

WASO SOCIAL SCIENCE PROGRAM

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#58

PARK ECONOMICS TWO VIEWPOINTS

Don't drive businesses
away from the parks

Dollar figures route
for travelers this year

The economics of tourism
Park Service ski role
attuned to higher values

\$80 million said lost
from US parks' fees

**Can Marketing
Save The
National
Parks?**

Heritage project to
boost economy

Dollar Value Can't Be Placed
on Wilderness Areas

Parks are turning to promotions to
replace declining federal budgets



IN REPLY REFER TO:

United States Department of the Interior

NATIONAL PARK SERVICE

P.O. BOX 37127

WASHINGTON, D.C. 20013-7127



December 9, 1991

Memorandum

To: Park Superintendents

From: Assistant to the Director for Science and Technology

Subject: **PARK ECONOMICS: IT CUTS BOTH WAYS**

In briefing people about our social science program, I often note that economic issues are matters of great interest, and concern, to Superintendents. Recently, I have been emphasizing the many positive ways in which parks contribute to the economic health of local communities. But that is only part of the story. We also need to recognize that resource extraction and industrial development interests often see parks as economic liabilities, not economic assets. To them, our protection and preservation policies are perceived as unwelcome and unnecessary constraints on growth. Consider, for example, a special report published recently in the Knoxville Journal: "Saving the Smokys: A Struggle for Balance", with a descriptive subtitle, "Coal Boiler Sparks Environmental vs. Economics Debate". There are fundamental issues involved here, and they are tied up with the word "balance". Some willingly would have us soften or even abandon our resource protection mandate in order to accommodate or stimulate economic growth. For them, the word "balance" means to find some way to neutralize ecological or historic preservation controversies and environmental entanglements, but do so without jeopardizing commercial and industrial development objectives. They don't see a new facility's air or water emissions, for example, as contributing in any significant way to an overall pollution problem. Their time horizon is urgent and immediate. They have great difficulty worrying about cumulative effects, particularly if those effects occur incrementally over an extended period of time. Quality of life revolves more-or-less exclusively around economic growth, and somehow in some magic way automatically is enhanced by expanded commercialism. Unique sites reserved for solitude and beauty and contemplation can be viewed as wasted business opportunities, not as inspirational places to be preserved unimpaired for future generations. Growth-oriented interests often have difficulty accepting that scenic vistas are scarred by smokestacks or that pastoral scenes are diminished by billboards. Their priorities are elsewhere. The framework within which they perceive and evaluate benefits is circumscribed by the tangible results of a dollar-driven short-term bottom line. Parks too often become places to be exploited. The "thinning of the blood" concept is very real. "Pork-barrel politics" is both more descriptive and more pervasive than many would want to admit.

Industry-oriented development interests readily recognize the cash-flow impacts of park-related tourism. But at the same time, they frequently have difficulty accepting the rigid protection/preservation framework that the NPS believes is necessary in order to maintain the kinds of pristine environmental and ecological conditions required to sustain tourism over the long term. Within this development-oriented perspective, land ethics play a secondary role. The right of multiple use becomes a sort of preferential entitlement by reason of economic opportunity. For

development-oriented interests, the benefit side of the cost/benefit equation is restricted primarily to the economics of the profit and loss statement, as measured in terms of net earnings or jobs flowing from development initiatives. Tourism-related benefits of parks sometimes may be viewed as neutral or even negative contributions to the economics of an area if protection/preservation activities that support tourism are judged to detract from the economic opportunities that otherwise would be available to development.

To others who do not have a development orientation, protection and preservation of park resources is a desired, a sanctioned, and a legally-binding mandate. This mandate is not negotiable. There simply is neither room nor authority for "balancing" if that causes or contributes to irreversible damage of the resources. For this preservation-oriented group, the benefit side of the cost/benefit equation includes the economic impacts of tourism and the value of recreational opportunities, and additionally places substantive worth on the intrinsic values of resources, on amenity values, on experiential values, and on the contributions that parks make to people's lives, be they visitors or neighbors or residents of nearby communities. These are values that one must measure by sometimes complex and indirect techniques such as contingency valuation methods or by assessing willingness to pay. Certainly not an easy task, but clearly essential if one is to assess fairly the value of competing activities or opportunities.

In a sense then, what all this says is that parks legitimately can be seen as causing either a positive or a negative economic impact, depending on one's perspective. Development interests may see park policies and practices as adversely impacting economic opportunities available to them. And further, they often perceive the sphere of influence of parks to be expanding as Superintendents become increasingly concerned not only about activities immediately outside their borders, but concerned also about the long-range transport of pollutants that decreases visibility, kills vegetation, sterilizes lakes and diminishes the visitor experience. Within this development-oriented framework, parks can become part of an economic problem, not part of an economic solution. "Balancing" becomes a critical concept, and sometimes a source of serious controversy. In the eyes of those who seek to preserve traditional park values, expectations of compromise based on the potential for economic gain are totally unrealistic if "compromising" is perceived to mean that park protection and preservation objectives are negotiable and are to be accomplished as a matter of convenience and not as a requirement of law.

And so it is that park economics cuts both ways, and that Superintendents can get caught in the middle - - - on the one hand providing a wide range of long-term economic and societal benefits to local communities, but at the same time being perceived by some as an impediment to legitimate commercial and industrial development opportunities. The role that I would hope the social science program properly can play here is to provide the capability to carry out comprehensive economic analyses that help Superintendents and planners quantify the true value of parks, looking at the full spectrum of benefits that parks provide to visitors, to local communities, and to the public at large. These kinds of economic data need to be considered carefully when one compares the long-term pluses and minuses of

alternative land-use options. Economics can serve as a unique common denominator for placing an honest valuation on competing activities, particularly those that potentially can occur outside park boundaries. This in itself is reason to be genuinely interested, and concerned, about all aspects of the economics of parks.

A handwritten signature in black ink, appearing to read "Richard H. Briceland". The signature is written in a cursive, flowing style with some overlapping letters.

Richard H. Briceland