

Thanks for trying Fast PDF Builder from Sault Custom Programming
This message is displayed on all PDF Files created with the trial version of Fast PDF Builder.

To order Fast PDF Builder for only 15.95US\$ please visit
<http://www.scp-solutions.com/order.html>

To See more Sault Custom Programming Products please visit our website at
<http://www.scp-solutions.com>

!!!

submit

Join!

	Policy of liberty is dedicated to the advancement of liberty and responsibility in society. Its philosophy is neither strictly libertarian nor strictly conservative, though strongly supporting the former in terms of economics and the latter on most social issues, abortion in particular. POL provides resources, links, books and articles, an email list, photos and links to famous economists, great quotations for liberty.
--	--

Rape in a Free Market:

Rape in a Free Market

John Cobin, Ph.D.

Copyright © 2000 by John Cobin

If we accept the action axiom of Ludwig von Mises, that all human beings act purposefully to remove felt uneasiness, then no actions are undertaken by

healthy people which are not aimed at that end. There must be, therefore, a certain calculus in the mind of the typical street rapist. Note that I am not referring to military-induced rape to subjugate a conquered people or rape done out of spite in some vicious ritual of domestic violence. It seems to me that the street rapist must sense some uneasiness, and by acting violently via rape he must be attempting to remove that uneasiness. Rape is therefore an economic act of involuntary exchange that is the proper subject of economic analysis.

Some readers are apt to complain that I am overlooking far deeper moral implications of rape. This charge is, I confess, true. But economic analysis - like any other scientific inquiry - always makes simplifying assumptions in order to facilitate explanatory and even predictive understanding.

The proper role of economics is often misunderstood in some of its analytical modes. One common misunderstanding is that economics ought to be relegated to the monetary or investment sphere, or at least to capital and labor proper. However, this perspective fails to grasp the praxeological character of *all* forms of human action in exchange. For instance, economists are interested in both market and non-market exchange. We might summarize these concepts as:

1. market exchange: all human activity consummated as a result of *voluntary* exchange
2. non-market exchange: all human activity consummated as a result of *involuntary* exchange

Both of these realms comprise economic action. Accordingly, managing a company, selling Amway, playing basketball, sexual intercourse, buying prostitution services, rape, and theft are all economic activities.

In analyzing rape as an economic activity aimed at reducing uneasiness, we might conclude that men rape because they hope to get higher quality sex than they usually get. Maybe they want power too, but that would just make rape a function of sex and some other variables, $R = r(s, p, \dots)$, and would *not* necessarily dismiss sex as a primary factor - or even the most important one. But the bottom line is that rape is an economic activity which is the proper subject of economic inquiry. That is not to say that economic analysis should be the exclusive or even best means of analyzing the activity.

Furthermore, by trying to abstract the complex issue of rape into an economic model, the reader should not infer that I am belittling crime, marriage or sexuality. In order to usefully analyze rape from a purely incentives oriented framework, I am deliberately ignoring many aspects of wider issues that many of us hold dear.

My objective in this brief paper is to answer a simple question: "Would there be fewer rapes in a truly free market?" Or, generally, "Would women be safer (at least in terms of rape) under anarcho-capitalism than they are under state regulation?"

Rape and prostitution

It seems to me that (1) raping a woman and (2) buying prostitution services could be considered substitutes. (I am assuming that a man who has no scruples about raping a woman would also have no scruples about using a prostitute.) Some dispute this claim, arguing that rape is about demonstrating power and dominance. I am going to dismiss that notion if for no other reason that rape involves sex. Sex is at least one of the objectives of the rapist and thus it could be useful to isolate it and analyze it with economic tools.

Some might contend that rape and prostitution are not substitutes since rape is an act of violence and aggression while renting a prostitute is a peaceful market transaction. But dividing the two actions according to whether or not violence is involved does not make much sense in terms of economic analysis. So what if rape is a violent act? Rent seeking is too. Yet even the worst negative sum games have economic significance. Both market and non-market action can be analyzed with economic tools. Indeed, non-violent acts can be substitutes with violent ones so long as both attain the same end. For instance, rent seeking and regulatory capture are substitutes for marketing and advertising. Rape would provide sexual benefits to a man just as a prostitute would. Likewise, theft, rent seeking and capture provide benefits just as sales and cost accounting do. The difference between violent and non-violent acts is not whether there are benefits, since all human action aims at beneficial ends, but rather whether both parties in the transaction benefit.

Others could object that there is no strong correlative evidence which suggests that rapists use prostitutes. However, even if true, this fact need not mean that the two are not substitutes. Indeed, it might simply suggest that the costs of using a prostitute exceed the expected cost of raping a woman but the resulting benefits to the rapist are purely substitutable. The rapist might simply have chosen other substitutes in the past.

Some studies (Thornhill and Palmer, 2000) would imply that rape and sex are substitutes. These studies purportedly show (1) that rapists would have preferred consensual sex with their victims if it were possible, and (2) that most rape victims are relatively young and attractive. The conclusion of these studies is thus that rape is more motivated by sexual desire, and less by a desire for power, than had been suspected.

Granted, at least sometimes, rape does not only fulfill sexual objectives. It can fulfill other desires too, and those desires might have a superior value to the

rapist when considered individually. This complexity is especially true during wartime rape and when rape is used as a tool of subjugation or base competition between males to get sex. Essentially, with this added complexity, one can argue that rape is either (a) a bundled good that includes other non-sexual benefits or (b) a desirable high quality good. Under the second notion, rape is like a new car that just has power windows and brakes, instead of having air conditioning (like other cars of quality have). Yet it still is considered "high quality" despite having different features or quality characteristics than other cars. Rape too could still be considered a high quality good or, to use economist's jargon, a "normal" good (instead of an "inferior" good) that continues to be sought as a man's income rises. Alternatively, one might argue that the desire to rape declines as income rises, suggesting that rape is an inferior good and that wealthier men will seek out normal good substitutes (i.e., prostitutes) to meet their needs. Either way, the rapist would fit into the scheme I am setting forth. The economic problem is really one of information. If one cannot know about the quality or potential benefits of a good he cannot correctly classify it as either normal or inferior.

In terms of social welfare, I am sure that, like Adam Smith's baker, the rapist could care less about how his deed will affect society. He rapes to benefit himself. He views the female as a good to be partaken of, like picking an apple from a neighbor's tree. However, rapists, like all consumers or thieves, have imperfect information. Physical traits in women (genitalia, breasts) and sexual activities or desires (or frigidity), or their current emotional state or menstruation — all of which have an impact on sexual quality — are also normally clandestine matters. They make information even less perfect, especially for a rapist. In this case we might say that men rape at least some times simply because they are not aware of better sexual alternatives, and surely sometimes they will be more satisfied with the goods received than at other times.

Would rapists be better informed under a free market? Does the market "fail" to provide men (and would-be rapists) with correct sexual information about women they see? Or has government policy just made the information quality worse? These questions are difficult to answer. One thing is clear (at least to me): worldwide anti gun policies have not helped deter any would-be rapists from entering the "market".

What might we expect given a policy of a purely free market? It seems to me that under anarcho-capitalism, where prostitution would be neither illegal nor regulated by government, the price of prostitution would fall. With fewer barriers, more women would enter the prostitution market and supply sex, *ceteris paribus*. The competition and increased supply would thus drive down prices, *ceteris paribus*. Of course, we might also conclude that the price decline due to increased supply would be somewhat offset by the increased quantity demanded — if indeed consumers of such services would have either

fewer scruples or fewer inhibitions having been freed from state regulation.

Given these premises, I must modify my initial question. "Are women less safe (at least in terms of rape) on account of failed government policies than they would be under anarcho-capitalism?"

The rapist's calculus

I am asserting that rape has something to do with sex. The premise seems reasonable since (1) sexual intercourse always occurs in a rape and (2) a man could simply beat a woman up pretty badly without penetrating her if he were merely on a "power trip". If a single man has regular bouts with "pent-up" sexual desires, I would suggest that he would look at the following alternatives *if* he wanted to fulfil them via a female:

1. **Find a wife**, which could take a long time and be very costly in other ways. The benefits might be good because he would obtain long term sexual satisfaction and that more frequently. The quality of sex might not be the same at all times, and he might be required to do maintenance like buy flowers a lot to improve quality, but overall it should still be of pretty high quality.

2. **Hire prostitutes regularly**. Under this option the man incurs high financial costs but has no continuing obligations as in marriage. He also has a high expected cost from diseases or unplanned children. But some added benefits will be available too: like often getting a younger and prettier female and getting willing cooperation.

3. **Rape a woman**. Here again the economic costs are minimal - and nigh zero if he does not get caught. He also gets to choose from a wide selection of younger females. It is a bit costly in the sense of having a unwilling partner who must be subdued, of course. And if he discovers that his victim has her period (15% or so of all victims will), his costs will likely increase. Thus, the quality of sex would decline.

Options 1, 2 and 3 do offer different product qualities, all of which depend on the mood of the female and other variables noted above. Men accept the quality that comes their way in reality, even if they hope for better. Moreover, as George Stigler and Gary Becker have reminded us, one cannot argue with tastes (in terms of being subjective economic preferences). Rapists will choose according to what seems best to them and hope for the best. Likewise, some people prefer lower quality cars, houses, tours, and even sex I suppose, while others prefer higher quality. Those who choose lower qualities either have low incomes and fewer options because of it, or they choose lower quality in order to have resources to consume other goods. Obviously, the rapist thinks rape is satisfying or he would not rape. Again, if rape has nothing to do with sexual satisfaction then I do not know why the rapist does not just

beat up the woman. If it does have to do with sex, then it is just a choice to acquire relatively lower quality sex rather than spend resources to acquire known higher quality. Or perhaps the rapist's imperfect information leads him to misunderstand the quality of the sexual good provided by rape.

Incentives of single men, married men, and married women

The single man has to look at these three options as difficult choices. All entail at least some "undesirable" consequences. Like production, consumption is costly. Benefits are always net benefits. As Milton Friedman once noted, "There's no such thing as a free lunch." The rapist will thus seek to maximize net benefits. There are some external sources of information available to help him choose. For instance, tradition, Christian theology, etc., have all pointed out the virtues of option 1 as the best for both men and women. Nevertheless, in his calculus, the rapist might reject such mores in favor of option 3 because he perceives it to be lower cost. The rapist can choose to reject tradition and the "market's counsel."

However, in a free market, the cost of option 2 (prostitution) should decline which would make option 3 (rape) relatively more expensive. It seems plausible that rape would thus decline in a free market. Anarcho-capitalist conditions would alter the cost-minimizing rapist's calculus in favor of prostitution over rape.

Some married men with less scruples will seek the supplemental services of prostitutes (i.e., take option 2). However, it seems to me that their incentive to rape (i.e., take option 3) is far lower than it is for the single man. Some married men would be prone to, or at least willing to, choose option 2 now and then rather than option 3. The fact that they can presumably partake of option 1 at least some of the time changes the cost-benefit structure of their seeking extramarital sex and thus their calculus. Furthermore, under an anarcho-capitalist system, we would expect the price of prostitution services to fall and thus create outlets for less scrupulous husbands at the margin. This shift might in turn cause greater costs in terms of marital and family hassles, diseases, unwanted children, abortion, etc. These secondary effects are real but are not the focus of our present model which is the effect on rape.

Moreover, we should consider how married women would act in a free market. "Might married women facing different institutional arrangements and incentives change their behavior and, if so, in what ways?" Although I am not sure what catallactic outcomes would be produced by free markets in homes and neighborhoods, it seems that action by married women (especially those with unscrupulous husbands) would be altered significantly - given that their husbands might obtain sex more cheaply from prostitutes. For instance, prostitutes might well advertise that they provide better sex than one's wife in order to lure more clients. Assuming that wives want to keep their husbands,

they might change their bedroom behavior to compete, or they might start shooting prostitutes — or both. Wives might also sponsor religious and moral crusades directed at both reforming prostitutes and convincing husbands that infidelity is bad. Moreover, women could push for wide societal recognition that a man should be obligated to care for any resulting offspring (perhaps even without visitation rights) by the free market court, which would change a potential adulterer's incentives and thus reduce prostitution (and rape) at the margin.

Alternatively, apart from anarcho-capitalist policy, wives could seek state enforcement of marital fidelity. Of course, such action may or may not be effective. In the first place, state provision in a democratic society would be subject to interest group pressures such that prostitutes or their representatives would be able to secure permanency in society. In the second place, state provision does not mean better (i.e., higher quality) provision necessarily. Nevada's prostitutes are regulated and disinfected regularly via the regulatory apparatus of a state bureau. Yet I have no reason to believe that they are cleaner than they would be under anarcho-capitalism and its market-based regulation. As public choice analysis has demonstrated time and again, government provision means government failure nearly always — if not always.

Would prostitution thrive in an unhampered market economy?

I doubt that prostitution could ever be removed by any public policy, including anarcho-capitalism. Indeed, even in a purely free market I have every reason to believe that prostitution and every other vice demanded would be supplied by *some* private property owners. As anarchy-order sets in, and perhaps most or even all allodiaries shun vice selling on their property, I would suspect that the temptation to supply such vices would grow very strong in general (especially among those allodiaries less skilled in producing other goods and services). Thus, prostitution, among other vices, would be supplied — and likely regulated — by markets.

Allodiaries would sell wholesome neighborhoods to the majority. But I have no reason to believe that all or even most males residing in such wholesome areas would not partake of prostitution services. Like modern Las Vegas demonstrates, some men will travel to get their sex fix. All the wholesome neighborhood does is add transportation costs to the purchase of the services. It also reduces costs in other ways that benefit the buyer, which is why they live there in the first place. Furthermore, just because most allodiaries would not permit houses of prostitution on their land does not mean that they would not allow other forms of roaming prostitution (which would be incredibly hard to enforce under anarcho-capitalism if both property and privacy were protected. For instance, an allodiary can stipulate in the rental agreement that no whorehouses be operated but he cannot very well force the tenant to

accept on the spot inspections by a private police force. Of course, to ensure that roaming prostitution is not occurring, an allodiary might significantly lower rental rates and stipulate on the spot inspections in his contract. This action would benefit the scrupulous majority and would merely shift the available options for less scrupulous renters to higher rent districts, and perhaps tend to make "on call" whorish services flourish (where the prostitute goes to the client). Accordingly, the more wholesome the society, the more costly prostitution will be, *ceteris paribus*.

Anarchy does not suggest perfection in and of itself, or even an ideal of "heaven on earth". Its proponents simply suggest that vices and problems would be handled better without a state than with one. In other words, problems are minimized but not necessarily eliminated by a purely free market system. Markets are not perfect (i.e. do not yield perfection or perfect human civilization). They just make civilization a whole lot more perfect than the state does. Likewise allodialism is no panacea for social ills.

If a prostitute owns her own land absolutely, i.e., is an allodiary, then she will be able to practice her craft under anarcho-capitalism with little or no market-based regulation. One would also expect that the prices of her services would rise due to the added costs of being an allodiary. However, I doubt that many prostitutes would be allodiaries, even if pimps would be. Prostitution is not an aspired to profession and there is little reason to believe that wealthier women would choose it. Instead, prostitutes would likely use (i.e. rent) real property from allodiaries (who might be pimps) who would in turn provide the market based regulation of prostitution via contractual arrangements. Thus, allodiaries would be able to control some uses of the prostitute's body via contract, just like a boss can control the uses of an employee's body to some extent (at least by requiring him to be at work). If some allodiaries are too firm then others will enter the market and offer prostitutes a better deal. The result is an efficient provision of prostitution.

Furthermore, in a free market, there would be market-based regulation via social pressure. For instance, if a large block of allodiaries all belong to a church, they might scorn any allodiary near them (or among them) who permits prostitution. Even among the unscrupulous, the disutility from the social pressure could well supersede the expected utility from prostitution. Thus, institutions would also become indirect regulators at times. It follows that many men might develop scruples in a free market. Institutions like churches would become strong enough (at least in some areas) to encourage scrupulous preferences rather than sordid ones. Even so, we have every reason to believe that at least some prostitution services would survive.

Marriage and adultery

Few men are rapists. I am not sure what percentage of men use prostitutes, or

how many more would if the price were less (i.e. how elastic is demand?). But it does appear that public policies affect the amount of both rape and the use of prostitution. Thus, policy also affects marriage.

Marriage is far more complex than sex, of course, yet we must admit that sex is a key component of marriage. And surely the entrance of professional sex sellers to the market, who vie for the funds of husbands, will impact both institutional arrangements and incentives. Brothels might arise spontaneously to cater to men on their way home from work (such things purportedly exist in some places) and wives might just learn to grin and bear it, contented by the fact that no romantic affair is going on. But then she would also face higher risk from disease, since prostitutes would be highly susceptible to sexually transmitted diseases.

However, we should note that adultery need not increase in a purely free market if wives are to change their sexual behavior from what it is under the present "protected" circumstances due to policy distortions. I am not saying such a change would be good necessarily, but a wife would in a sense have to work a bit harder perhaps to keep her husband faithful. Or, alternatively, she might also buy an "insurance policy" by getting a religious husband who will likely always have scruples. In short, it might be that the state has caused some distortions in the wife's behavior that would not exist in a purely free market.

Conclusion

If this analysis is accepted, it would suggest that free markets will lead to fewer rapes. It also suggests that there would be either more adultery and/or changed sexual behavior on the part of wives (which in turn leads to happier husbands). While this latter outcome might also lead to less happiness on the part of some wives (implying that current government policies might be alleviating the failures of the free market), we would have to recognize in our social welfare analysis that women in general would benefit from there being less rape. Potentially, then, both genders would be happier and safer in a free market.

References

Friedman, Milton (1993), "The Real Free Lunch: Markets and Private Property", *Cato Policy Report*, vol. 15, no. 4 (July/August): pp. 1-15.

Friedman, Milton (1975), *There's No Such Thing as a Free Lunch*, LaSalle, Ill.: Open Court Publishing Co.

Friedman, Milton (1975), "There's No Such Thing as a Free Lunch ... Ever!" *The Hillsdale Collegian* (interview), December 4, pp. 6-8.

Mises, Ludwig von (1996/1949), *Human Action: A Treatise on Economics*, Fourth Revised Edition, The Foundation for Economic Education: Irvington-on-Hudson, New York.

Thornhill, Randy and Craig T. Palmer (2000), *Natural History of Rape: Biological Bases of Sexual Coercion*, Cambridge, Mass.: MIT Press, especially chapter 6.

Smith, Adam (1937/1776), *An Inquiry into the Nature and Causes of the Wealth of Nations*, alternate link, New York: The Modern Library.

Stigler, George J. and Gary Becker (1977), "De gustibus non est disputandum", *American Economic Review*, vol. 67, pp. 76-90.



[home](#) | [free market textbook](#) | [public policy books](#) | [articles & papers](#) | [links](#) | [quotes](#) | [contact](#) | [join](#) | [about me](#)