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COMPARATIVE GOVERNANCE OF THE SEX INDUSTRY: AN ANALYSIS FRAMEWORK FOR SEX WORKER WELFARE IN INDIA AND THE NETHERLANDS

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Abstract

Aphoristically speaking the sex worker industry is one of the oldest professions but remains highly stigmatised, operating under vastly different social and legal frameworks around the world. In India the act of sex work is not explicitly outlawed but regulated under the Immoral Traffic (Prevention) Act, 1956 which criminalises brothel-keeping, soliciting, and third-party involvement making it a legal grey area. On the other hand, the Netherlands has legalised the industry through the 2000s lifting of General Ban on Brothels Act and the industry is regulated under Article 250(a) of Dutch Penal Code granting sex workers access to labour rights and social protection.

This paper conducts a social audit of the sex-worker industry in the above two jurisdiction and applies the Hanson's audit framework to evaluate the effectiveness of the existing policies and reliability of institutional records. The paper also uses three research methodologies- Systemic risk analysis to examine regulatory vulnerabilities present in the system, Financial Gradient Analysis to track economic flows and labour conditions and lastly Social Entropy to measure social acceptance and institutional trust.

The study aims to provide an secondary research evidence-based policy recommendations drawn from decriminalization models and harm- reduction approaches to ensure sex worker's rights, economic security and social protection. To realise this, we will conduct a qualitative analysis of legal texts, financial models of sex work economies, social entropy indicators and policy benching across different countries focusing especially on India and Netherlands. We

will also refer to various field studies conducted by experts for the same. By including these methodologies, the paper aims to propose an actionable solution for creating a right-based, economically secured and socially inclusive environment for sex-workers.

Introduction

Sex work has long existed as a profession but remains an intrinsically debated and legally complex industry across the globe. On one hand some countries took the approach of decriminalisation and labour protection whereas the others maintain restrictive laws forcing the industry underground making it difficult to effectively audit and assess the sector.

Social Auditing- a process that evaluates policy effectiveness and governance structures extending beyond financial audits by incorporating qualitative and quantitative data- can be a powerful tool in assessing how the policy and law practices impact sex workers' economic security, health and social inclusion.

We take a critical realism approach to this paper wherein we prioritize empirical approach to examine the different governance models and their impact on the lives of sex workers as compared to taking a moral, social or cultural stand.

This paper applies Hanson's (1942) definition of auditing which refers it to as a process that examines records to assess their reliability and trustworthiness of statements derived from them. The definition is traditionally applied to financial audits therefore we will extend and modify it three critical ways to adopt it in context of social auditing-

- 1.) **Record Reliability Assessment-** We will examine both formal records (government regulations, tax fillings and health inspection data) and informal systems (underground economies, community-led safety networks and peer verification models).
- 2.) **Stakeholder Verification-** The paper includes qualitative research from NGO reports and policy studies to verify the socio-economic realities of sex-workers ensuring that the audit reflects their lived experiences.
- 3.) **Policy Impact Measurement-** We introduce a human right- based impact metrics to assess how regulatory frameworks affects sex workers' access to justice, health care and labour rights. The Social Audit Reliability Index (SARI), developed for this study, quantifies these factors using weighted components to compare the performance of different regulatory models.

Research Objectives

The paper's main aim is to measure how the rights, safety and financial security of sex workers affected by various legal frameworks specifically focusing on India and the Netherlands. The key objectives are as follows:-

- 1.) **Assess Legal Frameworks-** Compare India's semi-criminalised model with the Netherlands regulated model and evaluating the clarity and enforceability of these structures.
- 2.) **Evaluate Economic and Financial Security-** Examine the worker's access to banking services, taxation systems and formal contracts and looking and comparing into the wage disparity and income stability of legal and informal sex work sectors.
- 3.) **Analyse Health and Social Protections-** Investigating sex workers access to health care, legal protection, social security benefits and government welfare schemes for the same.
- 4.) **Develop the Social Audit Reliability Index (SARI)-** Creating a five-factor scoring system to assess the reliability and effectiveness of different governance models in different jurisdictions.
- 5.) **Propose Policy Recommendations-** Offer data driven policy solution that aims to improve sex-worker protection by reducing exploitation and enhancing economic stability.

Literature Review and Key Findings

The Sex Industry is worth over \$180 billion on the global sex trade (International Union of Sex Workers, 2023) and according to the International Labour Organization (ILO), annual illegal profits from forced labour, including sexual exploitation, amount to approximately \$236 billion, with sexual exploitation accounting for a substantial portion of these profits (*Annual Profits from Forced Labour Amount to US\$ 236 Billion, ILO Report Finds, 2024*). Different jurisdictions govern the industries varyingly and the same is explained in detail in Appendix 1, but it remains largely unregulated and operating in legal grey area for most countries.

India provides a unique case study where in the Immoral Traffic (Prevention) Act (ITPA) of 1956 that primarily governs and define sex work does not explicitly criminalise sex-work but prohibits associated activities such as brothel-keeping, soliciting, and third-party involvement creating a legislative blind spot where the sex workers can operate individually but are not afforded with legal protections that are granted to other professions. The estimate number of sex-workers in India vary due to absence of any formal regulation of the sector. The Joint

United Nations Programme on HIV/AIDS (UNAIDS) estimated the population size at approximately 995,500, based on programmatic mapping across 654 districts (UNAIDS, 2016) whereas other sources suggest as high as more than 3 million (International Union of Sex Workers, 2023). Even after employing such a significant population, the sector works informally exposing workers to exploitation and limits access to social and legal benefits.

The two biggest hubs in India for the industry are Kolkata and Mumbai and have been discussed in detail in Appendix 2.

It is increasingly seen in India that the families of female sex workers is generally solely dependent on them and they are sole breadwinners in the family. Research reveals majority of the female sex worker's income is Rs. 1000/- per week. They are earning around 4000/- monthly that shows how poor their economic condition is (Gadekar,2015). The absence of legal identity documents like voter identity cards restrict sex workers' access to various government schemes, inheritance and property rights, freedom of movement, education, healthcare, housing and banking services (SEX WORK and the LAW in ASIA and the PACIFIC, n.d.). On the other hand, the Netherlands recognises sex work as a legitimate profession. Estimates of the (female) sex worker population in the Netherlands vary due to nature of work and absence of a mutually consented definition. UNAIDS data from 2011 estimated the total sex worker population to be 25,000 while other research estimated 0.6 % of the Dutch female population to be sex worker, resulting into an estimate of 53,765 FSW in 2023 (Peters et al., 2024).

Health compliance among sex workers in the Netherlands is relatively high. Amsterdam Centre for Sex Workers (ACS), a government-funded clinic that caters to the region's 5,000 to 7,000 sex workers, including those who offer their services in the iconic window workspaces of De Wallen—the most prominent of the city's three red light districts and is at the centre of local efforts to improve health care for sex workers (Amsterdam's Struggle to Improve Sex Worker Health, 2024). However, challenges persist as a web of immigration and labour policies, logistical hurdles, and social stigma make health care systems inaccessible to the sex-workers. Sex workers who don't have the right work permit and those under 21 in Amsterdam all work illegally experiencing worse working conditions, greater risk of exploitation, and have difficulty accessing health care (*Amsterdam's Struggle to Improve Sex Worker Health*, 2024).

The struggles do not end here research indicates that sex workers operating unlawfully may earn higher incomes compared to their counterparts in the regulated sector. A qualitative study focusing on female sex workers in Rotterdam found that those working without legal authorization often retained more of their earnings, as they avoided expenses associated with

licensing and business operators while having better job security and anonymity (Eggens, 2024).

Sex-workers in the Netherlands are obligated to pay taxes but in case an unlawful working sex worker does not pay taxes, or only partly, the income is even higher. Therefore, most sex workers indicate that they work “grey”: they partially avoid taxes because it means a higher income, and they partially pay taxes to use a bank account. These sex workers indicate that they use undeclared money for things that can be paid in cash, such as groceries in the supermarket or dining in a restaurant, and they use declared money via their bank account for bills that can only be paid that way, such as rent (Eggens, 2024).

The Netherlands intended to have a lawful option for sex workers but since working unlawfully brings more financial stability, workers tend to be drawn towards the unregulated sector since income is considered the most important reason to engage in sex work, or at least one of the most important reasons. But this consequently make them vulnerable to exploitation and abuse (Eggens, 2024).

Assessment

1. Systemic Risk Analysis in Regulatory Environments-

Systemic risk analysis identifies vulnerabilities within regulatory frameworks that may increase harm to sex workers. These generally do not only stem directly from criminalisation but also from regulatory inconsistencies, legal ambiguity, enforcement discretion and structural exclusion.

In the Netherlands, despite legalization, risks emerge from variable municipal regulations and the exclusion of certain categories of sex workers from legal protections. Such municipal decentralisation has empowered local governments to impose varying licensing and work conditions leading to inconsistencies in rights and protection across cities. Research indicates that "sex work regulation in the Netherlands leaves workers in a limbo—not without obligations and surveillance, yet, without the full guarantee of their labour rights" (Cubides Kovacsics et al., 2022). This creates systematic vulnerabilities despite the ostensibly progressive legal framework and the most vulnerable to this framework are migrant workers, sex workers under 21 and individuals choosing anonymity due to stigma or past trauma. These workers are excluded from legal protections, effectively pushed into informal economies where they cannot access police support, unionisation, or health insurance, heightening the risk of exploitation and violence (Eggens, 2024)

In India, criminalization of associated activities to sex work, creates vulnerability to exploitation and limits access to justice giving rise to systemic risks. This creates a "legal paradox" where sex workers can operate independently but lack the infrastructure to do so safely. Any attempt to organise, unionise, or operate in secure collectives is seen as illegal brothel activity. This leaves sex workers vulnerable to police raids, extortion, displacement, and abuse, not from clients alone but from law enforcement itself (Acharya & Azhar, 2024). Furthermore, intersectional vulnerabilities involving caste, gender, and migration compound risks. A study on Sonagachi's sex workers (Dasgupta, 2019) notes how police violence is routine and often justified under the guise of "rescue operations," which are neither consensual nor rehabilitative (Dasgupta, 2019). This approach helps identify regulatory "blind spots" where workers fall outside protection, particularly relevant in a context of India where the primary activity is not criminalized but associated activities are.

3. Financial Gradient Analysis of Sex Work Economies-

This investigates how governance frameworks affect income distribution, taxation and banking access and economic insecurity. In the Netherlands, sex workers have formal access to banking and taxation systems. They can register as independent entrepreneurs, pay taxes, maintain business accounts and apply for loans and housing. However, in practice, many sex workers choose or are pushed into semi-formal or informal work arrangements. A significant number avoid full registration due to the financial burden of compliance, such as high licensing and permit fees, broker commissions for window rentals and complex documentation and surveillance from local authorities (Eggens, 2024). Moreover, those working without permits or below the age threshold (21 years) are locked out of formal protections and banking, increasing their reliance on cash transactions and heightening exposure to financial abuse. Migrant sex workers, especially from Eastern Europe or the Global South, face additional difficulties in obtaining registration, leaving them in a precarious 'non-compliant' limbo (Cubides Kovacsics et al., 2022)

In India, financial exclusion remains a significant barrier to economic security, with many sex workers unable to access formal banking services or social protection benefits. Criminalisation of brothels and third-party involvement under the ITPA indirectly prevents collective bargaining or registration, thus keeping sex workers outside the formal economy. Key financial exclusion markers include lack of identity documents such as Aadhaar, Voter ID, or PAN cards, no access to state banking or savings schemes, exclusion from government welfare (housing, insurance, pension) and inability to obtain contracts, insurance, or small business loans

(Cheles-McLean,2024). Gadekar (2015) further observed that in Miraj Town, Maharashtra, average monthly incomes were as low as ₹4,000, with sex workers reporting dependence on local moneylenders and middlemen due to lack of banking access (Gadekar, 2015). Moreover, the stigma surrounding sex work deters banks from serving sex workers, even where legal identification exists.

This exclusion directly impacts long-term financial security. Without access to credit, insurance, or saving schemes, sex workers in India are vulnerable to economic shocks, health emergencies, and age-related poverty.

4. Social Entropy as a Measure of Institutional Trust-

This framework assesses the social systems to measure social acceptance of sex-workers under different regulatory practices. Higher social entropy is a marker of low social support while lower entropy suggests more cohesive social inclusion. This metric goes beyond statutory legality to explore whether sex workers are meaningfully included in public institutions like healthcare, education, housing, justice, and welfare systems. While the legality of sex work can influence social acceptance, it does not guarantee full social or institutional integration.

The Netherlands is often celebrated for its legalisation of sex work, but social entropy indicators reveal a more complicated reality. While decriminalisation has reduced overt stigma in public discourse and provided a legal identity to some sex workers, many still experience social judgment from landlords, banks, and schools, healthcare bias, especially for migrant and transgender workers, limited representation in policymaking and labour platforms and segregation from mainstream professional networks. (*The Audacity of Tolerance: A Critical Analysis of Legalized Prostitution in Amsterdam's Red-Light District - Humanity in Action*, 2022). The “window district” in Amsterdam, although symbolically central, is physically and socially separated from the city’s mainstream, reinforcing stereotypes and limiting genuine integration (Cubides Kovacsics et al., 2022). Many sex workers in the Netherlands report reluctance to disclose their occupation in everyday settings due to fear of discrimination from family, banks, and employers (Eggen, 2024).

Even in healthcare, studies show significant barriers for undocumented or underage workers. Those who operate outside of the legal system (due to age restrictions, fear of surveillance, or lack of documentation) often avoid medical facilities altogether, despite universal healthcare access (Amsterdam’s Struggle to Improve Sex Worker Health, 2024).

In India, where sex work is partially criminalised and heavily stigmatised, social entropy levels are extremely high. The absence of formal recognition and protective laws exacerbates societal alienation. Sex workers often face exclusion from community spaces (schools, temples, neighbourhood committees), discriminatory treatment in hospitals, police stations, and legal institutions, limited housing rights and eviction threats and invisibility in government programs and census data.

Acharya & Azhar (2024) document how sex workers in Kolkata describe being treated as “outsiders in their own city,” facing triple marginalisation due to gender, caste, and occupation (Acharya & Azhar, 2024). Children of sex workers also report bullying in schools, administrative denial of admission, and stigma that prevents social mobility (Dasgupta, 2019)

Karandikar & Gezinski (2013) found that distrust in institutions like the police is systemically reinforced by frequent raids, extortion, and absence of victim-sensitive procedures (Karandikar & Gezinski, 2013).

Even progressive state-led schemes often fail to reach sex worker communities due to lack of legal documents or fixed addresses. This bureaucratic invisibility exacerbates feelings of abandonment and institutional apathy (*THE LAW & SEX WORK: FOUR LEGAL APPROACHES to the SEX SECTOR*, n.d.).

5. SARI-

After analysing the two jurisdiction and researching how the different legal approaches impact their sex-work industry now the paper will focus on drawing comparisons to emphasis on the advantages and disadvantages of both frameworks. For this purpose, we have designed a five-factor scoring system to assess the reliability and effectiveness of the two-governance style.

The five factors considered are Legal Certainty (20%), Financial Transparency (25%), Health Access (20%), Violence Prevention (20%) and Social Mobility (15%).

Legal Certainty focuses on clarity, enforceability, and protective adequacy of legal norms surrounding sex work. In case of India the industry works in a legal grey zone enabling arbitrary enforcement by police and municipal authority and there is also an absence of any comprehensive labour or occupational protection (*SEX WORK and the LAW in ASIA and the PACIFIC*, n.d.). On the other hand, the Netherland provide full recognition and regulated under Article 250(a) of the Dutch Penal Code. Municipal permits and labour protections are offered

to workers, but migration and permit issues still create grey areas (*Amsterdam's Struggle to Improve Sex Worker Health*, 2024).

Financial Transparency deals with the degree to which sex workers have access to formal economic systems such as banking and taxation. In India due to lack of identity documents most workers are excluded from formal banking and taxation systems (*SEX WORK and the LAW in ASIA and the PACIFIC*, n.d.). Due to the informal nature and low wages (Rs. 4000/month) workers become vulnerable to middlemen (Gadekar,2015). Whereas in Netherlands the workers can register themselves, pay taxes and have access to the formal banking sector but many sex-workers still prefer working informally and paying partial taxes as it provides them with more net income due to less regulation (Eggens, 2024).

Health Access is defined as availability, accessibility and non-discriminatory access to health care which includes sexual and reproductive services. In India though collectives like DMSC that provide key HIV intervention exist there is still an identity barrier, stigma and exclusion from government health schemes (Gadekar,2015) (Dasgupta,2019). As opposed to this Netherlands provides Universal Health Care to sex-workers especially in urban centres like Amsterdam. Health care services are provided by various government clinics like the ACS but, sex workers who work informally due to age restrictions, anonymity concerns and financial incentives face serious exclusion (*Amsterdam's Struggle to Improve Sex Worker Health*, 2024). Violence Prevention refers to the extent of institutional protection against violence from clients, pimps and law enforcement and their access to redressal. India faces rampant violence and sexual abuse subjected to sex workers not only from clients and pimps but also law enforcers in the name of 'raids. The social stigma attached to the profession is so strong that it provides impunity to perpetrators and prevents access to justice (Karandikar & Gezinski, 2013) (Acharya and Azar, 2024). Whereas the Netherlands does provide a legal framework that deters potential abusers, but the same protection and resources are not offered to those who work informally in the sector (Eggens, 2024).

Lastly, Social Mobility deals with whether the government is providing opportunities for exit, skill-building, legal identity and socio-economic advancement. India does have various collectives and NGOs that work towards skill development amongst the sex-workers, but these efforts generally fall short in the face of intersection of gender, caste and occupational stigma. Sex-workers are therefore not only denied alternative employment but also education and inheritance (Acharya and Azar, 2024) (Gadekar,2015). Conversely in the Netherlands legal and social protections combined with retraining programmes and low stigma when compared to India due to legalisation of the profession provides genuine mobility potential (*The Audacity*

of Tolerance: A Critical Analysis of Legalized Prostitution in Amsterdam's Red-Light District - Humanity in Action, 2022).

Based on the above research and findings we have arrived at the following results. -:

SARI Score Table (Source- self)

INDICATORS	WEIGHT	INDIA'S SCORE	NETHERLAND'S SCORE
Legal Certainty	20%	4/20	18/20
Financial Transparency	25%	5/25	17/25
Health Access	20%	6/20	15/20
Violence Prevention	20%	6/20	13/20
Social Mobility	15%	5/15	14/15

The SARI framework has been verified by the existing literature and research on sex-work regulation. However, there is a need to acknowledge several limitations of the scoring system. First, data availability in each jurisdiction varies as the Netherlands has more comprehensive data available when compared to India. Secondly, the experiences of sex workers vary considerably based on factors including gender, migration status, and work setting, which may not be fully captured by jurisdiction-level scoring. Lastly, the index prioritizes certain values (such as autonomy and economic security) that reflect a particular rights-based approach to sex work governance.

Despite these limitations, the SARI provides a valuable tool for comparing regulatory approaches and identifying areas for policy improvement across different jurisdictions and regulatory models.

Opinion

After the comprehensive analysis of sex-work industry in India and the Netherlands, the following policy recommendations are proposed to enhance the rights, safety, and economic security of sex workers.

1. Decriminalisation of Sex Work-

Based on research fully decriminalising adult sex-work, including associated activities such as brothel-keeping and solicitation not only reduces violence and enhance legal protection but also improves health outcomes as “evidence from decriminalised settings suggests that sex workers in these settings have greater negotiating power with clients” (Platt et al., 2018). Research also “identified diverse forms of police violence and abuses of power, including arbitrary arrest, bribery and extortion, physical and sexual violence, failure to provide access to justice, and forced HIV testing. It showed that in contexts of criminalisation, the threat and enactment of police harassment and arrest of sex workers or their clients displaced sex workers into isolated work locations, disrupting peer support networks and service access, and limiting risk reduction opportunities. It discouraged sex workers from carrying condoms and exacerbated existing inequalities experienced by transgender, migrant, and drug-using sex workers.” (Platt et al., 2018). On the other hand, decriminalisation allows better regulation leading to safer working conditions and better relationship with law enforcement.

2. Legal Recognition and Labor Rights-

Recognising sex-work as a legitimate profession grants workers access to labour rights and ability to unionise. Legal recognition empowers sex workers to seek redressal for their grievances and assert rights just like other professionals. For instance, sex-workers in Belgium were entitled to formal employment contracts providing a safety net to the workers in this sector. “By signing these employment contracts, sex workers will now have access to benefits like pension, sick days, health insurance, and maternity pay. They will also have fundamental rights like the ability to refuse clients, choose their practices, and stop an act at any moment. Meanwhile, employers must meet background requirements such as no prior convictions for sexual assault or human trafficking and adhere to safety and cleaning standards, with all brothels required to offer amenities like clean condoms, linens, and an emergency button.” (Monteil, 2024).

3. Access to Health Services-

It is essential that sex-workers have non-discriminatory access to comprehensive health services with special focus on sexual and reproductive health care. It’s increasingly seen that discrimination and stigma deter sex-workers from availing necessary health services. “There are a range of global commitments and initiatives on these topics, including UNAIDS’s *Agenda for Zero Discrimination in Health-Care Settings*, the World Health Organization’s *Global Strategy on Human Resources for Health*, which prioritises ending discrimination in healthcare

settings, and the *Respectful Maternity Care Charter*, which outlines the rights of women and newborns in the context of maternal and newborn care as a way to obviate stigma, discrimination and other rights violations.” (Hussein & Ferguson, 2019). Decriminalization facilitates better health outreach and increases sex workers' ability to negotiate safer practices. There is also need government support through schemes and setting up clinics like ACS in the Netherlands.

4. Financial Inclusion-

There is a need to remove legal barriers that prevent sex-workers from opening accounts and accessing credit. It is crucial that they have access through banking services and formal financial systems by providing them necessary legal identification. Financial exclusion increases vulnerability to economic exploitation and hinders the ability to save and invest for the future. This exclusion “can also increase the risk of crime, as forcing a business to deal in cash encourages lower rates of tax compliance and heightens the risk of money laundering. Even where a business has no links to criminal activity, the optics of dealing entirely in cash fosters misperceptions that the business is not complying with the law and entrenches stigma. A cycle therefore emerges of stigma resulting in financial exclusion, which only further entrenches stigma.” (Cheles-McLean,2024). Therefore, there is a need to frame policies that bring the sex-workers into the formal financial systems, which will not only help protect the workers but increase regulation efficiency of the sector by the government.

5. Violence Prevention and Access to Justice-

Implementing measures to protect sex workers from violence is crucial for their safety and well-being. There have been cases where law enforcement have practiced police brutality in name of ‘raids’ and ‘protecting the sex-workers’. There is also high level of distrust amongst sex-workers in reporting instances of violence against them to police (Struyf, 2023). Sex workers often hesitate to report incidents of violence to the police due to deep-rooted mistrust and fear of criminal charges, stigma, or further abuse. The inability to contact police for support enables perpetrators to abuse sex workers with impunity, perpetuating high levels of violence (McBride et al., 2020). Training law enforcement to respond appropriately to crimes against sex workers and ensuring that sex workers can report abuses without fear of arrest or discrimination are vital steps in building trust and improving access to justice (Pathfinder International, 2019).

6. Public Education, Stigma Reduction and Exit Programs-

Public Education Initiatives helps foster a more inclusive society for sex-workers by challenging the societal perception. These initiatives dismantle misconceptions and promote empathy by circulating accurate information and individual narratives. For instance, UCLA's Global Lab for Research in Action launched the Red Umbrella Campaign, which aimed at addressing the dangers and stigma that sex workers face (Braswell, 2022).

Providing voluntary support services is crucial for sex workers who wish to transition out of the industry. Comprehensive programs that offer education, training, and holistic support can facilitate this process. The "Exit Doors Here" program, for example, is a 9-month initiative based on the critical time intervention (CTI) approach, developed to provide wrap-around support services such as health, addiction, housing, education, and employment supports to women wishing to transition out of sex work. This program emphasizes trust-building, collaborative goal setting, and connection with community supports, which are identified as key factors facilitating successful transitions (Shareck et al., 2024). These recommendations are grounded in evidence from various jurisdictions and aim to create a rights-based, economically secure, and socially inclusive environment for sex workers.

Conclusion

This research paper has undertaken a comprehensive comparative audit of the governance of the sex work industry in India and the Netherlands through a rights-based and systemic lens. Utilizing Hanson's audit framework, the SARI index, and advanced analytical methodologies such as Systemic Risk Analysis, Financial Gradient Analysis, and Social Entropy, the study has critically evaluated the reliability, efficacy, and inclusivity of the legal, economic, and social structures impacting sex workers. The findings reveal stark contrasts. India's semi-criminalised framework fosters institutional ambiguity, legal invisibility, and socio-economic marginalisation, ultimately failing to protect the rights and welfare of sex workers. Conversely, the Netherlands, while legally progressive, continues to harbour systemic and bureaucratic exclusions, especially for undocumented, underage, or unregistered workers, indicating that legalisation alone does not equate to protection. The Social Audit Reliability Index (SARI) quantified these realities, awarding India a score of 32/100 compared to 77/100 for the Netherlands, thereby empirically substantiating the superiority of regulated, inclusive models over criminalised or grey-zone approaches. However, even the higher-scoring Dutch model revealed internal disparities between lawful and unlawful sectors, showing that financial incentives and social stigma still significantly shape labour decisions and institutional trust. The policy recommendations developed such as full decriminalisation, labour rights

recognition, financial inclusion, improved access to justice, and stigma reduction are grounded in comparative evidence and international best practices. These reforms aim to empower sex workers not only as economic agents but also as rightful stakeholders in the social contract. For India, these findings present an urgent call to dismantle legislative contradictions and institutional apathy. For the Netherlands, they highlight the necessity of refining legal protections to address informal sector exclusions and enhance holistic support systems. Ultimately, this paper asserts that sex work governance must evolve from frameworks of moral judgement and punitive control to those of empowerment, protection, and inclusion underpinned by empirical audits, data-driven policy, and participatory justice.

Appendix 1

There are typically four governance model for the sex-work industry (*THE LAW & SEX WORK: FOUR LEGAL APPROACHES to the SEX SECTOR*, n.d.) -:

- 1.) **Full Criminalisation-** This approach penalises both selling and purchasing of sexual services. Research indicates that criminalization exacerbates vulnerabilities, leading to higher incidences of violence and exploitation among sex worker (Burckley, Jeanis and Fox, 2023).
- 2.) **Partial Criminalisation (Nordic Model)-** This model focuses on criminalisation of sex-buyers seeing sex workers as victims and hence requiring protection not punishment. This model however, hampers sex workers' safety practices and makes client screening difficult (Vuolajärvi, n.d.).
- 3.) **Legalisation-** Under this approach the industry is legalised and placed under strict regulatory control of the government as was observed in the Netherlands. While legalization aims to provide safer working conditions, it can also create a two-tier system where only those who comply with regulations benefit, potentially marginalizing those who operate outside legal parameters (*THE LAW & SEX WORK: FOUR LEGAL APPROACHES to the SEX SECTOR*, n.d.).
- 4.) **Decriminalization-** This model focuses on removal of criminal penalties related to sex-trade and treating it like any other profession. Decriminalization leads to better health outcomes, reduced violence, and improved relationships with law enforcement among sex workers. (*THE LAW & SEX WORK: FOUR LEGAL APPROACHES to the SEX SECTOR*, n.d.).

Appendix 2

Kolkata houses Sonagachi, which is considered as the largest red-light area of Asia with an approximate of 7,000 sex workers as of 2020 (*REPORT on SEX WORKERS- SONAGACHI, KOLKATA SLIC, 2020*). The area becomes essential to this research not only because of the size of the market but also due to presence of collectives advocating for the workers' rights especially focusing on health services like the Durbar Mahila Samanwaya Committee (DMSC), a grassroots sex worker organisation in Sonagachi established in 1995 at the peak of the HIV/AIDS epidemic (Dasgupta,2019). Workers here are subjected to profound stigma which is compounded by the intersection of gender and caste. A study by Acharya and Azhar identified themes of internalized shame and social perceptions of sex work as a "dirty" profession and generally associated with lower caste status. Both sex-workers who are mother and their children are subjected to frequent stigma and social exclusion limiting their opportunities (Acharya and Azar, 2024).

In Mumbai, the Kamathipura district has historically been the epicentre of the city's sex work industry. Studies have documented instances of physical and sexual abuse perpetrated by clients, intimate partners, and pimps (Karandikar & Gezinski, 2013). Such violence hampers their ability to negotiate safe sex practices, thereby increasing the risk of HIV and other sexually transmitted infections (Karandikar & Gezinski, 2012). Economic instability is a persistent concern for sex workers in Mumbai. Many operate without formal contracts, have limited access to banking services, and face coercive financial arrangements with brothel managers and pimps. Studies highlighted that poverty, marital abuse, sexual abuse, and the death of a parent or husband were main reasons for entry into prostitution, with many respondents sold into prostitution by family members or acquaintances (Karandikar & Gezinski, 2013).

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