The establishment and management of protected areas throughout the world usually have been considered to be a governmental (or public) function. Recently, however, 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, guided by Adam Smith’s “invisible hand,” is presented as the solution. Advocates of privatization argue that visitors to national parks and other protected areas can be served more efficiently and at a lower cost if the areas are privately managed, and that the areas themselves will be better protected for future generations. Following such thinking, many agencies now seek self-funding through user fees, corporate sponsorship, merchandizing, and marketing. And many visitor services have been outsourced, turned over to concession management, or even privatized altogether. Unfortunately, such policies, while perhaps serving short term agency interests, can be exclusionary, fostering elitism by preserving the benefits of parks and protected areas for the comfortably well off and ignoring the rapid growth of social inequality that many of these countries have experienced.

At the core of this problem lies a failure to understand what constitutes a legitimate public function. Which services of parks and protected areas can be legitimately privatized, and which must remain under governmental control? I develop the argument that there are three categories of functions served by parks and protected areas: biological, social, and individual. Each of these can be further subdivided into public and private functions. Using the economic theory of public goods in conjunction with Rawls’ concept of primary goods and Sen’s theory of social inequality, I develop the argument that parks and protected areas have legitimate public functions that justify public-sector intervention; that privatization will thwart many of these functions; and that the strict application of visitor capacity standards, although designed to protect the areas, will actually result in further deterioration and diminished public support for both protected areas and their managing agencies.