From Public to Private: Five Concepts of Park Management and Their Consequences

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Introduction

The privatization of public resources has been underway in the United States for the past 30 years. Privatization is best understood as a multi-dimensional process that can exist in varying degrees (Crompton 1998). The goal of this paper is to set the privatization process within an historical context, outlining alternative models for the management of public lands, and evaluating some of the consequences of the shift towards privatization. I conclude that many current management policies such as the user fee program and public-private partnerships are simply steps on the road to privatization and that a renewed appreciation of the social role of public land management agencies is essential to preserve the conservation gains of the two previous centuries.

The historical context for privatization

On September 20, 1870, Nathaniel Pitt Langford, a leader of the second Yellowstone expedition, wrote in his diary: “Last night, and also this morning in camp, the entire party had a rather unusual discussion. The proposition was made by some member that we utilize the result of our exploration by taking up quarter sections of land at the most prominent points of interest,” specifically, those that “would eventually become a source of great profit to the owners.” Yet Cornelius Hedges declared “that he did not approve of any of these plans—that there ought to be no private ownership of any portion of that region, but that the whole of it ought to be set aside as a great National Park, and that each one of us ought to make an effort to have this accomplished” (quoted in Runte 1997: 41).

That was a radical suggestion for 1870. Late 19th-century American culture was dominated by a spirit of extreme individualism (Dustin et al. 2004). As the country moved westward, the settlement and private development of the public domain was a primary goal of public policy. Americans viewed themselves as rugged individualists and 19th-century governments tended to be limited in scope; few would have foreseen the development of (or need for) the network of preserved public lands that arose in the 20th century. Yet seeds of change were in the wind. American intellectuals in the East were disturbed by the looting of Southwestern Indian ruins and pressed for preservation through government action (Dustin et al. 2004). The pressure they exerted on Congress resulted in the Antiquities Act of 1906, which gave president Theodore Roosevelt the preservation mechanism he needed. Characteristically, Roosevelt acted immediately and with vigor, preserving multiple national monu-
ments and nearly tripling the size of the national park system (Runte 1997). He was able to do so, at least in part, because he embodied the new spirit of progressivism—the belief that educated intellectuals should take responsibility for the direction of society through an activist government (Dustin et al. 2004). The era of progressivism (running roughly from 1890 to 1929) established the foundational role of government in many aspects of American life, including parks and conservation. Roosevelt, the movement’s guiding spirit, had earned his reputation fighting the corporations of the time, especially Standard Oil; he believed that big business was important, but felt it needed to be balanced by labor and government. Government’s role in conservation was clear: its duty was to halt the rapacious use of resources—the “slash and burn” policies—that characterized the late 19th century, while ushering in a new era of “scientific” conservation.

This pro-government sentiment was seminal to the conservation of parks at all levels of government, and some of our greatest national parks and monuments trace their origins to this period. The government’s role in conservation was further solidified during the Great Depression when public works projects designed to provide jobs focused on improving public parks, and over 20,000 projects were completed across the U.S. (Steiner 1972). Many state park systems were founded in this era. World War II required massive governmental efforts, and the success of the war effort and subsequent reconstruction programs confirmed government’s effectiveness. By 1950, the country was becoming increasingly middle class, although the new wealth was unevenly distributed and millions of minorities had no share in it (Patterson 1996). Generally, however, people were optimistic and public attitudes about government and its employees were positive.

Outdoor recreation boomed in the post-war era. Newfound wealth and leisure, coupled with transportation advances, encouraged Americans to get on the road and visit the natural and historic wonders of which they had heard so much. To many, national parks, monuments, and historic sites embodied the quintessence of the American spirit (Runte 1997), and the people who ran them were considered dedicated civil servants.

But attitudes about government began to change in the 1970s as Americans’ incomes started declining, particularly among the middle class and below (Cassidy 1995). Many economists attributed the declines to factors such as globalization, waning labor influence, technological advances, and immigration. The public, however, was encouraged to blame government and government agencies. Lyndon Johnson, the last great liberal president, left office in 1968 to be followed by a series of more or less conservative presidents who saw their mission to either control or reduce the size of government. Intellectually these changes were rationalized by the development of a new “neo-conservatism,” or libertarian political philosophy, that argued that public programs and agencies were the source of America’s problems rather than the solution because they interfered with the efficient operation of the free market (e.g., Nozick 1974). Libertarian, market-based thinking gained strength as capitalism replaced the planned economies of the Soviet Union at the end of the Cold War, and the accompanying rhetoric transformed civil servants into bureaucrats, dedication to mission into inflexibility, and proper,
methodical procedure into red tape. In consequence, today’s attitudes about government agencies, civil servants, and even public parks seem a world apart from those of a mere half-century ago.

Privatization—the shift away from direct government provision of goods and services—has been a central tenet of the neo-conservative ideology, so it is important to understand its intellectual underpinnings. Throughout history, societies have used various methods to distribute goods and services: despots could act capriciously, rewarding favorites or relatives; socialist societies provided rewards to all without recognition of the productive contribution of individuals. But under capitalism, private markets are thought to be superior because they preserve significant freedoms: under a market system you can sell your labor, pick your own job, and buy only what you want to buy (Okun 1975). Only competition—Adam Smith’s “Invisible Hand”—guides the system. In sharp contrast to the progressive ideal of guiding society through intelligent, informed choice, the market itself represents a sort of blunt force; it is the amalgamated preferences of millions of separate individuals making presumably self-interested decisions. The Invisible Hand works because the desire for profit creates a natural incentive for producers to respond to shifting public demand through innovation and efficiency. Competition ensures that inefficient or unresponsive producers are weeded out naturally, so that resources are channeled away from unproductive uses towards more valuable ones (Okun 1975). But, when government interferes with the market, artificially supporting some activities or restricting others, it creates inefficiencies that result in less than optimal resource allocation (Rosenthal et al. 1984).

That, in theory at least, is the case for the market, and it has had a profound effect on policy throughout the public sector. In park and recreation management, Crompton (1998) identified four factors stimulating the growing interest in privatization. First, direct service provision by public agencies became seen as costly and inefficient. Typically, two-thirds of an agency’s budget is devoted to salaries and benefits. Many employees have long-term tenure, limiting the agency’s ability to respond to shifting public demand. Flexibility also is limited by agency mandates and regulations necessary to ensure public accountability for funding; private firms lack such restrictions.

Second, political thinking converged. Conservatives who wanted smaller government believed public agencies were costly and inefficient. Liberals found agencies to be bureaucratic and wanted better funding and service delivery for parks. Both groups thought privatization could achieve their objectives.

Third, direct service provision by public agencies can be monopolistic, and monopolies have inherent inefficiencies. For example, monopolies lack incentives to be responsive to clients or to innovate. Privatization injects competition to promote innovation, efficiency, and responsiveness to changing demand.

Lastly, the need for a service can be distinguished from its production. A public agency can provide funding, but may contract with private firms for actual service production. Many natural resource management agencies in the United States, Canada, Australia, and elsewhere now contract out for maintenance service, facility operation, interpretive and educational services, etc. Contracting out enables periodic review of
performance, and contract changes if necessary.

In sum, privatization proponents suggest that competition promotes efficiency, innovation, and responsiveness to changing public preference. Over the past several decades, these arguments have had a profound effect on the management of public parks throughout the United States, particularly in terms of budget. Acadia National Park provides an interesting example. According to Acadia’s business plan, prepared in 2001 (on-line at www.nps.gov/acad/pdf/bizplan.pdf), the park’s funding has increased steadily since 1980, but not nearly enough to keep pace with inflation, increased visitation, added programs and mandates, and the park’s increasing complexity. The result has been a dramatic, and ongoing, budget shortfall. In 2000, for example, regular appropriated revenues accounted for only 55% of the park’s operating budget—the remainder needed to be made up from alternative sources including user fees, donations, and special appropriations.

Unfortunately, Acadia typifies the plight of park management agencies at all governmental levels. Faced with stagnant or declining appropriations, and having the ideology of the private sector held up as exemplary, agencies evolved various coping strategies. These strategies included greater reliance on business techniques, including developing business plans, marketing, pricing (user fees), customer-oriented ideologies, etc. As Crompton (1998) makes clear, however, privatization is actually a process rather than a single one-time change. It can range from simple changes such as the adoption of the business vocabulary (e.g., “customer service”) to complete “load shedding”—the actual transfer of lands or programs to private organizations. In the following section, I outline five alternative management models ranging from fully public to fully private. Given the prevalence of pressures for privatization, it is important to understand the costs and benefits of each.

**Five management models for parks and protected areas**

From the preceding discussion we can abstract five alternative models for the management of parks and recreation areas, each with its own advantages and disadvantages. First, at one end of the public–private spectrum, is the fully public model. Under this model, park management is considered to be a legitimate governmental function that should be fully funded through taxes. Decision-making is the responsibility of agency personnel but occurs with substantial public involvement, is subject to legislative oversight, and transparency is legally required. Agency finances also are open to public scrutiny. Criticisms of the public model have been that it requires non-users of park services to pay through taxes, and that bureaucrats lack incentives to control costs and are not quick to respond to changing public demand. But its major advantages include having the parks available for use by all the public at little or no direct cost, inclusive decision-making, and the ability to undertake non-economic (unprofitable) goals such as the preservation of biodiversity or ecosystem integrity.

Second, public parks could operate like public utilities, such as water, gas, or electricity, in which users pay some (or all) of the costs (Quinn 2002). Public oversight and management is required as in the fully public model; making the parks financially self-sustaining is a primary goal so non-
users have no tax burden. Some also argue that fees increase efficiency by making managers more responsive to park users/customers and their needs, while making the agencies more fiscally accountable. Fees have other effects as well. For example, they can redistribute use both across time and over areas, and their careful application may help relieve crowding and reduce damage on over-used sites. But fees are socially regressive, discouraging use among lower-income people much more than among upper-income people (More and Stevens 2000). As fees rise, the remaining public money simply subsidizes the already comfortably well-off; fees sap the social importance of parks. Moreover, most public utilities use fees to promote conservation—electricity is priced because we want people to turn off the lights when they leave the room to conserve finite resources like oil, coal, or gas. But, except in certain specific locations, outdoor recreation is not nearly as finite as these resources, and there is little need to conserve in the same way. My use generally leaves the area unchanged and does little to affect your use on the next day. In fact, we have typically considered participation desirable: people should be encouraged to explore the natural world or our great historic sites. Fees also increase pressures for facility development (Sax 1981; More et al. 1996) and may lead to increased commercialization. Is it necessarily good to have managers completely responsive to changing public demand, especially when the goal is preservation rather than development? Could following the market and the whims of changing public tastes result in over-development? Finally, depending on fee revenues can leave parks vulnerable to market fluctuations, such as when a decline in visitation in summer 2003 left Acadia National Park with a severe deficit that reduced summer staff and created greater maintenance delays.

Outsourcing is a third management model, one that differentiates between the need for a service and its production (Crompton 1998). The public sector provides funding, but private firms compete for production rights. This competition helps keep costs low and maintains flexibility through periodic contract review. Careful outsourcing adds flexibility by minimizing the need for public employees and reducing the amount of an agency’s budget devoted to salaries and wages. It may, however, increase the number of people needed for contracting and oversight. Moreover, private contractors must make a profit in addition to paying labor salaries and benefits. Profit is not a requirement in the public system so that paying it can raise the total provision cost. In general, outsourcing strikes me as being a “sharp pencil” problem—one requiring careful calculation to determine if there will be a significant savings to the public. Outsourcing may offer agencies some short-term savings, but its long-term consequences are uncertain. Private contractors often rely on low-wage employees and pay fewer benefits than does government, an arrangement that may result in significant long-term social costs (Conlin and Bernstein 2004).

The fourth management model is private ownership of parks and protected areas by not-for-profit organizations such as The Nature Conservancy, the National Audubon Society, or other state and local groups. This model, preferred by libertarians (e.g., Grewell 2004), relies on like-minded individuals to band together to purchase areas of interest to themselves. Since the public sector has no inherent role, non-users have
no tax burden. Significant amounts of land have been preserved under this model; The Nature Conservancy, for example, has nearly 1 million members and protects over 100 million acres of land worldwide (TNC 2005). There also are successful public–private partnerships in which the more flexible not-for-profits have purchased land as it became available on the open market, preserving it until the government obtains the required appropriations and authorities for acquisition. But the extent of such activity is unclear and scarcity can raise the price of many of the most unique sites, making them unaffordable to all but the wealthiest organizations. Since these organizations must be financially self-sustaining, the costs must be borne primarily by their members or from charitable contributions. While they do not require tax funding, not-for-profits seem to have an omnipresent need to raise money, leaving them vulnerable to economic fluctuations, especially if they compete with one another. In consequence, some have developed close ties with industry and the potential for commercialization needs to be carefully watched. Some critics have suggested that large U.S. conservation organizations have become as corporate as industry itself and can be reluctant to take strong positions on conservation issues for fear of offending potential donors (Frome 2004). Alternatively, some organizations may take extreme positions to attract membership. In either instance, the goal may be more to enhance the conservation organization rather than to promote effective solutions to problems. For example, wilderness advocate Michael Frome (2004) argues that the forefront of today’s wilderness conservation efforts is to be found in grassroots organizations rather than in the larger, more corporate not-for-profits. Finally, while most not-for-profits seem to operate forthrightly, they are not necessarily subject to the same transparency required of government agencies.

The fifth management model is fully private, in which individual firms purchase and operate natural areas on a for-profit basis. The principal advantages of this model are its efficiency and lack of tax burden. But it is interesting to speculate how much land could be preserved if this system were fully adopted. Since private markets are efficient, only those areas capable of producing profit would remain. There are some natural areas like this; they tend to be small, intriguing or spectacular places where access is easily controlled, and those not willing to pay can be excluded. Indeed, the ability to exclude is essential to privatization; profit depends on excluding anyone not willing or able to pay the price. And, while such areas may preserve a specific natural or historic feature, they also can be highly commercial with shops, restaurants, and other focal points to enhance profit. Sometimes larger areas can be preserved as well. In Canada, for example, one hotel corporation advertises a “wilderness experience” at one of North America’s largest and longest established private reserves. But access is expensive, and the resort is developed for four-season recreation activities. In sum, full privatization provides all the efficiency of the market with no cost to the taxpayer. However, it is likely to focus only on those areas capable of making a profit, while ignoring factors like ecological integrity and public access, and there are no guarantees against future development or alternative uses as the market dictates.

Conclusion: The road to privatization

The models outlined above are abstrac-
tions; each could be presented in much greater detail (cf. Quinn 2002). Collectively, however, they suggest that the privatization of public lands is actually a complex process—a series of small changes that may eventually lead to a major change. The complete transfer of lands and programs from the public sector to the private sector is only the final step.

Consider for a moment the original vision of Cornelius Hedges and others on Langford’s Yellowstone expedition. The difference between their vision and today’s practices and rhetoric is profound. The members of Langford’s expedition explicitly rejected the ideas of profit and private ownership; Yellowstone, they believed, was simply too important to be left to the private sector—it needed to be public in the most profound way possible. Of course Yellowstone, Yosemite, and other parks have been cleverly exploited for private profit in multiple ways over the years (Runte 1997), but they have remained firmly entrenched in the public’s mind as belonging to the public in the way that Hedges and Langford intended. Such thinking represents a significant challenge for today’s privatization advocates: how can the public be shifted from an ideal of parks as fully public to one in which they are operated increasingly under a market-driven, private system? The answer, of course, is a series of intermediate steps—user fees, public–private partnerships, the use of the business vocabulary, the development of (and increasing reliance upon) “friends” groups, etc.—each of which moves the parks a bit further from the fully public model towards the private. After each step, the public has been given a chance to adapt—to get used to the idea. And each step has had vigorous advocates ranging from liberals who want better funding for parks to conservatives who want smaller government. Managers and agencies are central to this process. In the past, the agency managers, starved for budgets, have argued vigorously in favor of such programs. Yet, by now, the direction of the changes must be clear. It is certainly possible to advocate for further privatization of public lands, but agency managers must do so with a clear understanding of the consequences of such changes—of where they are leading. Should public agencies advocate increased fees? Should they help form “friends” groups to undertake maintenance tasks for which no public funding is available? Should agencies encourage private operators to provide services that they can no longer afford to provide?

Ultimately, of course, we must decide if these changes are good, and the best way to do so is by focusing on the consequences. A fully private market system allocates goods and services such as parks on the basis of people’s willingness to pay: The more you are willing to pay, the greater your access. Unfortunately, willingness to pay makes no provision for the ability to pay, and, as wealth has concentrated over the past 30 years, marked differences in people’s ability to pay have emerged (Hurst 1998). Working-class families are struggling while wealthy families are doing well, and this presents a problem in the allocation of public goods. After all, the reason that the public sector (and public agencies) exists is to accomplish things that the market cannot. The market emphasizes the differences between people—people with innate talents, good health and vigor, or inherited wealth get more than people without those advantages. The public sector, by contrast, emphasizes what we share in common, jointly, together. Both perspectives have a
long history in American culture. We tell our children to work hard to get ahead (of their peers). But we also tell them that everyone is created equal so that, on public land at least, there is no need to tip your hat to anyone—you are an owner, not a customer. So in the last analysis, the choice between competing models of park policy depends on the kind of society we choose to be—something each of us must decide individually.

For my part, I personally believe that a case can be made for either the fully public model or one of the two private models (not-for-profit and for profit), but I have difficulty with the public utility and outsourcing models. These models encourage public agencies to act like private firms and such arrangements tend to enhance agency interests while preserving inefficiencies at the expense of middle- and working-class Americans. User fees clearly favor the wealthy at the expense of low-income people, partnerships can create undue influences in public management, and the business language shifts the conception of management away from the public and towards the private. Personally, I oppose the privatization of public parks, and I believe that we need more, rather than fewer, protected areas. I can accept the full privatization of parks, but only if we as a society are willing to admit that participation and visitation are just a simple matter of consumer preference—that choosing to visit Yellowstone, Yosemite, or Lincoln’s boyhood home is little different from choosing a television or deciding to have potato chips for lunch. Unfortunately, this is an assumption that I, for one, am not willing to make. I continue to believe that walks in the woods, days at the beach, and sunsets are good for people both as individuals and families, and that the appreciation they generate will ultimately be good for the land itself. Even more importantly, I agree with Runte (1997) that public lands and historic sites continue to be constitutive of our national identity so that visitation should be encouraged rather than discouraged. Consequently, I believe that public provision of parks is both appropriate and desirable and I intend to keep working towards the ideal of fully public park ownership that Cornelius Hedges and William Langford articulated 135 years ago.

References
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