

## The Public Functions of Parks and Protected Areas

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**Abstract:** Establishing and managing protected areas throughout the world usually have been considered a governmental function. However, recent conservative political thinking in many developed countries has challenged the role of the public sector on all fronts. In Australia, Britain, Canada, and the United States, government has been seen as a problem, while private enterprise is presented as the solution. Advocates of privatization argue that park services can be provided more efficiently under private management, and that the areas themselves will be better protected for future generations. Unfortunately, such a policy can foster elitism by preserving the benefits of parks and protected areas for the wealthy while ignoring the growing social inequality in many of these countries. In this paper, I examine the concepts that underlie privatization efforts, particularly economic efficiency. I suggest that there is a need to examine the different functions that parks and protected areas serve, and to ask if each function helps to differentiate between public and private. I argue that, in the final analysis, equality of access is the primary function of public-sector management of parks and that we need to examine our policies and practices to ensure that park benefits are distributed fairly throughout society.

### Introduction

The United States established its first national parks in the late 19<sup>th</sup> century. It was an idea that spread quickly, eventually leading to the development of a worldwide network of parks and protected areas. In western nations, the growth of this network was fostered by a progressive era ideology that dominated political thinking from the late 19<sup>th</sup> century to the middle of the 20<sup>th</sup> century. A primary characteristic of progressive ideology was a belief in the power and efficacy of government in all realms of life; an activist government was considered a positive force in molding the welfare of its citizenry. Parks in particular were considered to be a public function; their provision was one way in which governments could act to improve the lives and lots of ordinary citizens. As Robert Moses, New York's commissioner of Parks from 1934 to 1960, put it: "To argue for parks is to be on the side of the angels." (Caro 1975). Although private parks have always existed, and some wealthy individuals and private corporations have always had large landholdings, the reservation, protection and management of the vast majority of the world's wild lands and unique sites generally was considered to be a governmental (i.e., public) function lying well beyond the power of most individuals.

In the late 20<sup>th</sup> century, however, progressive era faith in the ability of governments to solve problems eroded. Globalization, immigration, and increasing levels of social inequality led to the development of a new neo-conservative ideology (Cassidy 1995),

while the collapse of Communism bolstered the case for market-driven economies. The public sector was seen as an inhibition on individual development, stifling initiative and creating needless bureaucracy. This new ideology, perhaps best symbolized by Margaret Thatcher in Britain and Ronald Reagan in the United States, emphasized the sanctity of the individual and his/her place in the market. Both business and governments began shifting responsibility to individuals, and the doctrine of market-based efficiency became paramount. Governments, it was argued, were inefficient and taxation was iniquitous, while business was efficient because it had to respond to market forces.

This shift in thinking had a profound impact throughout the public sector, including parks and protected areas. Parks and park agencies were easy targets for budget cutters (Morton 1997). Maintenance declined even as demand increased, and agencies' abilities to protect and manage additional lands were stretched. To adapt, many public agencies tried to become more business-like. Downsizing, outsourcing of functions, and even full privatization became common. Public agencies adopted marketing techniques, wrote business plans, and sought to generate revenues through fee collection, partnerships with private business, and philanthropic contributions. Some state/provincial governments even contemplated park closure.

These trends are ongoing and, at present, conservative thinking in many western developed nations reflects the belief that public lands in general, and

parks in particular, can be most effectively administered and maintained by market-driven private enterprise rather than the public sector (e.g., Leal & Fretwell 1997). To understand the changes that such thinking implies, we need to understand the assumptions that underlie it and the probable consequences that attend such a shift. We also need to enquire about the basis for the public sector and how public sector management differs from private sector management. Finally, if we are to retain a public sector role in the provision of park and protected area services, then we need to articulate a philosophy of the value of the public sector and public sector management. It is to these questions that this paper is devoted.

### Efficiency vs. Equality

The concept of economic efficiency is a central tenet in the debate over public vs. private. As the term is used by economists, efficiency is concerned with achieving an optimal allocation of scarce resources. With most goods and services, this is accomplished through markets where supply and demand are balanced in a complex system of pricing that sends signals to both producers and consumers. In fact, the market is said to be efficient because it balances supply and demand. For example, if a particular good or service costs \$20, you, as a consumer, will either buy it or not, based upon its value to you. Your decision, along with those of many others, signals the producer to make more, to raise or lower the price, and so forth. In this way, supply and demand are effectively balanced in the long run to achieve an optimum (efficient) allocation of resources.

Economic value is at the core of efficiency. Goods and services have value because they help people fulfill various goals and desires; for example, a shirt provides its wearer with warmth and style, while parks enable people to fulfill less tangible goals. To an economist, value is captured by a person's willingness to pay; presumably, the more important the goal, the more someone will be willing to pay to obtain the good or service. With limited resources, people must make choices, allocating their resources to the goods and services most important to them. In this way, the consumer is sovereign and the market ensures that scarce goods and services are allocated efficiently to those who value them most – who are most willing to pay. But, when government (the public sector) subsidize goods and services, the pricing system cannot operate and the resulting resource allocation becomes inefficient.

To illustrate, suppose two families want to visit a day-use park. To the first family, the visit is important, so they're willing to pay \$25 for it – the value they place upon it. To the second family, the experience is worth only \$10. If the price is set at \$15, then the first family will participate, while the second family will choose an alternative activity. This

ensures the park would be used only by families like the first – those who value it significantly. But if the government subsidizes the park, providing it at little or no cost, then both families will participate often, leading to overcrowding, site deterioration, and other undesirable consequences (Rosenthal et al. 1984). In this way, efficiency theorists argue that government interference in private markets creates inefficiencies that make everyone worse off. Privatization, they argue, is the solution and will make both the people and the lands better off. In the absence of immediate privatization, they encourage agencies to adopt the techniques and strategies of the private sector.

Unfortunately, in emphasizing people's willingness to pay, economic efficiency fails to consider differences in their *ability* to pay. Of necessity, a person's willingness to pay for something must be a function of their ability to pay for it, and in the past half-century, many western nations have experienced rapidly growing social inequality (Hurst 1998). In the United States, for example, the year of greatest income equality was 1968 (Jones & Weinberg 2000). From 1973 to 1993, income levels for the bottom 40% of American families declined in real terms so that today 85% of America's wealth is controlled by the top 10% of the population (Cassidy 1999). Consequently, it makes little sense to speak of the American middle class. Rather, as Cassidy (1995) puts it, the United States now comprises four economic groups that are suspicious of each other and of the future:

“At the top is an immensely wealthy elite which has never had it so good. At the bottom is an underclass, which is increasingly divorced from the rest of society. And in between these extremes there are, instead of a unified middle class, two distinct groups: an upper echelon of highly skilled, highly educated professionals who are doing pretty well, and a vast swath of unskilled and semi-skilled workers who are experiencing falling wages, stagnant or declining living standards, and increased economic uncertainty.” (Cassidy 1995, p. 18).

While the discontent sowed by these divisions provided fertile ground for the growth of the neo-conservative movement, there is also a growing recognition of the importance of equality. In 1975, Arthur Okun, a Nobel Laureate economist, pointed out that efficiency exists as a tradeoff with equality (Okun 1975): You can treat people efficiently or you can treat them equally, but you cannot do both at once. Okun suggests that efficiency emphasizes the differences between people while equality emphasizes their similarity. In the U. S., recent history has emphasized efficiency and individuality. However, equality also has a long-standing history, both generally in the area of human rights, and specifically in public land policy. In the 19<sup>th</sup> century, for example, Frederick Law Olmstead resisted the apologists of the aristocracy who believed that working people

were incapable of appreciating or being improved by natural scenery. Rather, Olmstead believed that parks were important to democracy itself and that all people should have access (Sax 1981). This theme continued in the 20<sup>th</sup> century as romantic preservationism gave way to a concern for more active recreation. To many, public lands and public parks still represent Olmstead's ideal of equality; they are the great Commons where all people are equal, where you and I both have comparable shares and comparable rights. Unfortunately, this ideal is vitiated by the growing emphasis on economic efficiency in public land allocation (More & Stevens 2000). To understand the balance between efficiency and equality, we need to look more closely at the public and its origins and interests.

### The Public and Its Interest

Why do we have “public” parks and protected areas? What does it mean for something to be a “public” resource? The American pragmatist philosopher John Dewey traced the origins of the public to the consequences of acts (Dewey 1927). In Dewey's view, all acts have consequences. When an act's consequences affect only those individuals who perform it, then the act is inherently private. So, if two people have a discussion or make an exchange, their action is private if nobody else is affected. However, most actions and transactions have external consequences that affect others, often in non-obvious ways. For example, as Adam Smith originally pointed out in *The Wealth of Nations*, we all have a better breakfast because of the principally private transactions of farmers, grocers, and butchers all acting in their own self-interest. Dewey recognizes that such private transactions have a social component because they do influence others beyond the immediate participants; many private acts are social in that their consequences contribute to the welfare of the community. According to Dewey:

“The line between public and private is to be drawn on the basis of extent and scope of the consequences of acts which are so important as to need control, whether by inhibition or promotion. The public consists of all those who are affected by the indirect consequences of transactions to such an extent that it is necessary to have their interests systematically cared for. Officials are those who take care of the interests thus affected.” (Dewey 1927, p. 15).

In sum, the public sector intervenes only when there are negative impacts that are sufficiently important to require control, or when the market fails to produce enough of a positive good so that government action is required to enhance production. Parks and protected areas obviously fall into the latter category. The key point is that government's task is to do what the private sector either cannot or will not. And in societies with substantial social ine-

quality, the social distribution of benefits is central to the public interest. For example, we have public schools, public libraries, and public health clinics because we believe that all children should receive at least some education, that it is desirable to encourage the distribution of books and other educational material, and that low-income people should have access to at least minimal healthcare. Almost certainly these goals would not be accomplished if we relied solely on private markets. In the past, public parks and recreation have been cast in the same mold (More 2002). For example, public playgrounds were created because the mothers of the playground movement wanted safe, stimulating, educational spaces that would keep children off the streets and they recognized that government action was required to achieve these goals (Cranz 1982, Taylor 1999). Similarly, the U.S. established public campgrounds to encourage citizens to explore America and its natural and cultural history.

The view of parks as public goods has been attacked by those who challenge the idea that recreation is socially necessary and who argue that the private sector could do a better, more efficient job of fulfilling public recreation demand if it did not face public-sector “competition” (see, for example, Beckwith 1981). For example, cities now have many private play spaces, reducing the need for public playgrounds, and the private campground industry is now a very effective supplier of camping experiences. Consequently, we must ask what today's public parks do that is different from what the private sector does. Are there things that a public agency can do that a private business cannot? Are there goals that a public university can accomplish that a private university cannot? Clearly, if the private sector can perform a task well then there is no need to have the public sector take action. What we must do, therefore, is to identify the public functions of parks and protected areas – those benefits that are not, and cannot be, provided by private companies. In other words, we must identify why and for who markets fail to understand when the public sector needs to step in to provide systematic enhancement.

Perhaps the most obvious example of market failure is with unique resources – there is only one Grand Canyon, Uluru, Machu Picchu, or Mt. Kenya. If these were operated privately (or quasi-privately according to market principles), their rarity would drive up the price, excluding low-income people. In standard economics, if the supply of something is limited and the demand is high, the market signals producers to expand production, and demand and supply eventually reach equilibrium. But the Grand Canyon, Uluru, Machu Picchu, and Mt. Kenya are not ordinary manufactured goods – their supply is fixed at one and is impossible to expand in any meaningful sense. The only reasonable alternative is to expand access, which can, in turn, raise a host of capacity questions. The economically efficient

solution would be to ration access by pricing. Pricing ensures that access would be allocated to the highest bidders – those most willing to pay. But, unfortunately, even small fees have a significant impact on accessibility (More & Stevens 2000), and to allocate by price is to allocate by social class. Pricing is particularly problematic in countries like Britain, Canada, and the United States, where social inequality is growing rapidly. If the preservation of parks and protected areas has a social objective related to public use, then allocating by price defeats it. If we believe, as did Olmstead and others in the early Progressive Movement, that sites of great natural beauty or cultural significance should be visited by all and not just by the wealthy, then efficiency is not a good criterion to use for allocation. Instead, fairness becomes the appropriate criterion and, following Okun (1975), we can argue that the major reason for public ownership is to allocate our scarce park resources equitably.

In the final analysis, then, we face a value judgment: Are the recreational benefits of parks sufficiently important to warrant their public provision, or should they be provided by the private sector? One major attempt to identify the benefits (functions) of parks and protected areas has come through the benefits research of B. L. Driver and his colleagues (see review by Driver & Bruns 1999). At present, they identify 104 specific types of benefits that research has attributed to leisure. These include 61 personal benefits (wellness, mood change, etc.), 24 social benefits (community satisfaction, social support, etc.) 8 economic benefits, and 12 environmental benefits. Most of these could be claimed as benefits of parks and protected areas as well. The problem is that many of them, if not all, could be created by the private sector with greater economic efficiency than could be achieved by the public sector. Put differently, the various benefits, though legitimate, do not differentiate between public and private. The core of the public/private problem lies not in the production of benefits, but in their distribution. The private sector can produce parks and their benefits, but not in sufficient quantities to meet the needs of a large proportion of the population. This is especially true of unique areas like the Grand Canyon.

The benefits of parks and protected areas extend well beyond recreation and leisure, of course. Robert Manning and his colleagues have identified ten different values served by parks and protected areas (Manning et al. 1999). These include recreation, aesthetics, ecological, therapeutic, economic, scientific/educational, historical/cultural, moral/ethical, spiritual, and intellectual values. Of these, people tend to place primary emphasis on the recreational, aesthetic, and ecological value of parks (Manning & More 2002). Yet other values (e.g., scientific), though not as salient to the public at large, may be equally valid. Again, the key question is whether or

not these values could be provided as effectively by the private sector as well as the public.

A third alternative set of functions can potentially be derived from the work on John Rawls (1971). In his monumental *Theory of Justice*, Rawls proposes (but does not develop) a theory of “primary goods.” Primary goods are defined as those things that every rational person is presumed to want in order to further his/her rational plan of life. These are of two kinds: natural primary goods are biologically endowed and include health and vigor, intelligence, and imagination, while social primary goods include rights and liberties, powers and opportunities, income and wealth, and self-respect. Parks and protected areas derive their importance from their relationship to the provision of these goods. Parks, for example, may play an important role in the provision of both individuals and public health. As before, however, the question remains if these primary goods could not be provided more efficiently by private firms rather than the public sector.

## Conclusion

In addressing the question of public versus private, it is not the benefits of parks and protected areas *per se* that matters, but rather their distribution throughout society. There is mounting evidence that the emphasis on economic efficiency and concomitant privatization supported by the New Right is exclusionary and has already shifted the benefits of public parks and protected areas away from the middle and lower classes toward the elite. While this may create some short-term economic gains, in the longer run such strategies can only be bad for lands and the agencies that manage them, and to love them they must access them. Preservation itself depends on the parks being relevant and important in the everyday lives of people from a broad spectrum of society. Over 20 years ago, Joseph Sax (1981) argued that national parks should be managed to entice people away from their comfortable homes and cars and into the natural world. Policies and programs designed to achieve economic efficiency militate against this goal. When access must be limited to ensure preservation, the appropriate role of the public sector is to guarantee that it is allocated fairly (equitably). If the benefits of parks and protected areas are shifted to the comfortably well off, it is doubtful that they will remain publicly necessary.

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