film clips by gender, sexual act, number of people in scene, race, and hair-color attributes that form the bases for popular racist and sexist stereotypes used in the sex industry. In interviews, the co-founder of Lapis Labs refuses to give his name, claiming he likes to be known "as a technology company rather than a sex company" [9].

The close connection between the sex industry and the Internet industry and the lack of regulation of the Internet has allowed many unethical practices to occur. For example, some of the most violent and degrading pornographic Web sites use techniques to keep the viewer trapped on that site. Some pornographic Web sites remove the standard navigation tool bar to make it difficult to leave a site. Others disable the Browser commands, such as "back," "exit," or "close," that are needed to get off the Web site. Whenever the viewer clicks on one of these escape commands, another pornographic Web site opens on the screen, leading to an endless number of Browser windows opening on the screen, with no way to close them. In some cases, the only way to end the trap is to shut down the computer, without closing applications, or following normal shutdown procedures. A sampling of 35 pornographic Web sites found that 34 percent were designed to make it difficult to leave [34]. Internet Service Providers have made no move to stop this type of unethical activity.

Over the past six years, the sex industry and the Internet industry have been linked in their expansion and development. Technology historians point out that the sex industry is often the first to adopt new technology and open up new areas, and eventually, mainstream businesses take over. Unfortunately, the sexual exploitation of women and children continues at the new expanded level and doesn't subside as the technology becomes mainstream and is adopted by mainstream commercial operations.

**SEX INDUSTRY REVENUE ON THE INTERNET**

Although some portions of the sex industry are legal in some countries, the majority of activities of buying and selling women and girls by traffickers, pimps, male buyers, and pornographers are illegal in most countries. Therefore, determining the actual revenue generated by the sex industry is difficult. It can be assumed that most figures refer only to the legal sector of the sex industry, the smallest portion, and don't include the money made illegally through the sale of women in illegal brothels, massage parlors, and the street, or the sale of illegal materials, such as child pornography. Internationally, it is estimated that the sex industry makes at least $20 billion a year [35]. In 1996 Americans spent more than US$9 billion on pornographic videos, peep shows, live sex shows, pornographic cable programs, pornographic magazines, and computer pornography. That amount is more than many other entertainment industries, such as film, music, and theater. To give some further context, US$9 billion, according to War on Want, is enough to provide debt relief for the world's 20 poorest countries [36].

Estimates of the number of sex industry sites and the amount of money being made on the Internet vary. Analysts do agree that a lot of money is being made and the rate of growth is exponential. According to David Schwartz, a phone sex business operator who switched to the online sex business, "The Internet is where the big money is right now" [6]. Sex industry sites on the Internet draw a lot of traffic and are highly profitable—established sex industry sites can expect to make from 50 to 80 percent profits [7].

In 1996, one report estimated that the Web had 600 commercial pornography sites, which were expected to generate revenues of US$51.5 million [17]. Popular sex industry sites, such as the one run by Danni Ashe, a former stripper, sells pornographic videos, digital images, magazines, and video peep shows. In mid-1996 her site was visited 1.5 million times per day and was expected to bring in US$1.2 million in 1996 [17].

In 1997, an Internet magazine reported that there were 10 000 sex industry sites [37]. A Sacramento firm that handles online credit card
transactions said that in 1997, the largest sex industry sites had revenues of US$1 million per month, while the smaller sites took in approximately US$10 000 per month [6], [38]. A midsize site that was accessed 50 000 times per day made approximately US$20 000 each month. According to Forrester Research, an Internet industry analyst, the sex industry made US$137 million on the Web in 1997 [7].

By early 1998, Internet industry analysts estimated that the sex industry revenue from the Internet alone was US$1 billion per year. Forrester Research reported that "We know of at least three sites doing more than US$100 million a year" [39]. ClubLove, one of Internet Entertainment Group's main Web sites, was visited more than 7 million times a year in early 1998. At that time the "club" had approximately 600 000 members who paid the US$19.95 subscription fee [40].

In 1999, Datamonitors reported that "adult content" sales on the Internet, which excludes revenues from the sales of merchandise or advertising, was nearly US$1 billion dollars, and comprised 69 percent of the total Internet content sales. Eighty-four percent of the content sales were from U.S.-based Web sites. This market research firm predicted that by 2003 the "adult content" sales would reach US$3.1 billion, half the anticipated revenue of online content sales [11].

Pornography has always been a high profit industry. In the early 1970s in the United States, the pornography industry generated revenues of approximately US$8-10 million per year. The combination of high profit and low enforcement of obscenity laws made this a logical place for organized crime activity. By 1977, the distribution of pornography in the United States was almost entirely controlled by organized crime. In the late 1970s the Federal Bureau of Investigation (FBI) reported that just a few individuals with direct ties to organized crime controlled almost all of the multi-million dollar pornography industry in the United States and its international distribution [41]. By the late nineties the U.S. sex industry was generating US$9 billion per year-a 100 000 percent increase over a twenty-five year period [36].

To what extent organized crime syndicates influence and control Internet technology or the sex industry on the Internet is not known. But organized crime's use of computer and communications technology to control the sex industry was revealed in October 1998, when United States Federal agents intervened in a plot to harm or kill six people who operated escort services in Las Vegas. Two "enforcers," slang for hired torturers or killers, and four members of the Gambino organized crime family were arrested. The crime group pressured a computer technician to hack into local telephone company switches and reroute calls from men seeking to buy women in prostitution to businesses that they controlled [42].

The enormous profits made by the sex industry on the Internet have attracted many budding entrepreneurs, unscrupulous operators, and probably organized crime syndicates. Intense competition has led many operators to attract buyers by supplying new material and more extreme images, such as bondage, torture, bestiality, and child pornography. Real women and children are used to create these images, leading to increased violence and exploitation of women and children as more and more degrading and violent images, videos, and live performances are marketed and sold.

SEARCH ENGINES, ADVERTISING, AND THE SEX INDUSTRY

Many Internet Service Providers (ISPs) and Online Services do not like to admit to the extent of the sex industry's importance in Internet commerce, but the large ISPs profit it from the sex industry by carrying their sites and online services. Search engines and directories also take in considerable amounts of money from the sex industry as advertising revenue.

Search engines are the indexing system for the World Wide Web. Search engines, such as WebCrawler, HotBot, Excite, InfoSeek, Lycos, search hundreds of thousands of Web sites per day, picking up keywords placed in the content of pages. Web users depend on the comprehensiveness and accuracy of search engines, which vary widely, to find material anywhere on the Web by entering keywords. Analyses of the searches on Web search engines show what subjects are being sought on the Web. In 1995, a study of the searches on one Web search engine found that 47 percent of the 11 000 most-repeated searches were for pornography [43], [44].

Soon after the sex industry began to go online, its leaders recognized the promotional value of search engines. On December 19, 1994, The Shrimp Club, an organization of men who live or travel in Southeast Asia, set up a Web site to give men information on events, parties, and products that featured Asian women. As part of their promotional strategy they ensured that their Web site was listed in web search engines. This aggressive marketing garnered them 15 000 accesses to their Web site in the first week [13]. This priming of search engines was a strategy that all sex industry businesses on the Internet would adopt. As sex industry businesses increasingly moved to the Web, they placed paid advertisements for their sites with search engines and online services. Eventually, the success of a search engine depended on accepting advertising from the sex industry, as the case of Snap Online demonstrates.
GLOBALIZATION AND THE COMMODIFICATION OF WOMEN AND CHILDREN

Looking at the growth and profits of the sex industry, it is easy to overlook the human cost. The profits of the sex industry are based on sexual exploitation, which first has to be acted out on real women and girls. Sexual exploitation traumatizes and scars women and girls for life [46]. Research on women in prostitution in San Francisco found that 82 percent had been physically assaulted and 68 percent had been raped while in prostitution. Sixty-eight percent suffered from post-traumatic stress disorder [47]. Similar research on women in prostitution from South Africa, Thailand, Turkey, the U.S., and Zambia found that 73 percent had been physically assaulted and 62 percent raped while in prostitution and 67 percent suffered from post-traumatic stress disorder [48].

It is widely assumed that women and girls enjoy being in prostitution and making pornography, while research findings reveal that women and girls are often tricked and coerced into the sex industry. The United Nations estimates that there are 200 million people around the world forced to live as sexual or economic slaves [49]. Few women choose to be in the sex industry. If any choice is involved it is usually the last choice, when no other options are available. Each year hundreds of Ukrainian women are trafficked into the United States. Most of the women believe they will be employed as waitresses or nannies, only to be forced into the sex industry using debt bondage once they arrive. In a survey of 476 Ukrainian women, zero percent responded that a job in the sex industry was an "acceptable job abroad" [50]. In a research study from San Francisco, 88 percent of women in prostitution said they wanted to get out of prostitution, 73 percent said they needed job training, and 67 percent said they needed drug and alcohol treatment [51]. Internationally, 92 percent of women in prostitution report that they wanted to leave prostitution [48]. These findings reveal the harm done to women in the sex industry and their desire not to be in the sex industry.

INTENSIFYING HARM

The expansion of the global sex industry, especially online, has intensified the harm to the victims, and normalized and globalized the victimization and exploitation. Two components of globalization, rapid development and deployment of information technology and the industrialized commodification of women and children have become linked to expand and truly internationalize sexual exploitation. The lack of regulation of the Internet and prevailing uncritical views on the sex industry are contributing to the escalation of the global sexual exploitation of women and children through global advertising of prostitution tours and online marketing. The United States is the founder and leader of both of these industries, but their impact is felt profoundly all over the world, especially by women and children.

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