

## Authors

Jonathan Robinson  
University of California, Santa Cruz

*American Economic Journal: Applied Economics* 3 (January 2011): 35-66  
<http://www.aeaweb.org/articles.php?doi=10.1257/app.3.1.35>

## Transactional Sex as a Response to Risk in Western Kenya

By JONATHAN ROBINSON AND ETHAN YER

*Though formal and informal sex work has long been identified as crucial for the spread of HIV/AIDS, the nature of the sex-for-money market remains poorly understood. Using a unique panel dataset constructed from 192 self-reported diaries, we find that women who engage in transactional sex substantially increase their supply of risky, better compensated sex to cope with unexpected health shocks, particularly the illness of another household member. These behavioral responses entail significant health risks for these women and their partners, and suggest that these women are unable to cope with risk through other consumption smoothing mechanisms. (JEL: I12, I16, O15)*

Exchanging sex for money, goods, or services is a way of life for many poor women in developing countries, yet little is understood about the way that the transactional sex market functions. While sex workers have long been identified as critical in affecting the spread of the HIV/AIDS epidemic (UNAIDS 2002; M. Hawken et al. 2002; Christopher P. Hudson 1996; E. A. Plummer et al. 1991), comparatively little work has gone beyond characterizing transactional sex as a high-risk activity.

This paper focuses on sub-Saharan Africa, a region in which transactional sex is prevalent. In fact, transactional sex is present within many types of sexual relationships, including long-term partnerships and even marriage (Ann Swidler and Susan Cotts Watkins 2007; Nancy Luke 2006; Brooke Grundfest Schoepf 2004; Mark Hunter 2002; Janet Maia Wojcicki 2002a; John C. Caldwell, Pat Caldwell, and Pat Quiggin 1989). In this context, commercial sex work might be thought of as

\*Robinson: Department of Economics, University of California, Santa Cruz, Santa Cruz, CA 95064 (e-mail: jrobin@ucsc.edu); Yeh: The World Bank, 1818 H Street, N.W., Washington, DC 20039 (e-mail: yeh@worldbank.org). We are grateful to Orley Ashenfelter, David Card, Kenneth Chay, Raj Chetty, Damien de Walque, Pascaline Dupas, David Evans, Julian Jannsen, Michael Kremer, David Lee, Ethan Ligon, Carol Mullen, Edward Miguel, Christina Paxson, and Ann Swidler for their generous advice and support. We thank two anonymous referees for valuable comments. We also wish to thank seminar participants at ASHRI, University of California Berkeley, Princeton University, the 2006 Northeast NBER/UC at Cornell, the 2007 AERC Cornell Conference, the World Bank, and the Conference on Infectious Diseases in Poor Countries at Cornell for helpful comments. We thank the Strengthening STD/HIV Control Project in Kenya and the University of Nairobi Institute for Viral and Infectious Disease for their collaboration. This project would not have been possible without the help of Chester Morris, Benson Rotich, Frank Plummer, Maria Pia Russo, Michael Ryan, Lorenzo Casaburi, Katie Conn, Wills Friedman, Anthony Kato, and Paul Wang. Eva Kapiga provided reproductive research assistance, and Nathaniel Wamwaya and Jere Olicki did excellent work cleaning and entering the data. We thank all the poor educators in Kenya for their cooperation throughout. Above all, we thank Violet Kanyinga and Carolyn Kamukoko for their tireless efforts from start to finish. This project was supported by grants from the Princeton University Industrial Relations Section, the University of California San Francisco/University of California Berkeley Exploratory Center in Behavioral Economics Epidemiology, the University of California Berkeley (UCB) Center for African Studies, the UCB Institute of Business and Economic Research, and the UCB Center for International and Development Economics Research. All errors are our own.

<sup>†</sup>Comment on this article in the online discussion forum, or to view additional materials, visit the article page at <http://www.aeaweb.org/articles.php?doi=10.1257/app.3.1.35>.

# Transactional Sex as a Response to Risk

Though formal and informal sex work has long been identified as crucial for the spread of HIV/AIDS, the nature of the sex-for-money market remains poorly understood. Using a unique panel dataset constructed from 192 self-reported diaries, we find that women who engage in transactional sex substantially increase their supply of risky, better compensated sex to cope with unexpected health shocks, particularly the illness of another household member. These behavioral responses entail significant health risks for these women and their partners, and suggest that these women are unable to cope with risk through other consumption smoothing mechanisms.

January 01, 2011