1. Introduction

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Our images of rural areas are still dominated by pastures, working forests being actively harvested and mountainous landscapes dotted with mines. For much of the past century, rural communities have struggled with population and employment loss, high rates of poverty and a paucity of financial resources to provide basic services to residents. Improvements in technology, transportation and communication systems promised to improve the quality of life for rural residents, but the primary beneficiaries have been communities on the urban fringe. Technological change has reduced demand for workers and producers, especially in forest products and agricultural commodities.

Not all rural communities are facing these pressures, however. Many communities are experiencing high rates of population, income and employment growth. Most of these communities are heavily endowed with natural amenities. Rather than extracting natural resources for external markets, these communities have begun to build economies based on promoting environmental quality. This shift in rural economies from extraction of natural resources to promotion of natural and cultural amenities is apparent throughout Europe and North America.

Amenities can be broadly defined as qualities of a region that make it an attractive place to live and work (Power 1988, p. 142). In many cases, amenities are immobile, nonsubstitutable and provide direct and/or indirect benefits to people. Examples include such things natural or wildlife areas and parks, but they would also include historic buildings and sites and cultural settlements (such as Amish communities). Amenities, however, include a wide range of attributes that are potentially shaped, and possibly even produced, through human action. Recreation areas typically are highly influenced by public policy and markets.

For the most part, amenities represent assets that are not effectively regulated by markets. There are a number of problems in establishing the commodity character of amenities. The supply of them cannot be easily increased, while the demand grows significantly with development. In many

cases amenities are public goods and it is difficult to make users pay to benefit from these resources. For example, it is difficult to charge people who derive benefits from a rural landscape. Many of the beneficiaries of the promotion of amenities may live in urban areas, while most of the costs associated with this development are borne by residents in rural areas.

Many rural communities are able to capture the economic benefits of their amenities by promoting strategies that build on these resources. Demographers have recently documented that rural areas dependent upon recreation as a source of jobs have experienced higher rates of in-migration than other rural areas (Johnson and Beale 1998). Economists have also found that natural and recreation-related amenities contribute to job growth as well (Deller et al. 2001). There continues to be some debate whether amenities directly contribute to job growth or indirectly through in-migration. In a review on this topic, Gottlieb (1994) concludes that there is little evidence that amenities directly induce employment growth. Instead, amenities attract in-migrants who demand additional goods and services, thereby creating new job opportunities.

We do not have a very good understanding of amenity-led growth. There are several questions that need to be addressed. One question concerns the impacts of growth on amenities. At what point does population and employment growth threaten the amenity base of the community? How well do communities manage amenity-led growth efforts? Does amenity-led growth face real limits? Will this growth consume and destroy the amenities that fostered the growth? What policy tools work best in these settings? Given the regional nature of most amenities, is it possible to coordinate management across multiple jurisdictions? Do local policies work better than state or federal policies?

Second, what are the effects of maintaining the amenity base on job and population growth? Do efforts to manage amenities affect the rate or character of growth? Are there successful models that mix extraction of natural resources with maintenance of the amenity base of the community? The European policies promoting multifunctionality attempt to address these concerns (Knickel and Renting 2000).

Third, can the lack of growth threaten the amenity base? Maintaining the quality of amenities may require fiscal resources only available through local growth. Managing natural or wildlife areas may require resources that are not available at the local level. Who pays for this management? How effective are communities in securing external resources to maintain their amenity base? Many of the beneficiaries are urban residents who do not pay for the real costs of maintaining these amenities. Beale and Johnson (1998) note that many local governments face financial pressures in providing the infrastructure for recreation and tourism. These communities

tend to become dependent on recreation spending and have higher than normal costs for highways and sewerage/water systems. Yet another study of the fiscal impacts of recreational housing development found that this type of development more than paid for itself when considering contributions to the tax base compared to the demand for local services (Deller et al. 1997).

Fourth, we need a better understanding of the long-term impacts of amenity-led development on social equity. Much of the literature on tourism has emphasized the seasonal and part-time nature of the employment in this sector and has raised questions about its contribution to income inequality in these regions (Leatherman and Marcouiller 1999). Jobs in the tourism and recreation sector tend to be low-wage, low-skilled and offer few benefits or opportunities for mobility. Is it possible for amenity-led growth to create high-wage, high-skilled jobs and increased diversification of the regional economy?

Finally, to better understand the role of amenities in rural development we need to clarify the conceptual meaning of amenities and ways of measuring their impacts on communities. How do we measure amenities? Natural amenities tend to be intangible things such as environmental quality or scenic views, where markets are not clearly defined. We also lack a clear understanding of how local and state policies help communities to manage their amenities. What are the ultimate outcomes we are concerned with in amenity-led development?

The chapters in this book are based from papers presented at a conference on Amenities and Rural Development, which was held in Madison, Wisconsin in the summer of 2004. We solicited papers from scholars working in this area from a variety of disciplines (economics, sociology, planning and geography) and from different countries. We organized the conference around three basic themes: (1) theoretical issues related to the concept of amenities, especially with regard to the supply of and demand for amenities; (2) methodological and empirical issues related to measuring the impact of amenities on development; and (3) policy issues related to amenity-led development.

In the first several chapters, authors discuss several issues related to the supply of and demand for amenities in rural areas. Dave Marcouiller and Greg Clendenning explore the conceptual issues related to the compatibility of amenity resources with jointly produced market-based natural resource outputs. Jean-Eudes Beuret and Marie-Christine Kovacshazy focus on how to restore market coordination between providers and beneficiaries of amenities in rural Europe. Jacqueline Candau, Philippe Deuffic, Sylvie Ferrari, Nathalie Lewis and Mbolatiana Rambonilaza discuss equity issues related to French policies used to maintain amenities

in agricultural areas. In his overview article, Michael Thomas Power turns economic base theory on its head and discusses how amenities can form the economic base of regions.

Authors in the second set of chapters explore a variety of ways of measuring the social and economic impacts of amenities on growth and development. The chapter by Martin Shields, Stephan Goetz and Quiyan Wang examines the relationship between amenities and migration. They find that natural amenities do not have as strong an effect on out-migration decisions as do labor market conditions and earnings differentials. W. Richard Goe and Gary Green assess the relationship between the level of amenities and change in population, employment and income across nonmetropolitan labor markets areas in the US from 1980 to 2000. They find important differences among the outcomes in the types of amenities that are examined. Warm weather, outdoor recreation amenities have the most robust relationship with the absolute well-being of nonmetropolitan regions. Christy Dearien, Gundars Rudzitis and John Hintz examine the issues of migration and rural development in the amenity regions of the Northwest US. Their analysis shows that place attachment is a key factor in explaining migration decisions in amenity regions of the region. Steven Deller and his colleagues use a Bayesian approach to examining the effects of amenities on regional economic growth. They find that amenities are strongly related to income growth. J.C. Dissart and Dave Marcouiller consider the effects of recreation facilities on rural economic growth. They do not find strong evidence that recreational facilities are related to income growth, net of the effect of natural amenities and other characteristics of the region. Ken Johnson and Susan Stewart examine the role of recreation and amenity migration in urban proximate areas. Proximity to urban populations shapes the supply of natural amenities, as well as the efforts to manage them. Richard Stedman and his colleagues use photography as a tool for understanding attachment to high-amenity places. They demonstrate how the social aspects of community are intimately tied to the natural components of these amenity areas. Greg Clendenning and Donald Field examine the differences between seasonal and permanent residents in their sense of community in a high-amenity region. They find that the conflicts between these two groups over amenity use tend to decline over time.

Several chapters address the policy challenges of amenity-led development. Michael Smith and Lisa Spadoni evaluate the effectiveness of land-use planning policies in the amenity-rich regions in the Rocky Mountains of the United States. They find little consensus among residents and officials regarding the effectiveness of tools to manage population growth. The most effective land use planning tools involved comprehensive plans, zoning and the purchase of property or development rights. Dana Jensen

and Donald Field discuss how landowner attitudes affect growth management efforts in Northwestern Wisconsin. They emphasize the importance of planning efforts that build consensus as the most effective way to manage amenities. Eric Olson looks at some of the dilemmas regarding localism as a strategy for protecting natural resources. He concludes that we should use different planning approaches in rural areas to manage natural amenities than we do in urban settings. Finally, Karlheinz Knickel and Sarah Peter examine recent policy initiatives in Germany to promote amenity-led development. They focus on the Regional Action – Rural Areas Shaping the Future Pilot Program in Germany. This program encourages regions to promote integrated rural development projects that recognize the multifunctionality of agriculture and the interconnectedness between agricultural and rural development. Joan Brehm summarizes some of the policy challenges facing amenity regions. We close the book with an overview of some of the research issues identified by the conference participants.

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