

# Strange Bedfellows in the Regulatory Politics of Prostitution during the Age of Cervantes

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“Rent seeking makes strange bedfellows.”  
(Leeson and Thompson 2023, p. 11)

## 1. INTRODUCTION

According to Graf (2021), Cervantes’s seminal work, *Don Quijote*, foreshadowed modern Western notions of liberty and related developments, including freedom of conscience, liberation of women, and abolition of slavery. In Chapter 5, Graf locates prostitution among the list of economic topics that bear upon Cervantes’s vision of freedom—topics that also interested the late-scholastic philosophers of the School of Salamanca. Graf (2021, pp. 196-197) suggests that prostitution is an interesting “limit case” in early economic thinking about what activities are permissible in the marketplace during the transition from the old feudal order to the new world of bourgeois capitalism based on economic freedom.<sup>1</sup> In this discussion, he rightly zeroes in on one of the most prototypical episodes of Cervantes’s book—Don Quijote’s encounter in the Sierra Morena with a chain gang of convicts, one of whom is sentenced to man the oars in a galley ship for being a pimp (*alcahuete*). Exhibiting a permissive attitude towards sex work, Don Quijote argues that rather than being sent to serve time rowing in the galleys, the pimp should be in command of them as their admiral, because the office of a pimp requires the utmost discretion and is essential in any “república bien ordenada” (well-ordered republic; Cervantes 1978, 1.22, p. 269).<sup>2</sup> Simply put, pimping is in the public interest. Indeed, in this paper, we argue that both vested interest groups (“Bootleggers”) and public-spirited moralists (“Baptists”) are all vital components of “the glue that binds the body politic” (Yandle 1999, p. 7) in Don Quijote’s “well-ordered republic.”

Taking Graf’s comments as our point of departure, this paper examines the political economy of sex markets, and specifically rent-seeking activities in the regulation of prostitution in the age of Cervantes. In the span of less than 150 years leading up to 1623, brothels in Spain went from being a reward given to vassals for loyal service to the monarchy, to becoming licensed businesses regulated by municipal authorities, and finally to being portrayed as dens of iniquity that must be closed down. We employ Bruce Yandle’s (1983, 1999) notion of “Bootleggers and Baptists” to shed light on these regulatory shifts and the curious (and often tacit) coalitions that propelled them. To be clear at the outset: we are making no claim that Cervantes “anticipated” these public-choice insights—we wish to avoid such a proleptic reading of *Don Quijote*. (On prolepsis in the history of ideas,

see Skinner 1969.) We are not saying that the notion of “Bootlegger/Baptist” interactions is contained in Cervantes’s text, nor that it corresponds to what the real historical Cervantes believed, meant, or intended to say in his magnum opus. We are merely speculating that Cervantes (or, more precisely, our own portrait of him for our purposes) would appreciate Yandle’s analysis of the interaction of economic and political dynamics in regulatory endeavors. In this way, we hope to address one of the gaps in Graf’s book. Apart from a few sporadic references to rent-seeking (pp. 160, 200, 212), Graf does not seem to have tapped into the literature on public choice even though it is highly relevant to the political economy permeating many of the issues covered in his book. Indeed, there are no references to James Buchanan and Gordon Tullock, the architects of public choice theory, alongside oft-cited liberal thinkers, such as Friedrich Hayek.

Pimping and prostitution are not peripheral matters, either for Cervantes or for his knight errant. The aforementioned episode of the knight’s encounter with the pimp is “intimately related to the very essence of the character of Don Quijote” (Redondo 1992, p. 690; own translation). It also tells us something about the author himself, “one of the last major representatives of the Spanish humanism that was extinguished by the Counter-Reformation” (Eisenberg 1990, p. 213). Rather than the result of a witty and burlesque outburst, Don Quijote’s defense of pimping is borne of the author’s own strong convictions: “Cervantes is speaking through his hero, and in all seriousness. He is thinking in terms, not of witticisms, but of the good of the state” (Green 1970, p. 195). Clearly, the topic of prostitution was far from foreign to Cervantes. As a result of his peregrinations over the years, he was familiar with the brothels of Madrid, Seville, and Valencia (Gonzalo Sánchez-Molero 2006, p. 1973). The ease with which Cervantes approaches this subject matter is reflected in his prose: “with the exception of the innkeeper, no character or narrative voice in *Don Quijote* expresses any violent reaction or discomfort in dealing with prostitutes” (Nadeau 1997, p. 13). In addition to *Don Quijote*, sex workers feature as characters in several of his other works, including the *Exemplary Novels* (1613) “Rinconete y Cortadillo” and “La Tía Fingida” (though Cervantes’s authorship of the latter is vigorously debated), and the *entremés* (farical theatrical interlude) “El Rufián Viudo” (1615). Cervantes’s familiarity with prostitution may even have roots that are closer to home too: some women in Cervantes’s immediate family may well have been courtesans who fostered relationships with wealthier and upper-class clients (Márquez Villanueva 2005). Martín (2008, p. 27) surmises that the sex-work-related activities of these family members “undoubtedly fostered his tolerant attitude toward such women in need.” Indeed, this tolerant attitude of “the most compassionate, the most human of authors” (Armistead 2011, p. 7586; own translation) is consistent with Cervantes’s more general concern for marginalized minorities, including gypsies, prisoners and *Moriscos* (i.e., descendants of Muslims who continued to live in Spain after the Reconquest and who were forced to convert to Christianity). But Cervantes’s observations may not only be driven by a humanitarian concern or eye on the public interest but also by his personal stake in the sex industry: “At one point in his life Cervantes had been suspected of being a pimp, and therefore his main character’s speech defending pimping has a ‘personal ring’ to it” (Fernández-Morera 2009, pp. 140-141).

## 2. YANDLE’S THEORY OF “BOOTLEGGERS AND BAPTISTS”: ITS ORIGINAL CONTEXT AND INSIGHTS

In this paper, we employ the “Bootleggers/Baptists” theory of regulation (“B&B theory,” hereafter) to explain the legalization and regulation of prostitution during the age of Cervantes, as well as to explain the formation of surprising political coalitions that propelled the emergence and evolution of these regulations. The “Bootlegger/Baptist” theory of regulation shows how economic interests and moral ideas interact to drive the politics of regulation. The notion was first put forward by Yandle (1983) and later elaborated by Yandle (1999) and Smith and Yandle (2014). The theory itself expands on an aspect of Stigler’s (1971) and Pelzman’s (1976) special-interest theory of regulation, which was proposed as an alternative to the prevailing view that regulation exists for the protection and benefit of the public at large—the “public-interest” theory of regulation. The B&B theory echoes Gandhi’s famous remark that “those who believe religion and politics aren’t connected don’t understand either” (quoted in Sharma 2017, p. 157). The B&B theory is a posi-

tive theory of regulation that explains how the real world *is* rather than an inspirational normative theory about how the world could or should be.

The B&B theory was conveniently summarized by Yandle (1999, p. 5):

Here is the essence of the theory: durable social regulation evolves when it is demanded by both of two distinctly different groups. “Baptists” point to the moral high ground and give vital and vocal endorsement of laudable public benefits promised by a desired regulation. Baptists flourish when their moral message forms a visible foundation for political action. “Bootleggers” are much less visible but no less vital. Bootleggers, who expect to profit from the very regulatory restrictions desired by Baptists, grease the political machinery with some of their expected proceeds. They are simply in it for the money.

The name “Baptists/Bootleggers” theory comes from the history of so-called “blue laws” in individual states in the US. These laws ban sales of liquor at legal retail stores on Sundays. Baptists grew out of English Separatism, a religious movement of dissenters from the Church of England (Jones and Gourley 2015). They have become the largest denomination of Protestant Christianity in the US and the most forceful Protestant voice in support of blue laws. They have embraced abstinence from alcohol consumption as one of the core values of Baptist doctrine, they condemn drinking alcoholic beverages as being immoral and a sin, and they have publicly advocated for the regulation of liquor to curb alcohol use.

In contrast, bootleggers were originally traffickers who illegally smuggled and sold liquor during Prohibition movements in the US in the nineteenth and twentieth centuries.<sup>3</sup> (The meaning of the term “bootlegger” has since been extended to include any illegal producer or trader in illicit goods, such as pirated music recordings.) Bootleggers supported restrictions on legal sales of alcohol on Sundays because it reduced the competition they faced from legal vendors, expanded their own marketing opportunities, and enhanced the profits they made. Bootleggers were also able to freeride on Baptists’ efforts to monitor enforcement of the restrictions that benefit the bootleggers.

Through joint action, Baptists and bootleggers were able to obtain political support for the imposition of blue laws that neither interest group could have obtained on its own. “Bootleggers grease the political wheels by promising to share profits with politicians. Baptists supply a credible moral foundation for alcohol regulation” (Leeson and Thompson 2023, p. 11). Although Yandle’s theory rests mainly upon anecdotal evidence, its predictions are consistent with a more systematic empirical investigation into coalition formation in support of blue laws (Horpedahl 2021).

B&B theory generates interesting types of insights or predictions, which we will label as follows:

1. The “strange bedfellows” thesis: rent-seeking generates unlikely and curious alliances among seemingly disparate interest groups (e.g., anti-alcohol Baptists and pro-alcohol bootleggers).
2. The “variegated interactions” thesis: “Bootleggers” and “Baptists” can interact in a variety of different ways—covertly, noncooperatively, cooperatively, and/or in a coordinated manner (Smith and Yandle 2014, chapters 1, 8).
3. The “masquerade” thesis: “Bootleggers” sometimes sound like “Baptists” by using “Baptist” rhetoric to pursue their self-serving political aims.
4. The “low-cost wealth transfers” thesis: A small economic interest group (i.e., “Bootleggers”) can acquire a transfer of wealth from the general population at lower cost through a regulatory intervention that invokes “Baptist” appeals and that is monitored by “Baptists” (Yandle 1999, p. 5; Smith and Yandle 2014, p. 46).
5. The “persistence” thesis: durable regulatory arrangements can result from the stable coalitions of “Baptists” and “Bootleggers,” so that socially costly, anti-competitive regulations can persist over time (Yandle et al. 2008, p. 1225).

6. The “two prongs” thesis: neither ideology (including moral values and public-interest arguments) nor vested economic interests alone drive political change; it takes the confluence and interaction of both (Boettke and Clark 2020).

### 3. “BAPTISTS” IN THE REGULATION OF PROSTITUTION

B&B theory can be generalized to many other regulatory episodes well beyond politicking over restrictions on alcohol. “The B&B phenomenon is universal” (Dudley 2020, p. 139). The theory has been applied and extended to a wide variety of regulations, such as climate-change legislation, environmental regulations, and healthcare laws. Consequently, the “Bootlegger” and “Baptist” designations become a metaphor for a much more general phenomenon, and we use quotation marks to highlight the metaphorical, generalized use of these terms. “Baptists” and “Bootleggers” become monikers for two types of special interest groups that have nothing to do with Protestant evangelicals and illegal traffickers of illicit liquor.

In the generalized model, “Baptists” are a public-interest-minded interest group, whereas “Bootleggers” are an economic interest group (Yandle et al. 2008, p. 1225). When the term “Baptist” is used metaphorically, it does not imply “a religious motivation but rather group action driven by an avowed higher moral purpose or desire to serve the public interest” (Smith and Yandle 2014, p. 12). “Baptists” take an active role in seeking regulations that support the causes they endorse and that reinforce the values they hold dear. On the other hand, “Bootleggers” seek regulations that enhance their own personal economic gains. They give money and other resources to those in power in exchange for political favors. In its metaphorical use, “Bootlegging” does not imply any illegal behavior.

In the case of the regulation of prostitution in Spain in the sixteenth century, the “Baptists” included Catholic theologians, the clergy, and the School of Salamanca who supplied the credible moral foundation to justify the legalization of prostitution and the establishment of publicly licensed brothels (*mancebías*), provided that they were highly regulated.<sup>4</sup> Hence, religious authorities provided the moral framework to regulate prostitution. “Baptists” invoked broad moral principles to endorse the legalization of prostitution and regulatory output restrictions (rather than outright prohibition) of prostitution. The source of their moral arguments drew from the work of St. Augustine and St. Thomas Aquinas (Carpintero Benítez 2006; Dever 1996; Ponferrada 1990). In *De Regimine Principum* (On the Government of Rulers), originally written around 1300, portions of which are often attributed to Aquinas, Bartholomew of Lucca (1997, Book 4, Chapter 14, p. 254) paraphrases Augustine with vivid, pejorative language:

Thus, Augustine says that a whore acts in the world as the bilge in a ship or the sewer in a palace: “Remove the sewer, and you will fill the palace with a stench.” Similarly, concerning the bilge, he says: “Take away whores from the world, and you will fill it with sodomy.”

These arguments were taken up by the sixteenth- and seventeenth-century Spanish scholastics (i.e., the School of Salamanca), as well as the clergy in the Catholic church. Although they argued that prostitution is immoral, they proffered public-interest reasons for why legalized prostitution should be allowed under certain conditions. Legalized sex work in public brothels was defended as a “social prophylaxis” (Martin 2008, p. 15) that served the common good, whereas unregulated clandestine prostitution in cities was considered to threaten the stability of society. Spanish theologians argued that it was right to allow prostitutes because it avoided greater evils—much more serious vices, such as adultery, concubinage, sodomy, homosexuality, and incest (Martin 2008, p. 16). Invoking the authority of St. Augustine, they defended the new municipal laws regulating prostitution and the legal existence of public brothels by pointing to the general benefits to society, such as protecting the goodness and chastity of respectable women, the sanctity of monogamous marriage, family honour, and the purity of aristocratic bloodlines (Lacarra Lanz 2002, pp. 168-169, 183). In addition, some of the Spanish scholastics also argued that even though prostitution is immoral, it was worse to deprive women in abject poverty of an avenue to support themselves economically through sex work.

In addition, Spanish theologians held that prostitutes had a right to be paid for their work provided they charged a just price to their clients and no fraud was involved. Canonists also held that prostitutes should pay tithes to the Church out of their earnings. Since all rightful owners of their earnings should pay tithes, and prostitutes are indeed rightful owners of their earnings, it follows that prostitutes should also pay tithes.

Spanish theologians and moralists also provided moral cover for third parties to benefit economically from prostitution. They argued that it was licit for individuals and institutions (including the Church itself) to derive economic benefits from activities connected indirectly with prostitution:

Many theologians defended the earnings of secular authorities, institutions, and private individuals who owned brothels, arguing that leasing houses or *boticas* to prostitutes was a licit business approved by the monarchy. They justified the lucrative profits on the authority of Saint Augustine and Saint Thomas Aquinas. *They argued that the secular powers did not consent to the prostitutes' sins, but tolerated them for the common good.* For that reason, it was licit to gain money from leasing the prostitutes' houses, because the intent was not to offend God but to provide the women with living quarters ... They supported also the earnings made by brothel keepers, claiming that they were licit because prostitutes needed to be watched, protected, and kept in good health, for their own good, the well-being of their clients, and the social order. (Lacarra Lanz 2002, p. 185; emphasis added)

#### 4. "BOOTLEGGERS" IN THE REGULATION OF PROSTITUTION

"Bootleggers" sought regulations to protect and to enhance their incomes from officially licensed brothels by restricting competition from unlicensed prostitution in inns and taverns, as well as from freelance prostitution in alleys and private lodgings. The inns (*ventas*) and taverns were a fierce source of competition because they were ideal sites for prostitution to thrive as travelers (such as tradesmen, artisans, and cattlemen) were constantly passing through. Hence, given the economic interests of municipal authorities and the Spanish Crown, it is no surprise that both city ordinances and royal laws prohibited inn and tavern keepers from allowing pimps and prostitutes into their premises (Martin 2008, pp. 32-33). Nevertheless, in the late sixteenth century, illegal prostitution outside the authorized brothels flourished (Bullough and Bullough 1987, pp. 153-155). Incidentally, Maritornes, a young Asturian woman who works as a servant in Juan Palomeque's inn (Cervantes 1978, 1.16), is emblematic of the illegal clandestine sex workers who operated outside of public brothels. In spite of Palomeque's opposition, she occasionally offers sexual services to the travelers who stay in the inn. "She skirts the regulated boundaries that society has established" (Nadeau 1997, p. 11; see Martín 2006.)

So, who were the "Bootleggers"? "Bootleggers" comprised a very heterogeneous mix of powerful organizations and individuals who had overlapping economic interests in legalized prostitution:

1. the Spanish Crown, which benefited from royal tribute and a third of the fines imposed on prostitutes for breaking the rules;
2. urban aristocratic families who owned houses in the red-light district and earned money from leasing them out;
3. factions of noble lineages (*bandos nobiliarios*), such as the Guzmán and the Ponce de León families in Seville, who fought over the most lucrative official positions in the government of the cities;
4. municipal authorities, which exercised legal authority over brothels and received local tax receipts and a share of the fines paid by sex workers;
5. cathedral chapters and religious corporations who leased out houses where official brothels were located;

6. private brothel owners who had been granted the right to establish a brothel as a royal reward (Lacarra Lanz 2002, pp. 170, 181);
7. brothelkeepers, who rented or sold essential items, such as bed linen, to sex workers at high prices together with a burdensome credit system;
8. medical practitioners who certified the health of prostitutes on a regular basis;
9. and prostitutes, who occupied last place in the ranking as far as the receipt of earnings is concerned (Zapatero 1991, p. 99).

As well as establishing most of the legal rules governing brothels, municipal authorities, including mayors (*alcaldes*), aldermen (*regidores*), city magistrates (*corregidores*), and bailiffs (*algauciles*), also received significant economic benefits, both directly and indirectly, from the operation of public brothels (Lacarra Lanz 2002, pp. 174-176). The aldermen of a municipality leased out the rights to manage the entire complex of the public brothel to the chief brothelkeeper (*el regento*, or the so-called *padre de la mancebía*), who in turn recruited underlings to manage smaller numbers of prostitutes. It should be noted that these brothelkeepers were not strictly speaking pimps or go-betweens (*alcahuetes*), though it cannot be denied that they shared many features in common with them (Muñoz de la Nava Chacón 2011, p. 7485). In Pontevedra (Galicia) the exploitation of the public brothel was given in perpetuity to the mayor (*alcalde*) (Lacarra Lanz 2002, p. 180). Bailiffs (*alguaciles*) benefited from “partridge rights” (*derecho de perdices*) in exchange for giving protection to sex workers. “Partridge rights” were the tribute that prostitutes had to pay to the municipal authorities and the Crown in order to be able to exercise their profession (see Lacarra Lanz 2002, p. 181; Gómez Moreno 2000, pp. 91-92; Muñoz de la Nava Chacón 2011, p. 748). Bailiffs and judges often reaped economic benefits from legal and illegal charges imposed on prostitutes. All monetary penalties were divided equally among three parties: the royal chamber, the judge, and the accuser, typically a bailiff (Lacarra Lanz 2002, p. 182). No doubt senior bailiffs also received bribes for giving permission to sex workers to spend the night outside the licensed red-light district (Zapatero 1991, p. 99).

Some “Bootleggers” also masqueraded as “Baptists.” To use phraseology coined in a quite different context, these actors had “morality on their tongues” (Munger and Schaller 1997, p. 149) but profits on their minds. The institutions of the Catholic Church not only provided moral arguments to justify the foundation of official brothels (*mancebías*), but they also occupied a prominent place as owners of the premises for these brothels. “Bootleggers” in the church could covertly advance their own interests by using “Baptist” rhetoric to justify the church’s ownership of buildings in which brothels were housed and from which they derived rental income. (For an analysis of the medieval Roman Catholic church as an economic firm that engages in rent seeking, see Ekelund et al. 1996.) For example, in Seville, the cathedral chapter (*el cabildo catedralicio*) owned a group of houses that were divided into small living spaces for one person (*boticas*) where the prostitutes conducted their work (Moreno Mengíbar and Vázquez García 1997, p. 38). In addition, aldermen (*regidores*) were “Bootleggers” who posed as “Baptists” peddling public-interest moral arguments. Aldermen conveniently justified the legalization of prostitution by adopting the Church’s moral arguments. They insisted that confining sex workers to the public brothel and controlling them through the rules they issued served the common good by maintaining social order, keeping the neighborhood peaceful, and reducing violence (Gonzalo Sánchez-Molero 2006, p. 1973; Lacarra Lanz 2002, pp. 174-175).

The legalization of prostitution, and the erected legal barriers to unauthorized competition, created rents: it provided the opportunity for a reasonably secure and legitimate business enterprise, in which the urban aristocracy, including the clergy, did not hesitate to participate. In Valencia, the red-light district comprised a series of small houses which were owned by individuals, often prominent figures of the city. During the reign of Philip III (1598-1621), the Royal Treasury took, by way of taxes, a sizeable share of the funds that clients paid to the brothels (Gonzalo Sánchez-Molero 2006, p. 1973).

An illustration of the economic power of the “Bootleggers” is provided by Muñoz de la Nava Chacón (2011). Although red-light districts (*barrios de mancebía*) tended to be concentrated in a specific zone or an outlying area of a city, as was the case with the *Malvarrosa* in Valencia and the *Compás* in Seville, some

brothels found themselves located near city centers as a result of urban expansion or in sites considered inconvenient because of their proximity to religious institutions. This occurred in the case of the brothel in Logroño. In 1572, the Inquisition wrote to the municipal council protesting the proximity of a public brothel to the house of Penance of the Holy Office (*la Penitencia del Santo Oficio*) and asking that the brothel be relocated elsewhere. The fact that the council did not accede to the Inquisition's request illustrates the extent of political influence that "Bootleggers," such as brothel owners and administrators, were able to yield (Muñoz de la Nava Chacón 2011, p. 7485).

## 5. INTERACTIONS AMONG "BOOTLEGGERS" AND "BAPTISTS"

We have seen that the regulation of prostitution in the age of Cervantes reflected a coupling of high-minded moral values with narrow economic interests. The "Bootlegger/Baptist" coalition employed public-interest arguments linked to public morality, social order, and the defense of marriage in order to support the legalization and regulation of prostitution (sex work), which in turn yielded economic benefits to a wide range of "Bootleggers."

It should be noted that the political coalition between "Bootleggers" and "Baptists" did not have to be explicit or formal; it was most likely tacit. It was not necessary for the Crown, clergy, and municipal authorities to meet to strategize on how to form a political coalition to support legalized prostitution. By tacitly cooperating, the "Baptists" and "Bootleggers" were able to achieve political aims in the regulation of prostitution that neither group could have obtained by itself. In effect, there was an informal division of labor between "Bootleggers" and "Baptists," with members of each group doing what they do best (i.e., each performing the activity in which it has a comparative advantage). Drawing upon their reservoir of public credibility, the "Baptists" generated robust moral arguments for the legalization of prostitution and the regulation of public brothels. They framed the discourse about these interventions in the language of morality, religion, public health, and social order. Meantime, the "Bootleggers" provided economic resources for themselves, municipal authorities, and the monarchy, while cloaking their actions with public-interest adornment. The municipal authorities, the Crown, and official brothelkeepers were able to bolster the proceeds they gained from prostitution by reducing competition from unregulated brothels in the cities. "Thus, instead of responding to issues of public morality, increased legislation tacitly served to condone and possibly expand prostitution" (Martín 2008, p. 19).

In the language of game theory, we would say that "Bootleggers" and "Baptists" engaged in "team-reasoning" (Bacharach 2006)—they thought of themselves as members of a virtual or tacit coalition, adopting a "we-frame" in their reasoning and decision-making rather than adhering to a first-person singular focus (an "I-frame"). The formation of this curious political coalition of "Bootleggers" and "Baptists" arose from the pursuit of a common goal. They each recognized that the regulation of prostitution could only be brought about by coordination of their actions. In game-theoretic terms, "Bootleggers" and "Baptists" perceived that their decisions situations were strongly interdependent in that they could pursue their perceived *common interest* because each expected that together they had the causal capacity to bring the legalization and regulation of prostitution into fruition but *only* through an appropriate combination of actions in which each plays their part.

## 6. THE MONARCHY AS A HIGH-LEVEL COORDINATOR DURING THE COUNTER-REFORMATION

During the Counter-Reformation, the Crown passed royal decrees that prohibited all brothels, including those that had formerly been publicly licensed. But as a "Bootlegger," the monarchy did not necessarily want strong enforcement of this prohibition. The royal decrees of Philip IV (1623, 1632, 1661) prohibited public brothels and prostitution, but in practice "their effect was null" (Gonzalo Sánchez-Molero 2006, p. 1975). The prohibition of prostitution was "a legal fiction" because, owing to continued urban expansion and pop-

ulation increases, “prostitution continued to prove unstoppable: too many people had a stake in it” (Roberts 1992, p. 121). Violations of legal prohibitions continued to be commonplace because prostitution was so lucrative. We can speculate as to why this was the case by employing the logic developed by Moehring (1988, pp. 291-292). Weak enforcement of its laws enabled the Monarchy to appease the unorganized and ill-informed public at large and those religious quarters (including the Jesuits), who wanted outright prohibition of prostitution, while simultaneously satisfying its own interests and those of organized interest groups (the “Bootleggers”), who wanted no such prohibition. The Monarchy could then satisfy both groups by appearing to do one thing, while actually doing another. The Monarchy responded to the conflicting demand by showing a great deal of *de jure* moral concern (as a good “Baptist”), but in fact delivered little more than *de facto* neglect (as a good “Bootlegger”).

The Counter-Reformation involved high-level political actors (the Monarchy, the papacy) taking the initiative to forge alliances among economic interest groups and public-minded groups in pursuit of their own overarching political goals. By using a mission of rechristianization and moral reformation in the Spain of the Counter-Reformation, the Monarchy aimed to re-centralize its power in the face of the centrifugal forces that had been unleashed during the political crisis of the early medieval period. In particular, it sought to rein in the aristocratic factions (*los bandos nobiliarios*). These factions jockeyed for position, often resorting to physical violence, in the principal cities in the Iberian Peninsula in order to gain control of municipal institutions, including the publicly authorized brothels (see Díaz de Durana 2009; Mantel 2009; Ortega Cervigón 2007). Aristocratic factions had private armies made up of young men, accustomed to street combat, who were often drawn from the criminal ranks of ruffians (*rufianes*) and pimps associated with clandestine prostitution and illegal brothels. The *rufianes* often enjoyed the protection of bailiffs (*alguaciles*), who themselves belonged to one or other aristocratic faction (Moreno Mengíbar and Vázquez García 1997, p. 37). Stamping out illegal brothels would thus be a means to deprive ruffians of their livelihood.

Whereas most of the Salamancans were Dominicans and mainly followed Aquinas (himself a Dominican) in his treatment of prostitution, the new ideological stance on prostitution owed much more to the ascetic mentality emanating from the Council of Trent and the Company of Jesus (the Jesuits). In particular, the Jesuit scholars at the University of Coimbra (at that time part of the Spanish Monarchy, nowadays in Portugal) openly challenged the theoretical and moral arguments that had traditionally justified the existence of public brothels as a lesser evil. Their invectives against brothels relied more on the authority of St. Augustine and his negative stance on pleasures of the flesh in order to refute the alleged lawfulness (rightness) of public brothels (Moreno Mengíbar and Vázquez García 1997, p. 48). In this manner, the Jesuits (and the *Congregacion del Espíritu Santo* in Granada and Seville) provided the moral cover for the Monarchy to abolish brothels and thereby to control the various groups and aristocratic factions.

Their success was not just an ideological victory but also resulted from the weakening of economic power of those forces aligned with official brothels and regulated prostitution. At the end of the sixteenth century, the Spanish economy was in disarray, which impacted the prostitution business. Public brothels faced declining clientele and earnings fell. Prostitutes left the public brothels to work freelance in other parts of town where the returns were higher. By 1623, the year in which Philip IV proclaimed the royal decree abolishing prostitution, the public brothels in large cities were increasingly unoccupied. In Madrid, only fourteen women were working in the public red-light district a couple of years earlier (Lacarra Lanz 2002, p. 183).

## 7. CONCLUSION

This paper fills a gap in Graf’s account of political economy dynamics in Cervantes’s era by focusing upon the public-choice insights of Bruce Yandle. We speculate that Cervantes would find Yandle’s “Bootleggers and Baptists” notion congenial for several reasons. First, Yandle’s approach showcases the power of words—and especially the persuasive effects that language can have on a popular audience when it taps into “Baptist”



appeals and public-interest rhetoric. As Yandle (1999, p. 7) says, “rhetoric matters a lot in the world of politics” by facilitating the enactment of public policy initiatives that favor vested special interests. Second, Cervantes might also appreciate how Yandle knits together folksy tales and narratives into economic stories that are user-friendly and easily comprehensible to a wide readership. Like Cervantes, Yandle’s prose also evinces a sober worldliness and skeptical down-to-earthness that rejects romantic and utopian illusions of the nature of government and religious politics. Both writers are deeply suspicious of political authority and the coercive powers of the state. The protagonists in Yandle’s tales are neither saints nor demons but ordinary people with human failings. Just as Cervantes “refuses to polarize his characters as simply good or evil” (Nadeau 1997, p. 10), so too Yandle rejects an oversimplified dichotomy that partitions economic and political actors into two separate groups of either pure “Baptists” or pure “Bootleggers”: “We are all each at least a little bit Bootlegger, a little bit Baptist” (Smith and Yandle 2014, p. 134).

Third, Yandle’s story of “Baptists” and “Bootleggers” explores one of the enduring themes at the core of Cervantes’s novel: the relationship between appearance and reality, that is, the tension between what merely seems to be and what actually is. In particular, B&B theory shows how the details of regulation can be crafted to achieve all sorts of aims that give the public at large the impression, albeit false, that the only policy goal is to serve the “common good,” when in fact these regulations also very much cater to special interests and give powerful elites an opportunity to feather their own nest. Social groups that appear fundamentally unrelated and even adversarial may actually share a common interest, working in tandem with each other to pursue a joint political aim. Religion and politics are not disparate activities but are entangled: “religion is always a form of politics, and *vice versa*” (Graf 2021, p. 13).

Finally, Yandle’s approach reflects a multiperspectivism, which Cervantes would welcome. “Cervantes’s art is a game of perspectives,” Graf (2021, p. 2) tells us, and so too is Yandle’s account of the political economy of regulation. B&B theory invites us to adopt multiple viewpoints in trying to make sense of the rules that constrain and control human relationships in a complex society. It encourages us to consider the perspectives of moralists (“Baptists”), economic interest groups (“Bootleggers”), politicians holding public office, and the observing economist who analyzes the phenomenon under study.

## NOTES

- 1 *An important note on terminology:* we use the terms “prostitute” and “sex worker” as synonyms. Ditto for “prostitution” and “sex work.” By use of the term “prostitute,” we do not intend to convey any negative connotations of immorality or criminality. Although prostitutes may define their gender identity in a variety of ways, and sex work may entail a wide range of activities, our focus—like that of the late medieval historical record in Spain—is upon female prostitution involving male clients.
- 2 References to *Don Quijote* are by part, chapter, and page number.
- 3 The term “bootleg” has an interesting etymology. The “bootleg” refers to the upper part of the leg of a tall boot. In American English slang of the late nineteenth century, it came to refer to illegal liquor as a result of the practice of concealing a flask of liquor down the leg of each boot. <https://www.etymonline.com/word/bootleg> (accessed November 17th, 2021).
- 4 The irony of labeling Catholic theologians and clerics as “Baptists” (i.e., traditional adherents to the “heretical” tenets of the Protestant Reformation) would not be lost on Cervantes. Indeed, Graf (2021) himself suggests that Cervantes was a “proto-Protestant” (p. 11) who occasionally exhibits “Protestant sympathies” (p. 19) during some crucial “Protestant moments” (p. 18) of *Don Quijote*.

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