

Social Desirability Bias vs. Tourism

In the Yucatan, we stayed at several all-inclusive resorts. These resorts were a good fit for my family: When you're travelling in a Third World country with four kids during a pandemic, you want a convenient supply of abundant and tasty food – and enough variety to please each and every picky eater. (Me included). Since portions were smallish, we routinely ordered 12-15 dinners for dinner, all at zero marginal cost. At least in Mexican resorts, tips are appreciated but not expected.

Economically speaking, there's a straightforward win-win case for these Mexican resorts: Not only do they make the tourists happier; they make the Mexicans happier by providing them with better opportunities than they have elsewhere in the Mexican economy.

If you reconsider this verdict through the distorted lens of Social Desirability Bias, though, a radically different picture appears before your eyes. Once you forget economics, you could easily describe the resort experience in the following sordid way:

A bunch of rich foreigners show up in a poor country and take advantage of the locals' desperate poverty. The foreigners relax in the sun and stuff themselves on fried fish and castacan (mmm... castacan) while the poor Mexicans wait on them hand and foot. The Mexicans toil long hours for low pay while the rich foreigners cavalierly order margarita after margarita, tequila after tequila. The rich foreigners don't even bother to pick up after their fat, lazy selves: Every day, poor women of color clean their rooms and make their beds. Most of the foreigners treat the workers like inferiors, with a typical attitude somewhere between demanding and rude. Yet no matter how rude the guests may be, the impoverished workers are required to kiss up to the guests. Expressing warmest regards for foreigners who have never spent a single day in poverty is in the job description. And at the end of each meal, the workers can't even count on a tip.

Now suppose Mexican law prohibited such resorts, and you wanted to end the ban. Just imagine how easily the defenders of the status quo could demagogue! These resorts allow

rich foreigners to exploit poor Mexicans! They are an affront to decency! To dignity! Why should we let rich foreigners gorge themselves while innocent Mexican children go to bed hungry? Mexicans deserve good jobs, not this *basura*!

The result of this demagoguery, naturally, would be to prevent Mexicans from bettering their condition. “Bettering” – what a great concept! It captures the idea of improvement without falsely promising that the end result will be good in absolute terms.

The key economic point: Banning resorts saves no Mexican children from hunger. Banning resorts would rather *cause* Mexican children to be hungry, by depriving their parents of the best jobs they can get. The reason why Mexicans toil in all-inclusive resorts despite all the obvious drawbacks is that their other prospects are worse. Often much worse. Just talk to the guy desperately peddling straw hats on the beach.

At this point, it’s tempting to enthuse, “Let’s just have a dialogue about this.” The demagogues have their view; economists have theirs; let’s try to reach a consensus. To this, I once again say: “Dialogue? We don’t need no stinkin’ dialogue!” Dialogue hands Social Desirability Bias a massive home-field advantage. Far better to let observed choices prevail over mere words.

Still, how can rich foreign tourists be happy at their resorts? Truth be told, the vast majority are, like almost all human beings, selfish and oblivious. And that’s largely for the best. If the tourists’ consciences pained them, their main reaction would be to stay home, not come and tip generously. What about me? I may be just as selfish as the rest of the tourists, but since social science is my life, I can’t be oblivious to any social world around me. What keeps me feeling comfortable, honestly, is the faces of the workers. Even when they’re off-the-job, most of them seem quite content. While I wouldn’t want to have their jobs, the magic of *hedonic adaptation* allows even humble resort employees to feel pretty good about their lives. That’s not just psychological theory; it’s observed fact.

The broader lesson: As I tell my kids at a young age, many things in life *sound* bad but *are* good. Rich foreigners living it up in the Third World is one of those things.

And the list goes on and on and on.