

Sex, Drugs & Sociology in New York's Underground Economy

Floating City: A Rogue Sociologist Lost and Found in New York's Underground Economy,
by Sudir Venkatesh. New York: Penguin Press, 2013.

Reviewed by Michael Daniell

Most people know that the legal, above-ground economy is shadowed by an off-the-books world whose denizens may work just as hard, but hide their income and illegal activities. Those who work in legal pursuits often sense that their underground counterparts hurt them because they do not pay taxes, thereby shifting the tax burden onto others. Yet many of the lawfully employed periodically venture into the underground economy to spend money on counterfeit merchandise (from stolen phone and cars to illicit drugs) Nobody truly knows the precise size or impacts of the underground economy, but it seems to be a source of endless fascination for social scientists and ordinary civilians alike.

Sudir Venkatesh spent 10 years in Chicago studying crack gangs and wrote up his findings in a 2008 book, *Gang Leader for a Day*. Since 1997, he has been trying to understand similar terrain in New York City. He moved here to take a new teaching job at Columbia, though aware of the university's reputation for treating young faculty poorly, rarely granting tenure and even treating many tenured professors as expendable labor. He identifies two main schools of thought in his new department: scientific and storytelling. He worries that if one goes too deeply into the highly quantitative scientific approach, people will not be interested in reading your story. But if you go too deeply into qualitative storytelling, many academics brand you a mere journalist.

Technically an "ethnographer," Venkatesh's research approach involves close participant observation of a core group of subjects in their everyday lives. He wanted to know how people made money when everything had to be off the books. Venkatesh characterizes his own approach as careful, systematic, observational (without getting involved at all), and analytical. Furthermore he did not want to be like the rest of Columbia's junior faculty and publish in scientific journals for tenure. He wanted to publish works that would reach a larger number of people – and still get tenure.

The book's opening immediately captures the reader's interest. We are quickly introduced to the main recurring characters: Venkatesh

himself, a friend named Analise, and a drug dealer named Shine. Analise is a wealthy woman but, to the author's surprise, he discovers that she is a Madame, managing a group of prostitutes. Shine proves an especially pivotal character, because it was through his contacts that the author met most of the other key individuals featured in his book.

Through Shine, Venkatesh began to understand the history and culture of New York's black markets and to build the trust that would be needed to persuade those now working in them to open up to him. He senses that the underground economy was made up mostly of people who could not find legitimate jobs or full-time work. Of course, anyone paid for their work in cash avoided taxes but also was left without recorded job experience. Since these jobs were not the type of positions that could be added to a resume, this perpetuated their hidden and underground job search and subsequently made it even harder to find a real job with benefits and taxes. They also have constant exposure to street and domestic violence. If any problems arose, no one would be able to go to the police. Many residents of Harlem (Shine's realm) did not stay in Harlem. They actually traveled out of town to work, as nannies for rich families downtown, as street vendors and artists.

Venkatesh wanted to do a formal study of modern-day and older underground markets in New York but thought it would be too much like his work in Chicago. Instead, he decided to focus on sex work because it was so rapidly changing. Prostitution was evolving and becoming more difficult at street level, with more police patrolling to protect tourists and rapid gentrification. At the same time, more sex workers' advocacy groups were providing legal services to sex workers to protect them and to help move them out of the business.

Venkatesh learned how prostitution happens in strip clubs. Over the course of a few months he conducted over 100 interviews with streetwalkers, gaining the trust of nearly a dozen women who were happy to finally have "their story" heard in minute detail. They explained that women could be prostitutes in strip clubs as long as they paid the fees demanded to use the rooms. The

managers of the clubs acted like pimps and protected them. Similar arrangements were found in some porn stores. Mayor Giuliani launched his "quality of life" campaign in the 1990s, making it much harder for prostitutes and certain legal businesses like porn stores to make money. Through Shine, Venkatesh was introduced to a porn store owner named Manjun. In his store a prostitute named Angela rented out a back room to conduct business. Angela helped to keep the store alive with the extra cash she earned for rent. Venkatesh worked at the store as a stocking boy for months while slowly learning about the business and listening to prostitutes' stories. One day Manjun went missing. Venkatesh discovered through a cop friend that Manjun was forcing Indian women into prostitution. Manjun was never heard from again.

One of Venkatesh's main informants was Angela, a streetwalker who made the transition to safer indoor sex work. She came up with the idea of renting an apartment exclusively for sex with clients and splitting the cost with other women in her situation. One of these women was Carla, an 18-year-old who enjoyed prostitution, having sex and doing drugs. We learn that she was robbed and nearly beaten to death. This was unsurprising to Angela, because Carla was wild and did not follow the unwritten "rules." Angela helped Venkatesh to understand many unspoken rules of the underground world such as when to talk, when to listen, and when to know that something is dangerous. She also was there to warn him when a situation was going to end badly as well as to see how a scenario was being set-up so that he would be able to recognize danger on his own.

Margot Kerry was a quite different, more unexpected case. The daughter of a teacher and a construction foreman, she was a good student and active church-goer, married a bond salesman and moved to Manhattan to work at a law firm. One day she caught her husband in an affair and divorced him. She became a heavy drinker, went broke, and had no place to live. One night at a bar, she ran into one of her ex-husband's colleagues, who offered several hundred dollars for sex. She accepted and then began doing the same for many of her husband's friends. Ultimately, she became a "den mother" (or madam) setting up dates, charging commission, and acting as a sex broker. According to Margot, survival in the upper-class reaches of the city's sex trade depended heavily on the right connections, learning to communicate in unfamiliar landscapes, and rapid acquisition of social capital (contacts and acquaintances).

The author concludes that New York prostitution is a fast changing industry with two basic sectors: full-time professionals and part-timers after supplemental income. The part-timers are mostly aspiring artists, actors and other creatives who need to keep their American dream alive by selling their bodies, in addition to lower-paid clerical and retail sales associates. These are typically women, ages 30 and up, who have suffered a bad divorce or professional frustration. These women sell their bodies as a means to get extra money and have some control in their life. Sex is a

form of currency for them. When uninsured, but in need of medical care, they trade sex with their doctors and dentists for the services that they need. When low on money, they borrow from lenders with whom they then have sex as a form of repayment.

Many street walkers and high end escorts talked about feelings of self-efficiency they got from skillful sales of their body along with high job satisfaction. But all expected to eventually leave the business. Not many of the higher up people within the sex trade, such as managers, pimps and madams, actually enjoyed telling women how to sell their bodies. Those who did turned to drugs to numb their pain and guilt. For many, the actual means of escape was death. Carla, worked her way up to being a broker like Margot. One night she was called by a woman who worked for her about a man who wanted to beat the woman up. Carla rushed to the woman's aide and took the beating instead of her. Unfortunately, this led to the realization for her that there was no good way to leave the business, so she killed herself.

Margot had been planning her exit for a while. She had been helping her prostitutes or "contractors" organize their finances and teaching them how to invest properly. She made sure that she had her money tucked away safely to retire. Analise had the easiest time getting out of the business. Thanks to her financial wealth, it was as easy as walking away from everything and putting her focus elsewhere.

For Venkatesh, much of what he observed could be related to the creative destruction of capitalism: individuals, like companies, must either learn to change or die. If Shine was unable or unwilling to succeed in risky, unfamiliar new drug markets, then he could not return home because he gave up that turf in order to have the new opportunity. Prostitutes were forced to adapt to new zero-tolerance policing strategies against streetwalkers by either finding the means to continue their profession indoors or get out of the business. The city government realized it could not stop all underground activities so it focused on high-profile efforts to minimize its more visible offenses. The author suggests that Giuliani's "quality of life" campaign did not actually end the underground economy, but simply drove it deeper out of public view. Many of the services that would be offered in the open street are still around, simply behind closed doors.

Overall I thought that this book was a very entertaining read, but falls well short of a serious academic study. When I first started reading it, I had no expectations beyond those raised by the title. It seems to suggest an analysis of the underground economy, well-known to encompass off-the-books gambling, drug and gun sales, prostitution to a host of other illicit activities. It was somewhat surprising then to find that the book is single-mindedly focused on sex work, with relatively few glimpses of Shine's experiences in the drug trade. I do realize that probably the most likely reason the author chose to study sex work was that it was the easiest and least dangerous segment to visit. But it results in a rather narrow and voyeuristic glimpse of a far larger world.

A second shortcoming is that Venkatesh seems to frequently contradict himself throughout the book. In the first chapter, he says he is opposed to using survey questions like a journalist, yet his actual approach to his subjects was very journalistic: tracking down contacts, asking many questions and poking into their lives as deeply as possible before they turn him away. And, while he claims to be well-known for his objectivity, in the course of the narrative he sometimes becomes extremely subjective and judgmental, for example with Analise (ch. 2). Some women called him rich and white (he is south Asian) and said that he could not understand them. They regarded him as too judgmental in comparing the rich and poor. The poor needed to rationalize their behaviors and justify actions while the rich did not need to justify their behaviors; they simply like/want money and do whatever they need to do in order to get it the fastest way.

Readers' confidence in the author's objectivity would be firmer if the statistics he cites were backed up with clearer sources. For example, he makes the bold claim that the underground economy could be anywhere from 20-40% of all economic activity in New York City (ch. 6). Obviously, an underground economy is very difficult to measure and many demographers and economists have argued over its true size. But most scholars seem to agree that underground economies in most developing nations can be 40% or more of the whole, while in most developed nations like the U.S. it is likely 15 percent or less. For Venkatesh to claim a much higher percentage for New York, some data, or a clear path to reach the data on which he bases such a claim is essential.

In fact, many economists and sociologists may well wonder why he neglected to make more use of their disciplines' quantitative research methods for measuring urban informal economies. Perhaps by doing a rigorous side-by-side comparison of the legal, documented economy and the unreported and untaxed economy, the real loss and true societal costs could be calculated. Instead we have yet another book inviting sensational story lines on painful details of a small, if colorful percentage of the population. Venkatesh has written a very engaging story, but one whose broader relevance is limited by his narrow and idiosyncratic research choices.

Michael Daniell is a recent graduate of Hofstra University, majoring in Economics.

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