



***Stakeholder Management  
and Ecosystem Management:  
A Stakeholder Analysis on the  
Great Smoky Mountains  
National Park***

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## Abbreviations

%	percent
ADT	Average daily traffic
AL	Alabama
approx.	approximately
ATBI	All Taxa Biodiversity Inventory
Bn	billion
CI	Corporate Identity
CSP	Corporate Social Performance
Dec.	December
DLIA	Discover life in America
e.g.	example given
ed.(s).	Editor(s)
EPA	Environmental Protection Agency
Fig.	Figure
FL	Florida
GA	Georgia
GSM	Great Smoky Mountains
GSMNP	Great Smoky Mountains National Park
GMP	General management plan
i.e.	in example
KY	Kentucky
IMPLAN	Impact Analysis for Planning
IUCN	The world conservation union
m	million
MGM	Money Generation Model
NC	North Carolina
NEPA	National Environmental Policy Act
NGO	Non-governmental Organization
NHA	Great Smoky Mountains Natural History Association
NP	National park
NPCA	National Parks Conservation Association
NPF	National Park Foundation
NPO	Nonprofit Organization
NPS	National park service
OH	Ohio
Park	National Park
PL	Pennsylvania
quango	quasi-non-governmental organization
RVS	Recreational Vehicles
SAA	Southern Appalachian Assessment
SAMAB	Southern Appalachian Man and the Biosphere (Program)
SC	South Carolina
SAMI	Southern Appalachian Mountains Initiative
SCA	Student Conservation Association
Smokies	Great Smoky Mountains National Park
sq miles	Square miles
TN	Tennessee

TVA	Tennessee Valley Authority
USDA	United States Department of Agriculture
UN	United Nations
UNCED	United Nations Conference on Environment and Development
UNESCO	United Nations Educational, Scientific and Cultural Organization
U.S.	United States of America
U.S. \$	Dollar of the United States
vs.	versus
VA	Virginia
WMA	Wildlife Management Area
WV	West Virginia
WCPA	World Commission on protected areas

# 1 Introduction

## 1.1 Problem statement

“Effectively managing natural resources now begs for the most holistic view and reliable information about these resources as possible. But this holistic view should also clearly inform us about the social, political, and economic environments within decisions about management of the land and its resources must be made. An important part of this sociopolitical understanding is a focus on the public for whom public lands are managed and on the manner in which they (we) use, value, and depend upon these natural resources” (Cordell K. H., Hoover A. P., Super G. R., and Manning C. H., 1999, p. 1). Landres et al. (1998) concluded that “understanding boundary effects and the larger cultural and ecological context of landscapes is fundamental to improving the long-term stewardship of the natural resources that provide benefits and services valued by society.”

The Worlds Conservation Union (IUCN) directives state that management plans are not only “essential tools” for the development of national parks (NP) but also a precondition for obtaining a conservation status. Linking social objectives with conservation goals is of increasing importance: “It is now widely accepted that the successful management of protected areas requires the support and involvement of the local people directly affected” (World Commission on protected areas (WCPA) – Global Program 3: Connecting protected areas to social and economic concerns).

Management of the National Park System (NPS) requires a continuous set of decisions. Many affect people - including visitors, employees, concessionaires, nearby communities, and NPS partners. “An accurate understanding of the relationship between people and parks is critical to both protecting resources unimpaired and providing for public enjoyment” (NPS – Usable Knowledge: A Plan for Furthering Social Science and the National Parks, 1999; Ficker J. D., 2000).

“Ensuring that the parks will survive intact for future generations remains an immense challenge. Park visitation (269 million visitors in 1995) is predicted to grow by 34 % by the year 2000. NPS managers face unprecedented needs to better understand

the public's values, attitudes, and behaviors. They must continue to develop state-of-the-art visitor management techniques. And they must learn more about the communities and regions adjacent to park lands, as the people living nearby continue to become more involved in making decisions about the parks” [<http://www.nps.gov/socialscience/public/public.htm>; Oct. 2000].

In 1996, the NPS released a national strategy for integrating the social sciences into the agencies program. Entitled “Usable Knowledge: A Plan for Furthering Social Science and the NPs”, the plan establishes the following objectives for NPS social science program (see also Machlis G. E., 2000, p. 2):

- Who visits NPs? When do they come, where do they come from, and what do they look for? Who doesn't visit, and why?
- How do these visitors affect NP resources? How does park management affect the visitor experience?
- How do NP relate to their surrounding communities? How do they affect local, regional, and national economies?
- How can threats to NP be minimized or reduced?
- How effective are NPS educational efforts--such as museum exhibits, guided hikes, and ranger-led talks--and how they can be improved?
- How can the parks' natural and cultural resources be managed more effectively?

[<http://www.nps.gov/socialscience/public/public.htm>, Oct. 2000]

This thesis aims to contribute to the integration of social science in the NPs by examining the Stakeholder Management approach as a management tool for NPs. Furthermore, a stakeholder analysis of the Great Smoky Mountains NP (GSMNP) is carried out to illustrate a core element of Stakeholder Management in a concrete case study setting.

## 1.2 Why stakeholder management in NPs?

Government agencies are under increased pressure to conduct policy planning and decision-making activities in more transparent and inclusive ways. The clear trend is toward broader and more frequent public involvement and collaboration (Tuler S. and Webler T., 2000, p. 1). For example, the United States (U.S.) Fish and Wildlife Service organizes deliberation among stakeholders for endangered species recovery planning (Clark et al. 1994, Clark and Wallace 1998). The Army Corps of Engineers has experimented with a variety of collaborative problem solving and public participation techniques (Creighton et al. 1998). The U.S. Forest Service continues implementation of a variety of approaches to public participation, including "collaborative learning" and adaptive management planning (Gericke et al. 1992, Sarvis 1994, Shindler and Creek 1997). At its nuclear weapons production sites where cleanup is the major issue, the Department of Energy has set up site-specific advisory boards (Bradbury and Branch 1999). Throughout many parts of the federal government, and within state governments as well, involvement of stakeholders and citizens is becoming a priority issue (Tuler S. and Webler T., 2000, p. 1).

To "conserve the scenery and the natural and historic objects and the wildlife therein and to provide for the enjoyment of the same" (NPS Organic Act, 1916, 16 U.S.C. sec. 1), the NPS must accommodate a multiplicity of values and interests among those who would use, enjoy, and protect park resources in much the same way as other agencies must accommodate diverse values and interests in their decision making (Tuler S. and Webler T., 2000, p. 1). In fact, enabling legislation for new parks requires involvement of major stakeholders in park management decisions. Park and resource management planning as well as the National Environmental Policy Act (NEPA) process are other areas where parks are increasingly incorporating participatory activities.

In 1990, Daniel Fiorino provided a useful approach to answering the "why" question when he outlined three kinds of reasons for involving the public in decision making: instrumental, substantive, and normative.

### **Instrumental reasons for public participation**

These reasons are associated with achieving program goals. For example, a park may promote participation by recreation interest groups in management planning because it helps ensure that resource-use guidelines are followed. Instrumental reasons for public participation are that it helps achieve mandate and goals, reduces legal challenges, enhances legitimacy and trust (Renn 1998), reduces costs, and reduces conflict.

Recent social science research has revealed that attributes leading to trust determine how much an organization is seen as caring and committed to the people affected by it (Kasperson et al. 1992; Peters et al. 1997). Such trust builds and sustains public involvement. In turn, public involvement can reduce costs and conflict associated with a decision. Although participation can be costly in terms of staff effort and time, it is not as costly as the legal challenges and delays that can come about from inadequate involvement. Parties who feel included in the decision making may be less likely to see legal action as necessary.

Conflict reduction is another benefit. Some groups or individuals opt to intervene through external political means such as protests, backdoor politics, or public confrontation. Experience has shown that these strategies can be diminished by offering these parties a meaningful role in the process (Bleiker and Bleiker 1995). If they refuse to participate, then, the group can lose its public legitimacy.

### **Substantive reasons for public participation**

These reasons are associated with making better decisions (Tuler S. and Webler T., 2000, p. 3). For example, when Rocky Mountain NP wanted to improve the scenic experiences of visitors, social science researchers handed out returnable cameras to visitors, asking them to photograph positive and negative scenes. This provided direct access to visitor preferences (Taylor J., 1998).

While technical experts can generate sound alternatives, they can also miss important information or suggest options that are not acceptable to the public. Substantive reasons for public participation included more knowledge, new ways to

define the problem, new ways to envision solutions, and, ultimately, solutions that are generally more acceptable.

### **Normative reasons for public participation**

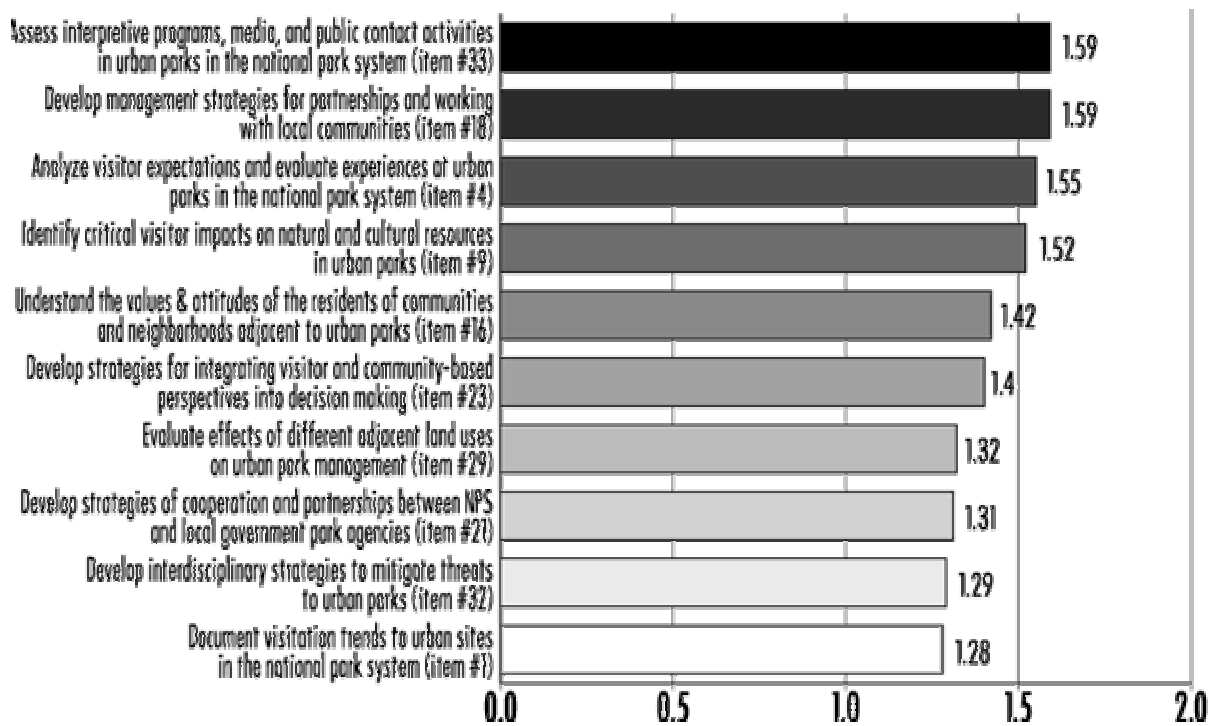
These reasons are associated with concepts of right and wrong. In a democratic society, we assume that citizens should have some say in decisions that affect them (Cvetkovich G. and Earle T. C., 1994; Wellman J. D. and Tipple T. J, 1990). Some social science researchers have linked this to the idea of informed consent - that government has the responsibility to obtain the consent of the governed (National Research Council, 1996; Shrader-Frechette K., 1993; Bleiker A. and Bleiker H.,1995). Normative reasons are extremely important to members of the public, while agency staff may be more focused on instrumental or substantive reasons. Normative reasons for public participation are respectful of the individual, give people a chance to be heard, and involve citizens in governance (Tuler S. and Webler T., 2000, p. 1).

Getting the participation right means doing the outreach correctly, so that the appropriate parties are involved. Getting the right participation means finding an appropriate way to involve stakeholders and citizens in the process. NPS managers should consult with a wide range of affected parties. (Tuler S. and Webler T., 2000, p. 2)

“Management actions must stand up, not only to law and policy and to scientific scrutiny, but they must also be sensitive to the needs of residents in surrounding communities, to county and state governing bodies, and to visitors from across the nation and around the world. Balancing these needs while protecting resources is an ongoing challenge made more difficult as the mix of stakeholders grows” (Taylor J. G., Burkhardt N., Caughlan L. and Lee Lamb B., 2000, p. 1).

The following figure shows the ten most important research tasks rated by NPS urban park managers, with “Developing strategies for integrating visitor and community-based perspectives into decision making” ranking on sixth place (Harris R. A and Lorenzo A. B., 2000, p. 1).

*Fig. 1: Ten most important research tasks rated by NPS urban park managers (Harris R. A and Lorenzo A. B., 2000, p. 1)*



Identifying all stakeholders of the NP in question serves a critical role in the development and implementation of a management system.

Therefore, one of the main tasks of this master thesis will be to conduct an analysis of the surroundings in order to highlight both the tension between ecological and economic functions of a NP as well as its regional economic effects. Contrasting and converging interests of the various stakeholders are to be analyzed. This thesis aims to integrate interests of the stakeholders into the strategic management plan of the NP in a way that is acceptable to both the NP's legal mandate and its goals and mission.



### 1.3 Research question

How can the interests of the various stakeholders be successfully integrated in the NP management, without violating its legal mandate and mission? The Park Service has a narrow mission as defined by the Organic Act to conserve resources and provide for their enjoyment. Thus, for example, the lesson that a process should be inclusive of all concerns may not always be possible. Public participants may want to include issues that are outside of this mission. Yet, the NPS cannot hide behind its narrow mission.

To address this question successfully, some other preliminary information has to be gathered:

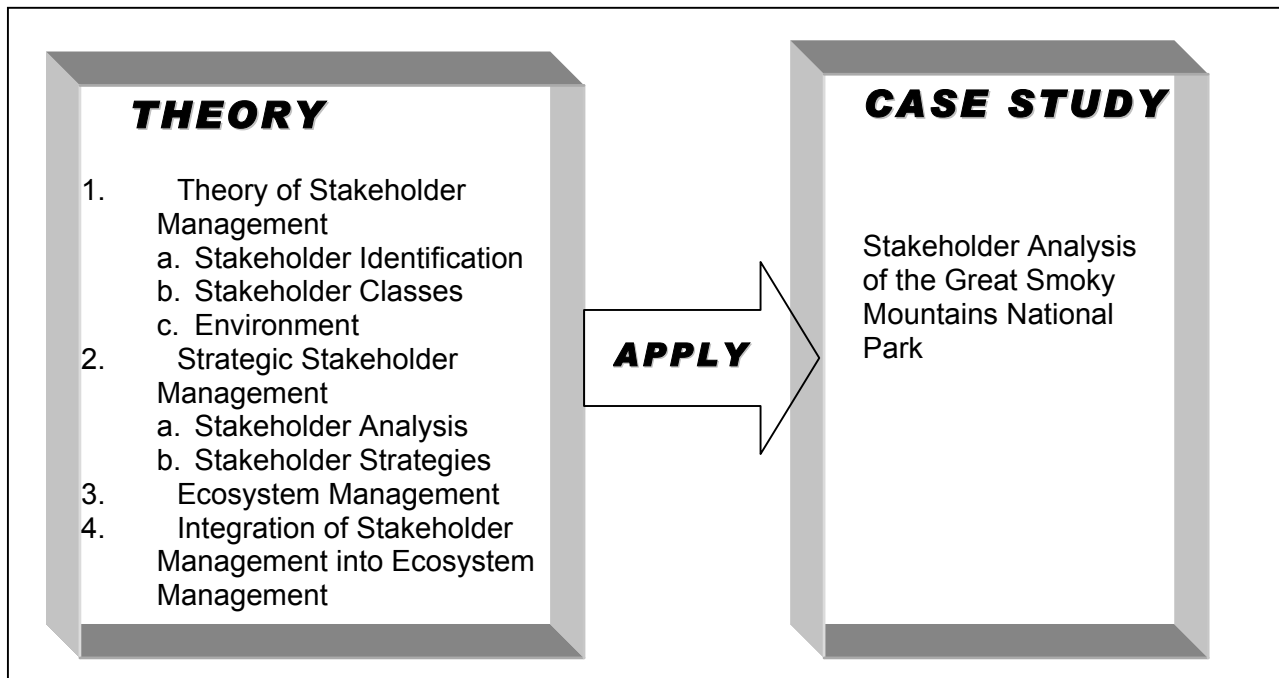
1. Who are the essential stakeholders?  
How can they be grouped according to their importance and power?  
Where are tradeoffs representing converging interests?  
Can the environment be considered as a stakeholder?
  
2. What kind of dependency and mutual influences exist between the NP and its regional environment?
  - economic
  - structural
  - social
  
3. How can the stakeholder approach being used as part of the general environmental management system serve as a problem solving mechanism?  
Processes to solve the ecological/economic tradeoffs of NPs should be highlighted using an environmental management system while considering the stakeholders.

Thus, the ultimate goal of this thesis is the completion of a “Stakeholder Analysis” to identify the key stakeholders of the GSMNP, examine their relationship with the Park and among each other, and to determine if the stakeholder management approach represents a meaningful tool for the NPS dual mission and mandate.

## 1.4 Argumentation – structure of the thesis

This thesis consists of two parts: A theoretical discourse on stakeholder management and a case study applying those concepts to the GSMNP.

Fig. 2: Thesis Structure



The single topics displayed in the above Fig. are found in the following chapters:

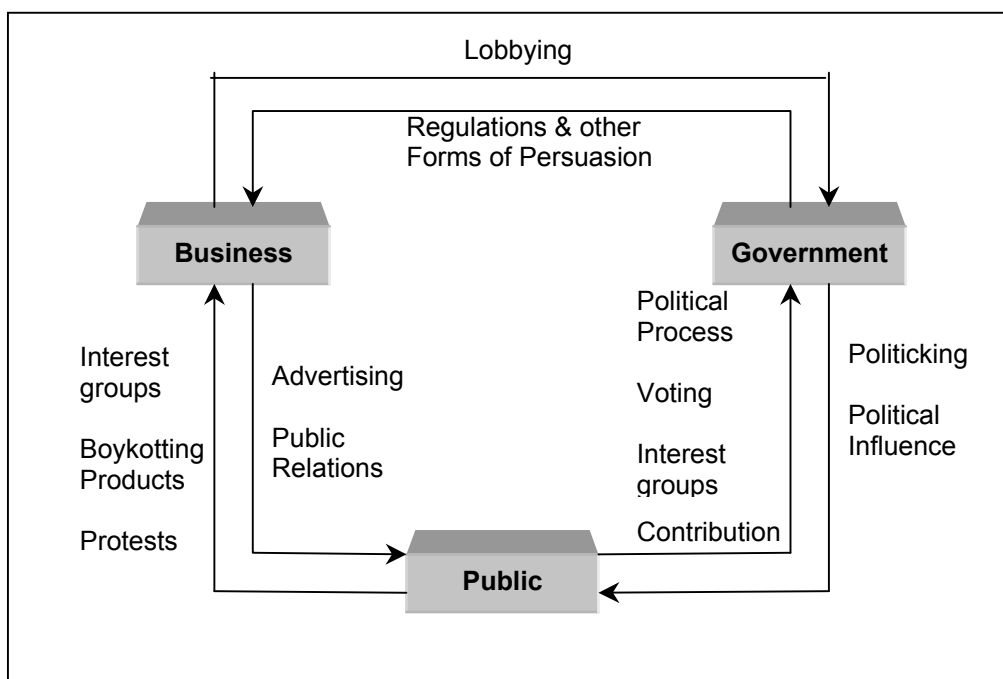
Theory of Stakeholder Management:	Chapter 2.3
Stakeholder Identification	Chapter 2.3.2
Stakeholder Classes	Chapter 2.3.3.
The Environment as a Stakeholder	Chapter 2.3.5.5
Strategic Stakeholder Management	Chapter 2.4
Stakeholder Analysis	Chapter 2.4.1
Generic Stakeholder Strategy	Chapter 2.4.2
Specific Stakeholder Strategy	Chapter 2.4.3
Ecosystem Management	Chapter 4
Integration of Stakeholder Management into Ecosystem Management	Chapter 7
Smoky Mountains Case Study	Chapter 6

## 2 The Theory of Stakeholder Management

### 2.1 Introduction

Business and society are thoroughly intertwined with each other. An action taken by one inevitably affects the other. For this reason it is vitally important for business managers to be aware of the social environment and interact with it skillfully and carefully. Overall business success is measured, then, not just by a company's financial performance but also how well it serves broad social and public interests (Frederick, W. C., Post J. E. and Davis, K., 1992, p. 23).

*Fig. 3: Mutual dependency between economy, government and the public (Carroll A. B, 1993, p. 197)*



The stakeholder concept, or stakeholder thinking, has become the most recent theory undergirding business ethics (Carroll A. B., 1997, p. 46). Though the stakeholder concept found its roots in the works of Rhenman and Styme (1965) in Sweden and Ansoff (1965) in the U.S., the concept entered into its "popular area" over a decade ago with the landmark publication of Edward Freeman's *Strategic Management: A Stakeholder Approach* (1984).

Where firms previously had to consider only the needs of a few stakeholder groups, modern managers regularly have to consider the needs of owners, unions and employees, suppliers, customers and many other constituencies (Frederick, W. C., Post J. E. and Davis, K., 1992, p. 84). Today, more comprehensive approaches are needed for the successful management of the entire enterprise – approaches that take into consideration the needs of a larger and more diverse group of stakeholders (see Svendsen A., 1998, p. 111).

The term stakeholder has become widespread relatively recently in the literature of management and corporate governance, since Freeman's "Strategic Management: A Stakeholder Approach" was published in 1984. As a figure of speech, "stakeholder" more clearly appeals to those who seek to provide a broader and more inclusive vision of the role and purpose of the corporation in society than that of the advocates of "shareholder" primacy (Clarkson M. B. E., 1998, p. 2). A "stake" can be defined as something of value, some form of capital -- human, physical, or financial -- that is at risk, either voluntarily or involuntarily.

Voluntary stakeholders are those who have chosen to take a stake and bear some form of risk in anticipation of some form of gain or increase in value, whether as a shareholder or investor, an employee, customer, or supplier. Involuntary stakeholders, on the other hand, are those that are – or may be, exposed unknowingly to risk and thus be harmed, or benefited, as a consequence of the corporation's activities. Thus, involuntary stakeholders, including governments, communities and the environment are particularly subject to risks and consequences of the failure of corporations to internalize all their costs (Ibid, p. 3).

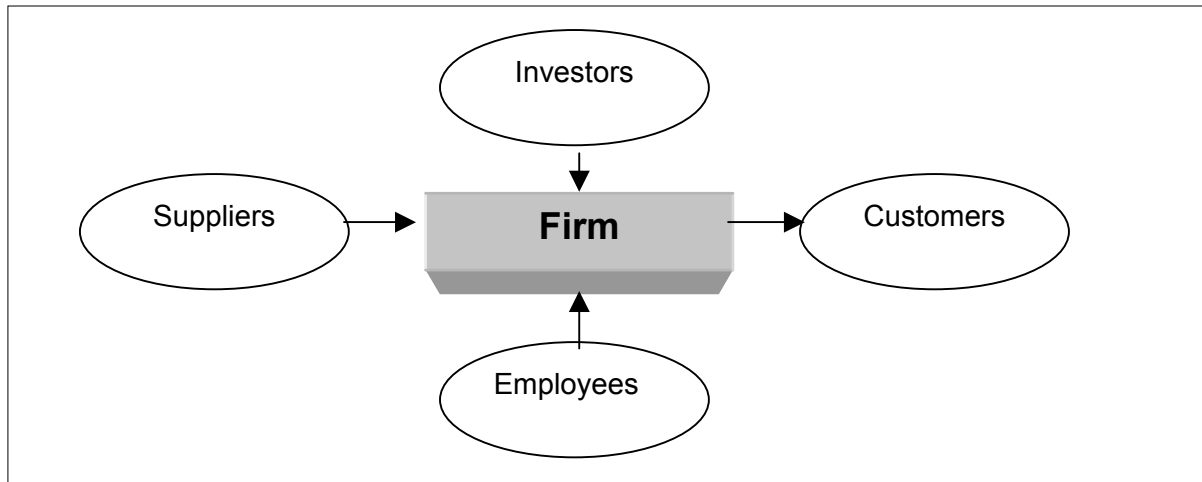
The current scientific debate includes fundamental questions such as: Who should be considered stakeholders? Which stakeholder interests should a corporation take into account? How should stakeholder interests be balanced against shareholder objectives (such as profits)? What changes should be made to corporate governance to reflect these new interests?

Stakeholder theory thus holds a key to more effective management and to a more useful, comprehensive theory of a firm in society.

## 2.2 The Emergence and Development of Stakeholder Management

The distinction between a stakeholder conception of the corporation and the conventional input-output perspective is highlighted in the following figures:

*Fig. 4: Input-Output Model*

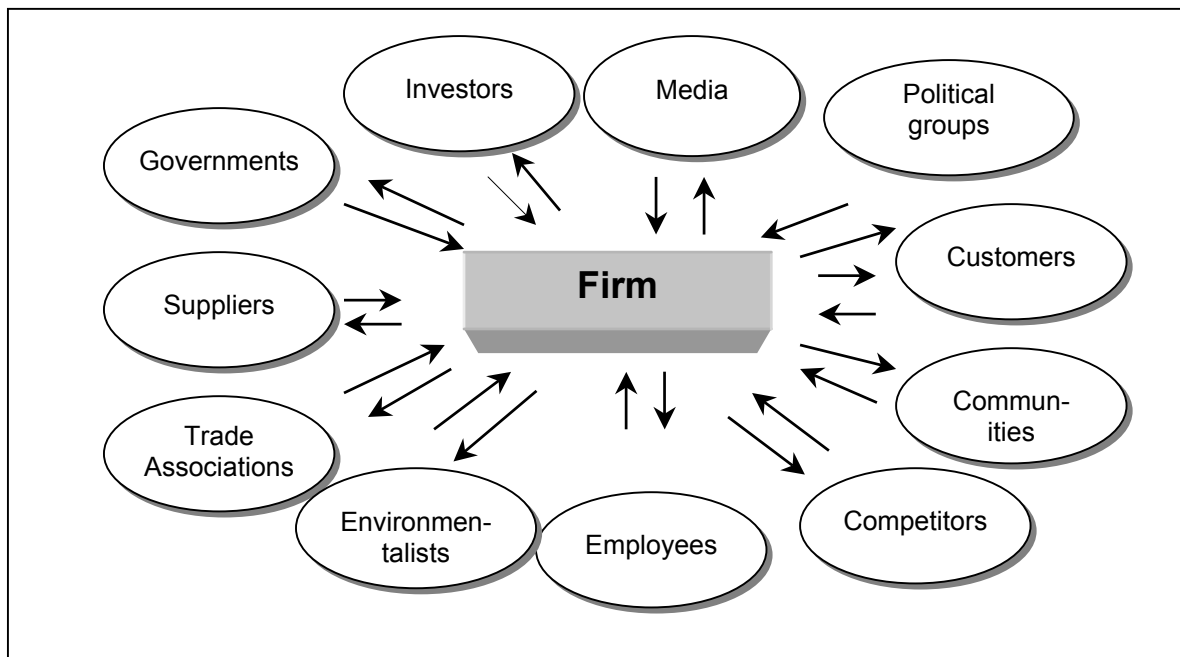


In Fig. 4 investors, employees and suppliers are depicted as contributing inputs which the “black box” of the firm transforms into outputs for the benefit of customers. As a result of competition the bulk of benefits will go to customers (Donaldson T. and Preston L. E., 1995, p. 68).

The stakeholder model (Fig. 5) contrasts explicitly with the input-output model in that all persons or groups with legitimate interests participating in an enterprise do so to obtain benefits; there is no *prima facie* priority of one set of interests and benefits over another (Ibid, p. 69). Thus, stakeholder theory views the corporation as an organizational entity through which numerous and diverse participants accomplish multiple, and not always entirely congruent, purposes.

A firm is characterized by relationships with many groups and individuals, each with the power to affect the firm’s performance and/or a stake in the firm’s performance (Freeman R. E., 1984). A firm can thus be seen as a “nexus of contracts” between itself and its stakeholders (Jensen M. C. and Meckling W. H., 1976, p. 305-60).

Fig. 5: Stakeholder view of the firm (Freeman, 1984, p. 25)



## 2.3 Stakeholder Theory

Stakeholder Theory attempts to articulate a fundamental question in a systematic way: Which groups are stakeholders deserving or requiring management attention, and which are not?

### 2.3.1 Definition of terms

Depending on the broadness of view, there are various opinions to be found in the relevant literature of what a stakeholder is (Mitchell R. K., Agle B. R. and Wood D. J., 1997, p. 856): Freeman's now classic definition of a stakeholder takes a broad view: "A stakeholder in an organization is any group or individual who can affect or is affected by the achievement of the organization's objectives" (Freeman R. E., 1984, p. 46).

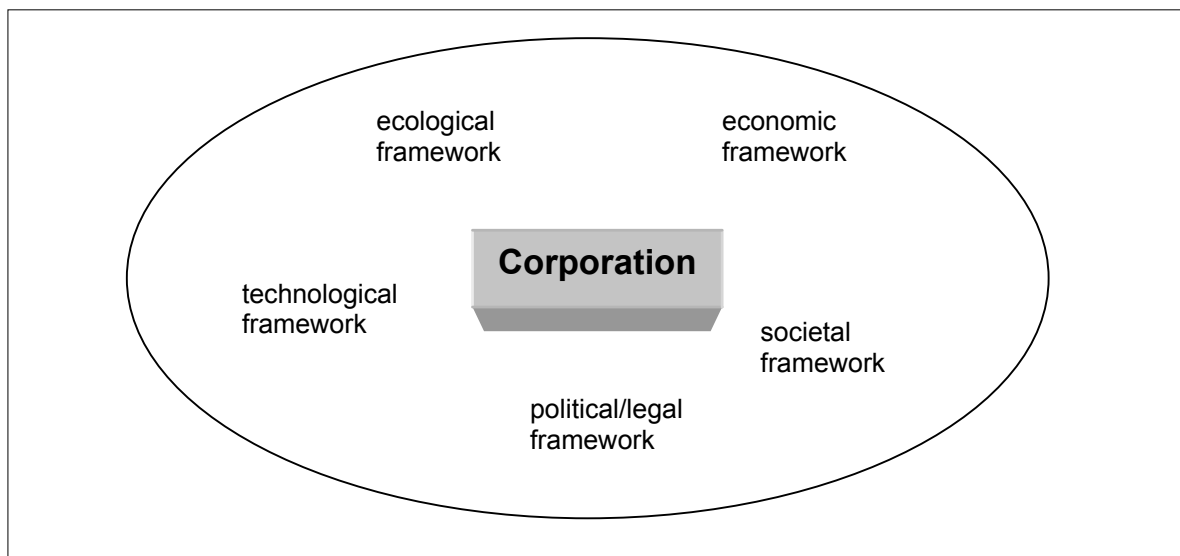
Freeman and Reed (1983) also distinguish a "narrow definition", which includes groups who are vital to the survival and success of the operation. In addition, Clarkson offers one of the narrower definitions of stakeholders of voluntary or involuntary risk bearers: "Voluntary stakeholders bear some form of risk as a result of having invested some form of capital, human or financial, something of value, in a

firm. Involuntary stakeholders are placed at risk as a result of a firm's activities. But without the element of risk there is no stake" (Clarkson M., 1994, p. 5).

### 2.3.2 Stakeholder Identification

Business organizations act within a framework of ecological, economic, technological and political-legal conditions. The key for economic survival is the capability to anticipate and respond to changing framework requirements.

*Fig. 6: Business environment*



#### 2.3.2.1 Defining stakeholder attributes

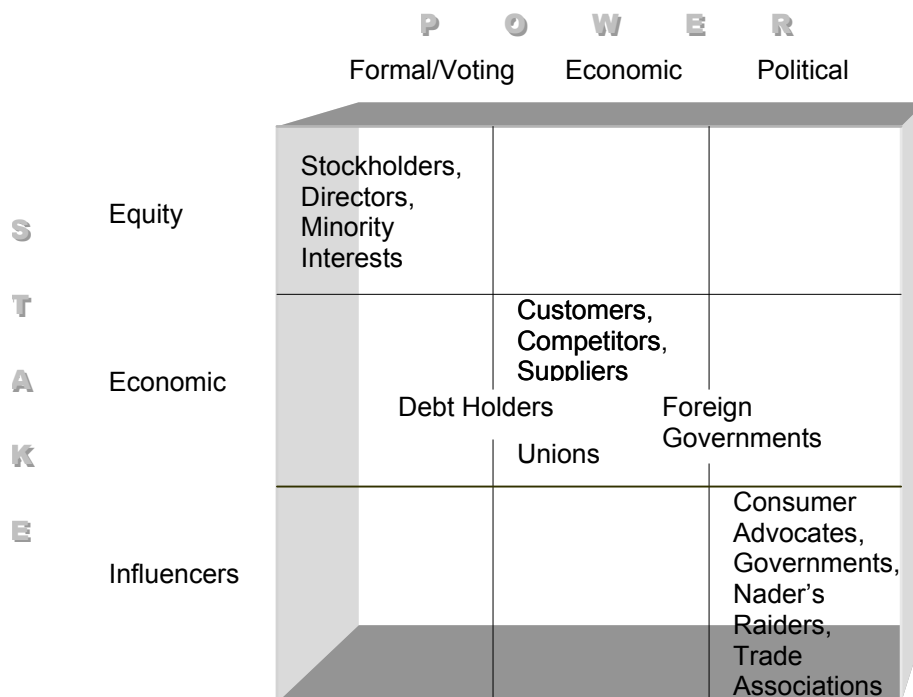
Stakeholders have a legitimate interest, or stake, in what the firm is doing and how it accomplishes its objectives. This interest or stake might be manifested as a legal or moral right, or claim, on the organization (Carrol A. B. and Juha N., 1997, p. 47). Its core attributes are power, legitimacy and urgency.

##### 2.3.2.1.1 Power

Most current definitions of power derive, at least in part, from the early Weberian idea that power is "the probability that one actor within a social relationship would be in a position to carry out his own will despite resistance" (Weber M., 1947). As a construct in the stakeholder identification, power is described as a relationship among social actors in which one social actor, A, can get another social actor, B, to do something that B would not otherwise have done (see Dahl 1957, Weber 1947 and Pfeffer 1981).

Freeman distinguishes three bases of power: voting power, economic power and political power (Freeman, R. E, 1984, p. 61). *Voting power* means that a stakeholder has a legitimate right to cast a vote, each stockholder has a voting power proportionate to his ownership in the company's stock. Customers, suppliers, and retailers have a direct *economic influence* on a company; their power is economic. Finally, *political power* is exercised by governments and other stakeholders using their resources to pressure government to adopt new laws or regulations or to take legal action against a company (Frederick, W.C., Post J. E. and Davis, K., 1992, p. 87).

Fig. 7: Classical Stakeholder Grid (Freeman, 1984, p. 62)



Of course, each individual organization will have its own separate grid, and given the complexity of the stakeholder role set, there may be groups which fall into more than one box or grid.

### 2.3.2.1.2 Legitimacy

Legitimacy is a generalized perception or assumption that the actions of an entity are desirable, proper or appropriate within some socially constructed system of norms, values, beliefs, definitions (Suchman M. C., 1995, p. 571-610). Bases are individual, organizational or societal (Wood D. J., 1991, p. 691-718).



### 2.3.2.1.3 Urgency

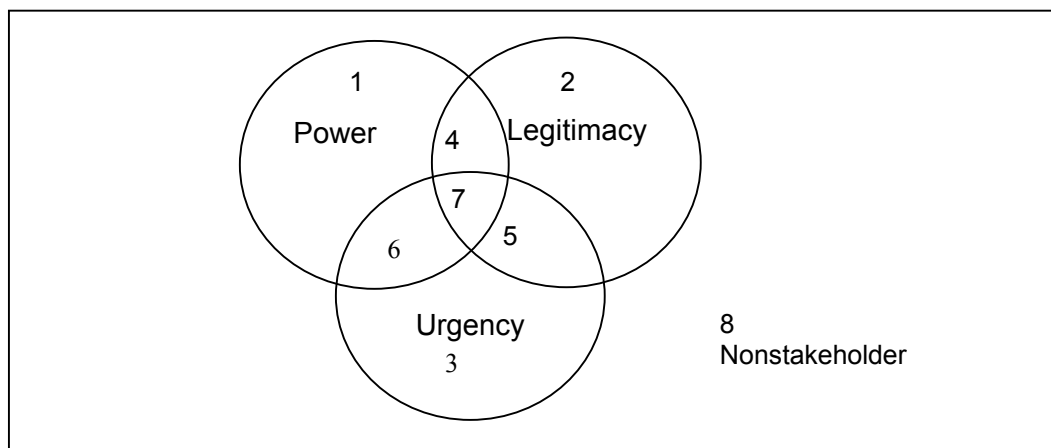
The degree to which stakeholder claims call for immediate attention is called “Urgency” (Webster Dictionary). This attribute requires two conditions to be met: time sensitivity (Wartick S. L., and Mahon J. M, 1994, pp. 193) and criticality (Williamson, 1985) of the claim. Furthermore, urgency proposes dynamism in the systematic identification of stakeholders (Mitchell R. K., Agle B. R. and Wood D. J., 1997, p. 853-886).

However, each attribute is variable and socially constructed rather than objective reality. Moreover, an individual or entity may or may not be “conscious” of possessing the attribute or may not choose to enact any implied behaviors (Mitchell R. K., Agle B. R. and Wood D. J., 1997, p. 870).

### 2.3.3 Stakeholder Classes

Various classes of stakeholders might be identified based upon the possession, or the attributed possession of one, two, or all three of the attributes.

*Fig. 8: Qualitative Classes of stakeholders (Mitchell R. K., Agle B. R. and Wood D. J., 1997, p. 879)*



Stakeholder salience will be positively related to the cumulative number of stakeholder attributes perceived by managers to be present. “Low salience” classes or “latent stakeholders” are identified by their possession of only one attribute (areas 1, 2 & 3 in Fig. 8) Moderately salient stakeholders (areas, 4, 5 & 6) called “expectant stakeholders” possess two attributes. Highly salient stakeholders, finally, are defined by the combination of all three attributes (area 7) (Ibid, p. 879).

Nevertheless, stakeholders can move into the definitive stakeholder category, characterized by high salience to managers, starting from any position, latent, expectant or potential. Moreover, levels on these attributes (and thereby salience) can vary from issue to issue, from time to time.

Stakeholders might also be construed in categories such as internal vs. external, primary vs. secondary, active vs. passive, economic vs. social, core vs. strategic vs. environmental (Carrol A. B. and Juha N., 1997, p. 47). However classified in literature, though, a stakeholder may be classified using the three attributes outlined above.

Relevant groups of interest to business organizations may be seen as internal and external stakeholders. Internal stakeholders would encompass such groups as employees, owners and managers. External stakeholders would include consumers, competitors, government, social activist groups, the media, the natural environment and the community (Carrol A. B. and Juha N., 1997, p. 47).

For this thesis, Frederick's classification of primary and secondary stakeholders will be used. However, this thesis further distinguishes between primary and internal stakeholders. The difference between the two of them is that internal stakeholders - owners, management and the board of directors - have voting power, which primary stakeholders do not have (see also attributes of stakeholders). The latter, which comprise employees, competitors, creditors, customers, suppliers and retailers/wholesalers, have economic power. Thus internal stakeholders have "voting power", primary stakeholders "economic power" and secondary stakeholders "political power".

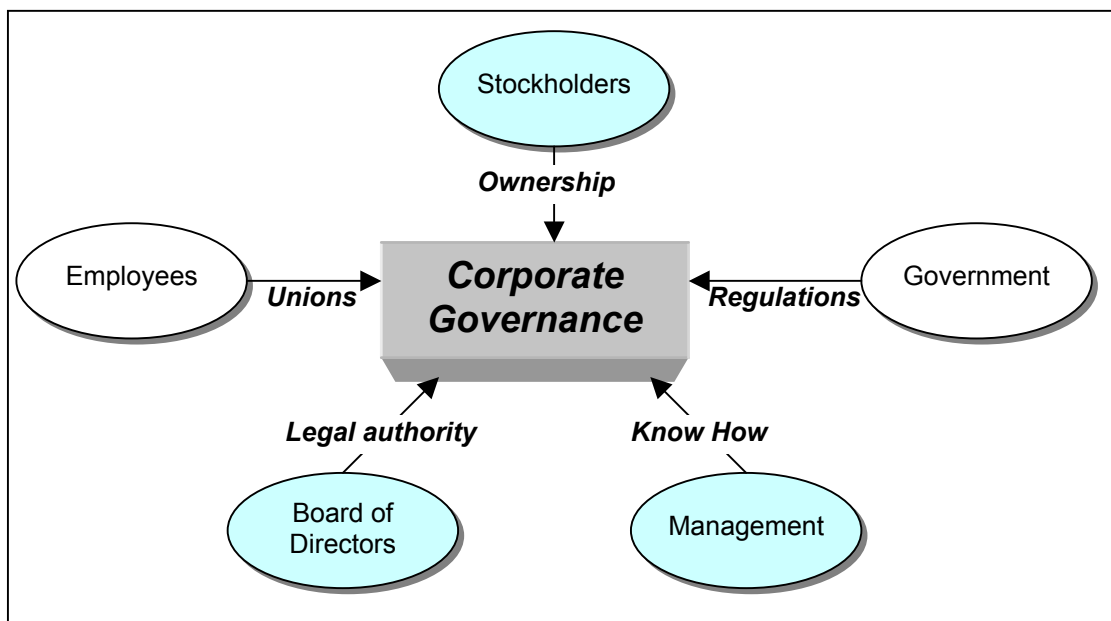
### **2.3.3.1 Internal stakeholders**

As the name implies, internal stakeholders are responsible for controlling a business organization internally (see Freeman R. E., 1984, pp. 216). Their tasks are both management and supervision of the corporation (i.e., setting the general company policies and supervising business activities). Therefore, employees are usually not included in this stakeholder grouping (Bach, K., 1993, p. 20).

Thus, internal stakeholders comprise stockholders, the board of directors and the management.

Corporate governance, on the other hand, involves internal stakeholders as well as employees and other important stakeholder groups.

*Fig. 9: Major stakeholders involved in corporate governance (see Frederick, W.C., Post J. E. and Davis, K., 192, p. 246)*



### 2.3.3.1.1 Board of Directors

The board of directors is a central factor in corporate governance because corporation laws place legal responsibility for the affairs of a company on the board. The board of directors is responsible for establishing corporate objectives, developing broad policies, and selecting top-level personnel to carry out these objectives and policies. Moreover, it reviews management’s performance to be sure that the company is well run and that stockholders’ interests are promoted. “Today the board must assume a more activist role – a role that is protective of shareholder rights, sensitive to communities in which the company operates, responsive to the needs of company vendors and customers, and fair to its employees” (Korn L. B., and Ferry R. M., 1986, pp. 1-2).

Without cooperation with all different stakeholder groups executives will not be able to formulate objectives which receive the support necessary for long-lasting survival of the corporation.

#### **2.3.3.1.2 Owners & Stockholders**

Stockholders are a firm's legal owners providing capital and expecting high levels of economic performance in terms of dividends, capital gains and ideally value added (Janisch M., 1993, p. 190) of the invested funds. They do have voting power and the right to receive reports on the firm's financial standing. They have the right to vote on members of board of directors, major mergers and acquisitions, charter and bylaw changes and proposals by stockholders. Moreover, they can sell their shares or bring shareholder suits against the company and officers (see Frederick, W.C., Post J. E. and Davis, K., 1992, p. 244).

#### **2.3.3.1.3 Management**

Managers occupy a strategic position because of their knowledge and day-to-day decision-making. They perceive themselves to be responsible for (1) the economic survival of the firm, (2) extending its life into future through product innovation, management development, market expansion and other means, and (3) balancing the demands of all groups in such a way that the company can achieve its objectives (see Frederick, W.C., Post J. E. and Davis, K., 1992, p. 249). This viewpoint emphasizes optimum, rather than maximum profits and considers the stockholders as only one of several stakeholder groups. Personally they hunt for security, success, power and a high social status, excellent remuneration and self-realization (Janisch M., 1993, p. 165). Therefore, incentive payment is a useful tool to increase management performance.

Managers are the only group of stakeholders who enter into a contractual relationship with all other stakeholders. Moreover, they have at the same time direct control over the decision-making apparatus of the firm (Hill C. W. and Jones T. M., 1992, p. 134). The idea that the organization is an environmentally dependent coalition of divergent interests, which depends upon gaining the attention of managers at the center of the nexus to effect reconciliations among stakeholders, suggests that the perspective of managers is vital (Mitchell R. K., Agle B. R. and Wood D. J., 1997, p. 873). Therefore, the manager's perception of a stakeholder's attributes is critical to the manager's view of stakeholder salience. In short, a firm's

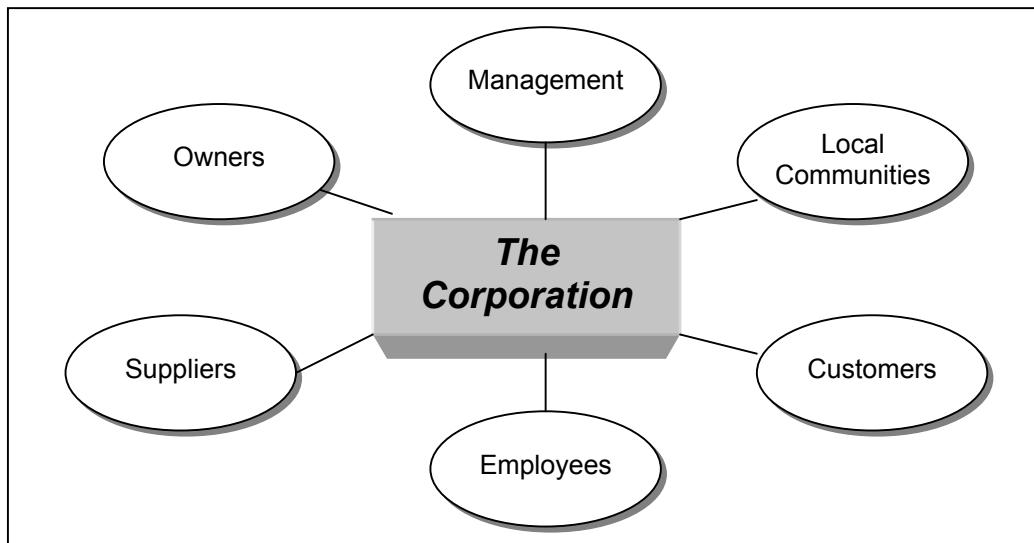
stakeholders can be identified based on attributes (see “Stakeholder attributes”), but managers may or may not perceive the stakeholder field correctly (Ibid, p. 874).

### **2.3.3.2 Primary stakeholders**

A primary stakeholder group is one without whose continuing participation the corporation cannot survive as a going concern. According to Clarkson (1997), primary stakeholder groups are typically comprised of shareholders and investors, employees, customers, and suppliers, together with what is defined as the public stakeholder group: the governments and communities that provide infrastructures and markets (Clarkson M. B. E, 1995, p. 107). From this point of view, the corporation itself can be defined as a system of primary stakeholder groups, a complex set of relationships between and amongst interest groups with different rights, objectives, expectations, and responsibilities. The corporation’s survival and continuing success depend upon the ability of its managers to create sufficient wealth, value, or satisfaction for those who belong to each stakeholder group, so that every group continues as a part of the stakeholder system.

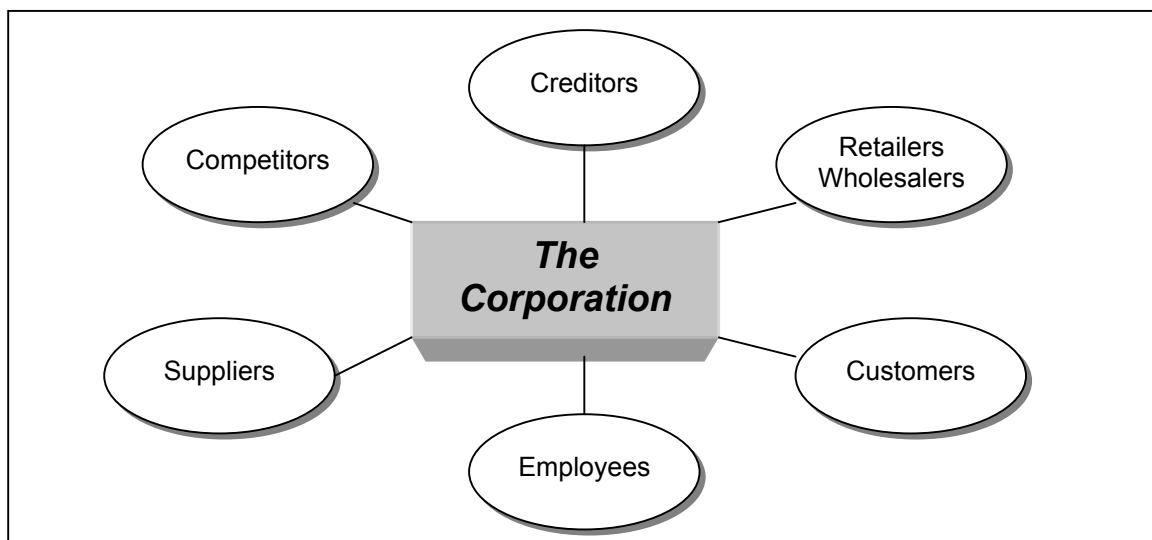
A business’s primary involvement with society includes all the direct relationships necessary for it to perform its major mission of producing goods or services for society. These interactions are usually conducted through the free market (Frederick W.C., Post J. E. and Davis K., 1992, p. 78).

Fig. 10: A stakeholder model of the corporation (Freeman R. E., 1994, p. 71)



The stakes of each are reciprocal, since each can affect the other in terms of harms and benefits as well as rights and duties.

Fig. 11: Primary Stakeholders (see Frederick W.C., Post J. E. and Davis, K., 1992, p. 79)



#### **2.3.3.2.1 Employees**

The human capital of a firm provides labor in exchange for income and other intangible goods, such as social security, possibility of self-realization and prestige (Janisch M., 1993, pp. 166). Their key interest is to maintain a stable employment in firm, to receive fair pay for their work, and to work in a safe, comfortable environment (Frederick W.C., Post J. E. and Davis, K., 1992, p. 88). Janisch (1993, pp. 169) sums up all these points under the keyword “increased quality of life”.

The ways employees can influence a firm are manifold -- their power is largely based on collective action, which can lead to extreme forms like work actions or strike. More subtle sources of influence are union bargaining power and the well-aimed use of the media (Frederick W.C., Post J. E. and Davis, K., 1992, p. 88).

#### **2.3.3.2.2 Suppliers**

Suppliers hold a stake in the regularity with which orders are placed, in the promptness with which they are paid, and in the stability and soundness of the organizations with which they deal. Their major concern is sustaining and developing their existence based on increase in value as well as independence (Kreikebaum H., 1989). At the same time they want security, in terms of creditworthiness of their buyers, fair payment procedures and favorable terms of payment.

As already mentioned, suppliers have “economic power”, because they can refuse to meet orders, if conditions of contract are breached, or jeopardize traditional buyers by supplying competitors (Frederick W.C., Post J. E. and Davis, K., 1992, p. 88).

Often, durable business relationships in a spirit of partnership and trust between firms and suppliers are key to success as both are – to a certain degree – mutually dependent (Salvisberg H. P., 1989, p. 75).

#### **2.3.3.2.3 Customers**

Basically, customers try to satisfy their needs by purchasing products. However, they aim at an optimal exchange of quality and value given for the money spent (Frederick W.C., Post J. E., Davis, K., 1992, p. 88). Furthermore, they expect additional services like consulting and service (Janisch M., 1993, pp. 173).

Optimal satisfaction of their needs is a great challenge for firms, because customers can switch to competitors and/or boycott companies whose products are unsatisfactory or whose policies are unacceptable (Frederick W.C., Post J. E. and Davis, K., 1992, p. 88).

#### **2.3.3.2.4 Competitors**

Competitors produce only slightly heterogeneous products, therefore, they compete on both markets -- on the supply side and on the consumer end. Although there is no direct and material relationship (see Nagos P., 1991, pp. 50) between a firm and its competitors – like that between a firm and its primary stakeholders – competitors are classified as primary stakeholders because they have a heavy indirect influence on a firm; they may take market shares and profits away.

The overall objective of a competitor is to improve its own competitive market position, or, operationally speaking, to increase its market share and profitability. The economic power from competition is to force rivals to keep up with technological innovation and the threat to eliminate competitors through aggressive pricing strategies or other measures (Frederick W.C., Post J. E. and Davis, K., 1992, p. 88).

#### **2.3.3.2.5 Creditors**

Having lent money to an organization, creditors are mainly interested in a sound financial standing and creditworthiness of the enterprise. Their main interests are repayment of loans and interests in due course. Their overall objective, however, is that their investments increase in terms of attractiveness (see Janisch M., 1993, pp. 181).

They have the power to call in loans if payments are not made. Moreover, they can utilize legal authorities to repossess or take over property if loan payments are severely delinquent (Frederick W.C., Post J. E. and Davis, K., 1992, p. 88).

#### **2.3.3.2.6 Wholesaler/Retailer**

Retailer and Wholesaler ensure efficient distribution of products. Their primary concern is to receive reliable goods that consumers trust and value, in a timely fashion at reasonable cost.



Their economic power derives from purchasing from other suppliers if terms of contract are unsatisfactory and/or boycotting companies whose goods or policies are unsatisfactory (Frederick W.C., Post J. E. and Davis, K., 1992, p. 88).

### **2.3.3.3 Secondary stakeholders**

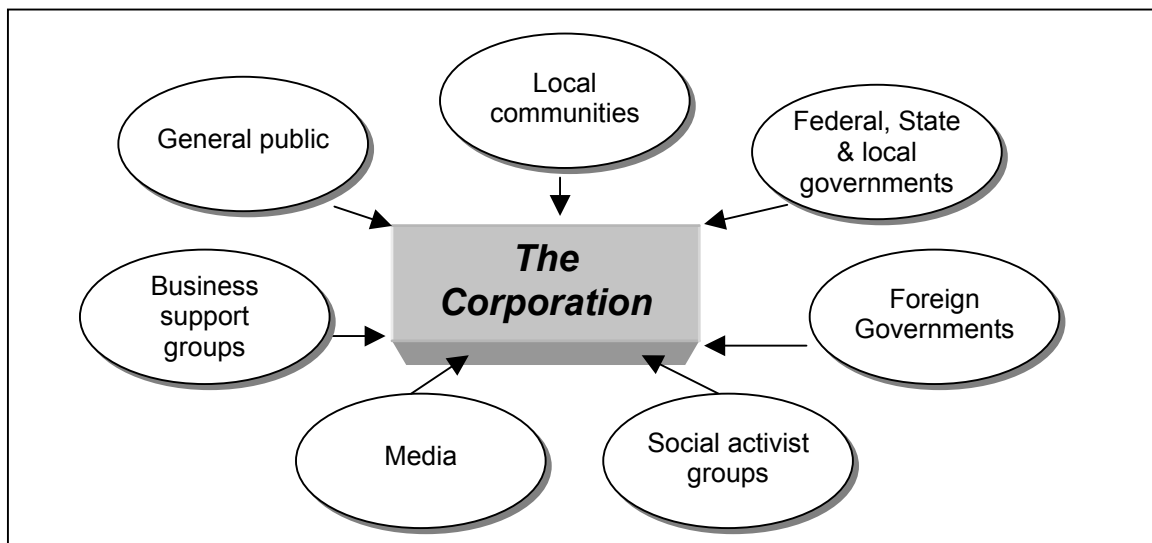
Secondary stakeholder groups are defined as those who influence or affect, or are influenced or affected by, the corporation. They need not be engaged in direct transactions with the corporation. The media and a wide range of special interest groups are considered secondary stakeholders under this definition. They have the capacity to mobilize the public opinion in favor of, or in opposition to, a corporation's performance (Clarkson M. B., 1995, p. 109). The corporation is not dependent on secondary stakeholder groups for its survival; however, such groups can cause significant damage to a corporation.

Calling these groups "secondary" does not mean they are less important than the business's primary relationship with society. Secondary interactions typically do not occur through the free market, but secondary stakeholders are part of the "general environment" which includes the overall landscape in which a company operates (Boone L and Kurtz D., 1992). They include the community in which the firm operates in, foreign, national and local governments, as well as public-interest groups and the media.

The political and legal framework dictates the flexibility available to business. Public opinion may also affect political climate as people influence their political representatives. Additionally, the international political climate can have tremendous effects on business, particularly as it relates to global ecology.

The ecological framework has changed with an increasing consciousness and sensibility of the population toward pollution. Obviously, the general economic environment and the various stages of the business cycle effect single business organizations. An ever-increasing level of concentration of industries on a global scale requires firms to rationalize and rely on economies of scale. Moreover, business decisions have to be made in conformity with the prevailing social structure and culture.

Fig. 12: Secondary stakeholders (see Frederick W.C., Post J. E. and Davis K., 1992, p. 80)



#### 2.3.3.3.1 Community

Community is understood as an organization's area of local business influence. It often includes more than one political community, for political boundaries do not necessarily follow economic and social boundaries (see Frederick W.C., Post J. E. and Davis K., 1992, p. 337). Local communities and business organizations are mutually interdependent, with host communities obviously having a dual stake. On the one hand the community benefits from the economic stimulus and employment for local residents as well as from corporate tax earnings. However, the community has a stake to ensure that the local environment is protected. Business needs the community's infrastructure and public services, a co-operative local government and access to capital and educated workforce.

Communities in the U.S. have the legitimate right to issue or restrict operating licenses and permits. On a national or federal level they can lobby government for regulation of company policies or methods of land use and waste disposal (see Frederick W.C., Post J. E. and Davis K., 1992, p. 88).

#### 2.3.3.3.2 Local, National and Foreign Governments

Local governments depend on organizations for tax revenues and economic development (see Baird I., Post J. and Mahon J., 1990, pp. 561).

The interests of the state, which can be summed up under “welfare” are manifold: Essential governmental concerns are economic growth, full employment and price stability. Social political interests center around the fair distribution of income and providing worker protection regulations. Furthermore, governments try to ensure efficient competition within the framework of the free market (see Janisch M., 1993, pp. 182). Of course, governments are interested in raising revenue through taxes.

Governments are empowered to issue regulations, licenses and permits. In short, they can both allow and disallow industrial activity (see Frederick W.C., Post J. E. and Davis K., 1992, p. 88).

Since the free market can no longer harmonize such problems as pollution of the environment and social justice, the regulatory system has become a primary means by which governments try to harmonize business behavior and public interest (Bach, K., 1993, p. 40).

#### **2.3.3.3.3 General Public**

As a business’s policy has substantial economic and political implications on the environment, it can thus be seen as a “quasi-public institution” (Ulrich, 1977) which is in the center of public attraction. The general public’s stake is to minimize risks, especially pollution, to protect social values and prosperity for society (see Frederick W.C., Post J. E. and Davis K., 1992, p. 88).

It can influence business policy by supporting social activist groups which press the government to act. However, in most cases the media is used to condemn or praise individual companies (Ibid, p. 88). If a business organization ignores public opinion, it may lose public acceptance in relevant fields.

#### **2.3.3.3.4 Media Social activist group**

The media keeps the public informed on all issues relevant to their health, well-being and economic status. By publicizing events that affect the public – especially in the case of negative effects – the media can pose a major threat to a business organization.

Social activists or public interest groups monitor company actions and policies to ensure that they conform to legal and ethical standards, and that they protect the public's safety. Their power is based on their potential to gain broad public support through publicizing issues relevant to firms and to lobby government for regulation of the company in question (see Frederick W.C., Post J. E. and Davis K., 1992, p. 88).

#### **2.3.3.3.5 Business support groups**

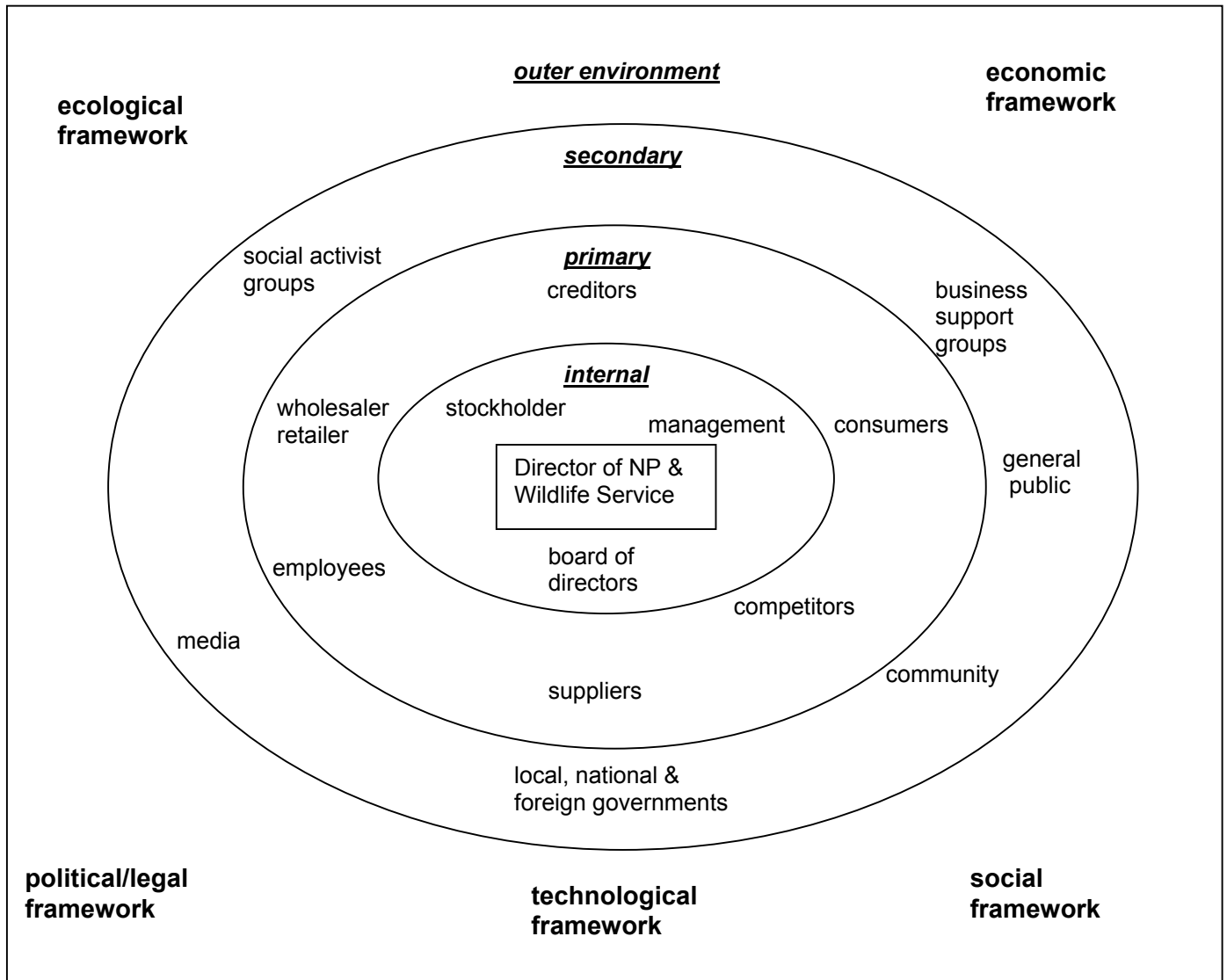
Business support groups, example given (e.g.) trade associations, provide research and information, which will help companies of an industry to perform in a changing environment. Their stake in an individual company is to get relevant information and resources in order to help other firms of the same industry or to represent the whole industry toward third parties.

They provide legal or "group" political support beyond that which an individual company can provide for itself (Frederick W.C., Post J. E. and Davis K., 1992, p. 88).

### 2.3.3.4 Summary

As discussed above, an organization embedded in its network of stakeholders (for classification see chapter 2.3.2) and its business environment, can be visualized in a graph similar to the following figure.

Fig. 13: Stakeholder Classification



### **2.3.3.5 The environment as a stakeholder**

According to Freeman's somewhat classical definition, "A stakeholder in an organization is any group or individual who can affect or is affected by the achievement of the organization's objectives" (Freeman R. E., 1984, p. 46). Entities, which are not social organizations are not covered. While environmentalists and environmental protection groups are frequently mentioned as stakeholders, the natural environment itself is usually not considered. According to economic definitions, the environment can be seen as a public good as its nature is both non-rival and non-excludable. Non-rivalry means that the consumption of that good by one consumer does not diminish the value of that good to another consumer. Non-excludability means that no user can be excluded from using the environment by another user. Hence market mechanisms cannot be relied on to provide it. This is because there is always the potential for "free riders" to try to benefit from such a good without contributing to its maintenance (Kaul I., Grunberg I. and Stern M. A. eds., 1999).

However, Zsolnai states that, "the natural environment is certainly affected by and also can affect business and public decisions in most cases, so it has a vital stake in business and public administration" (Zsolnai, L., 1992, p. 5). This is a figurative use of the term "stakeholder" and involves a personification of the natural environment (Bach, K., 1993, p. 93).

Zsolnai argues that the "Hand of Management" doctrine developed by Goodpaster and Matthews (Goodpaster K. E. and Matthews J. B., 1982, pp. 123-144) provides the theoretical backing for the classification of the natural environment as a stakeholder. This doctrine was developed to refute Adam Smith's "Invisible Hand" as well as Galbraith's "Hand of Government".

The "Hand of Management" rejects both above mentioned doctrines, holding that corporations can very well have a conscience and act in a morally responsible way, just as any morally responsible person would. An organization is regarded as responsible if its corporate decisions are taking into account the interests of all human persons and the natural environment that are both affected by company operations (Bach, K., 1993, p. 93).

Furthermore, Zsolnai maintains that the traditional goal of business activity – maximizing profits – should at least be constrained by some explicit moral minimum, such as specific principles and rules which are to be added to the principle of profit maximization. Therefore, he claims that the available alternatives of corporate action should first be rated against these additional principles and then the choice among several morally right alternatives should be “based on the rational comparison of the consequences including the effects on the stakeholders” (Zsolnai, L., 1992, p. 10).

According to Mitchell, Bradley and Agle, the natural environment is an example of a “dependent stakeholder” (see chapter 2.3.2.1 “Defining stakeholder attributes”), whose claims are both urgent and legitimate, but which lacks the power necessary to carry out its will (Mitchell R. K., Agle B. R. and Wood D. J., 1997, p. 880). Because power in this relationship is not reciprocal, its exercise is governed either through the advocacy or guardianship of other stakeholders, or through the guidance of internal management values. The case of Exxon Valdez illustrated how dependent stakeholders, like mammals, birds and basically the natural environment itself, moved into the most salient stakeholder class by having its urgent claims adopted by dominant stakeholders (Starik M., 1997, p. 880).

However, Corporate Social Performance (CSP) studies used the natural environment as a primary stakeholder since it is affected by corporate behavior. Scholars found that owners are apparently concerned with the idea that poor pollution performance of a company may result in future fines, clean-up costs, technology upgrades, and additional costly regulation, hence they adjust polluting stocks downward accordingly (Wood D. J and Jones R. E., 1997, pp. 229-267).

One of the primary reasons why scholars advocate that the natural environment – “the earth” – is indeed a stakeholder is because the Earth provides the energy and raw materials necessary for the production of economic goods and services, and it provides the air, water, and land which serve as the sinks for economic wastes (Stead E. and Stead J. G., 2000, p. 231). Thus, in an evolutionary sense the Earth indispensably “affects and is affected by the achievement of the organization’s objectives” (Freeman, R. E, 1984, p. 46). The nature of this symbiotic relationship

between the natural environment and the economy is governed by the laws of Thermodynamics (Georgescu-Roegen N., 1971).

To be sure, though, the idea has its critics. Frederick (1997), one of the many articulate critics of the Earth-as-stakeholder concept, says that considering the planet as a stakeholder is a “vaporous concept” because it does not sufficiently account for the thermodynamic imbalances between nature and economic activity. “All economic actions, however efficient, produce greater waste than beneficial products....”(Frederick W., 1997, p. 459).

However, the Earth-as-stakeholder concept is indeed valid and critical heuristically, since accepting the planet as a stakeholder is the first step humankind needs to take if it wants to create a sustainable (see Glossary for definition of “sustainability”) economic system (see Stead E. and Stead J. G., 2000, p. 233). However, as Stead and Stead (1992, 1996) acknowledged, the idea of preserving a human friendly natural environment is unlikely to catch the attention of many business organizations unless they perceive that it is in their short term as well as long term economic interest to do so. Thus, I join a wide chorus of scholars who insist that the Earth has legitimate stakeholder status. There is a large cadre of “green stakeholders” representing it in the immediate business environment, including regulators, consumers, investors, lenders, insurers, employees, trade associations, etc. (Starik M. 1994 and 1995; Stead W. E. and Stead J. G., 1992, 1995 and 1997; Throop G., Starik M. and Rands G., 1993; Welford R. and Gouldson A., 1993; Williams H. E., Medhurst J. and Drew K., 1993)

Whether or not these “green stakeholders” are sufficient to give the natural environment a stakeholder status is another matter of debate (Phillips R. and Reichhart J., 1997). Starik (1995) points out that human representation for the planet in the business arena is good but not sufficient: “Proxy stakeholders for the natural environment are well intentioned, but, given the current degraded state of the natural environment, ...all human organizations [need] to consider the natural environment itself as a stakeholder ...(Starik, 1994, p. 92). He argues that stakeholders do not have to be human, pointing out that other non-human stakeholders, such as a founder’s legacy, are already recognized. Thus, he calls for the definition of the term



stakeholder to be expanded to include virtually all non-human entities within the “Earth’s atmosphere, hydrosphere, lithosphere, and biosphere” (Ibid, p. 92). Given that nature and human-beings form a dialectic unity, prioritizing human interests without considering natural impacts seems unjustifiable. Moreover the value of nature urges humans to understand themselves as advocates of nature, essentially defending and representing natural interests in relevant decision processes (Bosselmann K., 1992, p. 373).

While arguments for not considering the non-human natural environment or its components as stakeholders may have been perceived as appropriate to some extent in the past, renewed interest in the natural environment around the world in the last several years, as exemplified by the 1992 United Nations Conference on Environment and Development (UNCED) Earth Summit in Rio de Janeiro, indicates that this exclusion may no longer be desirable or practical. Several reasons can be advanced for this increased recognition.

In summarizing the case for recognizing the natural environment and its non-human components as one or more stakeholders of organizations, Starik (1995, pp. 207) suggests three observations:

First, the natural environment needs to be (and is increasingly) recognized as an important business environment. (e.g. Business Strategy and the Environment and Greener Management International and special issues of *The Economist*, *Business & Society Review*, *The Academy of Management Review*, and *The Journal of Business Strategy*). As identified by Wood (1990, p. 633) in a text section she labeled “These Things We Know...”, one business “environmental principle” was that “(b)usiness necessarily exists and operates in an environment larger and more complex than itself.” The environment sets certain parameters for business actions and is itself affected by those actions.

Second, when the context of the concept of stakeholder is not restricted to political-economic dimensions only, but also include ethical, socio-emotional, legal, and physical characteristics, the non-human natural environment needs inclusion into this concept. In any event, non-human nature certainly has exhibited economic power, which in itself warrants stakeholder status (see also Buchholz, 1993). However, even

if many current organizations do not pay credence to the fact that non-human nature has a "voice", that may still not be a sound reason to exclude nature from consideration as one or more stakeholders of organizations. Many humans have also not had a political "voice", yet could be considered stakeholders (under the "affected or affected by" criteria) of organizations (see Nash R., 1989). This acceptance of the reality that organizations do "affect" and/or "are affected by" the natural environment can be said to be related to a new environmental political theory, called "ecocentrism" (Eckersley, 1992), in which "the world is an intrinsically dynamic, interconnected web of relations in which there are no absolutely discrete entities and no absolute dividing lines between the living and the non-living, the animate and the inanimate, or the human and the nonhuman" (p. 49).

In addition, the stakeholder management concept may have an expanded meaning beyond a solely political-economic one. Since its popularization in the literature in 1984, the stakeholder concept has developed ethical, socio-emotional, legal, and physical connotations as well. One well-known stakeholder proponent (Carroll, 1989, 1993), for instance, has developed the moral legitimacy aspect of stakeholder management, in which those human individuals and organizations to whom an organization is morally obligated are included as stakeholders. If this ethical aspect of stakeholder management is credible, the development of environmental ethics implies that the natural environment also can be considered as one or more stakeholders of organizations.

And, finally, efforts to limit environmental destruction could benefit from the inclusion of as many environmental stakeholders as possible, both human and non-human, so that organizations could more realistically and comprehensively determine what natural entities they "affect" and what natural forces they "are affected by" (Starik M., 1995 p. 207).

To summarize this section, the natural environment, both human and non-human, has and will continue to exhibit or elicit physical, legal, socio-emotional, and ethical characteristics, as well as the traditional political-economic aspects typically attributed to "stakeholders" of organizations (Starik M., 1995, p. 217). The current

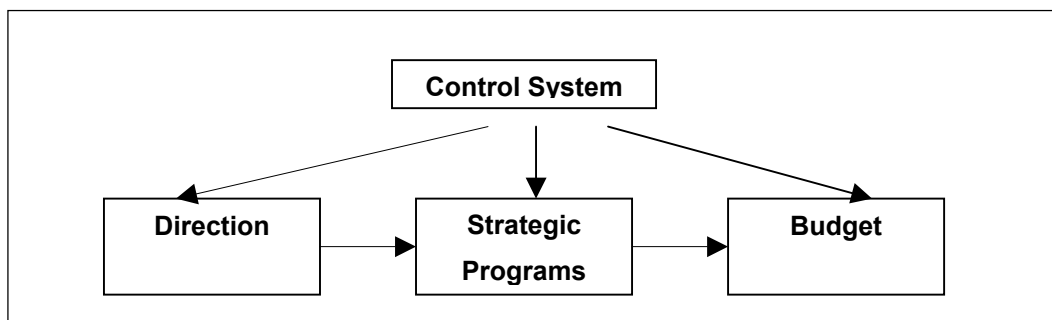
debate is shifting to another level, considering the Earth as a “spiritual stakeholder”. However, for this thesis, the natural environment is considered as a stakeholder.

## 2.4 Strategic Stakeholder Management

Any strategic management model must deal with a number of key questions (Freeman, 1984, p. 44):

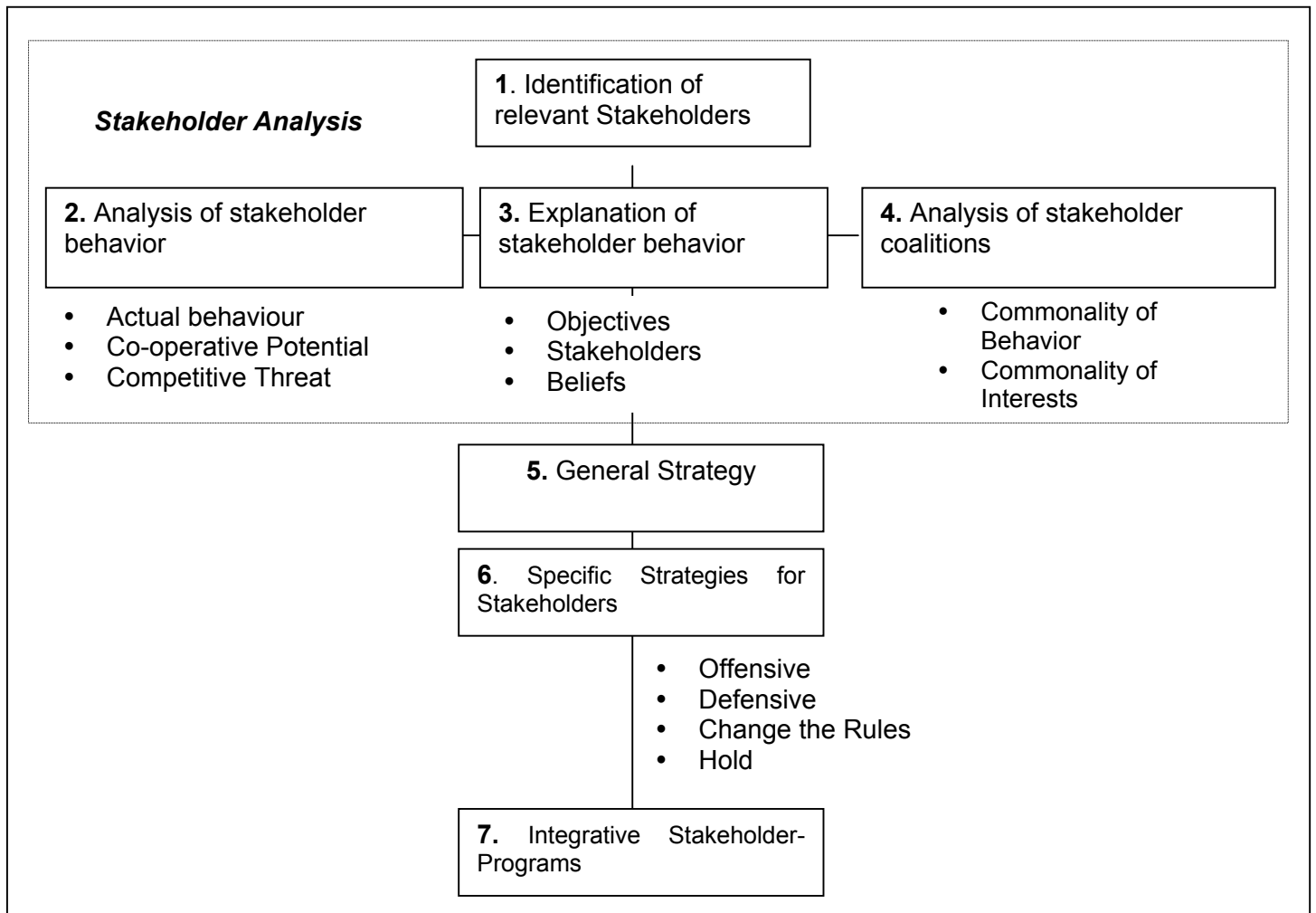
- What is the direction or mission of the organization? (Strategic Direction)
- What paths or strategies will achieve such a mission? (Strategic Program Formulation)
- What resource allocations or budgets must be made for the strategies to be implemented? (Budgeting)
- How can we be sure the strategies are on track or in control? (Control)
- What are the macro-systems and structures necessary for implementation? (Structure and System)

*Fig. 14: Typical Strategic Management Process (Lorange, 1980)*



The graph below describes the process of the strategy building.

Fig. 15: Strategy building process within the Stakeholder Management concept  
(Freeman, R. E, 1984, p. 131)



Prior to developing specific strategies, the relevant stakeholders and their interests are to be identified. Thus, the stakeholder analysis is the starting point for strategic stakeholder management.

### **2.4.1 Stakeholder Analysis**

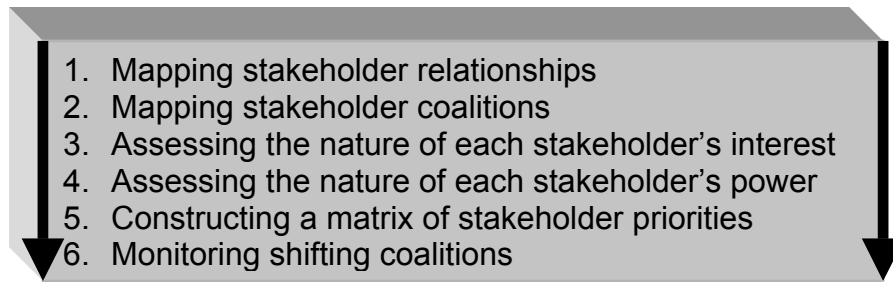
Five key questions may be asked by managers to capture the information essential for effective stakeholder management (see Carrol A., 1993):

1. Who are our stakeholders?
2. What are their stakes?
3. What opportunities and challenges do our stakeholders present to the firm?
4. What responsibilities (economic, legal, ethical and philanthropic) does the organization have to its stakeholders?
5. What strategies or actions should the firm take to best respond to stakeholder challenges and opportunities?

The successful manager thus becomes the individual who can effectively respond to these questions in such a way that the firm's goals are reached and stakeholders are satisfied and dealt with ethically (Carrol A. B. and Juha N., 1997, p. 48).

Stakeholder analysis helps the manager to identify each stakeholder, each stakeholder's interest, and the changes in stakeholder perceptions of issues and in the balance of influence over time (Frederick W. C., Post J. E. and Davis K., 1992, p. 85). Consequently, it assists business to find an acceptable balance between stakeholders and its own interests or, more precisely, to avoid consequences such as recalls, injunctions, monetary or criminal penalties, loss of contracts and negative public opinion (see Skinner S., Ivancevich J., 1992, p. 134). Nevertheless, the inherent dynamic of a corporation's relationship to its stakeholders and the emergence of new stakes over time, requires that businesses conduct an analysis at regular intervals.

*Fig. 16: Major steps in stakeholder analysis (Frederick W. C., Post J. E., Davis K., 1992, p. 85)*



#### **2.4.1.1 Mapping Stakeholder relationships**

Mapping stakeholder relationships means identifying each constituency whose concerns must be taken into account while establishing corporate policies and taking corporate action. The result is visualized through stakeholder diagrams (see Freeman, R. E., p. 52 and also Fig 9 and 10), as amended on an individual basis, illustrating all specific constituencies with which the organization in question interacts.

#### **2.4.1.2 Mapping stakeholder coalitions**

The next step in stakeholder analysis is to find out how particular stakeholders are aligned on specific issues to formulate effective responses to them (Frederick W. C., Post J. E. and Davis K., 1992, p. 85). Such coalitions are not necessarily explicitly entered into, however, they can also be in existence on a tacit basis, e.g. if two stakeholders pursue the same objectives vis à vis the organization (Nork M. E., 1991, p. 169).

By mapping coalitions on a particular issue, managers can better appreciate how much concern exists, and what actors need to be considered as actions are taken (Frederick W. C., Post J. E. and Davis K., p. 85).

#### **2.4.1.3 Assessing the nature of each stakeholder's interest**

In order to gain a deeper understanding of its stakeholders' attitudes and motives, an organization tries to view itself from the various stakeholders' perspectives (Nork M. E., 1991, p. 168). Each stakeholder has a unique involvement, and managers must understand the differing interests and respond accordingly.

The nature of the stake is different for different stakeholders: Stockholders, e. g., who have an ownership interest in the organization, are preliminary interested in a healthy

return of investment. Customers, suppliers and retailers, on the other hand, have a market interest, and are most interested in gaining fair value in the exchange of goods and money. Governments, public interest groups and local communities have a non-market relationship with the company. In general their stake is broader, as they wish to protect the environment, assure human rights, or advance other social interests (Frederick W. C., Post J. E. and Davis K., 1992, p. 86).

#### **2.4.1.4 Assessing the nature of each stakeholder's power (Freeman, R. E, 1984)**

Power is the ability to use resources to make an event happen or to secure a desired outcome. According to Freeman three distinctive types of power can be distinguished: Voting power, economic power and political power. Voting power means that a stakeholder has a legitimate right to cast a vote (e.g. stockholders). Customers, suppliers and retailers have direct economic influence on a company; their power is economic. Finally, government and quasi-non-governmental organizations (quangos) exercise political power by creating legislation, making regulations or bringing lawsuits against corporations. Naturally, a single stakeholder is capable of exercising more than one type of power. However, power is transitory, not a steady state – it can be acquired as well as lost (Mitchell R. K., Agle B. R. and Wood D. J., 1997, p. 867). Moreover, “in the long run, those who do not use power in a manner which society considers responsible will tend to lose it” (Davis K., 1973, p. 314). For effectively managing relationships with stakeholders, it is essential to understand the type of power each stakeholder group has or can readily acquire (see also chapter 2.3.2.1. “Defining stakeholder attributes”).

#### **2.4.1.5 Constructing a matrix of stakeholder priorities**

Once a company's stakeholders have been identified and an analysis has been made of the nature of each one's stake and power, a matrix can be constructed that combines all of this information. Of course, not all stakeholder groups will be equally interested or involved in all issues. As already mentioned, different stakeholders will assign a different value to each issue and will set different priorities. By developing a stakeholder-issues matrix, coalitions forming around a specific issue and the types of interests involved, can be illustrated (Frederick W. C., Post J. E. and Davis K., 1992, p. 89).

Fig. 17: Stakeholder Issues Matrix (see Freeman R. E., 1984, p. 114)

Stakeholders Issues	Owners	Suppliers	Employees	Customers	Government
Financial returns	A	A	NA	NA	NA
Ethics of sale	C	NA	NA	A	C
Free speech issue	C	A	B	C	A

A= critically important to stakeholder  
 B= somewhat important to stakeholder  
 C= not very important to stakeholder  
 NA= stakeholder not concerned with the issue

### 2.4.1.6 Monitoring shifting coalitions

Stakeholder coalitions are dynamic, stakeholders who are highly involved with a company today may be less involved tomorrow. At the same time, the salience of issues changes over the course of time. These shifts require periodic reviews of a company’s stakeholders, redrawing stakeholder maps, and revising the stakeholder-issues matrix (Frederick W. C., Post J. E. and Davis K., 1992, p. 90).

### 2.4.2 Generic Strategies in dealing with stakeholders

As already illustrated in Fig. 15 “Strategy building process within the Stakeholder Management concept”, the development of a general strategy represents the next step after completing the stakeholder analysis. Following Porter, the relationship between a company and its competitors, the relative power on the customers’ and suppliers’ side, the threat caused by new market entries, as well as the threat due to substitutes are used as a basis to develop a corporate strategy (see Porter M. E., 1982, p. 68). However, Porter’s concept, will be expanded by the influence of all other stakeholder groups (see Nork M. E., 1991, pp. 169).

Fig. 18: Stakeholder Audit Process (Freeman R. E., 1984, p. 112)

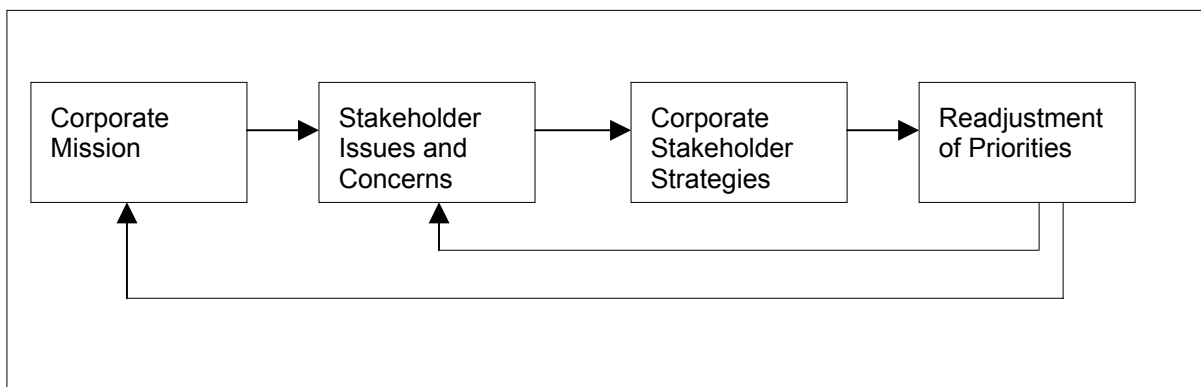
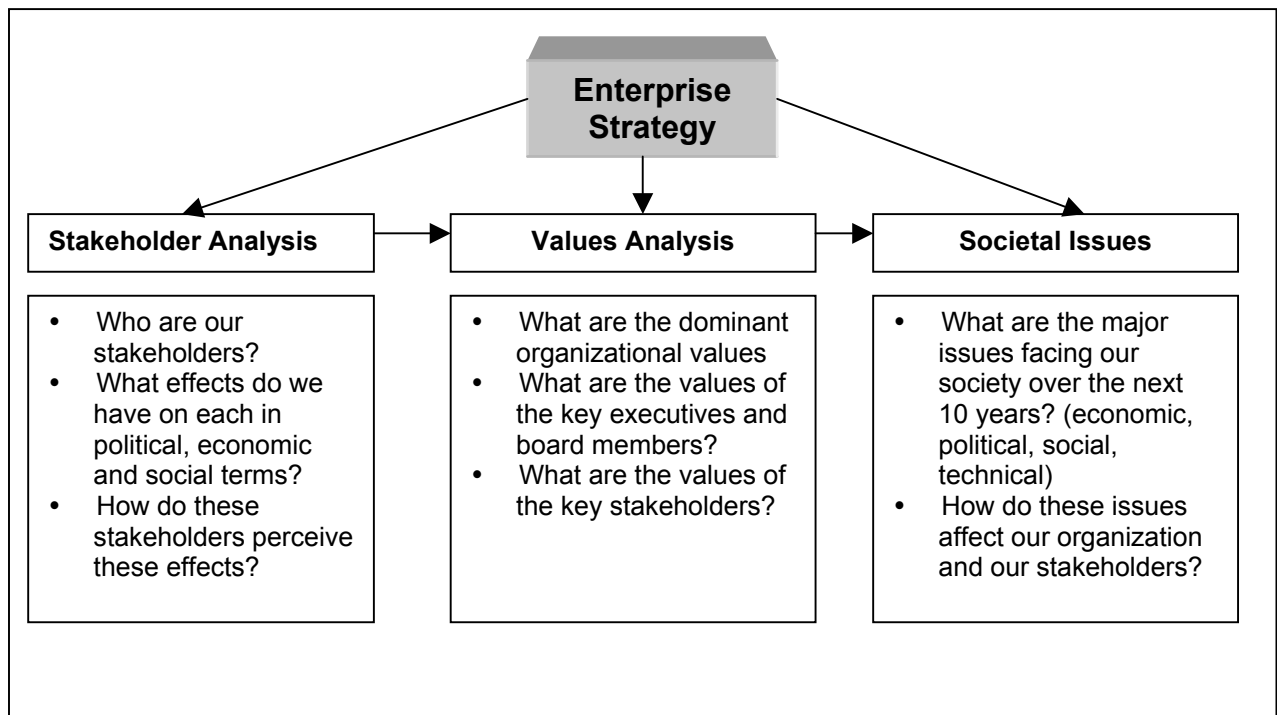




Fig. 19: Development of a corporate stakeholder management strategy (see Freeman R. E., 1984, p. 92)



When dealing with various needs and concerns of stakeholder constituencies, an organization has basically three options (Bach, K., 1993, p. 59).

1. Confrontation
2. Cooperation
3. Internalization

#### 2.4.2.1 Confrontation

A company running a confrontation strategy ignores stakeholder stakes and interests. Other possible forms of confrontation are withdrawing, substituting or diversifying.

#### 2.4.2.2 Cooperation

Cooperation means collaboration with stakeholders. Thus, a company undertakes substantial efforts to consider the various needs, concerns, and interests of

stakeholders in the corporate policy. However, that does not imply that every single interest or stake is fully taken into account.

There is a wide range of techniques employed, reaching from negotiations, lobbying, representation, PR to measures tailored for specific stakeholders (see Nork M. E., 1991, pp. 160). These custom measures include employees' empowerment, close cooperation with suppliers, and strategic alliances with competitors, just to mention a few. Lobbyism means that connections to members of local, national or federal governments are used in order to influence decisions in a favorable way for a company. In this context, the term representation describes a process, where employees of a company join other groups or organizations with the intention in mind to facilitate cooperation between these groups and their employer ( see Nork M. E., 1991, pp. 161).

The major difference between the strategy of cooperation and internalization is that the stakeholders stay outside a company, thus remaining an external grouping (Bach, K., 1993, p. 59).

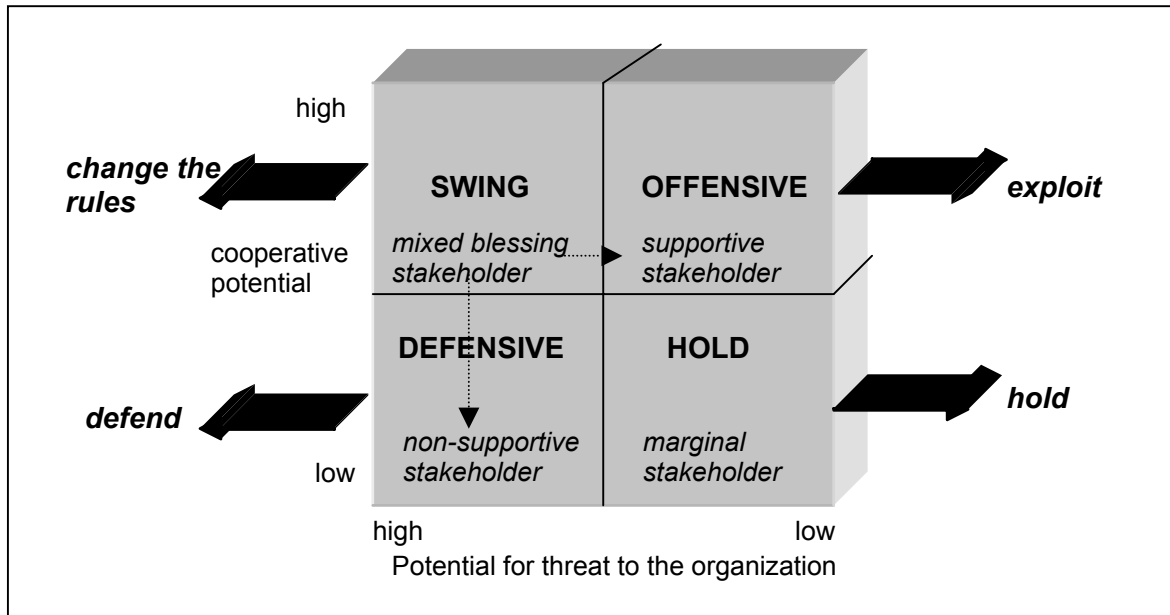
#### **2.4.2.3 Internalization**

Internalization of stakeholders – as the name already implies – refers to external constituencies taking on an internal role, thus becoming internal stakeholders (Bach, K., 1993, p. 60). According to Bach two forms of internalization can be distinguished: Genuine internalization, e. g. transferring stockownership to employees, with stakeholder interests and concerns being sincerely worked into the business structure, as opposed to “deceptive internalization, where clashing stakeholder interests are combined simply by adding interest groups to the organization's portfolio, as, i.e., mergers (Ibid, p. 60).

#### **2.4.3 Specific Strategies**

According to the salience of stakeholders, specific strategies are developed for the single stakeholders following Freeman's model, which is based on the following dimensions: competitive threat and cooperative potential (Freeman, R. E, 1984, p. 142).

Fig. 20: Generic Strategies for stakeholders (see Freeman, R. E, 1984, p. 143 and Carroll A. B., 1993, pp. 79)



In the case of *supportive stakeholders*, marked by high cooperative potential combined with low competitive threat, business should optimally respond with an offensive strategy, in order to enforce the cooperative potential. Typical examples of supporting stakeholders are boards of directors, management, employees and customers (Savage G. T, Nix T. W., Whitehead C. J. and Blair J. D., 1991, pp. 79). According to Freeman appropriate strategies are to influence the stakeholders' perception of the company positively, to influence the stakeholders' objectives, or to consider stakeholder interests in corporate decision making (Freeman, R. E, 1984, p. 147). An example of this might be a strategy to involve employee stakeholders through participative management or decentralization of authority (Carroll A., 1993, p. 78).

The combination of a low cooperative potential and low competitive threat, named *marginal stakeholders* by Carroll, indicates that stakeholders tend to be rather inactive as far as influence on corporate policy is concerned. Therefore, the "hold" strategy - maintaining existing strategies and permanent monitoring - seems appropriate (Nork M. E., 1991, p. 170). "Hold", as the name already implies, signifies that the current level of contact between a company and the stakeholders remains steady state, without any attempts on the company's side, whether to intensify nor to

reduce the existing level (Freeman, R. E, 1984, pp. 145). However, should a stakeholder change its behavior, i.e. if various consumer organizations merge, a change in corporate policy towards the stakeholder in question is inevitable.

*Non-supportive stakeholders*, characterized by low cooperative potential on the one hand, but high potential of competitive threat on the other, induces a company to run a so-called “defensive strategy” (Nork M. E., 1991, pp. 170). A typical example would be to defend one’s own business strategy vis à vis a competitor. Stakeholders characterized by the molding of the dimensions as described above, are most dangerous, since they have a lot of power and influence on a company (Freeman, R. E, 1984, pp. 145). Examples of this group may include competing organizations, unions, federal or other levels of government, and the media (Carroll, 1993, p. 78).

The last category, referred to as *mixed blessing stakeholder*, is high on both potential for threat and potential for cooperation. According to Freeman, the so-called “swing” strategy, which basically denotes the corporation’s attempts to change the rules of interaction between itself and the stakeholders, is core. The ultimate aim is to increase the cooperative potential while decreasing the potential of competitive threat. Thus, this type of stakeholders can become supportive or non-supportive stakeholders. By maximizing collaboration the likelihood is enhanced that this stakeholder group will remain supportive (Carroll, 1993, p. 79).

However, the development of a specific stakeholder strategy is not only a function of competitive threat and cooperative potential, but is also based on advantages expected by an organization resulting from responsiveness to stakeholder concerns (Bach K., 1993, p. 105).

Finally it is worth mentioning, that the corporate strategy chosen is highly intertwined with the principal corporate identity (CI) and culture prevailing in a company (see Miles R. H., 1987, pp. 45).

#### **2.4.4 Integrative stakeholder program**

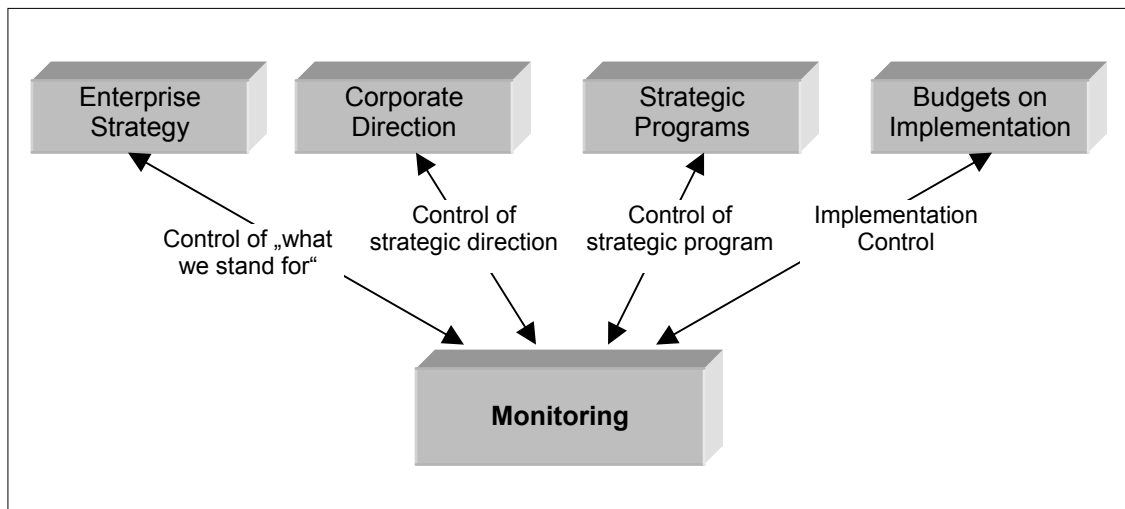
The final step in the strategy development process is to draw up an integrative stakeholder program that aims to integrate all single specific strategies. The reason for this is to avoid the sum of all strategies not producing the outcome desired, e. g. a

specific strategy tailored to one stakeholder groups can have negative halo-effects on the relationship to other stakeholders (Freeman, R. E, 1984, pp. 126 and pp. 154).

### 2.4.5 Control

Yet another task of strategic management is to constantly evaluate and monitor progress with respect to the strategies developed.

*Fig. 21: Monitoring and Controlling Progress (Freeman R. E, 1984, pp. 126, p. 172)*



Finally, openness of the system, involvement of top management as well as of lower levels of management seem to be critical for successful stakeholder management (Freeman R. E., 1984, p. 188).

## **3 Functions of National Parks**

### **3.1 Ecological function**

NPs are established to protect and preserve the environment, biodiversity and thus genetic variety. They are inclined to help to maintain the diversity of ecosystems, species, genetic varieties and ecological processes, which are vital for support of life on earth and the improvement of human conditions. (IUCN, 1999, p. 1) Natural resources, including the ecological processes that sustain them, are protected and restored where appropriate (GSMNP, 1998, p. 2).

U.S. legislation defines the fundamental purpose of a NP as *“to conserve the scenery and the natural and historic objects and the wild life therein and to provide for the enjoyment of the same in such manner and by such means as will leave them unimpaired for the enjoyment of future generations”* (NPS Organic Act, 16 U.S.C.1.).

The importance of protected areas for the conservation of biodiversity becomes daily more evident. Yet they face unprecedented threats from rising human populations, destructive resource use, unsustainable patterns of development and pollution. (IUCN, 1999, p. 2)

### **3.2 Economic function**

“There is an increasing recognition that protected areas make a valuable economic contribution on a local, regional and national basis” (IUCN 1999).

Tourism and leisure industry often generate income and employment for regions adjacent to NPs. Exploitation of natural resources, such as exploitation of organic substances, hunting, fishing, agriculture and water power, represent other economic uses.

NPs impact the local economy in several ways (Stynes D. J., Propst D. B. and Chang W. H., 2000, p. 1.1):

1. visitor spending in the region
2. park operations, including payroll and purchases of goods and services from local suppliers
3. construction activities
4. economic development in region induced by the presence of the Park.

Direct effects are changes in sales, income and jobs in those businesses or agencies that initially receive the visitor spending, e.g. the Park, motels, campgrounds, restaurants, retail stores, etc. Multiplier effects, on the other hand, capture what is called indirect or induced effects. These are changes in economic activity within the region that result from the re-circulation of the money spent by visitors within the local economy. (Stynes D. J., Propst D. B. and Chang W. H., 2000, p. 1.2)

For a more detailed discussion of economic effects please see chapter 5 “Evaluation of the regional economic and social effects of NPs”.

### **3.3 Social function**

There is a growing need for the increasingly urbanized populations of the world to understand, experience and value the natural environment upon which human life ultimately depends (IUCN, 1999, p. 2).

NPs serve educational purposes by providing basic knowledge and experience of nature. Moreover, they are a means to enhance environmental awareness among people.

The maintenance of traditional cultural integrity and protected area policies and practices are often complementary since they sustain traditional life styles and preserve historical places.

## 4 Ecosystem Management

Ecosystem management is a new and emerging model of resource management. It is defined in several ways, embraces many and various approaches, and it has several dimensions (Nath B. et al., eds., 1999, p. 2). A working definition: “Ecosystem management integrates scientific knowledge of ecological relationships within a complex socio-political and value framework toward the general goal of protecting native ecosystem integrity over the long term” (Grumbine, 1994, p. 31). It is, at root, “an invitation, a call to restorative action that promises a healthy future for the entire biotic enterprise” and it promises a means of bridging the growing gap between people and nature in “a world of damaged but recoverable ecological integrity” (Grumbine, 1994, p. 35; Yaffe S. L., 1996, p. 3).

An ecosystem can be defined as “an interconnected community of living things, including humans, and the physical environment within which they interact.” The ecosystem approach is a comprehensive regional approach to protecting, restoring, and sustaining our ecological resources and the communities and economies that they support (Interagency Ecosystem Management Task Force, 1995, p. 3).

*Fig. 22: Ecosystem Management (Cordell K. H., Hoover A. P., Super G. R. and Manning C. H., 1999, p. 6)*

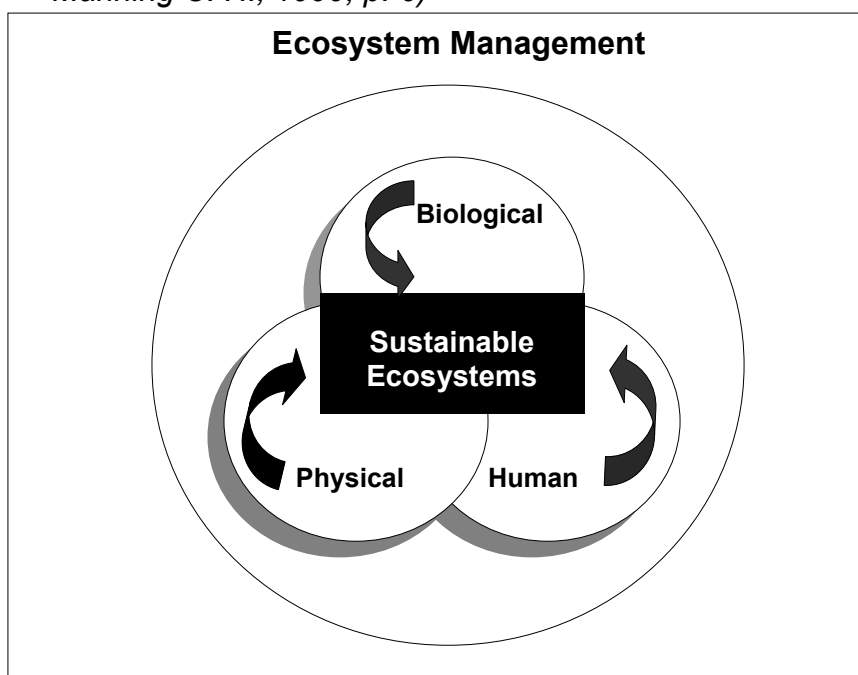




Fig. 22 illustrates the interconnections of the human, biological, and physical dimensions of ecosystems. This conceptualization includes the cultural, community, political, and economic traditions and institutions that together form human societies. Thus, conservation strategies must take account of human needs and aspirations (Le Roux, 1993, p. 105-110); and they must integrate ecosystem, economic and social needs (Kaufmann et al., 1994). Thus, the key players are scientists, policy-makers, managers and the public (Nath B. et al., eds., 1999, p. 5).

An ecosystem defined to include people and communities, refers to “ecosystem management”, as a job of nurturing community, sharing the responsibilities for and the power of decision-making, and for developing collaborative land management (Estill E., 1999, p. 16). The inclusion of people and their economic needs is a fundamental part of the approach (Interagency Ecosystem Management Task Force, 1995, p. 20). Decisions are not only more likely to be implemented if they come from the community, they also will be better as they will strike a more appropriate balance for that place in that time. Estill therefore argues, that a new kind of expertise arises, that of the “community-relations specialist”, who has special networks of contacts, knowledge of support programs and funding opportunities, and special skills to support line officers in community building (Ibid, p. 19).

*”Unlike traditional management, ecosystem management does not begin with enumerating outputs; in ecosystem management objectives are related first and foremost to the condition of the ecosystem. Ecosystem management makes ecological sustainability-long-term maintenance of ecosystem productivity and resilience a primary goal. Levels of use are adjusted to meet that goal. Protection and restoration of ecosystem structures and processes, particularly biodiversity, is paramount. Ecosystem management further recognizes a critical interdependence between social and ecological vitality and includes humans and human societies in resource management to an unprecedented extent. It breaks new ground by insisting that the social and political basis of natural resource management goals be made explicit and by encouraging their development through an inclusive and **collaborative decision-making process**. Ecosystem management is based on an ecosystem science that integrates many disciplinary approaches. Given the recognized complexity and dynamic nature of ecological and social systems,*

*ecosystem management embraces the concept of adaptive management, which requires constant reassessment and revision as new information becomes available”* (Cortner H. J. and Moote M. A., 2000, p. 1).

Principles of ecosystem management basically fall into two categories: those which address scientific issues and those which address policy, planning and management. Therefore, ecosystem management should be guided by ecological principles of biodiversity, ecosystem complexity, scales of analysis, hierarchies of components, ecosystem boundaries, baselines and monitoring, stability and resiliency, carrying capacity, and most importantly, holistic analysis. Planning and management should be guided by the principles of interdisciplinary and intergenerational planning, integration of economic/environmental/social value systems, information transfer, public participation, human ecosystems, equitability, adaptive management, and recognition of constraints and limitations (Peine J. D., ed., 1999, p. 13).

Grumbine (1994) cites five common ecosystem management goals:

1. Maintain viable populations of all native species in situ
2. Represent within protected areas, all natives ecosystem types across their natural range of variation
3. Maintain evolutionary and ecological processes (i.e. disturbance regimes, hydrological processes, nutrient cycles, etc.)
4. Manage over periods of time long enough to maintain the evolutionary potential of species and ecosystems.
5. Accommodate human use and occupancy within these constraints.

The fifth goal incorporates the human dimension, implying that no ecosystem is immune from human induced impacts. Thus, local stakeholders must be included in a commitment to problem solving that includes the previous four goals.

Fig. 23: Key Principals of Ecosystem Management of the NPS (Peine J. D., 1999, p. 15)

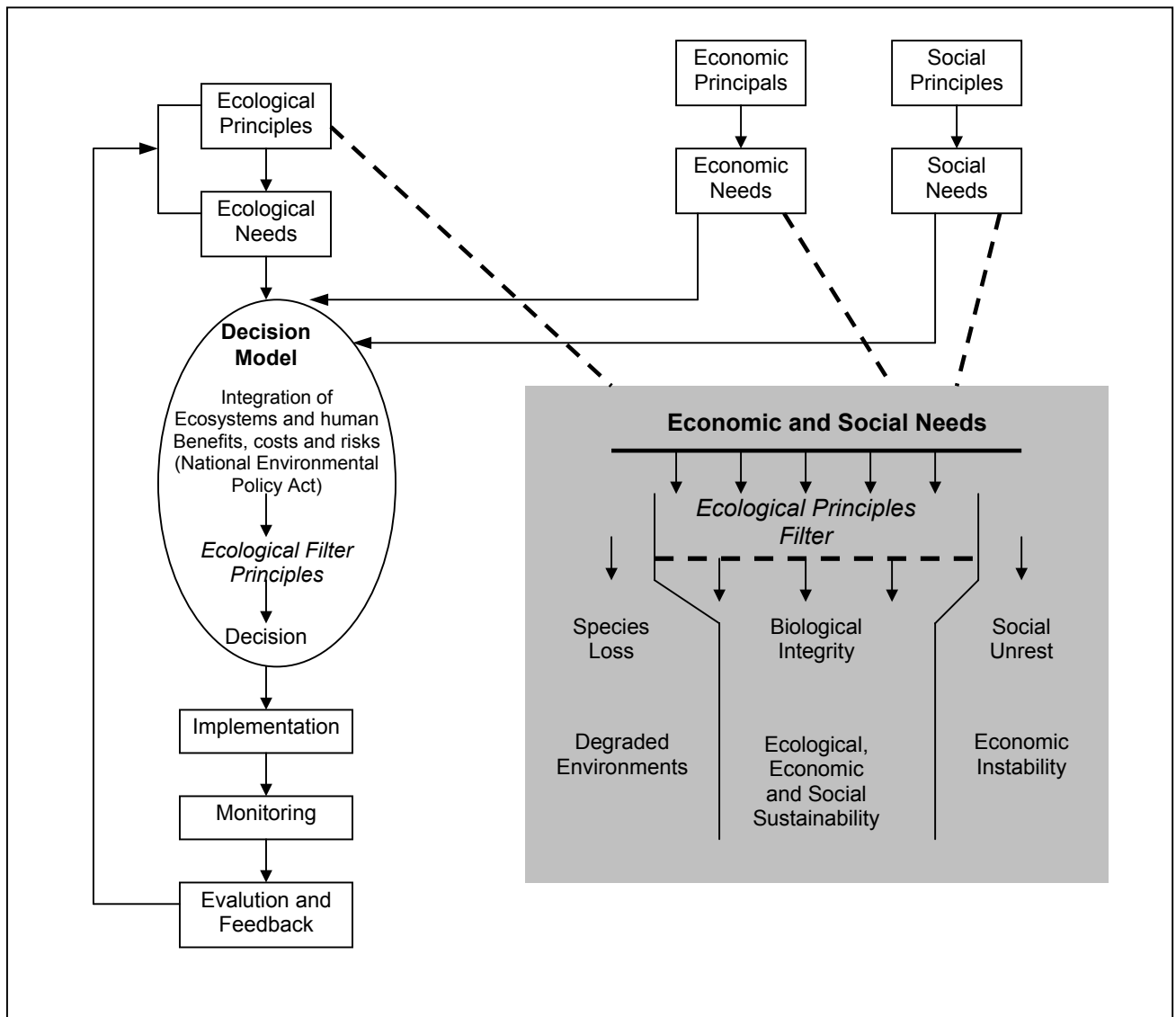
### Key Principals of Ecosystem Management

In the aggregate, the principles discussed below can contribute to achieving the new NPS ecosystem goal of preserving, protecting, and/or restoring ecosystem integrity (composition, function, structure) and also maintaining sustainable societies and economies. .... There are nine principles:

- **Multiple boundaries and scale** – Ecosystems do not have permanent or absolute boundaries. Rather, multiple factors considered in multiple scales with multiple boundaries are necessary for ecosystem management.
- **Natural resources, biodiversity, and conservation biology** – It is imperative that the NPS work to restore and/or maintain biological diversity (species, genetic, and ecosystem) and the ecological patterns and processes that maintain that diversity.
- **Natural resources and traditions** – This entails preserving and maintaining significant resources and advocating or assisting others to protect important archeological, historical, and ethnographic resources in their historic contest.
- **Social, cultural, economic, and political factors** – NPS resources are not separate and removed from society. Rather, they are an integral part of society. Social, economic, and political reality must be understood by park management. Economic and social needs of surrounding communities may be supported without compromising NPS values. Political actions help determine NPS activities and the NPS should use its expertise to educate elected officials at all levels
- **Information management/scientific basis for decisions** – NPS management decisions should be grounded in the best scientific natural, cultural, economic, and social data available in order to gauge effectively the full impact of policy alternatives and to help choose the course of action that will best achieve ecosystem management goals.
- **Partnerships** – Ecosystem management is best understood as shared responsibility, and the NPS should collaborate, communicate, cooperate, and coordinate with partners.
- **Interdisciplinary approach to management** – Rather than separating employees by discipline, varied disciplines should work together in teams toward specific objectives.
- **Long-term ecosystem management focus** – Managers of NPS resources common to an ecosystem should cooperatively develop a long-term ecosystem vision and specific management objectives in conjunction with partners.
- **Adaptive and flexible management** – Ecosystem management can be best served by allowing innovative management approaches to be tailored to specific ecosystems.

NPS managers will therefore need to reexamine management practices and standard operating procedures to ensure that they promote behaviors that advance the principles of ecosystem management, learn to share power with a variety of community groups and sister agencies, more actively engage citizens in park decision making, and align budget priorities to achieve the ecosystem management goals (Cortner H. J. and Moote M. A., 2000, p. 2). Because ecosystem management stresses the importance of humans in the ecosystem and socially derived goals and objectives, park science will need to reflect a larger social science role. “Park social science will need to focus both on issues internal and external to the parks, determining, for example, how visitors relate to park resources and services, how management decisions *affect, and are affected by*, social, economic, and political conditions in surrounding communities, and how incentives can be devised and barriers removed for managing across ownership boundaries. Monitoring will include social analysis and evaluation of lessons learned through experimentation with new institutional arrangements and policy tools” (Ibid, p. 2).

Fig. 24: The integration of ecological, economic and social needs in a decision-analysis model (Nath B. et al., eds., 1999, p. 5, after Kaufmann et al., 1994, p. 11)



Economic and social needs are tested against an “ecological filter”, with the aim to determine economic and social actions that will produce the most desirable balance between biological integrity and ecological, economic and social sustainability. While bowing fully to economic needs (or to ecology needs respectively) will not lead to desired outcomes, a compromise position allows the maintenance of biological integrity while catering for economic and social needs.

## **5 Evaluation of the regional economic and social effects of National parks**

While visiting NPs, visitors consume products and services, which in turn increase or secure the regional economic output. Regional economic effects (tourism, infrastructure) can be screened and evaluated by a cost-benefit analysis. Affected industries are to be identified and analyzed if they are affected positively or negatively.

Regional economic development within the framework of ecologically sustainable development can be considered as contributing to the resilience of the whole system. Thus, theoretically, only a regional system which balances both ecological and economic spheres, can be regionally sustainable (Getzner M, 1999, p. 4).

A number of studies show that (eco)tourism can contribute to regional sustainable development (see glossary for definition) both in the ecological and economic sense (Sinclair M. T., 1998; Theophile , 1995). Ecotourism can be considered “as a means to sustain use of natural resources and provide income and security for a region” (Wagner J. E., 1997, p. 592).

Ecotourism “generally refers to travel to relatively undisturbed or uncontaminated natural areas with the specific objective of studying, admiring and enjoying the scenery and its wild plants and animals as well as any manifestation found in these areas” (Baud-Bovy M. and Lawson F., 1998, p. 11). Moreover, ecotourism may crucially contribute to regional sustainable development because “recreational jobs can typically be maintained for a long period of time” (Douglas A. J. and Harpman D. A., 1995, p. 246).

The calculation of the economic impact as well as the realization of the NP itself presupposes a network of stakeholders (Getzner M., 1999, p. 2). While studying the impacts of a NP on a region it is critical to understand the role of the NP within the region, to communicate to the public the best available estimates of costs and benefits involved and, last but not least, to make sound economic decisions regarding NPS policies and ecological restoration efforts.

## **5.1 Measuring regional economic effects of National Parks**

NPs and surrounding regions are highly intertwined with one another, not only the NP has an impact on the surrounding region, but the same is true vice versa. “Many NPs [...] exist in highly changeable regional environments. Often the parks and forests themselves serve as important catalysts of change in the levels of tourism, outdoor recreation participation, and contribution of traveling publics to local and regional economies” (Taylor J. G et al, 2000, p. 1).

Information on how spending by tourists affects a regional economy is needed for defining management and policy options that can best provide economic opportunities while sustaining the region's fragile natural ecosystem (Taylor J. G. et al, 2000, p. 3). To understand the impacts of tourism on the Great Smoky Mountains economy, a detailed inter-industry model of the regional economy can be constructed to track the changes in economic activity from spending by visitors, as these dollars ripple through different sectors of the economy. Economic input-output models are commonly used to predict the total level of regional economic activity that would result from a change in spending (Jackson et al. 1992). The Impact Analysis for Planning (IMPLAN) model, developed by the U.S. Forest Service, can be used to construct a regional input-output model of the Great Smoky Mountains economy (Minnesota IMPLAN 1998).

A tourist usually buys a wide range of goods and services while visiting an area. Major spending categories include lodging, food, transportation, and recreational equipment. Tourism spending generates considerable economic benefits for local businesses that provide services to them.

Changing activities and socioeconomic conditions in regions adjacent to park units affect resources and visitor use within these parks. For example, increased development may lead to habitat fragmentation, contribute to degraded air and water quality, and intrude on historic settings and scenic values. Population changes related to growth, aging, immigration, and mobility can alter traditional visitor use patterns and shift impacts on resources and demands for interpretive and recreation services.

Hence, park managers need systematic information about contemporary conditions and trends in human activities - socioeconomic trends - in the regions that surround individual units. Such information can be used to anticipate and help address complex park management challenges that originate outside park boundaries (McKendry J. E. and Cambers N., 2000, p. 1). Maps are powerful tools to help managers visualize spatial patterns related to these socioeconomic trends (Machlis G. E. and McKendry J. E., 1996). A collection of maps of regional socioeconomic trends (i.e., related to population, resource use, commerce, land use, and so forth) can be organized into an atlas. Such an atlas contributes to a better understanding of the changing character of adjacent lands and potential impacts on NPs, and provides managers with a critical planning, management, and public participation tool (McKendry J. and Cambers N., 2000, p. 1).

The regional socioeconomic trends information and maps can be integrated into the general management planning process. The atlas could be used as a tool to educate new park staff (and central office staff) about the region surrounding the park, and share information about socioeconomic trends with the public, gateway communities, media, and Congress. Moreover, it serves as an important public participation tool, helping park staff work with local communities on planning and management decisions that affect both the park and the adjacent region (McKendry J. E. and Cambers N., 2000, p. 1).

There are two basic approaches of how to measure economic effects of NPs: Regional Economic Effects analysis and a Cost-Benefit Analysis.

### **5.1.1 Regional Economic Effects Analysis**

The core of this analysis consists of an input-output analysis computing the effects of a NP project on the value-added and the employment of a defined region. Industries which either benefit or lose due to setting up and running a NP are to be identified.

This analysis begins with the development of different scenarios of the development of a region in order to pinpoint both direct and indirect effects on the regional economy in a qualitative as well as quantitative way (Kletzan D. and Kratena K., p. 6). The basis data are estimated costs arising from the erection and operation of a

NP (manufacturing costs, personnel costs, etc.). Only costs which represent an actual additional expense are considered, hence costs which also arise without the NP are not included (Jungmaier M. et al., 1999).

Expenses made by NP visitors in the region are calculated as an additional stimulus of demand. Thus, all tourist payments of domestic and foreign visitors, which in turn trigger employment and value-added effects are taken into account. These employment and value-added effects can be computed by using an input-output analysis on the basis of the estimated streams of payments.

### **5.1.2 Cost-benefit Analysis**

Cost-benefit analysis entails calculating the so-called “net benefit”, which is the balance between aggregated benefits and opportunity costs. A project is said to pay off, if the net benefit is positive (Hanusch, 1987; Hackl – Pruckner, 1995). The methodology of a cost-benefit analysis can be summed in three steps: formulate project alternatives (such as different variants of NPs), determine the positive and negative effects of the various projects in monetary terms and finally confront the discounted benefits and costs. After analyzing for risks and uncertainties, the various alternatives are ranked.

To determine the net benefit all direct and indirect costs and benefits have to be determined and evaluated in monetary terms. While it is usually fairly easy to figure out the costs (and opportunity costs) of a project, computing the benefits in monetary terms is often extremely problematic, since only part of the arising benefits are known in monetary terms from the very beginning (Kletzan D. and Kratena K., 1999, pp. 17). It is crucial how benefits arising for the population are evaluated. The actual value does not only consist of direct benefits, but also of “non-use benefits”, reflecting appreciation of persons considering a future visit (Hackl F. and Pruckner G., 1995). In order to compute use-benefits the following methods can be employed: The travel expense method assumes that the use derived from a NP visit at least compensates for the costs of the journey to the NP, with travel costs consisting of journey costs and opportunity costs (Pierce D. A., Markandya, Barbier E. B., 1989). The underlying assumption of the hedonistic pricing method, on the other hand, is that areas of different environmental quality have different economic value as well. E. g. proximity



to unaffected areas, like NPs, results in higher land prices. (Hackl F. and Pruckner G., 1995).

Although the two methods outlined above are internationally accepted and widely used, they only take the experience value into account; they exclude the existence or transmission/heritage value (Kratena D. and Kletzan K., 1999, p. 20). In order to include such subtle things as appreciation not based on use-benefits, more sophisticated indirect methods such as the contingent valuation method can be used. The core is to define the maximum amount of money, people are willing to pay for a certain public good by using hypothetical markets and specialized questionnaires.

The main sources of costs of a NP are erection and operating costs as well as costs arising from changes of use. Benefits can be split in value-added effects of additional tourism and direct NP income. The core part of benefits, however, is derived from experience value (recreational benefits) and from non-use based value (existence, heritage value).

Expenses of the NP visitors lead to increase of the national value-added. However, there are also direct benefits, such as income derived from nature management.

### **5.1.3 The Money Generation Model**

In 1990, Dr. Ken Hornback of the Denver Statistical Office of the NPS developed an economic model that may be used to estimate economic benefits of parks for local economies. This model was called the Money Generation Model, or MGM. The original MGM focused primarily on the economic benefits associated with park tourism expenditures.

Nevertheless, the MGM was subsequently expanded to include the economic effects of two additional types of expenditures, namely expenditures by the Federal Government for NPS salaries, park construction projects, other park-related activities and expenditures by other outside parties, such as state spending for park access roads, or dollars spent by outside interests for marinas, motels, restaurants, and other park-related capital development projects.

In 2000, Daniel Stynes and Dennis Propst at Michigan State University developed a new version, called MGM2. Like the original MGM model, MGM2 estimates the impacts that park visitors have on the local economy in terms of their contribution to sales, income and jobs in the area. The MGM produces quantifiable measures of park economic benefits that can be used for planning, concessions management, budget justifications, policy analysis and marketing. [http://www.prr.msu.edu/MGM2/MGM2.pdf; Oct. 2000]

## 6 CASE STUDY: GREAT SMOKY MOUNTAINS NATIONAL PARK

### 6.1 Methodology

Methodology milestones:

1. Literature review
2. Selection of suitable case study object
3. Data gathering
  - a. secondary data
  - b. field research
4. Application of theoretical concepts to GSMNP: Stakeholder Analysis of GSMNP

The study began with an in-depth literature review concerning stakeholder and ecosystem management in order to provide the relevant theoretical background.(see also Fig 2: “Thesis Structure”).

The GSMNP was selected for a case study as it is the most visited NP in the U.S. and the first NP nationwide committed to the ecosystem management approach (Peine J. D., ed., 1999, p. 12), making it an ideal study object. Another consideration was accessibility of information on issues relevant to this thesis.

Gathering relevant data was a two-step process: After studying all available secondary sources of data, the information still lacking was gained mainly through qualitative interviews on the spot and via telephone. Interview lengths varied considerably, ranging from 40 minutes to several hours. Interviewees were chosen based on their relevancy – as far as the latter could be determined by secondary data and some first contacts – and accessibility.

As a stakeholder analysis requires not only identifying but also ranking stakeholders – also and foremost - in terms of power, information given was attempted to be verified by comparing not only an insider’s but also an outsider’s point of view. Although a questionnaire was prepared, a considerable amount of valuable information was gained through informal talks (see Appendix for sample

questionnaire). However, it is important to point out that the final stakeholder classification and analysis is subject to the author's personal perception. For a full list of persons/organizations interviewed, please refer to appendix.

## **6.2 Introduction**

Some environmentalists called the Smokies a "Noah's ark, the last refuge of creation in a roaring sea of traffic and development" (Nolt J. et al., 1998, p. 248).

### **6.2.1 History**

The "Smokies" represented a new direction in national park policy in the 1920s. The eighteen NPs then in existence in the west had been created from lands already owned by the federal government. The Smokies lands authorized for park purchase beginning in 1926 were all private ownership in more than 6,600 tracts (Campbell C., 1960, p. 12). This created an awesome land acquisition headache, since 85 % of the area was owned by 18 timber companies and the remaining 15 % was divided among twelve hundred farms and five hundreds summer sites (Weaver B., 1996, p. 154). Land was difficult to buy despite the park movement. Greed, private property rights, and personal glory often clashed with government condemnation and the park movement. The campaign leading to the dedication of the GSMNP, lasted almost two decades and was unusual for its time because of its length, the diversity of media employed, the number of people involved, the complexity of issues discussed, and the modern public relations techniques used (Weaver B., 1996, p. 151). Despite its thoroughness, its organizers failed to achieve two important goals: they failed to persuade large numbers of people to contribute money for the purchase of land, and to persuade the mountain people to leave their land willingly (Ibid, p. 152).

The first failure was successfully overcome by a five-million-dollar contribution by J. D. Rockefeller and by lobbying by the American Automobile Association eagerly promoting the development of tourist automobile destinations, which enabled Tennessee (TN) and North Carolina (NC) to purchase the needed land and donate it to the federal government. (U.S. Department of the Interior, 1981, p. 9). The NP was authorized in 1926, established for protection in 1930, and for development in 1934 (Ibid, p. 16). Congress established the GSMNP on June 15, 1934, and turned its stewardship to the NPS. Land acquisition continued and on September 2, 1940, President Franklin Delano Roosevelt officially dedicated the park.

While park promoters ignored the mountaineers in the early stages of the campaign, they finally used them to generate a new park image “consciously changing the GSMNP from masculine mountains to feminine ones [...] and successfully set the image of the park as being charming and quaint for future generations” (Weaver B., 1996, p. 162).

### **6.2.2 Location**

The NP, in the states of NC and TN, encompasses 800 square miles of which 95 % are forested. It is in proximity to or bordered by four national forests, an Indian reservation, and an extensive system of lakes and lands managed by the Tennessee Valley Authority (TVA). World renown for the diversity of its plant and animal resources, the beauty of its ancient mountains, the quality of its remnants of Southern Appalachian mountain culture, and the depth and integrity of the wilderness sanctuary within its boundaries, it is one of the largest protected areas in the east.

The GSMNP is part of what is called the “Southern Appalachian Region”: Of the 37 million acres of land in the 135-county, 6-state region defined in the Southern Appalachian Assessment (SAA), 16% is purely publicly owned. Approximately 845,000 acres are NPs and an additional 580,000 acres are in state parks or other state land classifications. There are six national forests in the region, totaling 4.4 million acres.

### **6.2.3 Local People - Culture**

*“The mountaineers of the South are marked apart from all other folks by dialect, by customs, by character, by self-conscious isolation. .... No one can understand the attitude of our highlanders toward the rest of the earth until he realizes their amazing isolation from all that lies beyond the blue, hazy skyline of their mountains”* (Kephart H., 1913, pp. 16-17).

The rugged terrain often isolated settlers from each other and from other regions so that the Appalachian culture is not only distinct from other regions of North America but also exceptionally diverse (Peine J. et al., ed., 1999, p. 76).

### **Early Settlement**

Today the Smoky Mountains speak of wilderness, however, strictly speaking much of the wilderness is a product of reconstruction rather than of preservation (Williams M. A., 1995, p. 1).

The Paleo-Indians (mainly Cherokee) were the first to inhabit the Smokies. (Huson and Tesser 1994). By the 1600s these Indians, a tribe of the Iroquoian origin, had built a Nation hundreds of years old in the Southern Appalachians, particularly in Eastern Tennessee (TN), Western North Carolina (NC) and Northern Georgia (GA) (US Department of the Interior, 1984, p. 35). Cherokee Indians lived here in ways ironically similar to those of the whites who would soon displace them. They cultivated crops, hunted, believed in one god, practiced a democratic form of government, and lived in mud-and-log structures (Ibid, p. 36; Brown M. L, 2000, p.35). "The place of blue Smoke" - "Shaconage" - they called this mountain hunting ground (Ibid, p. 9). Treaty after treaty saw the Cherokees lose more and more homeland, up to and finally including the Smokies (Dykeman W. and Stokely J., 1978, p. 38). The discovery of gold on Cherokee lands in GA, and Andrew Jackson's rise to the Presidency, led to Indian removal and the tragic "Trail of Tears", with Indians being "relocated" to Oklahoma, with one fourth of the people dying along the way.

Just few Cherokees had resisted removal, staying behind in small groups and hiding out in the mountains, but by 1783 with the end of the Revolution, all hope for the survival of the original Cherokee Nation was extinguished (US Department of the Interior, 1984, p. 47). Later they were allowed to return and reclaim the borders of their old homeland. Today some live on the Cherokee Reservation (Ibid, p. 16, p. 98). In the 1870s the Eastern Band of the Cherokee reclaimed some of their lands in Western NC. This land is known today as the Qualla Boundary.

European contact began in the sixteenth century and within a hundred years these new interlopers had substantially eroded the Cherokee Nation's holding (Williams M. A., 1995, p. 1). Many of the new settlers were of English, "Scotch-Irish" and German ethnic origins (Peine J. et al., ed., 1999, p. 77). By the 1820s, white settlement had begun in Cades Cove on the TN side of the mountains, and a decade later families were moving into Cataloochee Valley and Hazel Creek (Ibid, p. 6). Slaveholding of

African Americans did exist in the Smokies, and was not unfamiliar to the Cherokee as well.

Throughout the nineteenth century, the economy of the Smoky Mountains region was based on agriculture, with the construction of roads making it possible to get farm products to larger markets. The development of the timber industry in the early twentieth century brought profound changes to the lives of people, as many rural people found “public” work for the first time (Ibid, p. 8). Apart from the short lived timber boom, another “industry” would have a more long term effect on the economy of the region. Health resorts flourished after the construction of the railroad since the mountain climate was thought to be effective in the treatment of tuberculosis (Ibid, p. 9). The development of the NP in 1926 entailed the removal of the local population, with seven hundred farm families (and an unknown number of tenants) losing their homes.

### **Culture**

Mountain people were proud people, proud of their cultural heritage and how they had overcome the many obstacles to their survival. Religion was an important part of their lives and most were strongly individualistic and self reliant. Being conservative, they moved cautiously towards change and were sensitive to attitudes of “outsiders”. Well until the 20th century, the family was the only basic economic unit within a self-sufficient agricultural setting tied to the land and its natural resources. Even today strong attachment to the land exists and though fewer modern-day residents make their living directly from the land, they continue to share the attitude that land is to be used. Within the region, there is the widely held belief, that private ownership of land provides a legal right to do with it as one pleases (Peine J. et al., ed., 1999, p. 78).

### **6.2.4 Wilderness**

The physiographic complexity of the region combined with its relatively warm, moist climate results in exceptional natural diversity (Randolph et al., 1999, p. 63). The wilderness richness here is both astounding and close at hand. The Park is distinguished by its extraordinary diversity and abundance of resources (U.S. Department of the Interior, 1981, p. 18).

Although a comprehensive description of the natural and cultural resources of the region is beyond this thesis, a recognition of their unique nature is essential as background for the management approaches discussed.

### **Vegetation**

Five forest types dominate the Great Smoky Mountains. Together these forests support more than 130 species of trees and 4,000 other plant species. They represent all the major forest types along Eastern North America. As elevation increases within the park, temperature decreases and precipitation increases. Each 1,000 feet of elevation gained is the equivalent of moving 250 miles north. The additional precipitation classifies small sections of the Park as a rainforest [<http://www.nps.gov/grsm/gsmsite/natureinfo.html>, Oct. 2000]. Despite the fact that 70 % or more of the park was logged, the latter comprises the greatest old growth forest in the Eastern U.S. (Brown M. L, 2000, p. 359).

### **Wildlife**

The GSMNP has been recognized for an abundance and diversity of wildlife:

**Mammals:** A total of 65 mammals live in the Park. Some, such as the coyote and bobcat are reclusive, while deer are very common and obvious. Besides deer, people most often see red and gray squirrels, chipmunks, woodchucks, raccoons, opossums, red and gray foxes, skunks, and bats. An exotic, the wild European boar, causes widespread damage. Reintroduction efforts brought back the red wolf and river otter; however, red wolf reintroduction efforts were not successful.

**Birds:** More than 230 species use the Park, and over 110 species breed within Park boundaries. Some common species include: juncos, mourning doves, chimney swifts, eastern phoebes, barn swallows, blue jays, indigo buntings, cardinals, towhees, sparrows, chickadees, and warblers. Birds of prey include turkey vultures, hawks, and eagles.

**Reptiles** include snakes, turtles and lizards.

**Amphibians** thrive in the Smokies. Frogs, toads, and salamanders are all common Park residents. The Smokies' 29 species of salamanders make them the salamander capital – the most diverse population anywhere of the world.



## **6.2.5 Status**

The Park is the largest (211,029 ha) protected area in the Eastern deciduous forest biome. Since it is a center of temperate biodiversity along with the historic cultural resources present it has been designated an International Biosphere Reserve (see Glossary) and a World Heritage Site, and has been selected as one of the first four prototype parks for the NPS's Inventory and Monitoring program (Smith E. R. et al, 1999, p. 176).

## **6.2.6 Issues and threats**

### **6.2.6.1 Air pollution and water quality problems**

Air pollution is one of the Smokies' most conspicuous problems. Its effects range from obvious to speculative. Its main components include nitrogen, sulfur, and ozone. Nearly 70% of the region's smoky haze results from sulfur pollution. Visibility suffers, dropping from an average of 93 miles to 22 miles. On some otherwise clear days, visibility falls to one mile. The combination of sulfur and humidity cause most of the decrease. Ironically, these pollutants enhance sunset colors.

From 1984 to 1996 average atmospheric sulfur levels increased by 25 %. However, a downward trend began in 1990. Recent legislation and private initiatives provide a good starting point for reducing air pollution. Only through committed long-term efforts will visibility continue to improve (Great Smoky Mountains National History Association and the NPS, 1997, p. 2).

Nitrogen is another problem. As with sulfur, it enters the air after fossil fuel combustion. Along with sulfur it provides the basis for acid deposition, better known as acid rain. These acidic compounds can threaten ecological balances. Some fish kills correlate with major acid rain events. To date there is no definitive proof of acid rain damaging the Park's forests, but changing soil conditions raise concern. Certain high elevation park streams have the highest known nitrate concentrations of any systems in the U.S. draining undisturbed watersheds (GSMNP, 2000, p. 10).

Ozone results when nitrogen oxides and hydrocarbons react in sunlight. Park ozone levels occasionally reach unsafe levels. Ozone causes visible damage to sensitive Park plants including black cherry and milkweed. Long term effects remain unknown.

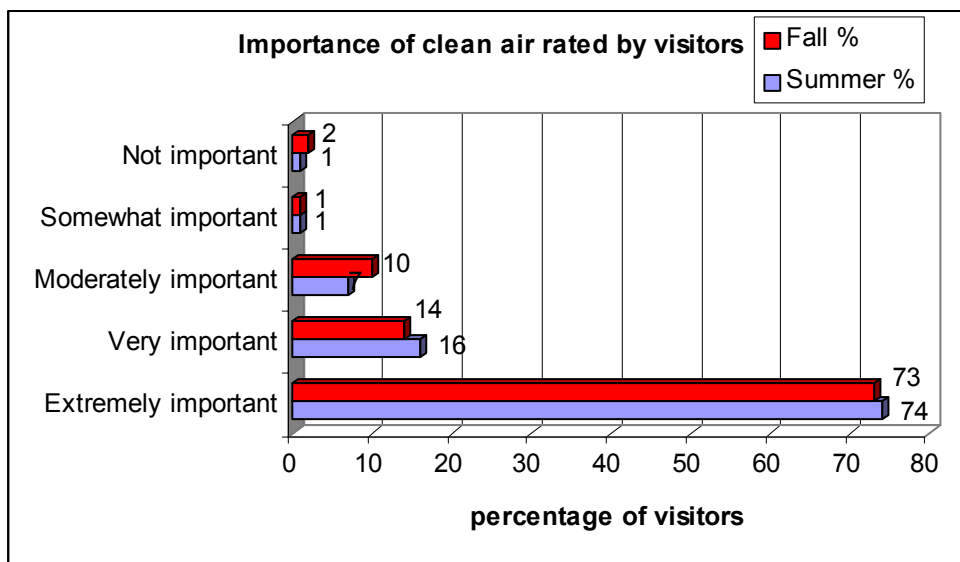
Park ozone levels often remain at high levels longer than in nearby urban communities.

Air stagnation episodes in the Smokies occur frequently, trapping and concentrating pollution. The Park's ozone, nitrogen, and sulfur levels are among the nation's highest. Much of this pollution comes from distant sources including Chicago, Detroit, Indianapolis, St. Louis and on occasion New Orleans or New York City. Cars are the main source of in-Park pollution, but they are only a small fraction of the air quality problem. [<http://www.nps.gov/grsm/airq.htm>, Oct. 2000]

The Parks air quality program is divided into two main areas of focus: determining the effects of air pollution on Park resources, and determining the concentrations of pollutants in the ambient air (GSMNP, 2000, p. 10).

However, visitors perceive the quality of air as important:

*Fig. 25: Importance of clean air to visitors (Littlejohn M., 1997, p. 34)*

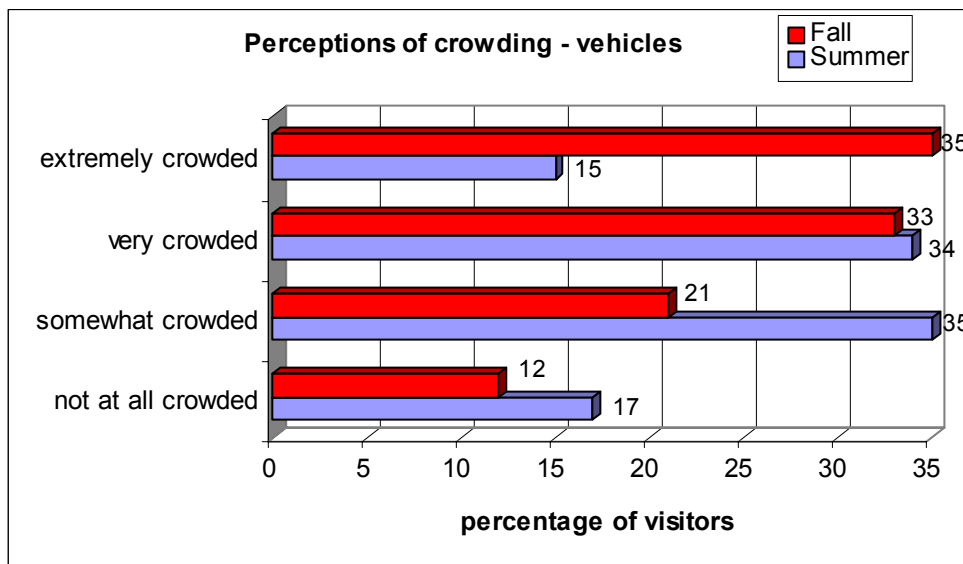


### 6.2.6.2 Transportation

Situated on the TN-NC border, the 800 square-miles Park lies within 600 miles reach of over 50 % of the U.S. population (Great Smoky Mountains National History Association and the NPS, 1998, p. 1). The sheer magnitude of visitors to the Park and adjacent gateway communities is taxing the limited roadway network that serves the Park and surrounding communities. The problem of roadway congestion is

compounded due to a peaking effect, which occurs during the summer months and during the fall foliage changes in October. The problem further aggravates, as over 70 % of the visiting public entering the Park spend their time in close proximity to the road and one in six visitors never turns off the engine while in the Park. Visitors average only 1,7 stops with 95 % of the stops occurring at visitors centers and picnic areas (Visitor Use Patterns, 1985, and Renau 1996). Average daily traffic (ADT) in 1996 along U.S. 441 in Pigeon Forge was 33,210 vehicles/day. Traffic peaks in July with over 400,000 vehicles entering the Park at Sugarlands.

Fig. 26: Perceptions of vehicle crowding of visitors, (Littlejohn M., 1997, p.121)

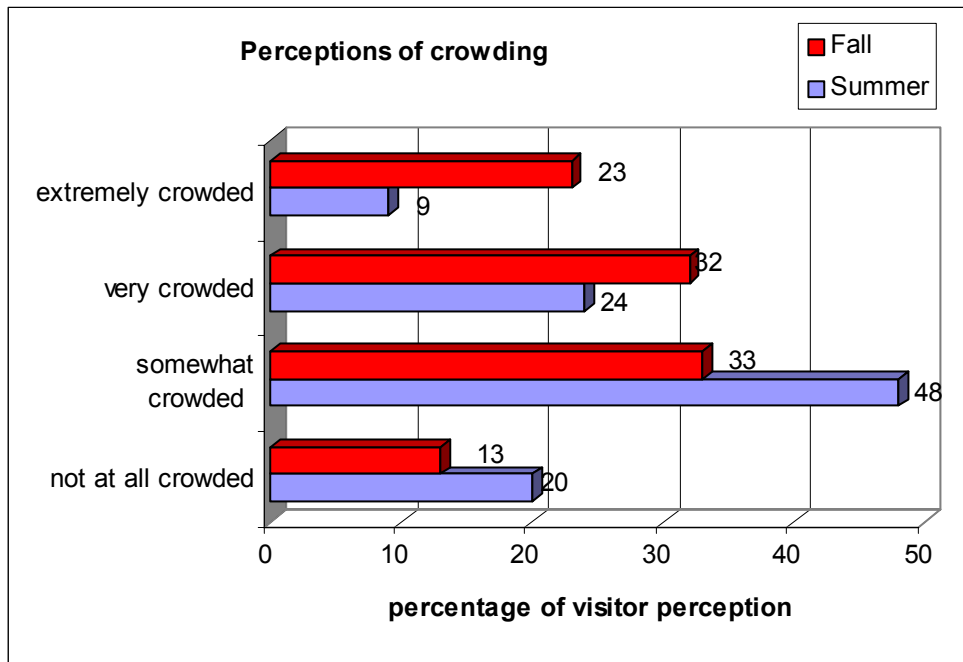


Traffic congestion and transportation management problems go beyond Park boundaries and equally affect gateway communities. Thus, a shared concern for transportation planning needs at a regional level has been prompted (Great Smoky Mountains National History Association and the NPS, 1998, p. 3).

### 6.2.6.3 Visitor physical impacts

“This threat includes the affect that campfires, trampling, erosion, wildlife harassment, habitat destruction, etc. have on the Park” (GSMNP, 1999, p. 10). Ten million annual visitors create an additional threat to the Park’s infrastructure. The phrase “The Park is being loved to death” describes what is occurring to the GSMNP.

Fig. 27: Perceptions of crowding (Littlejohn M., 1997, p. 120)



#### 6.2.6.4 Encroachment by alien species

Another threat is the invasion of various alien species, suppression of the prehistoric fire regime, and significant adjacent land use conversion. The major struggle is meeting the NPs mandate in balancing the press of human impacts with needs of the ecosystem (Peine, 1999, p. 103).

Some of the species of exotic plants and animals that pose the largest threat to the GSMNP are the following: European Wild Hog, Balsam woolly tree, European mountain ash sawfly, Mimosa tree, Princess Tree and many more (GSMNP, 1999, p. 9).

### 6.3 Stakeholder Identification

#### 6.3.1 Government - Congress

Changes in national politics shifted dramatically in the past decade. Under the Clinton administration a dramatic shift in policy concerning the management of public lands compared to that of the former Republican president occurred. The NPS radically reorganized, primarily to align management with biogeographic regions and principles of sustainability (Peine et al., ed., 1999, p. 105). The political climate changed drastically again on November 1994 when the Republican party won the majority of seats, causing major budget cuts of the natural resources programs.

Nevertheless, the Parks U.S. \$ 10 billion annually operating budget is appropriated by Congress (Ibid, p. 108).

On the other hand, the GSMNP managed to improve its relationship to some members of the Congress significantly within the past three years. Five members of the house of representatives as well as four members of the Senate created the "GSMNP conference". They now meet at least once a year, in order to focus on GSMNP issues. "In three years we ran from no relationship with the U.S. Congress to a relationship so special, that they are focusing just on our issues." (Phil Francis, Dec. 2000) The improvement of the relationship to the Congress, was initiated by citizens and business people working together with the NPS and being concerned about future (Francis P., Dec. 2000).

### **6.3.2 Tennessee-Great Smoky Mountains Park Commission**

The commission, composed of five members appointed by the Governor of TN, confers with the Park on the state's behalf, provides information to the U.S. Congress regarding the needs of the Park, or takes action desirable to preserve the beauty and scenery of the GSMNP. Moreover, it functions as an informal advisory body (Francis P., Dec. 2000; GSMNP, 2000 a, p. 4).

### **6.3.3 National Park Service**

#### **6.3.3.1 Emergence**

On August 25, 1916, President Woodrow Wilson signed the act creating the NPS, a new federal bureau in the Department of the Interior responsible for protecting the 40 NPs and monuments then in existence and those yet to be established [<http://www.nps.gov/legacy/mission.html>; Oct. 2000].

*This "Organic Act" states "...to promote and regulate the use of the [.. ] national parks [.. ] which purpose is to conserve the scenery and the natural and historic objects and the wild life therein and to provide for the enjoyment of the same in such manner and by such means as will leave them unimpaired for the enjoyment of future generations" (NPS Organic Act, 16 U.S.C.1.).*

The NPS still strives to meet those original goals, while filling many other roles as well: guardian of the diverse cultural and recreational resources; environmental

advocate; world leader in the parks and preservation community; and pioneer in the drive to protect America's open space.

The NPS of the U.S. comprises 378 areas covering more than 83 million acres in 49 States, the District of Columbia, American Samoa, Guam, Puerto Rico, Saipan, and the Virgin Islands. These areas are of such national significance as to justify special recognition and protection in accordance with various acts of Congress.

The passage of the Wilderness Act in 1964 in Congress is considered a milestone in U.S. conservation history, as it put more than 10 million acres of land into wilderness status and established a procedure by which millions more could be added (Forestra, 1984, p. 96).

For the most part, a recreation focused philosophy has governed Park Service management ever since. Congress has reinforced this focus by directing its attention to visitor services, which are, after all, the most publicly visible - and therefore politically pertinent - elements of Park Service management (Forestra, 1984, p. 96). One of the most significant changes under way at the Park Service is a shift toward a more science-based approach to decision making. The latest efforts were spurred largely by a 1997 book by Park Service historian Richard West Sellars called "Preserving Nature and the National Parks: A History" (Yale University Press).

The NPS administers three hundred plus areas in the system. There are three principal categories used in classification, namely, natural areas, historical areas, and recreational areas. The use of the NPs by over 285 million visitors annually makes a significant contribution to the economy of the nation. From this enormous visitation, most benefits go to business in the form of food, lodging, and travel expenditures. Many other benefits, however, are passed on to local or national firms by way of services or supplies actually required to operate the NPS.

The NPS expends approximately U.S. \$ 200 million annually for goods and services acquired under contract with over 90 % of these dollars going to small businesses [<http://www.nps.gov/legacy/business.html>, Oct. 2000].

### **6.3.3.2 Organizational structure**

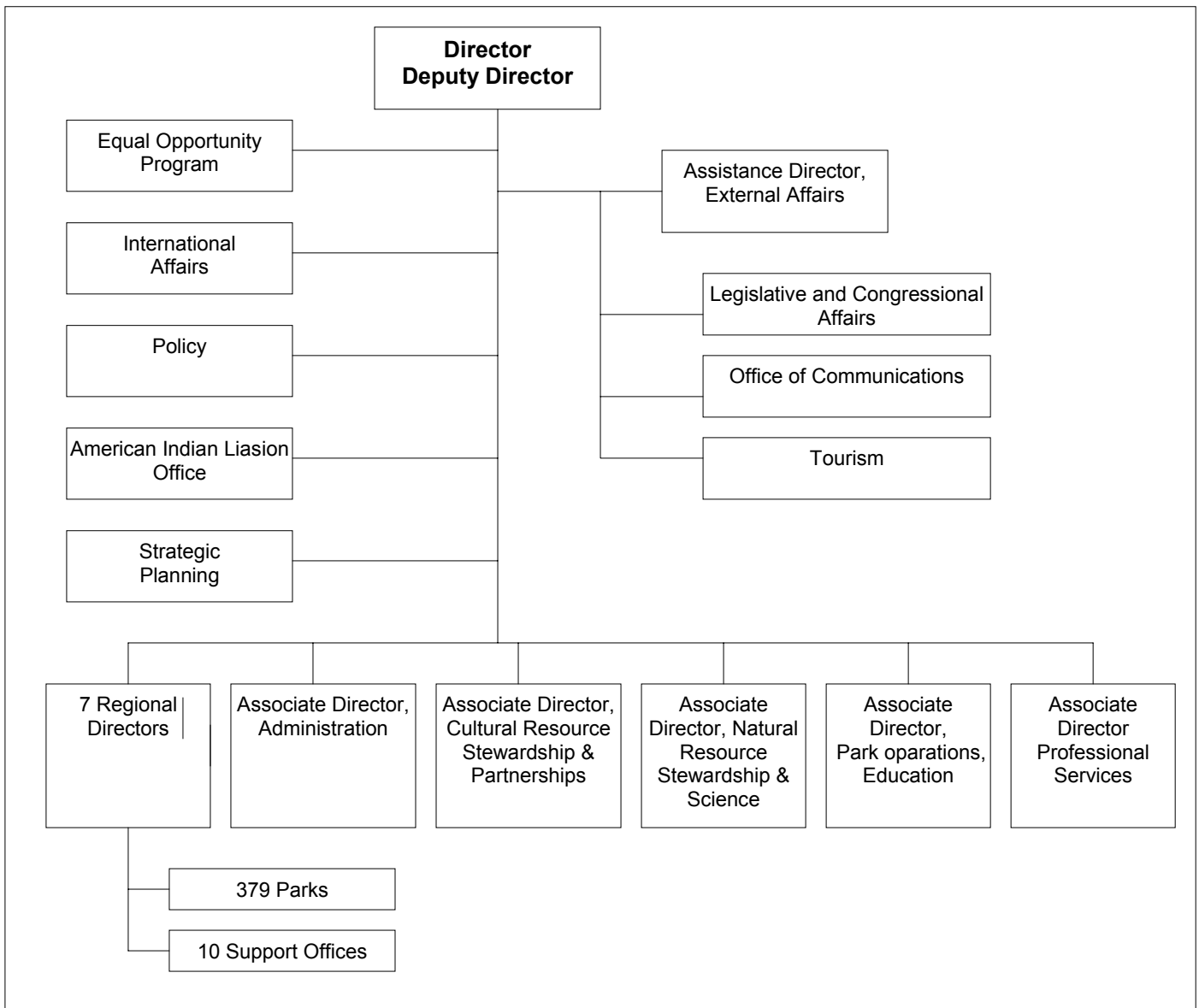
The NPS is part of the Department of the Interior, which is headed by the Secretary of the Interior, a member of the president's cabinet. Several assistant Secretaries report to the Secretary of the Interior, including the Assistant Secretary for fish and wildlife and parks. The latter supervises the directors of the NPS and the U.S. Fish and Wildlife Service (Mackintosh B., 1988, p. 55). The park service director plans and controls the bureau's activities. He is appointed by the Secretary of the Interior, but unlike many other bureau heads, he is not automatically replaced whenever a president of a different political party comes to office. The Secretary of the Interior also appoints the deputy director, who has typically spent his career in the service (Ibid, p. 57).

In structure, the Park Service is one of the most complex federal agencies. Its 378 units are divided into 20 separate categories, including NPs, national preserves, national rivers, national seashores and national monuments. The agency has 23,000 employees to maintain and protect these areas and serve the more than 285 million visitors they receive annually (Figura S. Z., 2000, p. 67-74).

Additions to the NPS are now generally made through Acts of Congress, and NPs can be created only through such Acts. But the President has authority, under the Antiquities Act of 1906, to proclaim national monuments on lands already under federal jurisdiction. The Secretary of the Interior is usually asked by Congress for recommendations on proposed additions to the System. The Secretary is counseled by the NPS Advisory Board, composed of private citizens, which advises on possible additions to the System and policies for its management.

Fig. 28: NPS Organizational chart

[<http://www.nps.gov/refdesk/orgcharts/NPSOrgchart.htm>, last revised 04/24/2000, Oct. 2000]



### 6.3.3.3 Mission & goals

Since the creation of the Park Service, the agency has a dual mandate: to protect its natural resources but also to "provide for the enjoyment" of them. Back in 1916, the agency's first director, Steven Mather, considered attracting people to the parks critical for developing a national appreciation for them. Rowntree, Heath and Voiland (1978, p. 107) see the use versus preservation question as a "fundamental dilemma" for the Park Service. One of the most lucid of the environmental critics of the NPS, Joseph Sax, argues that the most serious problem of the parks is that "they risk being loved to death"(Sax J., 1976, p. 83).



NPS has four mission goal categories: park resources, park visitors, external partnership programs, and organizational effectiveness. Every NPS park, program and office has its own strategic plan and annual performance plan which tier from the service-wide plans and the goals found in this strategic plan. Parks and programs have some flexibility to add park-specific goals to better align with their own missions. Park superintendents are now being evaluated on their park's annual performance reports. Greater alignment with park budgets, finance, personnel, and information systems is being achieved [<http://www.nps.gov/planning/sp/>, "NPS Strategic Plan 2001-2005", Oct. 2000].

### **6.3.3.4 NPS Great Smoky Mountains NP**

#### **6.3.3.4.1 Purpose and Mission**

The genesis and purpose of the GSMNP was described in the 1924 report by the Southern Appalachian National Park Commission to the Secretary of the Interior. The GSMNP was established "for the benefit and enjoyment of people (see also NPS, "Organic Act").

The Southern Appalachian NP Commission defined its vision of the lands it was seeking for NP designation as follows (NPS, 1999, p. 5):

- Mountain scenery with inspiring perspectives and delightful details
- Areas sufficiently extensive and adaptable so that annually millions of visitors might enjoy the benefits of outdoor life and communion with nature without the confusion of overcrowding.
- A substantial part to contain forests, shrubs, and flowers, and mountain streams, with picturesque cascades and waterfall overhung with foliage, all untouched by the hand of man.
- Abundant springs and streams available for camps and fishing.
- Opportunities for protecting and developing the wildlife of the area, and the whole to be a natural museum, preserving outstanding features of the Southern Appalachians as they appeared in the early pioneer days.
- Accessibility by rail and road.

“In summary the park’s purpose is to preserve its exceptionally diverse natural and cultural resources, and to provide for public benefit from and enjoyment of those resources in ways which will leave them unaltered by modern human influences” (GSMNP, 2000, p. 8).

#### **6.3.3.4.2 Strategic Management Goals**

##### **NPS Goal Category I: Preserve Park Resources**

- **NPS Mission goal Ia:** Natural and Cultural resources and associated values are protected, restored, and maintained in good condition and managed within their broader ecosystem and cultural context.
- **NPS Mission goal Ib:** The NPS contributes to knowledge about natural and cultural resources and associated values; management decisions about resources and visitors are based on adequate scholarly and scientific information.

The Park has initiated an effort to complete 10 % of Natural Resource inventories at least to the 90 % level by 2010 (GSMNP, 2000, p. 14).

##### **NPS Goal Category II: Provide for the public enjoyment and visitor experience of parks** (Ibid, p. 19).

- **NPS Mission goal IIa:** Visitors safely enjoy and are satisfied with the availability, accessibility, and quality of Park facilities, services, and appropriate recreational opportunities (Ibid, p. 16).
- **NPS Mission goal IIb:** Park visitors and the general public understand and appreciate the preservation of parks and their resources for this and the future generations.

##### **NPS goal category IV<sup>1</sup> Ensure Organizational Effectiveness**

- **NPS Mission goal IVa:** The NPS uses current management practices, systems, and technologies to accomplish its mission.
- **NPS Mission goal IVb:** The NPS increases its managerial capabilities through initiatives and support from other agencies, organizations, and individuals.

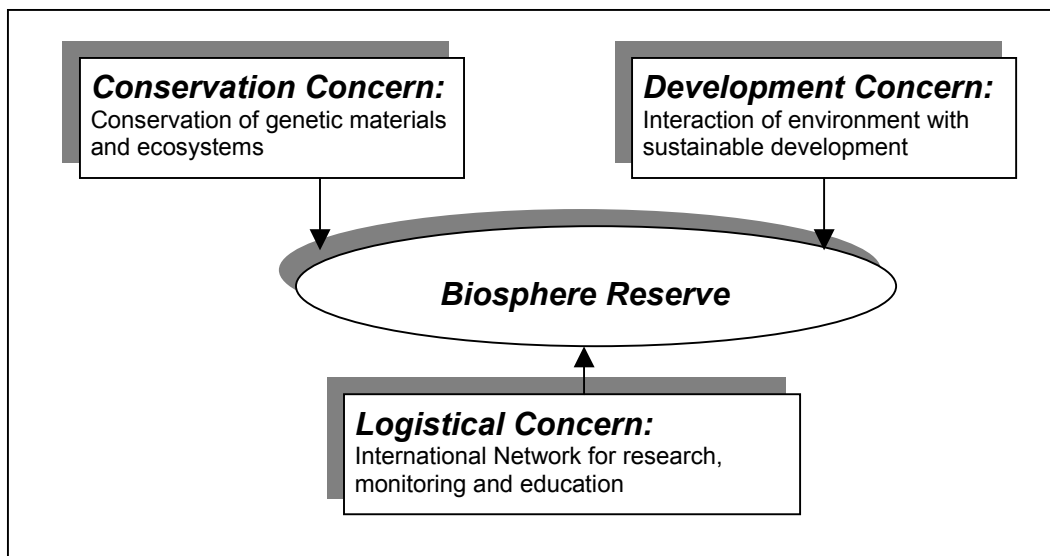
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<sup>1</sup> The NPS long-term goal category III is not reported by the Park.

### 6.3.4 Southern Appalachian Man and the Biosphere reserve (SAMAB)

The GSMNP was among the first UNESCO designated Biosphere reserves (Gregg W. P. jr., 1985, p. 41-51; Peine J. et al., ed., 1999, p. 91). In 1988 Southern Appalachia was officially designated a multiunit biosphere reserve, with three designated management units: The GSMNP administered by the NPS, the Coweeta Hydrological Laboratory, administered by the USDA Forest Service and the Oak Ridge National Environmental Research Park, administered by a private contractor for the U.S. Department of Energy. The "zone of cooperation" of the Southern Appalachian Man and the Biosphere Reserve covers the Appalachian parts of six states: Tennessee (TN) , North Carolina (NC) , South Carolina (SC), Georgia (GA), Alabama (AL), and Virginia (VA). It is loosely defined as the Southern Appalachian ecosystem [[http://sunsite.utk.edu/samab/About/s\\_over2.html](http://sunsite.utk.edu/samab/About/s_over2.html), Oct. 2000].

Fig. 29: Conceptual combination of the different concerns of biosphere reserves

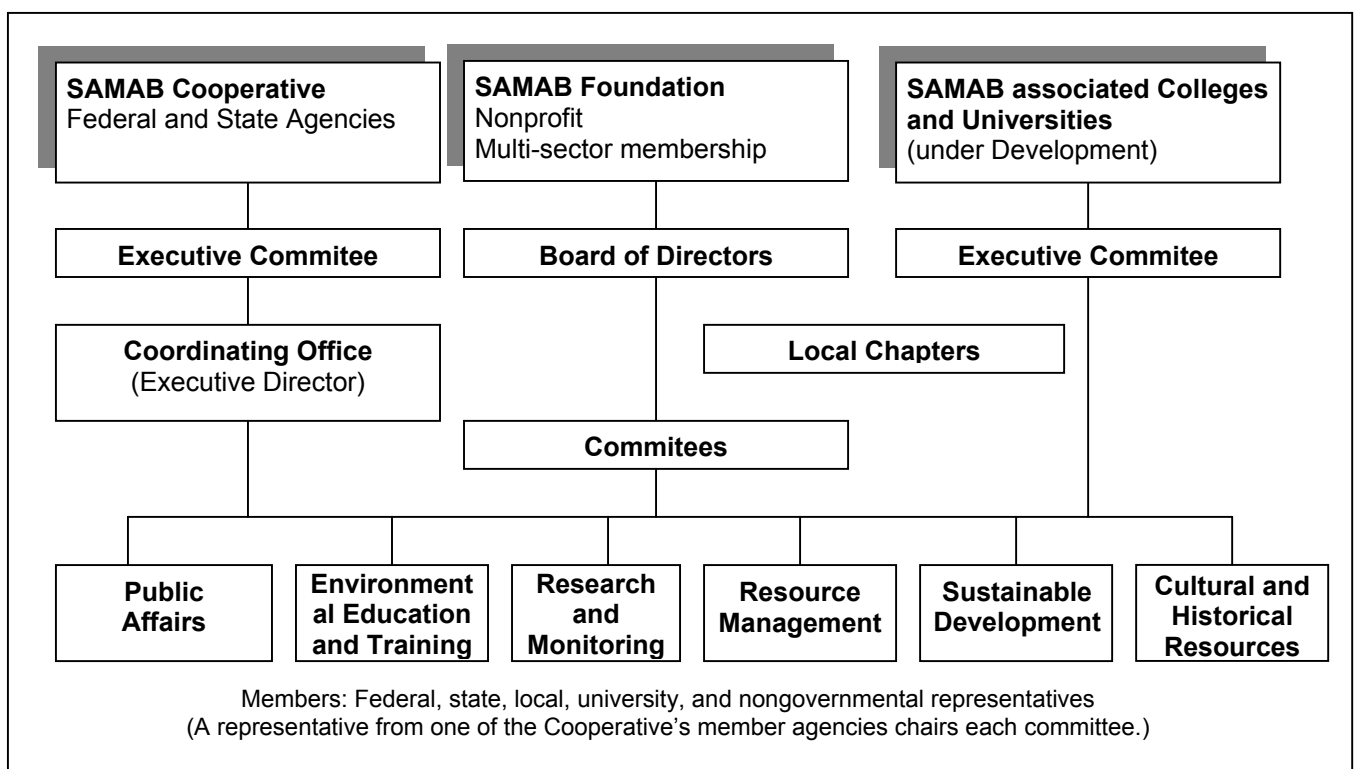


The SAMAB program was recently cited as “a national model in ecosystem management” (SAMAB News, 1994). Its mission is: “to foster harmonious relationships between humans and their environment through programs and projects that *integrate the social, physical, and biological sciences* to address actual problems” (Peine J. D., ed., 1999, p. 11; Hinote H., 1994). SAMAB’s Mission statement: “[...] to *promote the achievement of a sustainable balance between the conservation of biological diversity, compatible economic uses and cultural values across the Southern Appalachians. This balance will be achieved by collaborating*

with all stakeholders through information gathering and sharing, integrated assessments, and demonstration projects directed toward the solution of critical regional issues.” These involve participation by all levels of government and private interest groups in the Southern Appalachians [see also: [http://sunsite.utk.edu/samab/About/s\\_over1.html](http://sunsite.utk.edu/samab/About/s_over1.html), Oct. 2000].

SAMAB presently consists of two organizational entities, with the “SAMAB Cooperative” consisting of federal and state agencies which have voluntarily signed the “Interagency and Cooperative Agreement” and the “SAMAB foundation” involving other interest groups such as private industry and NPOs.

Fig. 30: Organizational Structure of the SAMAB (Peine ed., 1999, p. 92; [http://sunsite.utk.edu/samab/About/s\\_over4.html](http://sunsite.utk.edu/samab/About/s_over4.html), Oct. 2000)



“Cooperation of all the government agencies was always very important to me. But I'm certain that without SAMAB, many of the positive things that have happened in our region would not have happened” (Randall Pope, retired Superintendent, Great Smoky Mountains National Park; [http://sunsite.utk.edu/samab/About/s\\_over7.html](http://sunsite.utk.edu/samab/About/s_over7.html), Nov. 2000).

### **6.3.5 Southern Appalachian Mountains Initiative (SAMI)**

The Southern Appalachian Mountains Initiative (SAMI) is a voluntary formation of a community based environmental protection project, formed in 1992. Now a nonprofit organization, its goal is to provide a regional strategy for assessing and improving air quality, based on credible data and peer-reviewed science, to protect this unique and sensitive ecosystem. “SAMI’s analysis will determine the benefits of emission controls required under the ozone and fine particle standards that Environmental Protection Agency (EPA) revised in 1997”, says Patricia Brewer, technical coordinator with SAMI (LeQuire E., 2000, *Clearing the Air*, p. 7). SAMI addresses the public, policy, and technical aspects of air quality issues through consensus-building efforts of three main advisory committees comprised of leading scientific experts, as well as corporate, citizen, and government stakeholders.

SAMI is a partnership of more than 100 organizations, including eight state environmental regulatory agencies (Alabama (AL), GA, Kentucky (KY), NC, SC, TN, VA and West Virginia (WV)), several federal agencies, industries, academia, environmental organizations, and other stakeholders across the region. It utilizes a hierarchical committee structure, directed by a governing body – a 14-member group comprised of the eight participating states’ primary environmental officials, the regional administrators of EPA regions III and IV, the director or designee for the Southeast region of the NPS and the forester for the Southern region of the United States Department of Agriculture (USDA) Forest Service. This body also includes representatives of industry and public interest groups (Peine J. D. et al, ed., 1999, p. 314-315). Surveys have shown that a majority of citizens in both TN and NC support the initiative (LeQuire E., 2000, *Clearing the Air*, p.7).

### **6.3.6 Gateway Communities**

Part of the success of a NP as a tourist destination is the community adjacent to it. A gateway is an access point or entrance designated either by a physical landmark, a road, or a pathway leading to a destination site, with destination sites typically being NPs. Gateway communities have the natural and cultural resources that provide a back drop for the larger attraction (Hicks et al., 1997, p. 13). Howe (et al. 1997) documents the key role played by gateway communities in protected areas: They are a focal point of concern for boundary issues on adjacent lands. At the same time, these communities associate their identity with the protected area and as such are

inextricably linked with protected area management. This special relationship affords both opportunities and problems. Gateway communities try to develop a positive and unique image in order to promote and maintain tourism growth. Maintaining public infrastructure and preserving aesthetic beauty are major issues with regards to the imageability of a community. Due to their proximity to the NP the gateway communities provide lodging, restaurants and retail on some scale depending on their size (Hicks et al. 1997, p. 14). Tourism is the leading employer in all the examined gateway communities (Howe J., McMahon E. and Propst L., 1997, p. 23). Citizen participation and cooperation with the NPS is essential for areas to maintain a high quality of life and to develop a symbiotic relationship between the two common interests (Ibid, p. 16).

The GSMNP is located at the border of NC and TN, encompassing the counties Blount and Sevier in TN, and Swain and Haywood in NC. Consequently, Bryson City (NC), Cherokee (NC), Gatlinburg (TN), Pigeon Forge (TN), Sevierville (TN) and Townsend (TN) are area communities of the GSMNP (see Appendix for map).

Unlike the large Western NPs, the GSMNP does not provide “hospitality” services within the park boundaries. A visitor cannot buy a meal, check into a motel or inn (with the exception of LeConte Lodge), or buy gas within the park. Therefore, the gateway entrances to the Smokies are even more important to the park, and offer a greater opportunity for profit to the businesses and citizens of those communities (Propst L. and Gilliam C., 1998, p. 25). The GSMNPS is collaborating with 10 counties in TN (Francis P., Dec 2000). “Starting in 1994 the GSMNP management worked hard to develop relationships to the Gateway communities, with the result, that the communities themselves felt more responsible instead of letting the local government taking care of their issues” (Francis P.; Dec. 2000).

“East Tennessee has just exploded, “says Randy Brown, a Maryville resident, “and the people moving here all want to live near the park [GSMNP]” (Howe J., McMahon E. and Propst L., 1997, p. 2). The population of the Southern Appalachian region increased by 27.8 percent between 1970 and 1990, however, population increases varied among counties within the region. The greatest increase in population density

in the Southern Appalachians has been near metropolitan areas in Northern GA, Northwestern SC, and portions of TN, NC, and VA (SAMAB, 1996).

A critical element of the lifestyles of residents of local communities is their quality of life (Taylor J. G et al, 2000, p. 2). The economic vitality of many communities depends on maintaining an attractive natural and built environment and capitalizing on the tremendous economic impact of the nearby Park. Thus, unplanned growth and poor coordination between gateway communities and the GSMNP negatively affects both the communities and the Park. Among the most effective measures for improving the manner in which adjacent communities deal with growth is to develop a positive, shared vision for the future of the community and its neighboring NP (GsMNP, 2000, p. 20).

#### **6.3.6.1 Sevier County (TN)**

Sevier county, the center of the tourism industry adjacent to the Park, is one of the fastest growing counties in TN. It experienced a 78 % growth rate from 1970 to 1990, and it's population is expected to increase by nearly 50% between 1990 and 2010, from 51.000 residents to more than 75.000 (Varma L., 2000, p. 11).

Unemployment in Sevier County, which averaged 8.6 % in the 1990s, is consistently higher than in the labor market area, which averaged 5.2 %. The percentage of families below the poverty level in Sevier County improved between 1980 and 1990. By 1990, the level was at 10 %, which was slightly lower than the labor market area and the same as the nation as a whole. However, according to a 1990 census, there is a widening gap between the very wealthy and the poor.

##### **6.3.6.1.1 Gatlinburg**

Current population estimates for Gatlinburg amount to 4,766 people (U.S. Bureau of the Census and the University of Tennessee Center for Business and Economic Research, 1999).

43 % of all visitors to the GSMNP enter the park through Gatlinburg. More than 70 million people live within 400 miles of the city (Gatlinburg Chamber of Commerce). Some 27 % of park visitors enter through Cherokee, NC. Also, 46 % of park visitors exit through Gatlinburg, while only 26 % exit through Cherokee. Thus, Gatlinburg,

with its high visitor flow, is the community with the greatest opportunity and responsibility as a park neighbor (Propst L. and Gilliam C., 1998, p. 25).

Fig. 31: Entrance used for first entry in the Park (Littlejohn M., 1997, p. 33)

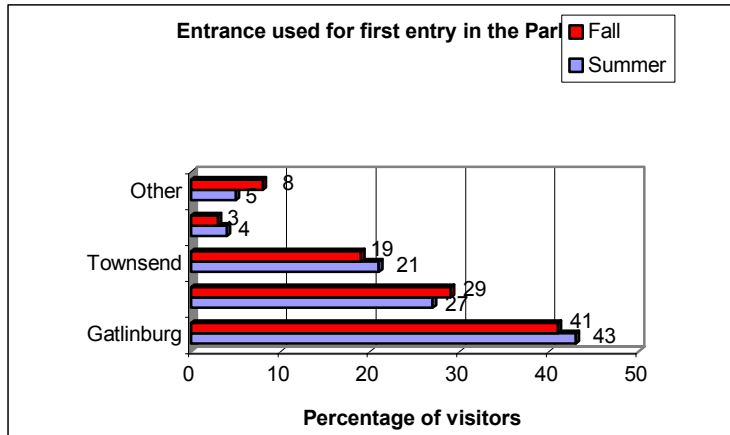
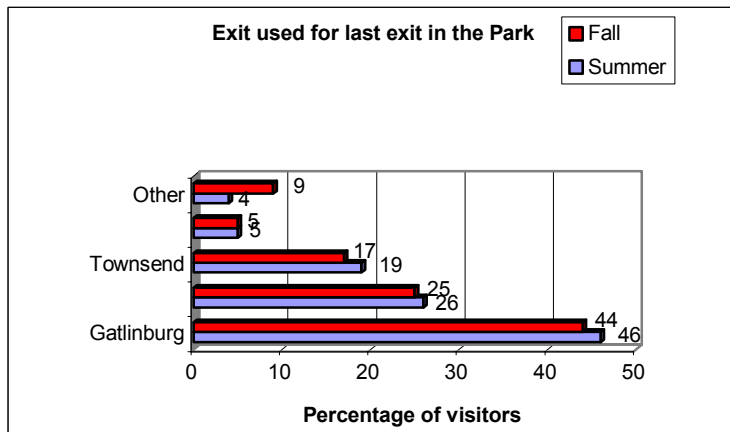


Fig. 32: Exit used for last exit of the Park



Gatlinburg increasingly imports workers from adjacent counties. In 1995, U.S. \$ 216 million (m) in personal income was brought into the county from work performed outside the county, while U.S. \$ 119 million was earned in Sevier County by people commuting from neighboring counties (Propst L. and Gilliam C., 1998, p. 27).

### 6.3.6.1.2 Sevierville

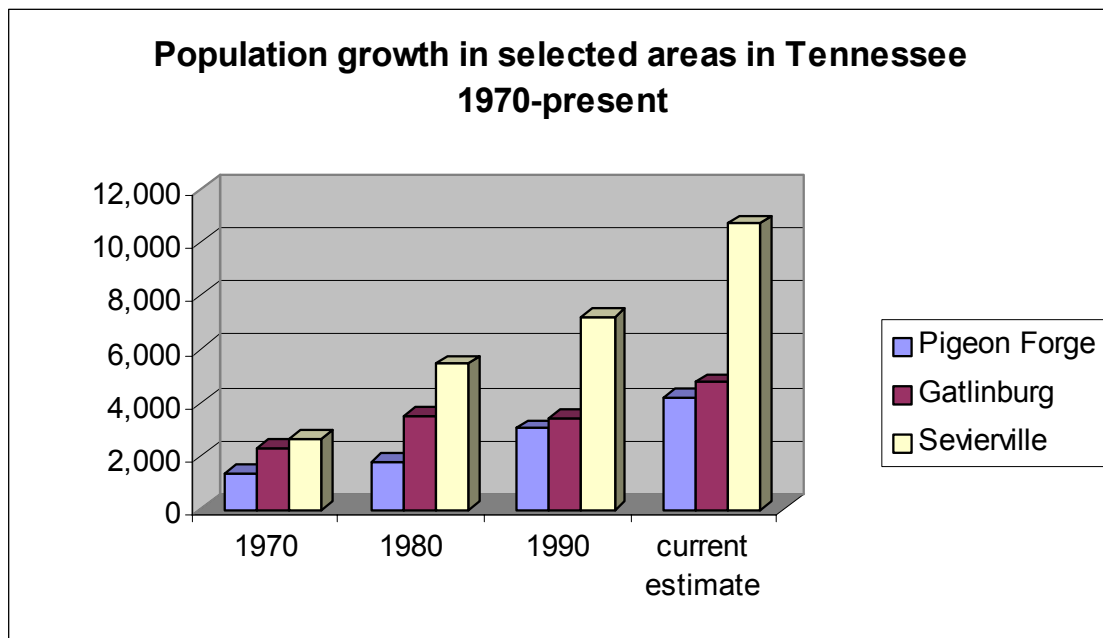
According to the 1990 census, the City of Sevierville has 10,103 inhabitants, a number which is expected to increase to 10,662 by 2000 (U.S. Bureau of the Census and the University of TN Center for Business and Economic Research, 1999).

The median household income amounts to U.S. \$ 23,043 per year, which is below the U.S. average.

The city of Sevierville receives 30% of the Sales Tax revenue accrued in Sevier County. Thus it ranks second after Pigeon Forge (39%) (City of Sevierville, CD-Rom).



Fig. 33: Population growth in selected areas in TN from 1970 till present (1999, U.S. Bureau of the Census and the University of Tennessee Center for Business and Economic Research)



#### 6.3.6.1.3 Pittman Center

Pittman Center, “a community dedicated to preserving mountain heritage” as it welcomes a visitor on the entrance sign of the town, is a typical rural community, including not more than 325 households directly bordering the GSMNP in the South. The population of Pittman Center amounts to approx. 478. [<http://www.pe.net/~rksnow/tncountypittmancenter.htm>, Dec. 2000]. Pittman Center was chosen for a project known as “FutureScapes” to demonstrate sustainable development strategies for rural communities in the Southern Appalachians (Peine J. et al, ed., 1999, p. 363). The community vision statement was determined as follows: “[...] to create and perpetuate a quality of living environment and to encourage quality development that supports that end. To encourage development that supports a tourist-oriented economic base that relates to and magnifies our unique relation to and with the Great Smoky Mountains” (University of Tennessee, School of Planning, 1997, p. 3).

“Planners of the NPS were working with Pittman Center and Townsend, in creating them to be the “soft edge” of the park, in order to make these communities more compatible with the values of the Park” (Francis P., Dec. 2000).

### **6.3.6.2 Blount County (TN)**

#### **6.3.6.2.1 Townsend**

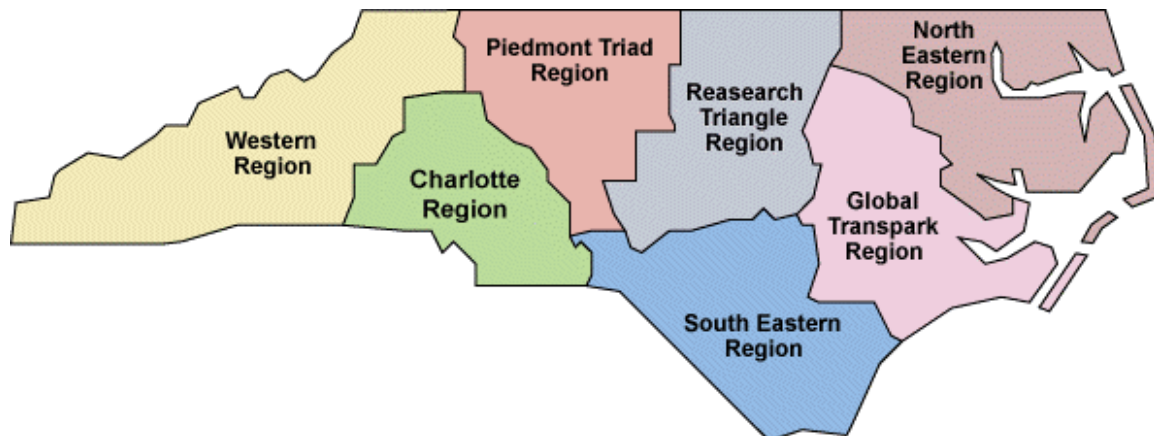
Townsend competes for tourist dollars with Gatlinburg, Sevierville and Pigeon Forge. The city has approx. 2,800 inhabitants (US Bureau of Census, 1990). In 1995, 1,5 m tourists entered the NP through Townsend. This represented an increase of 5 % compared to 1994 (Hicks et al, 1997, p. 27). The Townsend/Wallard area accounted for 49 % of the total sales tax receipts collected in Blount County. 44 % of the employees in Townsend work in the Tourism industry (Hicks et al, 1997, p. 29). Since Townsend lacks a sewer system, it's further economic development is somewhat restrained.

However, Townsend lists the creation of a symbiotic relationship with the NPS as a gateway community as one of it's primary city goal statements. Thus, it favors controlled growth and positions itself as an alternative to the glitter of its neighbors (Hicks et al., 1997, p. 41). Thus, Townsend has adopted the slogan: “The peaceful side of the Smokies” (Howe J., McMahon E. and Propst L., 1997, p. 34). “Most of the people here don't want Townsend to become like Gatlinburg”, says City Councilwomen Sandy Headrick. “We don't want to live in a town with traffic jams and Dollywoods and water slides”.

#### **6.3.6.3 Swain County (NC)**

Swain County is located in the “Western region” of NC, where the population and employment grew more slowly than the state totals in recent years. The region's average real wage fell by 0.5 percent from 1992 to 1994, compared to a decline of 0.2 percent for the entire state. Both, the business failure rate and the business startup rate are slightly below the state average. Moreover, unemployment and poverty rates are higher than the state average.

Fig. 34: NC breakdown in regions [<http://cmedis.commerce.state.nc.us/region/>, Nov. 2000]



The projected population growth rate of the Western region, home to 12 % of the NC population, is below the state growth rate. The region's labor force represents 11 % of the NC labor force, and it's share of the population is below the statewide average. The percentage of adults with a high school education is below the state average, and the share of adults with a college education follows a similar pattern. The largest employment sectors in this region are manufacturing and wholesale/retail trade, nonetheless, the fastest growing sectors are construction and services. Average annual wages for this region are lower than the statewide average wage for all industrial sectors (NC Western Region industry report: NC Department of Commerce <http://cmedis.commerce.state.nc.us/region/adwest.asp>, Dec. 2000).

Swain County in particular has a projected medium family income of U.S. \$ 32,000 for the year 2000 (NC, Department of Commerce).

#### **6.3.6.3.1 Bryson City**

Bryson city's total population is 12,324 in 1999 (NC Department of Commerce), with a population density of 23.4/sq mile. The unemployment rate in 1999 amounted to 11.5%.

#### **6.3.6.3.2 Cherokee**

Approx. 27 % of visitors enter the GSMNP through Cherokee, and a quarter also exits through this town.

### **6.3.7 Employees**

Approx. 250 permanent employees staff the GSMNP. Seasonally, some 100 additional temporary employees are added to the work force to provide services to about 9.3 million visitors who enter the park each year. Employment opportunities are found in a variety of fields involved in administration, natural and cultural resources, maintenance, law enforcement, interpretation, and social services [<http://www.nps.gov/grsm/gsmsite/welcome.html#pc>, Dec. 2000].

**Permanent Staff:** Permanent Staff includes Office Assistants, Park Rangers in protection (law enforcement), resource management, and interpretation.

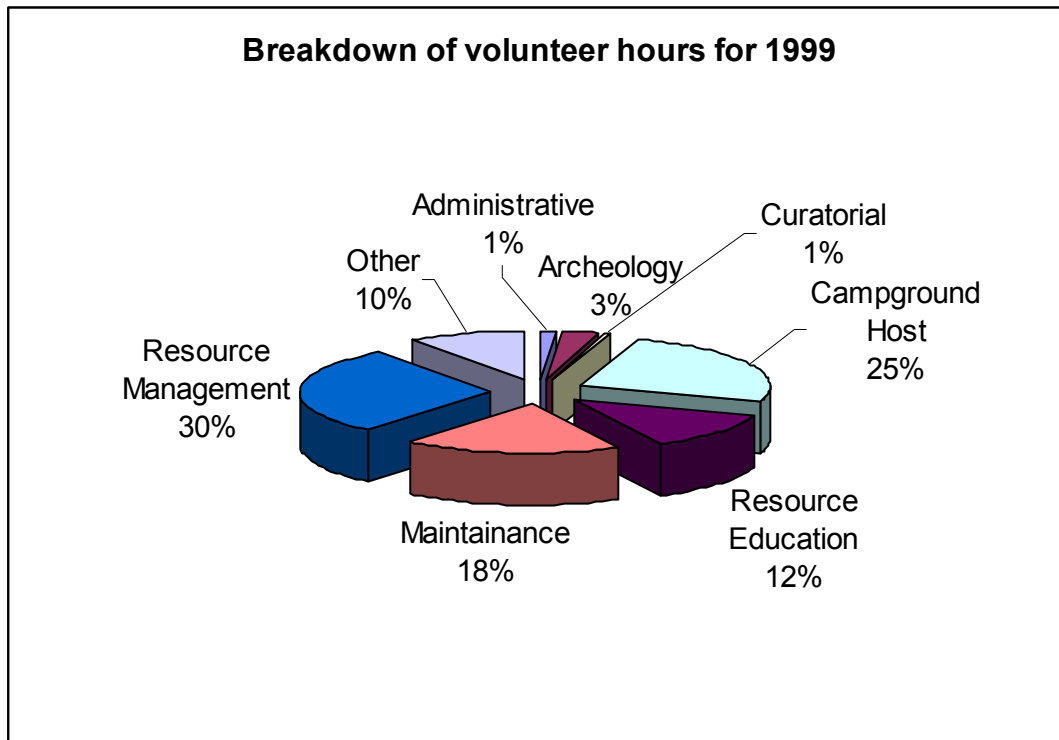
**Seasonal Staff:** The GSMNP often hires “seasonals” for resource management, interpretation, maintenance, fee collection, and protection.

**Student Conservation Association:** The Student Conservation Association (SCA) provides for a wide range of Park experiences. Some SCA positions in the Smokies include: aquatic biology, vegetation sampling and control, wildlife management, and visitor and educational services.

### **6.3.8 Volunteers**

The use of volunteers in the Park is significant and, in some fields, critical to effective operation (Francis P., Dec. 2000). Volunteers contribute time, energy and talent functioning as campground hosts, interpreters, adopt-a-trail volunteers, in Resource Management, as trail workers on the Appalachian Trail and in other capacities as well. In total volunteers contributed 75,000 hours of work for the NPS in 1999 (GSMNP, 2000, p. 20).

Fig. 35: Breakdown of volunteer hours for 1999 (GSMNP, 2000, p. 20)



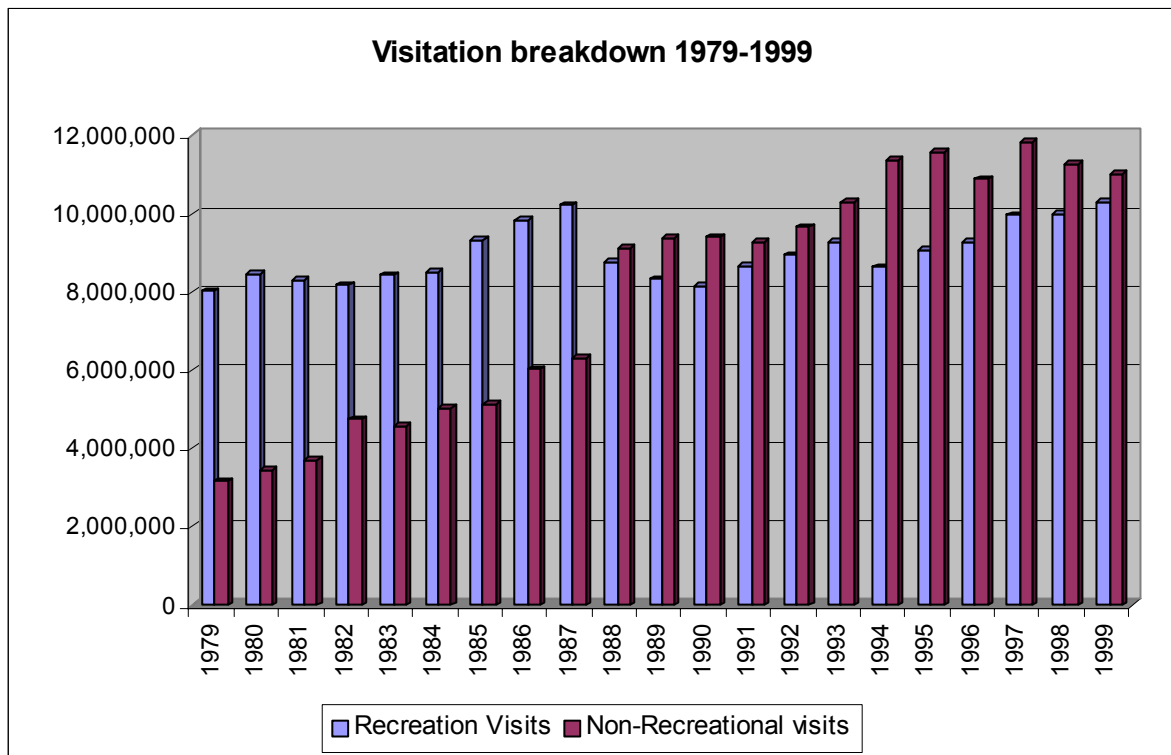
## 6.3.9 Visitors

### 6.3.9.1 Visitor numbers

The NPS has been reporting recreation visits to its park system units since its creation in 1916. During those eight decades, the annual visitation has increased from 358,000 to 286.7 million in 1998. The units in Washington, D.C., obtain their visitor counts by sampling the attendance at their units and not by trying to count every visitor. The physical layout of the monuments and memorials make counting every visitor an impossible task. Before 1998, staff counted visitors by making just one pass through the area, not by counting visitors for the entire 15-minute sample period. The correction for the proper sample period resulted in a 33% increase in reported visitation (Wade T., 2000, p. 1).

The Smokies is the most visited NP in the U.S., totaling approx. 10 million visitors annually. The Park's backcountry receives between 500,000 and 700,000 visits a year and contains some 850 miles of trail with 102 camping sites and 18 shelters (NPS, 1999, p. 13).

Fig. 36: Visitation breakdown 1979 – 1999 (<http://www2.nature.nps.gov/npstats/parkrpt.cfm>, Nov. 2000)



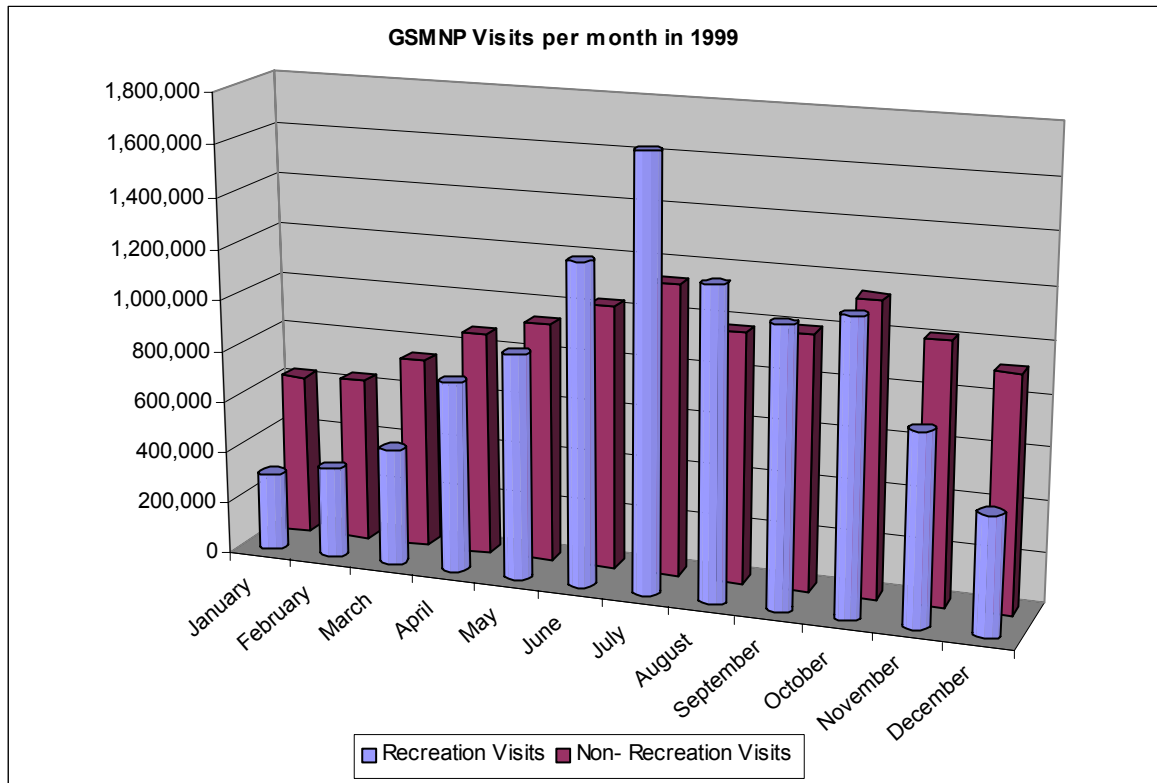
In 1995, the GSMNP entertained 9.8 million visits from an estimated 1.8 million individuals. Thus the Smokies are not visited by 9+ million people per year as frequently reported. This wide disparity between the number of visits versus (vs.) visitors is much greater in the Smokies than in most other NPs, because the visitors make multiple visits to the park per day (1.3), per trip to the area (3.9) and per year (5.3) (Peine and Renfro, 1988, pp. 93).

Backcountry—use statistical information reports approx. 106,000 camper nights (one person staying one night) in 1997. Additionally data collected during the mid 1990s suggests there are approx. 80,000 private horse rides and 421,000 day hikes annually. Generally, the highest numbers of visits to the Park occur during July, August and October. The spring wildflower season, which generally occurs from March through May, is another popular time to visit the park (Ibid, p. 13).

In 1999, the GSMNP, had 10,283,598 recreational visitors (see glossary for definition), which represents a 2,9% increase compared to 1998. The number of non-recreational visits (see glossary for definition) reached a total of 11,011,907, which is a slight decrease of 2,3% compared to 1998. The number of recreational visitor days

reached 6,421,262 (an increase of 2,3 %), whereas the number of non-recreational visitor days amounted to 458,830 (a decrease of 2,3 %) (NPS, US Department of the Interior, Public Use Statistics Office, 1999, “National Park Service – Statistical Abstract 1999”, p. 7).

*Fig. 37: Recreation Visits and non-recreation visits per month 1999*  
(<http://www2.nature.nps.gov/stats/>, Dec. 2000)



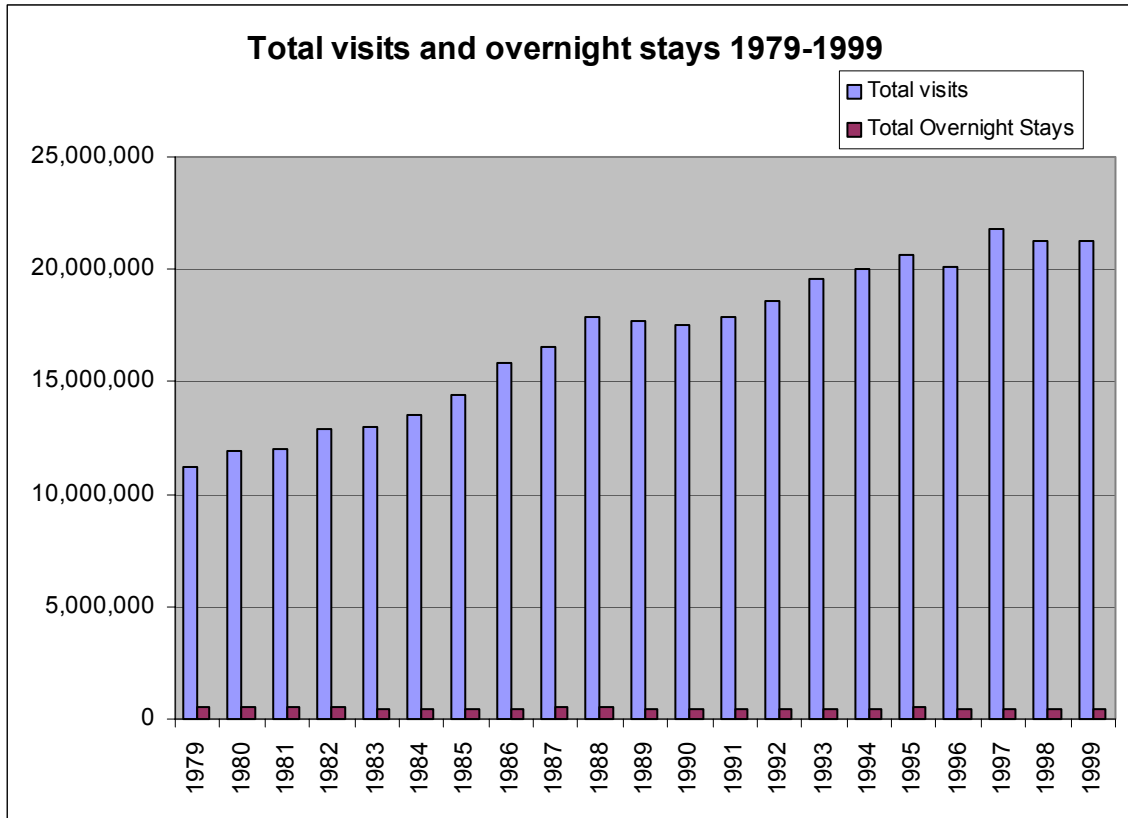
The Park ranks, with 4% of all recreational visits in U.S. NPs, among the 10 most visited areas in the U.S., which altogether accounts for 31% of all recreation visits in 1999 (ibid, p. 36). Moreover, it is in third place in recreation visits ranked by Park and Contribution to the System in 1999 [<http://www2.nature.nps.gov/stats/ranked99.pdf>, Dec. 2000].

The total overnight stays for 1999 amounted to 454,249, with 10,666 in concessionaire lodging, 191,169 in tents and 133,961 in RVS on NPS campgrounds, and 92,994 in the backcountry (NPS, U.S. Department of the Interior, Public Use Statistics Office, 1999, “National Park Service – Statistical Abstract 1999”, p. 13).

According to the NPS recreational visits forecast for 2000 the number of visits will increase further, reaching a total of 10,655,856 in the year 2000 [<http://www2.nature.nps.gov/stats/forecast9920.pdf>, Dec. 2000]. Some 10,968,856

visitors are expected for the year 2001  
 [http://www2.nature.nps.gov/stats/forecast20002001.pdf, Nov. 2000].

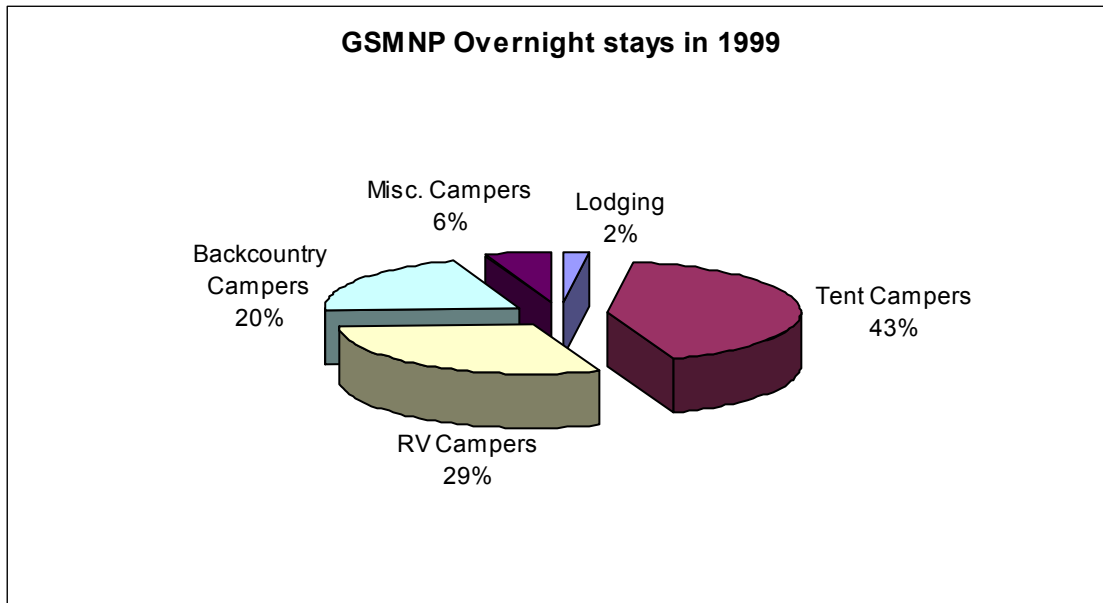
Fig. 38: Total visits and overnight stays 1979 – 1999  
 (http://www2.nature.nps.gov/npstats/parkrpt.cfm, Nov. 2000)



While visitation numbers skyrocketed over the years, the number of total overnight stays remained relatively stable. Since overnight stays are positively correlated to the number of recreation visits – which did not grow as fast as non-recreation visits over the period of time examined – this comes hardly as a surprise.



Fig. 39: Overnight stays in the GSMNP 1999  
(<http://www2.nature.nps.gov/npstats/parkrpt.cfm>, Nov. 2000)



The number of buses in the Park dropped by 17,3 % to 1,015 in 1999 (Ibid, p. 17).

### Length of stay

Almost half of the summer visitors (49%) and over half of the fall visitors (56%) stayed two to four days in the GSMNP area. About two thirds of the visitors (66%) spent less than a day in the Park itself in summer, compared to 62 % in the fall (Littlejohn M., 1997, p. 17).

Fig. 40: Days spent in the GSMNP area in summer and fall (Littlejohn M., 1997, p. 18)

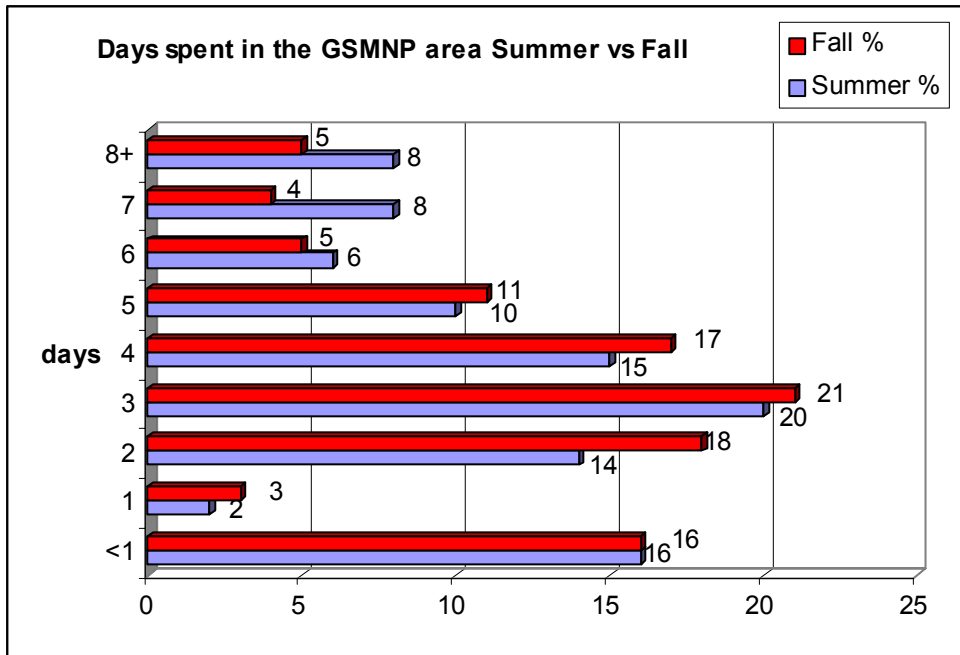
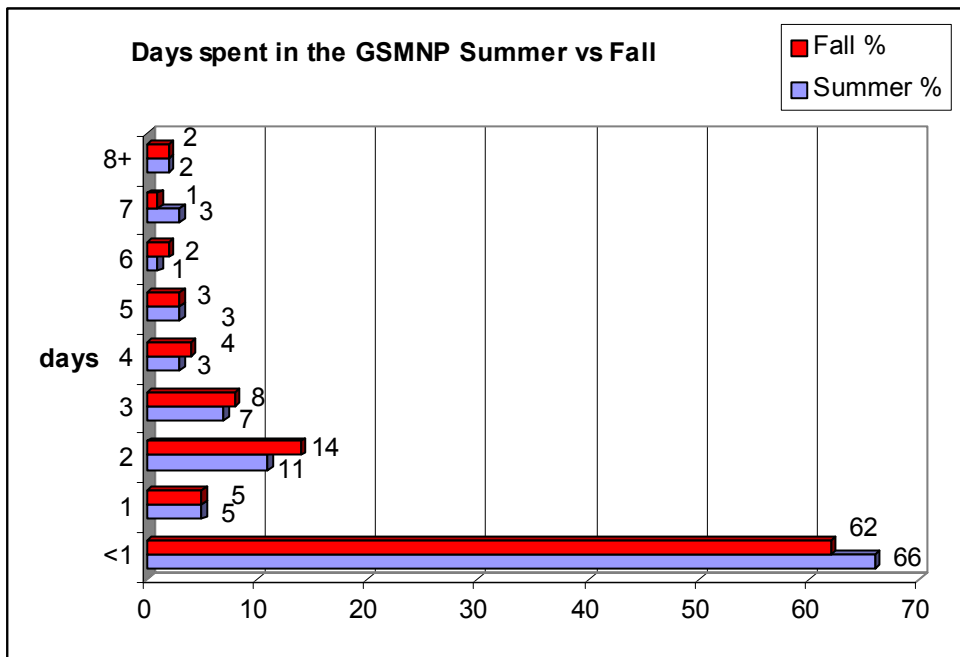


Fig. 41: Days spent in the Park itself in summer and fall (Littlejohn M. 1997, p. 20)



### 6.3.9.2 Visitor demographics

Families account for the largest visitor groups, with 77 % of visitor group types being families.

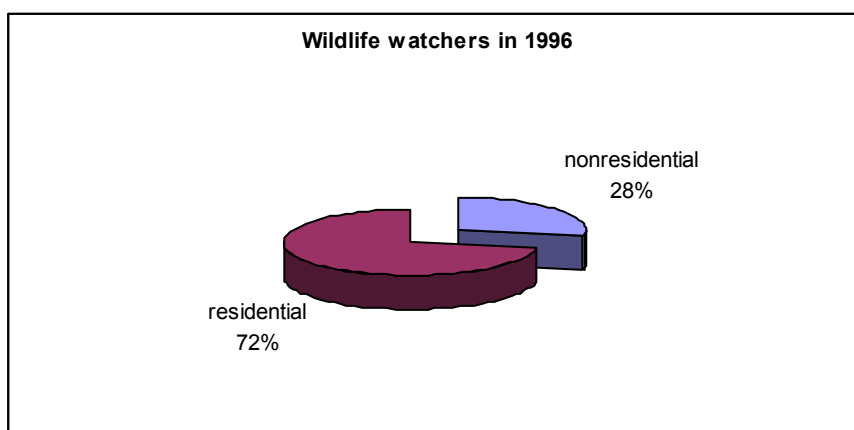
According to a survey executed by the Sevierville Chamber of Commerce, 55 % of the visitors of Sevierville are aged between 45 and 66 years. The majority (39 %) of

the visitors have an average household income within the range of U.S. \$ 35,000 and U.S. \$ 59,999. Moreover, about a third have a high school degree and 28 % a college degree (Sevierville Chamber of Commerce, 1999, CD-Rom).

A major factor influencing visitation at all units of the NP system is their proximity to population centers. The more people living within a day's drive of a unit and the ease with which people can get to a unit certainly affect the number of visits that a unit would receive (Wade T., 2000, p. 2).

Leisure travel surveys show that a large number of travelers expressed interest in traveling in their own backyard, as opposed to traveling outside of their home area. Studies by the NPS have shown that the majority of visitors to the GSMNP are from TN, comprising 17 % of total visitors. Visitors from Florida (FL), NC, OH, and GA also ranked high, together amounting to 33 % of total visitors to the park. Given these statistics, the new wealth in the South could be a potential market for the gateway communities to tap in order to develop a more upscale economy that generates a greater prosperity from the same number of visitors (Propst L. and Gilliam C., 1998, p. 24).

*Fig. 42: Breakdown of wildlife associated recreation numbers into residential and non-residential participants (U.S. Fish and Wildlife Service, 1996, Survey of Fishing, Hunting and Wildlife associated Recreation [www.census.gov/prod/99pubs/99statab/sec07.pdf, Nov. 2000])*



According to a survey conducted by the NP and Conservation Association, 65 % of the visitors said Congress should allocate more money to parks, and half would give up part of their tax returns or pay higher taxes to support the parks (Asheville Citizen-Times, vol. 129, no 168, 1998).

According to visitor studies carried out in 1996, over one third of the summer (35 %) and fall visitor groups (36%) spent up to U.S. \$ 300 in total expenditures during their trip. The average visitor group expenditure for summer amounted to U.S. \$ 564 and U.S. \$ 561 for fall visitors, with lodging (41% and 44 % res.) accounting for the greatest proportion of total expenditures (Littlejohn M., 1997, p. 111).

Fig. 43: Total visitor expenditure in and outside the Park (Littlejohn M., 1997, p.111)

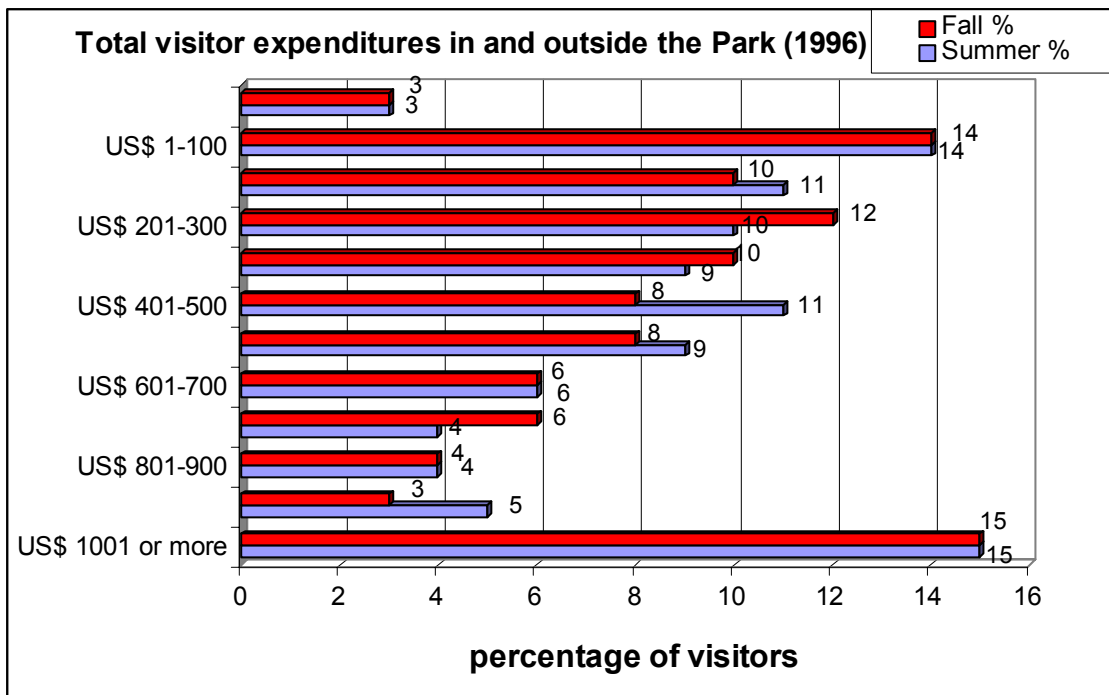
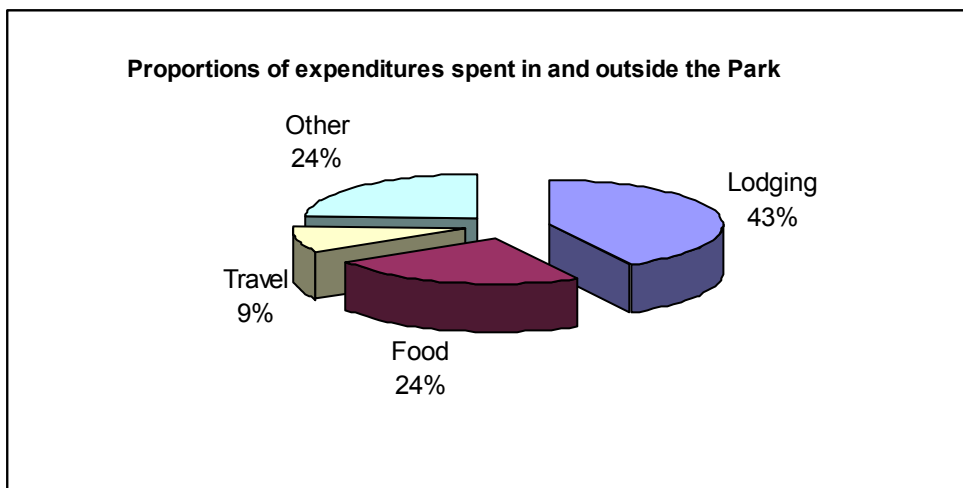


Fig. 44: Proportions of expenditures spent in and outside the Park (Littlejohn M., 1997, p.113)



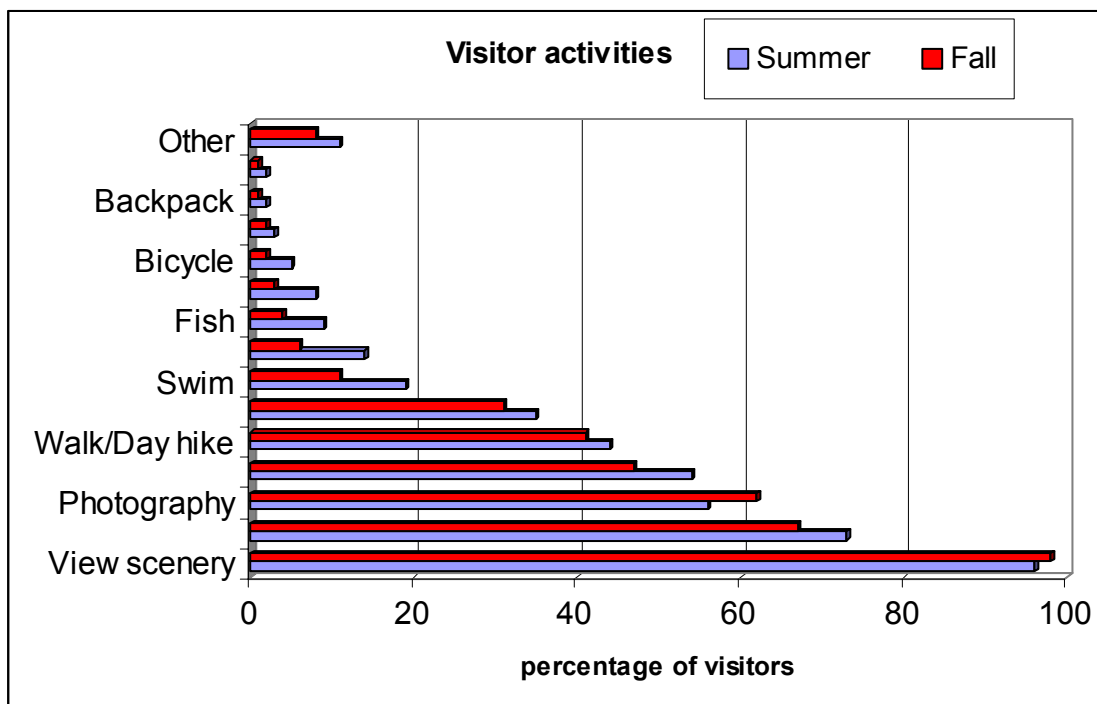
A report by the General Accounting Office, initiated in 1997, showed that whereas extra fees did not seem to affect visitation, they had a dramatic impact on funding. “Visitors don’t have a problem [with entrance fees] as long as the money stays in the park to fix it up”, said Elaine Sevy, NPS spokesperson (quoted in Brown M. L, 2000, p. 361).

### 6.3.9.3 Reasons for visiting

A visitor study, conducted in 1996 revealed that the Park was the primary destination for 54 % of the summer visitors, compared to 66 % of the fall visitors (Littlejohn M., 1997, p. 24).

According to visitor studies conducted in 1997 the top reasons for visiting included: 1. to view scenery, 2. to view wildlife and wildflowers, 3. photography, 4. to visit historic sites, and 5. to walk or take day hikes (Propst L. and Gilliam C., 1998, p. 9).

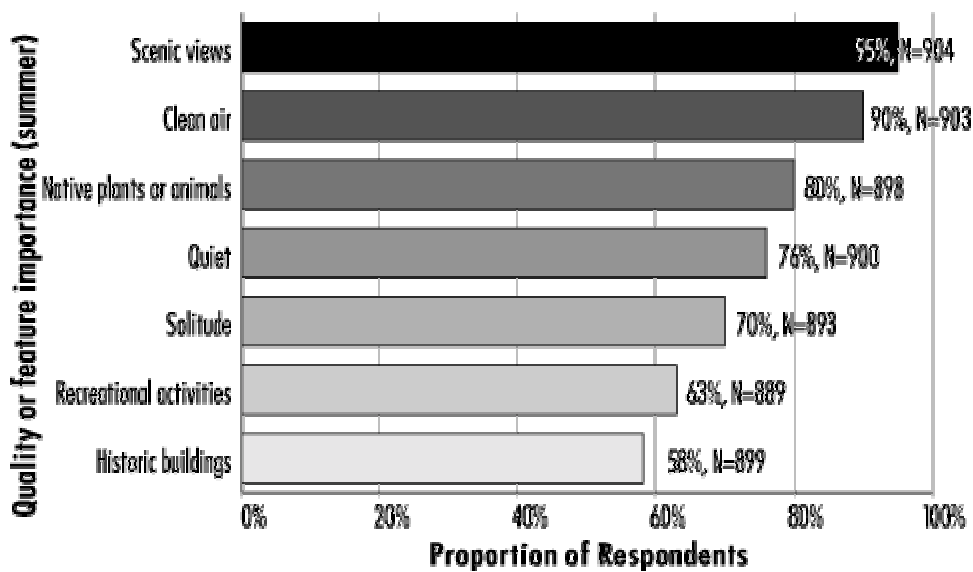
Fig. 45: Visitor activities (Littlejohn M., 1997, p. 23)



In the course of Visitor Service Project studies, conducted in July and October 1996, visitors were asked to rate the importance of the following park features and qualities to their visit to the park: native plants and animals, clean air, scenic views, recreational activities (such as hiking, camping, fishing, etc.), solitude, and historic buildings. In the summer study, visitors gave the highest ratings (“extremely

important" or "very important") to scenic views (95%), clean air (90%), and native plants and animals (80%), as shown in Fig. 46. In the fall survey, the same three features or qualities received the highest importance ratings from visitors: scenic views (95%), clean air (87%), and native plants and animals (74%). In both of the studies, the two features that received the highest "not important" ratings were recreational activities and historic buildings (Littlejohn M., 2000, p. 2).

Fig. 46: Combined proportions of "extremely important" or "very important" ratings of park qualities or features at Great Smoky Mountains, (Littlejohn M., 2000, p. 2)



“While visitors cannot be expected to make management decisions regarding park resources, they can provide information that is useful for park managers to incorporate into their decisions regarding resources. Some visitor responses may point out the need for better visitor education on resource management issues, while others support management objectives of protecting park resources. In designing survey questionnaires, it is important to recognize that visitors do not always come to parks with preconceived expectations - many visitors are not subject experts and may not be well informed about specific subjects. Ultimately, resource management decisions need to be made by well-informed managers who incorporate visitor opinions into their decisions” (Littlejohn M., 2000, p. 2).

### **6.3.10 Local Tourism industry**

A significant segment of the U.S. population prefers to spend a portion of their leisure time getting away from the day-to-day urban/suburban lifestyle and reconnecting with the natural environment (Peine J. et al., ed., 1999, p. 351). There is a huge latent demand for this type of leisure experience since 75% of the U.S. population lives in a non-rural environment (Bureau of Census, 1993). Thus, one of the fastest growing sectors in the tourism industry is ecotourism (Peine J. et al., ed., 1999, p. 351; for a definition please refer to chapter 5 "Evaluation of the regional economic and social effects of NPs.).

Currently 8,5 jobs are being created in the Southern Appalachian region's service industry for every job added by resource extraction industries (Morton, 1994 in Peine p. 121).

The growth of the tourism industry surrounding the Park has accelerated in the last decade. Visitation at tourist attractions outside the park, such as theme parks, music theatres, and outlet shopping malls has recently been reported to exceed that of the NP (Peine et al., ed., 1999, p. 103; Jagger J., Dec. 2000). This compilation of primary attractions totally unrelated to the natural environment risks the potential to overwhelm the local culture and landscape.

In 1993, P. Jackus conducted a study in the six counties surrounding the GSMNP exploring the attitudes of residents concerning the impact of tourism development on their communities (Jackus P. and Siegel P., 1993, p. 164). Respondents felt that tourism brought many positive economic and social benefits to their communities and 70% believed that the standard of living is greatly increased due to tourism industry. However, more than 80% did not feel that economic gains were more important than environmental protection. Moreover, there was strong consensus that although tourism should play a major role in the future a community's character should be preserved. 85 % indicated that the community should control development and that long-term planning by public agencies could moderate the impact of tourism on the environment.

### **6.3.10.1 Tourism in Tennessee**

Tourism is the second largest industry in TN, enabling the state to earn U.S. \$ 9 billion (bn) from tourism each year and providing 160.000 jobs (Pigeon Forge Department of Tourism, 1999).

There has been a growth in population since 1970 and in the three most Eastern counties in TN which encompass the TN side of GSMNP, tourism is a leading industry (TN Department of Tourism Development 1994, pp. 42).

The tourism industry is labor intensive, however, and many of the jobs provided are seasonal in nature. Further, the majority of these jobs tend to be minimum wage, with few or no benefits (Peine J. et al., ed., 1999, p. 354). Another ramification of a rapidly growing tourist industry is the strain on the infrastructure of the community, such as schools, roads, water supply, solid waste management, police, and emergency service.

#### **6.3.10.1.1 Sevier County**

Expenditures by tourists in Sevier County are estimated by the U.S. Travel Data Center to include U.S. \$ 426.8 million in travel and tourism expenditures, U.S. \$ 23.6 million in state tax receipts, and U.S. \$ 11,5 million in local taxes (Peine et al., ed., 1999, p. 351). These expenditures are estimated to provide 10,660 jobs in the county.

Retail trade and Sevier County's mix of services may be profitable for proprietors, but wages per capita are not impressive. Average earnings per job have not risen in the last 25 years. Per capita income in Sevier County is below that of the state of TN and the nation. Attracting higher wage service occupations, (i.e. producer and not consumer services) could help dramatically with per capita wages.

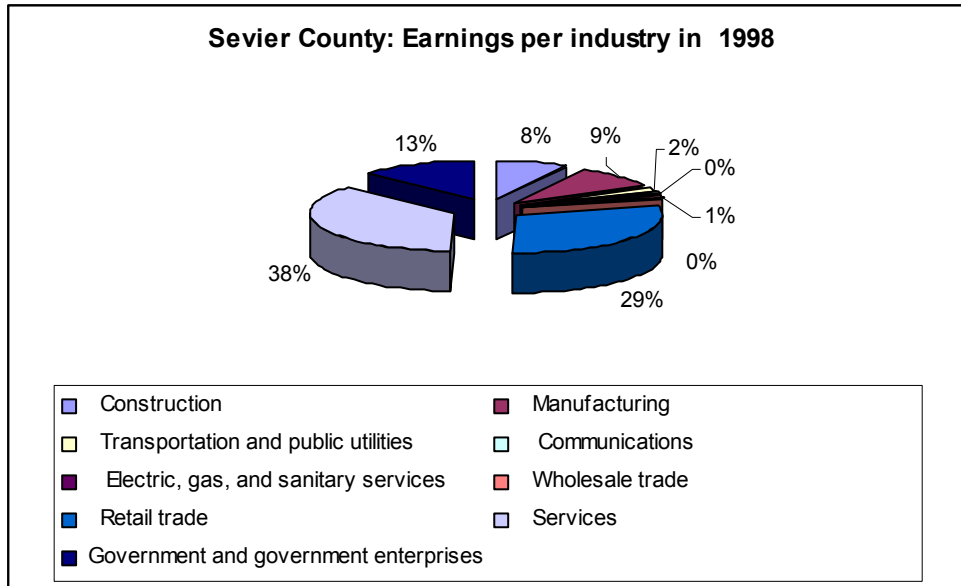
The bulk of Sevier County's economic growth has been in the retail and service sectors, resulting in largely low-wage job generation. Resource industries are in decline, with agriculture and extractive industries accounting for only 6 % of total personal income in the county (Propst L. and Gilliam C., 1998, p. 27).

About one-third of all county income is non-labor income. In light of demographic factors (growing numbers of retired Baby Boomers), this percentage is likely to



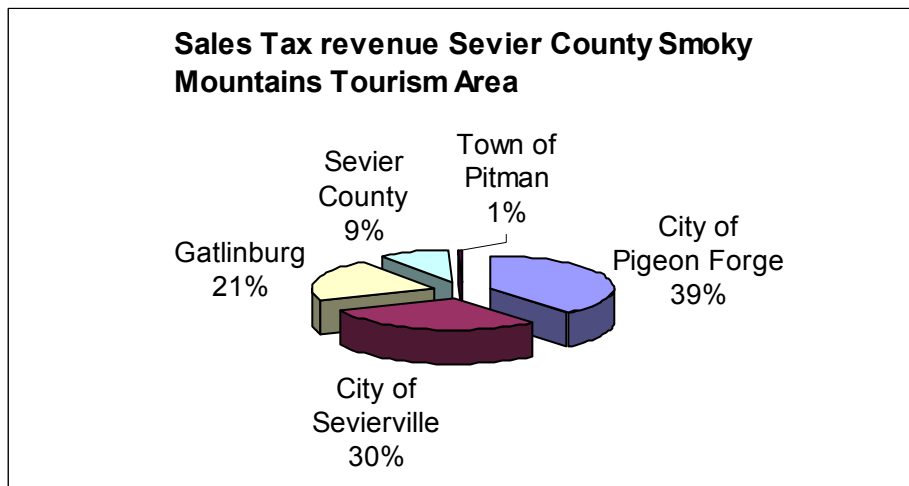
continue. The importance of the service sector is eye-catching since the service industry generated 38 % of earnings in 1998.

Fig. 47: Earnings per industry in Sevier county ([http://www.bea.doc.gov/bea/regional/reis/ca05/47/ca05\\_47155.htm](http://www.bea.doc.gov/bea/regional/reis/ca05/47/ca05_47155.htm), Nov. 2000)



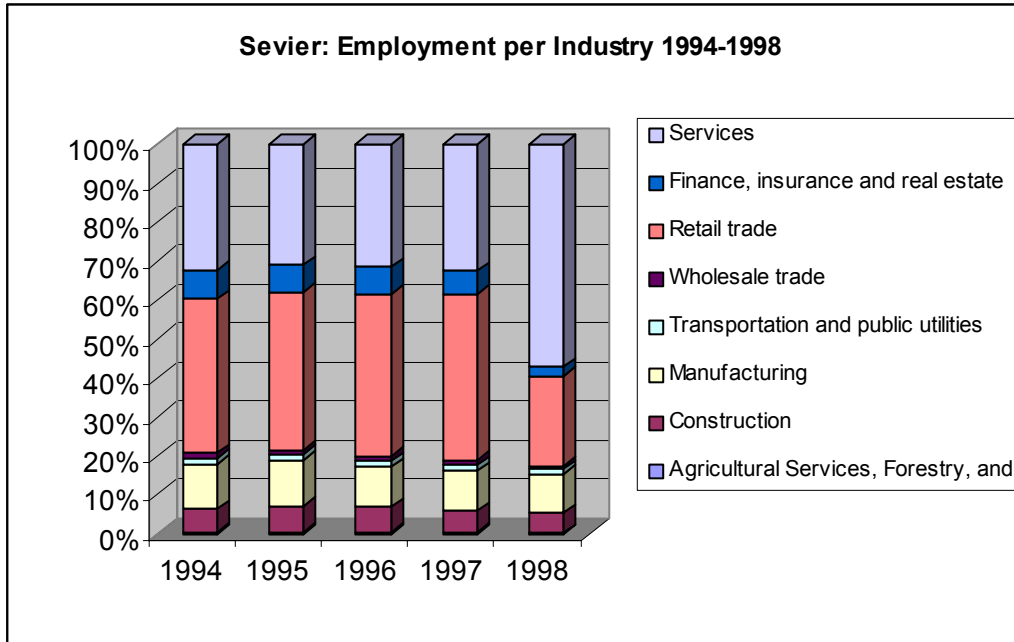
The Sales Tax revenue for 1999 in Sevier County within the GSMNP tourism area splits up as follows:

Fig. 48: Sales tax revenue in Sevier County Smoky Mountains Tourism Area (Sevierville, 1999, CD-Rom)



Employment broken down per industry in Sevier County is shown in the following figures:

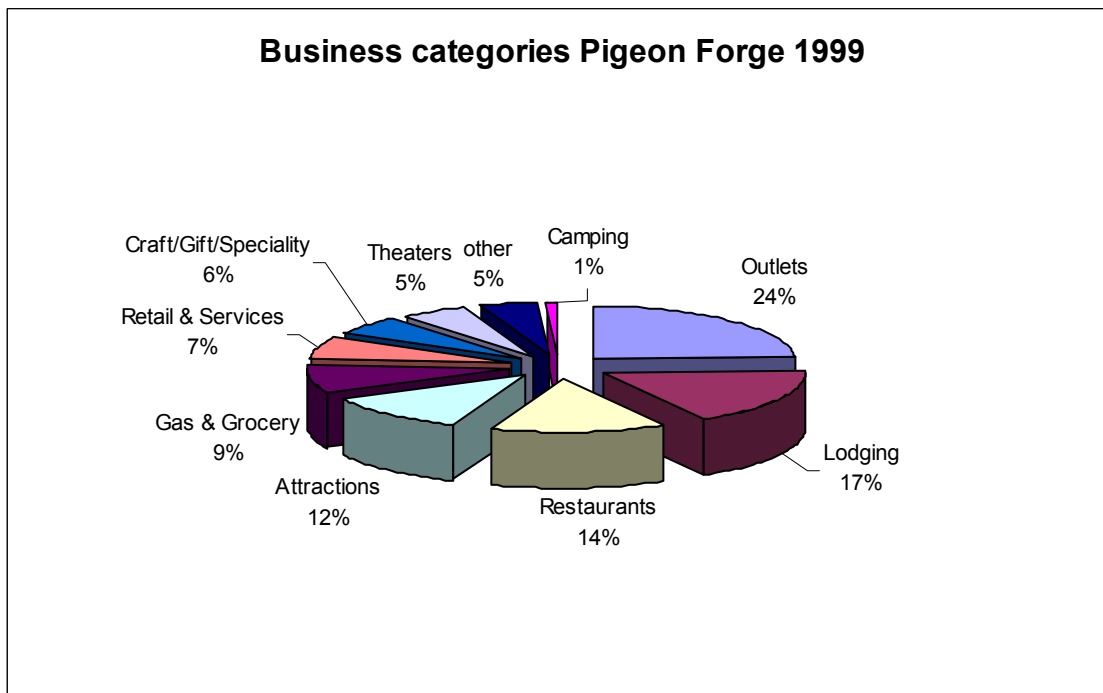
Fig. 49: Employment per Industry from 1994 to 1998 in Sevier county  
 (<http://www.census.gov/epcd/cbp/map/98data/47/155.txt>, Nov. 2000)



6.3.10.1.1 Pigeon Forge

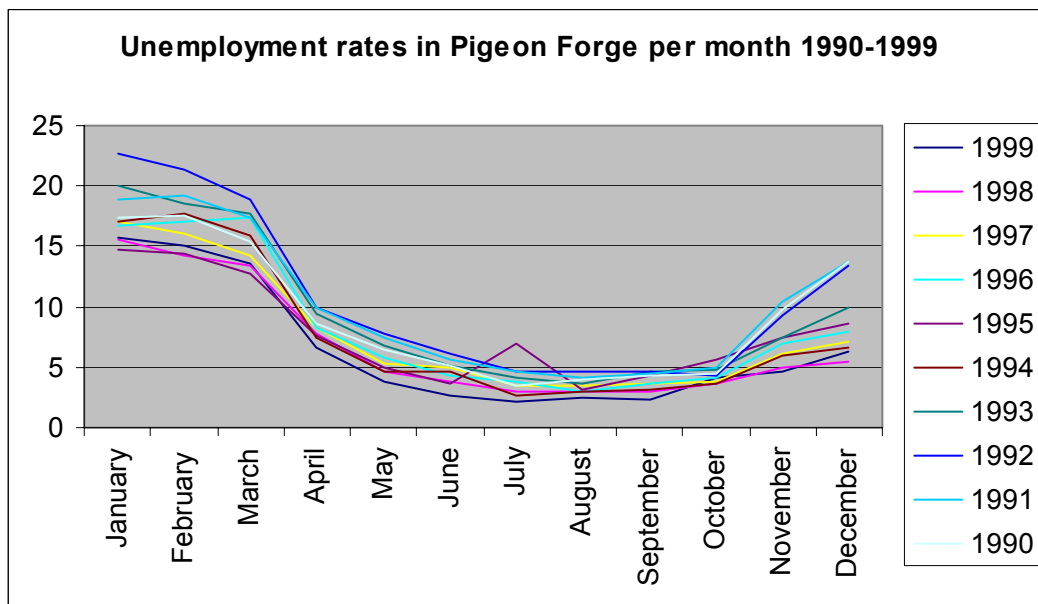
Gross business receipts generated within the City of Pigeon Forge topped U.S. \$ 632 m in 1999, establishing a new benchmark and surpassing 1998's previous high by 3 % (Jagger J., Dec. 2000).

Fig. 50: Pigeon Forge gross business receipts by business category in 1999 (Pigeon Forge, Department of Tourism, Business Statistics 1999, p. 20)



Throughout all the tourism related industry the most income is derived in the peak season – from June until August (see also Fig 37: “Recreation and non-recreation visits per month 1999”). The importance of tourism in Pigeon Forge is also reflected by the development of the unemployment rate over the year, which peaks in January (15,7% in 1999) and reaches its lowest point in July (2,2 % in 1999) resulting in a yearly average of 6.3 % (Pigeon Forge Department of Tourism 1999, p. 27). Moreover, looking at the development over the last 10 years, the average unemployment rate was decreasing steadily from 9.2% in 1990 to 6.3% in 1999.

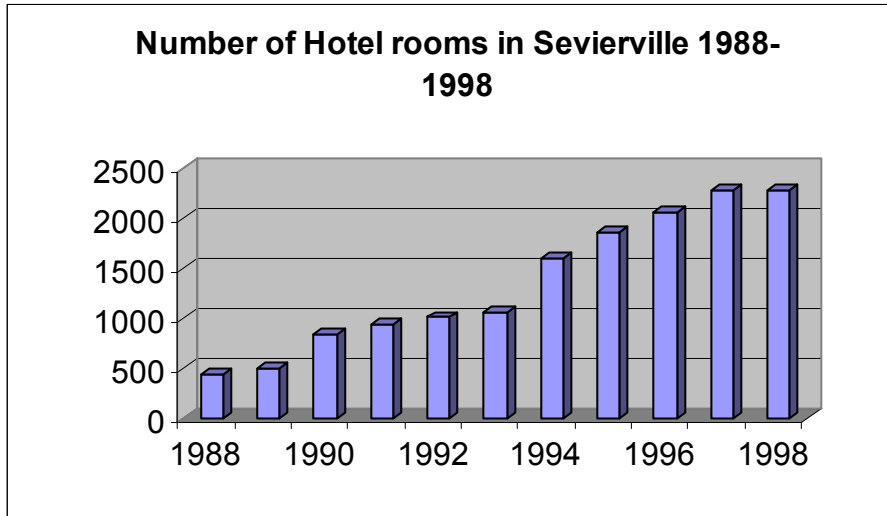
*Fig. 51: Development of unemployment rates in per month in Pigeon Forge (Pigeon Forge, Department of Tourism, Business Statistics 1999, p. 27)*



#### 6.3.10.1.1.2 Sevierville

Tourism is the major source of income. In the last decade Sevierville flourished with new restaurants, outlet malls, lodging and other attractions (Sevierville Chamber of Commerce, 2000, p. 4), which can be seen by the number of hotel rooms in Sevierville growing by 500% from 1988 to 1998.

Fig. 52: Number of hotel rooms in Sevierville from 1988 to 1998 (Sevierville, 1999, CD-Rom)

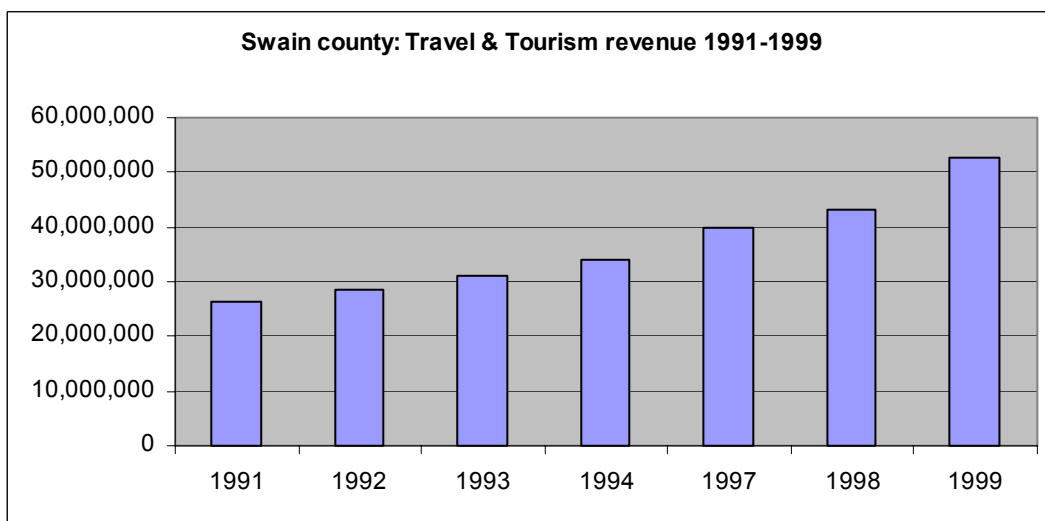


### 6.3.10.2 Tourism in North Carolina

#### 6.3.10.2.1 Swain county

Considering Swain's county proximity to the GSMNP it should hardly come as a surprise that much of the business activity in the county revolves around tourism. In 1999 tourism expenditures in Swain County exceeded U.S. \$ 50 million, not including the Cherokee Indian Reservation (Swain County report, 2000).

Fig. 53: The development of tourism revenue in Swain county from 1991 to 1999 (Swain county livability report, p. 8)



The importance of tourism can also be underlined by 41 % of the workforce being employed in the service industry.

Fig. 54: A breakdown of Swain county workforce by industry in 1999 (NC Department of Commerce [<http://cmedis.commerce.state.nc.us/countyprofiles/countyprofile.asp?pop=yes&infra=yes&education=yes&income=yes&emp=yes&tax=yes&manu=yes&map=yes&county=Swain>, Nov. 2000])

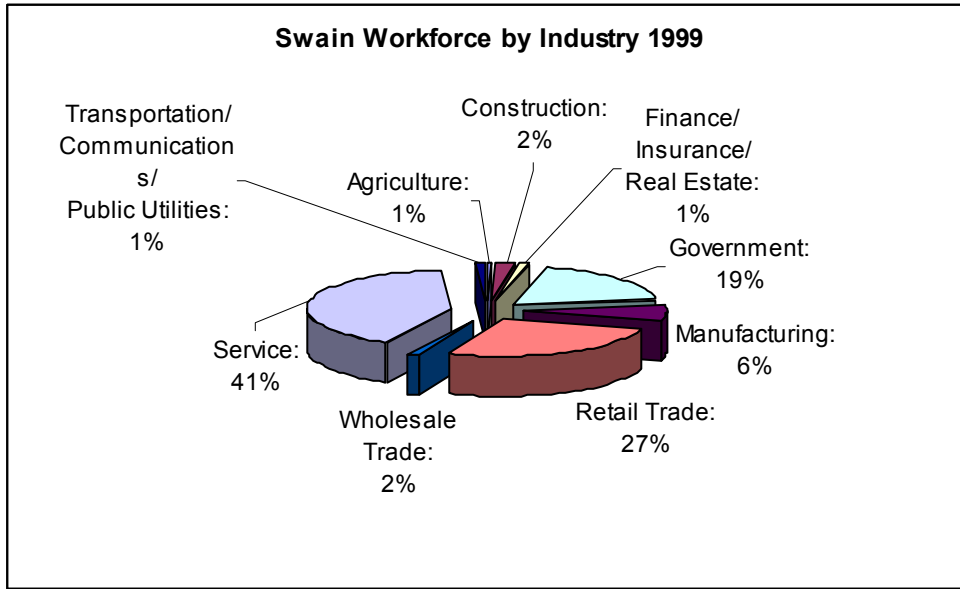
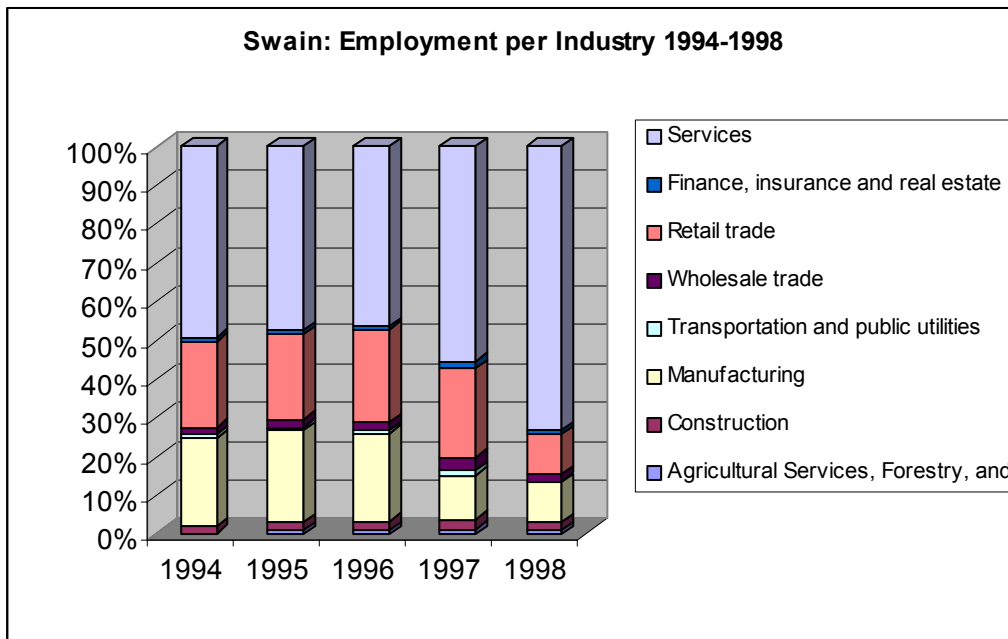


Fig. 55: Employment per industry in Swain county from 1994 to 1998 [<http://www.census.gov/epcd/cbp/map/97data/37/173.txt>, Nov. 2000]



### **6.3.11 Friends of the Smokies**

The “Friends of the Smoky Mountains National Park” is a non-profit tax-exempt corporation formally organized since 1993 with more than 8,000 members, with the following mission statement: *“Friends of the Great Smoky Mountains National Park assist the NPS in its mission to preserve and protect the GSMNP by raising funds and public awareness, and by providing volunteers for needed projects”* [[http://www.friendsofthesmokies.org/html/about\\_us.html](http://www.friendsofthesmokies.org/html/about_us.html), Nov. 2000].

Governing the Friends are guidelines established by an incorporating charter, the bylaws of Friends of GSMNP (dated and adopted November 12, 1993) and a memorandum of agreement with the NPS. The Friends work closely with the NPS in assisting its work in the Smokies. Thus, they always work from an annual “needs list” determined by the NPS. The projects in the park are separated into five categories: historic preservation, education, natural resources, front country and back country (Maynard C., 1999-2000, p. 20).

The current staff includes four part-time people and the executive director. Volunteers assist in the office and during special events.

According to Phil Francis (Dec. 2000), the assistant superintendent and former superintendent of the GSMNP, the major purpose of the Friends – from the GSMNPS perspective – is fundraising or securing donations for the Park. Over U.S. \$3 million funds have been raised by Friends of the Smokies through donations, memberships, contributions, special events, telethons, corporate donations, and grants since its creation in 1993. These funds are used to preserve, restore and enhance the Park’s natural and cultural resources, to enhance interpretation, education and research, to increase appreciation and understanding of the Park (GSMNP, 2000 a, p. 1).

### **6.3.12 Great Smoky Mountains Natural History Association (NHA)**

Established in 1953 as a private, non-profit corporation with a mission to enhance the understanding and enjoyment of the Smokies, the NHA holds a concession permit to sell convenience items to the public. The association has exclusive rights to sell interpretative materials through the Park visitor centers and campgrounds (Francis P., Dec., 2000). Profits from sales of information materials and quality souvenir items are earmarked to the Park either as cash donations or in kind services. Support for the organization also comes from membership dues (GSMNP, 2000 a, p. 1).

### **6.3.13 Great Smoky Mountains Institute**

*"There can be no better way to invest in the future than to help send children to an outdoor environmental education program. If I can just get a child to Tremont, I know your staff will make a difference in their life. Who knows... maybe some will become naturalists!"* [<http://www.nps.gov/grsm/More.htm>, Nov. 2000].

The institute is a non-profit environmental education center operating under a general agreement with the Park, working together with the GSMNP management in the Environmental Education Board (Francis P., Dec. 2000). It offers residential and non-residential programs, which focus on everything from wildlife to wild flowers, from Appalachian storytelling to environmental ethics. Residential environmental education programs and camps have been conducted at Tremont since 1969. All programs emphasize exploration and understanding of the Park's natural and cultural resources and promote appropriate stewardship of these resources (GSMNP, 2000a, p. 1).

School groups, teachers, naturalists and outdoor enthusiasts can find opportunities to hike, attend presentations by park experts, learn plant identification or tour the NP [<http://www.nps.gov/grsm/More.htm>, Nov. 2000].

### **6.3.14 Discover Life in America (DLIA)**

Discover life in America, a non-governmental organization (NGO), was organized to help study, use, conserve, and enjoy the diversity of life (GSMNP, 2000 a, p. 2). The founding principle is to forge partnerships among scientists, students, and other citizens both to teach them and to learn while doing scientific research.

Their first mission is to complete a comprehensive study of all living things, called the "All Taxa Biodiversity Inventory" (ATBI) in the GSMNP, with the ultimate goal to share this experience and help studies and educational programs elsewhere [<http://www.discoverlife.org/>, Nov. 2000]. Led by the NPS and Discover Life in America, the ambitious project, now in a 2-year pilot phase to hash out methods, is inviting scientists to tally every species that calls the park home. It's a tremendous undertaking, considering that scientists so far have identified only 800 of an estimated 100,000 species (excluding bacteria and viruses) in the 225,000 hectare park (Kaiser J., 1999). The need for the inventory is simple: it's difficult to preserve something if you don't know it exists (Pedersen B., 1999). "Our goal is to protect the park [...] we have a management team that thinks science is important," says park biologist Keith Langdon, an ATBI organizer. The park, he says, has pledged to open up to ATBI researchers an U. S. \$3 million lab it hopes to build in 2001.

During the last year, 100 species never previously known to science were discovered (Francis P., Dec. 2000).

The organization is also cooperating with the Smoky Mountains Natural History Association (NHA), which supported the ABTI with U. S. \$150,000 in 1999 and with the Friends of the Smokies (Kaiser J., 1999). After a long period of gestation DLIA has now a formal General Agreement with the NPS, a recognition required by national fund raising organizations. Also, DLIA signed a cooperative agreement with the GSMNP and meets with the Friends of the Smokies, the Institut of Tremont, and the NP on a regular basis to discuss fund-raising specifics and innovative models of an even closer cooperation (Harris F., 2000, p. 2).



### **6.3.15 The Gatlinburg Gateway Foundation**

*"The Mission of the Gatlinburg Gateway Foundation is to advocate positive action and civic responsibility to achieve an environmentally sensitive and economically prosperous gateway community to the Great Smoky Mountains National Park."*

According to Sue Peddlar (Oct. 2000) "the Gateway Foundation is a brand new, entirely volunteer-driven and very small, non-profit organization formed to provide a focus for citizen involvement in visioning for the future of Gatlinburg and going to work to make it happen." The foundation was set up following the recommendations of the Sonoran report in 1998.

It is designed to provide focus for citizen-driven changes in Gatlinburg and the surrounding areas to benefit the entire gateway community and the GSMNP. The Park itself, the Friends of the GSMNP along with the City of Gatlinburg and the Gatlinburg Chamber of Commerce have partnered with the Foundation (GSMNP, 2000 a, p. 4). Issues include clean air, water, transportation, and future economic development.

"Working together [also] with these business people, allows us to improve the visitor experience for people who enter through Gatlinburg into the Park. The difference of this approach from the "normal approach" is that normally the local communities should rely on the local government to solve these problems for them. In this case the community business leaders themselves are taking responsibility and are not relying on the local governments" (Francis P., Dec. 2000).

### **6.3.16 Great Smoky Mountains Conservation Association**

Created in 1925 by an Act of the U.S. Congress the association's single purpose is to secure and arrange donations of land and secure options to purchase lands to create the Park. It continues to manage a trust fund, the interest of which is donated to support Park projects (GSMNP, 2000 a, p. 2).

### **6.3.17 Foothills Land Conservancy**

The Foothills Land Conservancy, a private NGO founded in 1985, opened an office with full-time staff in 1992. The organization views itself as "*an independent, non-profit land trust, which strives to preserve the unique ecological, agricultural, and scenic resources of East TN*" [<http://www.foothillsland.org/index.htm>, Nov. 2000].

The organization is led by a volunteer board of directors. It has an executive director and offices in Maryville, TN. To date, the Foothills Conservancy has protected more than 8,200 acres in 11 different projects. Protection tools used include conservation easements (see glossary), donations, fees, simple purchases, bequests, revocable trusts, and green developments.

In 1995 the Foothills Conservancy completed its first buffer zone project. By raising U.S. \$1.2 million, the Conservancy purchased 4,700 acres along the Park boundary, which was threatened with commercial development. More than 3,500 individuals, businesses, foundations, and civic and outdoor groups from 35 states contributed to the project, enabling the Conservancy to give 400 acres along Abrams Creek to the NPS. The remaining 4,300 acres were donated to the TN Wildlife Resources Agency to establish the first unit of the "Foothills Wildlife Management Area." Moreover, the Conservancy calls for the establishment of several more units along the Northern boundary of the NP.

In 1997, the Foothills Land Conservancy completed its second buffer zone project, raising more than U.S. \$ 500,000 to purchase an additional 1,516 acres adjoining the Foothills Wildlife Management Area (WMA) and plans this tract to be included in the WMA. Currently the Foothills Conservancy is raising U.S. \$ 2 million to purchase Smith Bend on the Tennessee River in Rhea county as well as completing conservation easements in Blount and Sevier counties.

### **6.3.18 The Smoky Mountains Field School**

The Smoky Mountains Field School was founded in 1978 by the University of TN in cooperation with the GSMNP. According to its mission the Smoky Mountain Field School enhances public appreciation, understanding, and stewardship of the Smoky Mountains and the natural world while promoting the idea of learning as a joyful and enriching part of life. It seeks to accomplish its mission through [<http://www.ce.utk.edu/Smoky/mission.htm>, Nov. 2000]:

- educating public audiences about the Park's natural and cultural resources through a variety of activities, using university researchers and other professionals knowledgeable of the Park;
- encouraging adults and young people to explore the outdoors and sharpen their skills at observing and interpreting the natural world;
- maintaining a commitment to high-quality, affordable, and accessible educational opportunities;
- emphasizing the beauty, diversity, and fragility of the Park's natural and cultural resources in all publications and programs;
- maintaining and nurturing a cooperative relationship between the founding partners, The University of Tennessee, Knoxville, and the GSMNP

### **6.3.19 National Parks Conservation Association (NPCA)**

The NPCA was established in 1919 as a private, non-profit citizen organization dedicated to protecting, preserving and enhancing the U.S. NPS (GSMNP, 2000 a, p. 3). Originally created as a watchdog for the NPS, today NPCA partners with the federal government and numerous national, regional and local groups to act: “ on the ground, mobilizing citizens and joining with communities, businesses, landowners, and activists to protect park resources by battling abuse and neglect, educating the public, promoting local restoration, and fostering better management in parks nationwide [...] in Congress, promoting parks legislation and lobbying for public funding to meet growing needs, [and] n the courts, establishing legal safeguards that will protect our NPs for the future” [[http://www.npca.com/about\\_npca/](http://www.npca.com/about_npca/), Nov. 2000].

Since parks have been on a budgetary starvation diet for more than a generation, the NCPA has pioneered a novel concept to help solve these funding problems: business plans for America's NPs. A joint effort with the NPS, the Business Plan Initiative is an

innovative program that encourages park supervisors to employ business management techniques in running parks.

At GSMNP, NPCA and the NPS reached an agreement with the states of TN and NC to reduce pollution that destroys plants and animals and obscures exquisite mountain vistas.

NPCA's Smoky Network, an affiliation of more than 30 organizations, is committed to protecting GSMNP. Moreover, the NCPA has taken public positions and legal action to protect black bears and preserve the Park's air quality as well as reduce the impact of sightseeing helicopter overflights (GSMNP, 2000 a, p. 3).

### **6.3.20 National Park Foundation (NPF)**

The NPF, created by the U.S. Congress through Public Law 90-209 in 1967, is the official national nonprofit partner of the NPS. "It honors, enriches, and expands the legacy of private philanthropy that helped create, and continues to sustain, America's NPs" [<http://www.nationalparks.org/npf/aboutnpf.htm>, Nov. 2000].

Chaired by the Secretary of the Interior, Bruce Babbitt, the foundation raises support from corporations, foundations, and individuals to preserve and enhance NPs, especially through education and outreach (GSMNP, 2000 a, p. 3; [<http://www.nationalparks.org/npf/about-publiclaw.htm>, Nov. 2000]).

### **6.3.21 Parks as Classrooms**

Since its official launch in 1992 by the NPS and NPF, the "Parks as Classrooms" program has introduced park resources to students and teachers nationwide and has forged strong ties among parks, their local schools, and communities. It now reaches more than a million students every year.

The major goals of the Parks as Classrooms education programs are:

1. to promote the parks as learning laboratories to develop greater awareness, understanding, appreciation, and commitment to the preservation and/or restoration of the NPS and larger environment on which it depends;
2. to promote an improved education system in the U.S. by assisting teachers in the development of more interactive lessons that incorporate park resources;

3. integrate research and interpretive programs of the Park Service into the broader educational goals of communities and schools through partnerships. [http://www.nationalparks.org/npf/programs/education/PAC.htm, Nov. 2000]

“We see this [Parks as Classrooms] as a chance to produce a better informed populace, that cares more about the Park .... it’s more than just a field trip for the kids” says Bob Miller, the GSMNP Information Officer.

### **6.3.22 North Carolina National Parkway, Parkway, and Forest Development Council**

This Council is appointed by the Governor of NC to serve as liaison between the state and managers of the Park, as well as that of the Blue Ridge Parkway and the National Forests in Western NC. It provides advice to federal managers and helps to convey needs of those lands to Congress. Furthermore, it co-operates with the NC Department of Environmental and Natural Resources (GSMNP, 2000 a, p. 3).

### **6.3.23 Appalachian Bear Center**

The Appalachian Bear Center is a small nonprofit organization that operates on private donations and membership support. The center assists the Park and other wildlife agencies throughout the Southern Appalachians in taking care of orphaned or injured bears until they are healthy enough to be released back into the wild. The bears are treated with minimal human contact, in order to ensure that they will remain wild in nature for return back to their natural habitat (GSMNP, 2000 a, p. 4).

### **6.3.24 Media**

The NPS tries to communicate the importance of conservation to the public and other stakeholders. Thus, the media plays a crucial role in distributing this message (Francis P., Dec. 2000). A sound relationship to the local, regional and national media is vital for the GSMNP in order to accomplish it’s mission.

Publishing a NP-Magazine, periodicals and leaflets dealing with issues of the NP are intended to raise public appreciation and understanding of the GSMNP.

### **6.3.25 Cherokee Indian Reserve**

The Cherokee Indian Reserve, on the NC border of the Smokies, is not really cooperating with the NPS. Their main source of income is derived from operating a casino – a second one is under construction. Thus, the Cherokee target group differs considerably from the one of the NP (Francis Phil, Dec. 2000).

### **6.3.26 Business Support groups**

Business support groups are represented by the various Chambers of Commerce in the Gateway Communities. According to Jim Jagger (Dec. 2000) from the Pigeon Forge Department of Tourism, business support groups as well as some businesses themselves are increasingly cooperating with the Management of the GSMNP.

### **6.3.27 General public**

The GSMNP was established “for the benefit and enjoyment of people.” (see also NPS, “Organic Act”) The legitimacy of the public is also reflected in the GSMNP mission goal category II “Provide for the public enjoyment and visitor experience of parks.” (GSMNP, 2000, p. 19)

Further, the Park management strives to make Park visitors and the general public understand and appreciate the preservation of parks and their resources for this and the future generations.

## 6.4 Stakeholder Analysis of the GSMNP

Following the theory as described in detail in chapter 2.4.1 “Stakeholder Analysis”, a Stakeholder Analysis of the GSMNP was carried out. As already said in chapter 6.1 “Methodology”, the analysis below is preliminary based on personal interviews and secondary information available (see Appendix for interviewees list and questionnaire). Given the qualitative nature of the interviews, it is once again pointed out that the analysis - and foremost the classification of the various stakeholders – is subject to the authors personal perception.

### 6.4.1 Stakeholder interests

Every stakeholder pursues certain interests vis à vis the NP and other interest groups. The following table outlines the core interest of each stakeholder group. Given the – in some cases – contrasting and contradicting goals a single stakeholder pursues, mapping goal coalitions and goal conflicts between various stakeholders – although obvious sometimes – turned out to be a tough task.

*Fig. 56: Main interest of stakeholders at a glimpse*

	<b>Stakeholder</b>	<b>Main interest</b>
1	Government	Conservation, Protection, but also budget cuts
2	NPS	to protect its natural resources but also to "provide for the enjoyment" of them
3	SAMAB	“promote the achievement of a sustainable balance between the conservation of biological diversity, compatible economic uses and cultural values across the Southern Appalachians. This balance will be achieved by collaborating with all stakeholders through information gathering and sharing, integrated assessments, and demonstration projects directed toward the solution of critical regional issues.
4	SAMI	to provide a regional strategy for assessing and improving air quality, based on credible data and peer-reviewed science, to protect this unique and sensitive ecosystem.
5	Gatlinburg	Tourism revenue, jobs
6	Sevierville	Tourism revenue, jobs
7	Pittman Center	to create and perpetuate a quality of living environment and to encourage quality development that supports that end. To encourage development that supports a tourist-oriented economic base that relates to and magnifies our unique relation to and with the Great Smoky Mountains.”
8	Townsend	creation of a symbiotic relationship with the NPS, controlled growth
9	Bryson City	Tourism revenue
10	Cherokee	Quality of life, income
11	Employees	Payroll, satisfying job
12	Volunteers	Help the NP, meaningful use of leisure time
13	Visitors	Recreation, view scenery, photography

14	Friends of the Smokies	assists the National Park Service in its mission to preserve and protect Great Smoky Mountains National Park by raising funds and public awareness, and by providing volunteers for needed projects
15	NHA	enhance the understanding and enjoyment of the Smokies, cash donations or kind services for the Park
16	Great Smoky Mountains Institute	environmental education programs, emphasize exploration and understanding of the Park's natural and cultural resources and promote appropriate stewardship of these resources.
17	DLIA	complete a comprehensive study of all living things, called the "All Taxa Biodiversity Inventory" (ATBI) in the GSMNP
18	Gatlinburg Gateway Foundation	advocate positive action and civic responsibility to achieve an environmentally sensitive and economically prosperous gateway community to the Great Smoky Mountains National Park
19	GSM Conservation Association	manage a trust fund, the interest of which is donated to support Park projects
20	Foothills Land Conservancy	preserve the unique ecological, agricultural, and scenic resources of East Tennessee, land purchase for the GSMNP, creating buffer zones
21	SM Field School	educating public audiences about the Park's natural and cultural resources
22	NPCA	protecting GSMNP, takes public positions and legal action to protect black bears and preserve the Park's air quality as well as reduce the impact of sightseeing helicopter overflights.
23	NPF	raises support from corporations, foundations, and individuals to preserve and enhance NPs, especially through education and outreach.
24	Parks as Classrooms	<ol style="list-style-type: none"> <li>1) to promote the parks as learning laboratories to develop greater awareness, understanding, appreciation, and commitment to the preservation and/or restoration of the NPS and larger environment on which it depends;</li> <li>2) to promote an improved education system in the U.S. by assisting teachers in the development of more interactive lessons that incorporate park resources</li> <li>3) integrate research and interpretive programs of the Park Service into the broader educational goals of communities and schools through partnerships.</li> </ol>
25	NC National Parkway	provides advice to federal managers and helps to convey needs of those lands to Congress
26	Appalachian Bear Center	assists the Park in taking care of orphaned or injured bears until they are healthy enough to be released back into the wild
27	Media	Information spreading, financial returns
28	Cherokee Indian Reserve	Financial returns, maintaining independent status
29	General Public	Enjoyment, recreation

The Gateway communities are listed separately in the above Fig. as they have extremely different approaches of cooperating with the NP, based on their primary goals (see also chapter 6.3.6 Gateway Communities).



Nevertheless, opposing as well as converging goals can be identified at a glimpse in Fig. 56, which summarizes the detailed descriptions given under chapter 6.3 “Stakeholder Identification”.

Pointing out the main interests of single stakeholders as shown in the above Figure (56) builds the underlying basis for the next table (Fig. 57).

### 6.4.2 Matrix of stakeholder priorities

The matrix below is based on chapter 2.4.1.1.3 “Assessing the nature of each stakeholder’s interest” as well as on 2.4.1.1.5 “Constructing a matrix of stakeholder priorities”. The issues displayed on the horizontal axis are chosen based on their relevance and their potential to show contrasting priorities of different stakeholders examined.

The importance of the single issues listed to the various stakeholders, reveals how priorities of individual stakeholders compare, converge respectively collide.

Fig. 57: Stakeholder Issue Matrix

Issues Stakeholders	Financial returns	conservation	Improving air quality	Sustainability	Environmental education	Fundraising for the Park	Civil responsibility	Enjoyment/ recreation
Government	B	A	B	C	B	C	NA	C
Congress	B	B	B	C	B	C	NA	C
NPS	A	A	A	A	A	A	A	A
SAMAB	NA	A	B	A	B	NA	A	NA
SAMI	NA	B	A	B	A	NA	A	NA
Gatlinburg	A	B	C	C	C	NA	B	A
Sevierville	A	B	C	C	C	NA	B	A
Pittman Center	A	A	B	A	C	NA	A	B
Townsend	A	A	B	A	C	NA	A	B
Bryson City	A	C	C	C	C	NA	B	A
Cherokee	A	C	NA	NA	NA	NA	NA	A
Employees	A	A	NA	B	A	A	B	A
Volunteers	NA	A	A	A	A	B	A	C
Visitors	NA	C	B	B	B	C	C	A
Friends of the Smokies	NA	A	B	A	A	A	B	NA
NHA	NA	A	B	C	A	A	C	B
Great Smoky Mountains Institute	NA	A	C	B	A	NA	A	C
DLIA	NA	A	NA	NA	NA	NA	NA	NA
Gatlinburg Gateway Foundation	NA	A	B	A	B	NA	A	C
GSM Conservation	NA	NA	NA	NA	NA	A	NA	NA

Association								
Foothills Land Conservancy	NA	A	C	C	C	A	C	NA
SM Field School	NA	A	C	A	A	NA	B	NA
NPCA	NA	A	A	C	NA	NA	B	NA
NPF	NA	A	C	NA	A	A	C	NA
Parks as Classrooms	NA	A	NA	A	A	NA	A	NA
NC National Parkway	NA	NA	NA	NA	NA	A	NA	NA
Appalachian Bear Center	NA	A	NA	NA	NA	NA	NA	NA
Media	A	NA	NA	NA	B	NA	C	NA
Cherokee Indian Reserve	A	C	C	C	C	NA	C	C
General public	NA	B	C	B	B	NA	B	A

Legend:

- A= critically important to stakeholder
- B= somewhat important to stakeholder
- C= not very important to stakeholder
- NA= stakeholder not concerned with the issue

Based on Fig. 57 the following clusters can be identified:

Financial returns are critically important - “ranking A” – to the NPS, all gateway communities, and the Cherokee Indian reserve. Opposed to that, all NGOs are not concerned with this issue.

In terms of conservation the government, NPS, SAMAB, Pittman Center, Townsend, employees, volunteers, and all the NGOs are highly concerned with this issue. Only the Cherokee Indian reserve does not consider conservation as an important issue, as it focuses on a different target group, namely casino visitors (Francis, P., Dec. 2000). Although visitors perceive conservation as important, given their sheer numbers, they are a major threat to the environment. Thus, they essentially prioritize enjoyment/recreation over conservation.

Improving air quality is core to the NPS, SAMI, Volunteers and the NPCA. It is somewhat important to the government, SAMAB, Pittman Center, Townsend, Visitors, Friends of the Smokies, NHA and Gatlinburg Gateway Foundation. On the other hand, Gatlinburg, Sevierville, Bryson City, GSM Institute, Foothills Land Conservancy and the Cherokee Indian Reserve conceive other issues as more important.

Sustainability is critical to the NPS, SAMAB, Pittman Center, Townsend, Volunteers, Friends of the Smokies, Gatlinburg Gateway Foundation, SM Field School and the

Parks as Classroom. Gatlinburg, Sevierville, Bryson City and Cherokee do not value the concept of sustainability highly.

Environmental education ranks very high with the NPS, employees, volunteers, GSM Institute, the SM Field School and the Parks as Classroom Program. However, all of the gateway communities, and the Cherokee Indian Reserve do not put this issue first.

Fundraising for the Park is a major concern for the NPS, the Friends of the Smokies, employees, NHA, GSM Conservation Association, Foothills Land conservancy, NPF and the NC National Parkway.

Civil responsibility is stressed by the NPS, SAMAB, SAMI, Pittman Center, Townsend, volunteers, Gatlinburg Gateway Foundation, and the Park as Classroom Program. A potential value conflict may arise with the Media and the Cherokee Indian reserve.

Enjoyment/Recreation has high priority for the NPS, for all the gateway communities, visitors and the public. This issue is not favored by the Gatlinburg Gateway Foundation and the GSM Institute.

### **6.4.3 Assessment of Stakeholders Power - Stakeholder Classification**

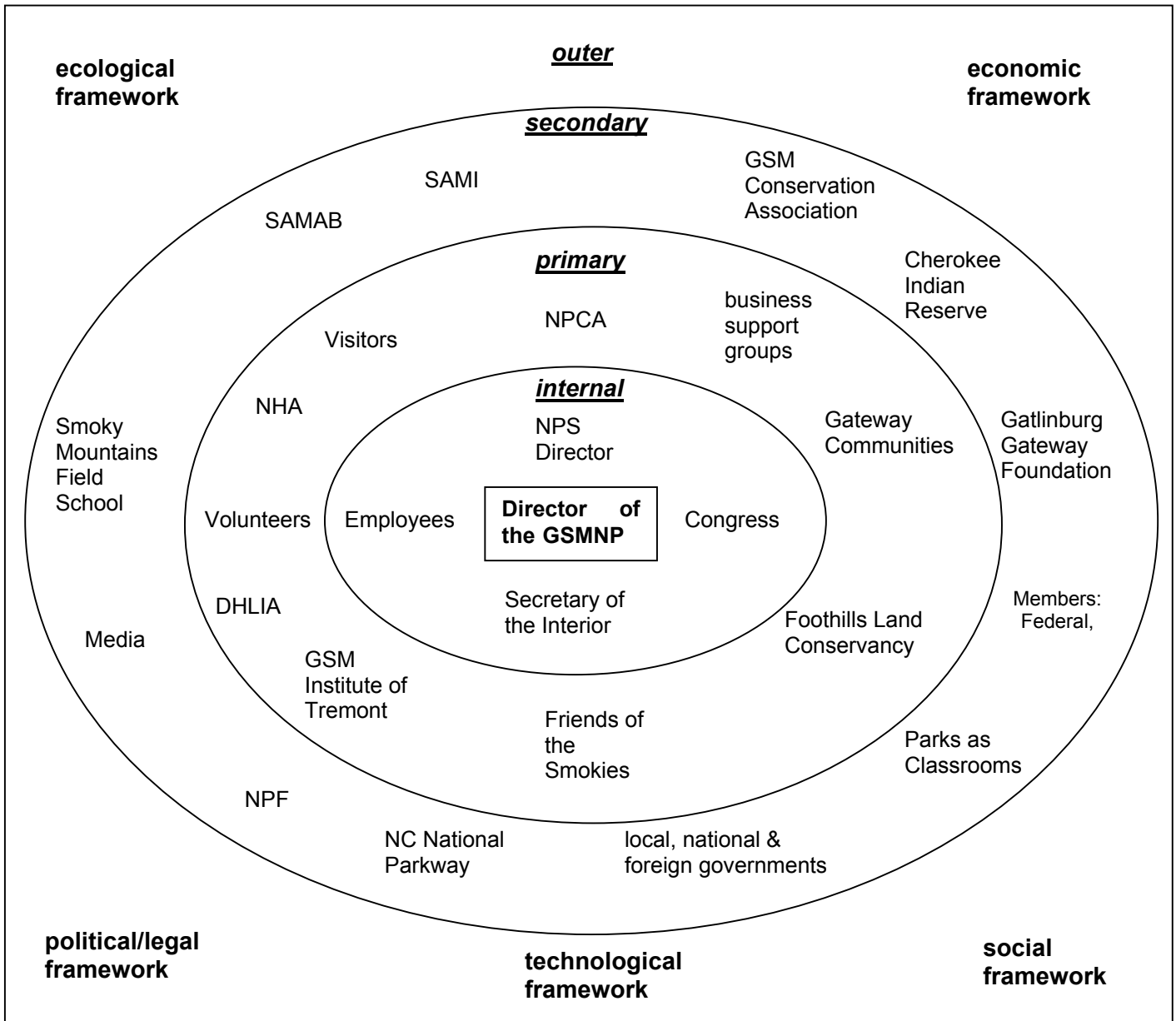
The following table is based on the possession of stakeholder attributes as outlined in chapter 2.3.2.1 “Defining stakeholder attributes” and in chapter 2.4.1.1.4 “Assessing the nature of each stakeholder’s power”. According to chapter 2.3.3. “Stakeholder Classes” the classification of the GSMNP stakeholders is based on the possession of legitimacy, urgency and power as outlined in Fig.8. Given this theoretical background, the following Stakeholder Power Matrix for the GSMNP can be drawn:

Fig. 58 Stakeholder Power Matrix

Source of power Stakeholders	Legitimacy	Urgency	Power		classes
			Formal/voting	economic political	
Government	X	X	X		internal
NPS	X	X	X		Internal
SAMAB	X				secondary
SAMI	X				secondary
Gatlinburg	X			X	primary
Sevierville	X			X	primary
Pittman Center	X			X	primary
Townsend	X			X	primary
Bryson City	X			X	primary
Cherokee	X			X	primary
Employees	X		X		internal
Volunteers	X				primary
Visitors	X			X	primary
Friends of the Smokies	X			X	secondary
NHA	X		X		primary
Great Smoky Mountains Institute	X		X		primary
DLIA	X		X		primary
Gatlinburg Gateway Foundation	X			X	secondary
GSM Conservation Association				X	secondary
Foothills Land Conservancy	X	X			primary
SM Field School	X			X	secondary
NPCA	X		X		primary
NPF	X		X		secondary
Parks as Classrooms	X			X	secondary
NC National Parkway	X			X	secondary
Appalachian Bear Center	X				secondary
Media		X		X	secondary
Cherokee Indian Reserve	X			X	secondary
General Public	X			X	secondary

Based on the matrix above the results of the classification are visualized in the following Figure:

Fig. 59: Stakeholder Classification



For a detailed description of all stakeholders please refer to chapter 6.3 Stakeholder Identification.

The internal stakeholders are composed of the NPS director, Congress, Secretary of the Interior, employees and last but not least the director of the GSMNP. An assessment of the nature of interest of the federal government as compared to the NPS, reveals a clear goal coalition in terms of protection and conservation, but also an obvious goal conflict on the financial side: While the government aims to cut the NPS budget, the latter is naturally interested in an increase in governmental spending.

The primary stakeholder cluster includes visitors, NPCA, business support groups, gateway communities, Foothills land conservancy, Friends of the Smokies, GSM Institute of Tremont, DHLIA, volunteers and the NHA. Obviously there are some conflicting goals and values among them: As gateway communities and business support groups rank their income derived from tourism first, conservation seems less important to them in the short run. On the other hand, NGOs like the NPCA, the Foothills land conservancy, the Friends of the Smokies, the GSM Institute of Tremont and the DHLIA clearly put conservation and other environmental issues first. The Park depends on funds raised from the NGOs to an increasing degree. At the same time the interest of both groups needs to be balanced, as the Park's purpose also includes "providing for the enjoyment of the public".

The following organizations are found within the secondary stakeholder class: SAMAB, SAMI, GSM Conservation association, Cherokee Indian reserve, Gatlinburg gateway foundation, Parks as classrooms, local, national and foreign governments, NC National Parkway, NPF, Media and the Smoky Mountains field school. (As already pointed out in chapter 2.3.3. "Stakeholder Classes", the term "secondary" is purely based on attributes of power as pointed out in chapter 2.4.1.1.4 "Assessing the nature of each stakeholder's power".) Although single NGOs in this cluster are partly driven by different objectives, e.g. SAMI focuses on improving air quality whereas the Parks as classrooms program fosters environmental education primarily, there is a clear goal coalition as far as environmental protection, conservation and enhancing public understanding of the importance of conservation is concerned. However, there is a striking difference in values between all the NGOs and the Cherokee Indian reserve, as the latter prioritizes financial returns over conservation. (However, it needs to be said, that this conclusion is based on information provided

by the NP-Management and the level of collaboration between the NP and the Reserve, without any information from the Cherokee Indian Reserve available.)

## **6.5 Stakeholder Management in the GSMNP**

Although it is not possible to speak of an integrated stakeholder management in the GSMNP, the management has been co-operating with some of its partners for some years and also tries to increase the intensity of its relationships. According to Phil Francis (Dec. 2000), “the GSMNPS changed the way of communication between the business communities and the Park within the last 5 years. We try to help the business community realize, that the success of their business is directly tied to the health of this Park ....[...] Dealing with issues, particularly air quality [...] if visitors can't see any views than people might not come to this area and it would have an adverse effect on business. So, if they would join us in helping to protect the resources of this Park, especially to improve the quality of air, then business will likely continue to prosper.” Although business in the area around the Park does depend on the GSMNP to a large degree (see chapter 6.3.10 “Local Tourism industry”), there seems to be a need to transform a rather short term view into a more sustainable and long term oriented one. However, as addressed in more detail in chapter 6.3.6. “Gateway Communities”, business approaches vary a lot among the various communities surrounding the Park.

“With some 4 million cars coming to the Park a year, regional transportation planning is an important issue. Ten counties around the Park are involved in an inter-county regional transportation planning process, sharing the goal of reducing congestion and improving the quality of visitor experience (Francis P., Dec. 2000)”. The positive effects are twofold: visitors not only enjoy more, but there is also less pollution. The threat arising from air pollution is dealt with in detail in chapter 6.2.6.1 “air pollution and water quality problems”.

The GSMNP has a whole list of issues, which - according to Phil Francis – can be approached in several ways:” A) rely upon federal money B) use volunteers C) raise private sector funds D) combination of A, B, & C. “So it is more like a business approach, now we have four non-profits – compared to only one non-profit in 1993 - in our board, working to make the work happen” These non-profits, namely the

DHLIA, Institute of Tremont, Friends of the Smokies, and the NHA., are the four major partners of the GSMNP, meeting quarterly in partnership-meetings with the Park management.

In cooperating with its major partners, the GSMNP became financially less dependent on federal money assigned by Congress. (Francis Phil, Dec. 2000). One example of successful cooperation is the building of one of the first NPS environmental learning centers in the U.S. Enabled by the donation of some land and a house on the NC border of the NP, funds raised by the Friends of the Smokies and some federal money. The goal is to communicate science to the public, with the major focus on high school students (Francis Phil, Dec. 2000).

In conclusion it can be said, that the dynamics of management within the last 7 years in the GSMNP reveal a clear trend towards more co-operation. However, no clear systematic effort was undertaken so far to map out and assess the grid of relationships and stakeholders of the Park.



## **7 Conclusion: Stakeholder Management within the Ecosystem Management Framework**

Understanding how "what I do on my patch" affects interdependent stakeholders requires an intensive, focused effort to discover what, exactly, is at stake. Critical also are questions about how internal decisions have external effects. Managers need to realize how many actions are actually *interactions* with other institutional jurisdictions and authorities. Also, they need to understand what local values really are (what is held dear by the area resident population). Lastly, they need to understand both how rapid changes in tourism and outdoor recreation affect the economy of surrounding populations, and also how land and resource management decisions affect those changes (see Taylor J. G. et al, 2000, p. 1). Stakeholder analysis provides valuable insights into interactions between human communities and national lands and resources; it identifies who is likely to be involved in specific issues and how this mix of players is likely to affect both process and outcome.

The objective of stakeholder management is to collect regional, often tacit knowledge which is not codified or that cannot be quantitatively expressed in terms of inputs for economic modeling. Environmental decisions cannot be based on a single individual's or organization's efforts to maximize their utility but rather on a number of institutional and social circumstances which can only be tapped by the involvement of stakeholders. Collaborative management should be increasingly employed to link social objectives to protected areas and to help promote wider awareness and use of such approaches.

To be sure, collaborative management in a NP includes engaging the park's visitors, and while visitors cannot be expected to make management decisions regarding park resources, they can provide information that is useful for park managers as they make decisions concerning resources. Visitors, for example, may point out the need for better visitor education or they may support management objectives of protecting park resources. The potential benefits of using these approaches are numerous and so these approaches deserve greater attention.

The Great Smoky Mountains National Park turned out to be a good match for a case study on this topic since the Park management there already co-operates with some stakeholders to a certain degree. Starting with only one non-profit organization on its board in 1993, the GSMNP management now partners with four major non profit organizations (for details see chapter 6.5 "Stakeholder management in the GSMNP"). Management identified a need to collaborate, not only in order to meet the NPS mission but also to increase managerial effectiveness and financial flexibility. Undoubtedly, intensified co-operation proved to be beneficial for the Park.

However, managers often lack the expertise to employ collaborative management theories in Natural Resource Management. This should come as no surprise as efforts of integrating social science into Park management only recently gained significance on the NPS agenda. But employing collaborative management techniques -- such as the Stakeholder Management approach -- in a Natural Resource management setting bears a lot of potential.

This potential bears out in two significant ways. Firstly and perhaps foremost, these approaches provide a key to understanding the Park as a system of mutual interdependence between itself and its stakeholders. A NP is not some island that remains unaffected by decisions taken outside the park; pollution hardly respects borders. Secondly, such approaches provide park managers with a range of professional managerial tools and techniques that help them identify and measure their stakeholders' importance. Thus, they not only enable NP managers to address issues more holistically, (for example, by drawing a map of stakeholders and problems) but also to address these issues more strategically and effectively.

Although the GSMNP Management already started to work with some of its partners, stakeholder theory could provide a theoretical background that would help it collaborate and strategize even more effectively. The importance of a stakeholder analysis itself, which is actually just the starting point for a more integrated Stakeholder Management, should not be underestimated: it provides crucial information for the Park management by systematically answering the following question: *Which groups are stakeholders deserving or requiring management attention, and which are not?* Thus, stakeholder analysis helps to identify the key

stakeholders of the GSMNP and their interests, to examine their relationship with the Park and among each other, and to monitor the changes in stakeholder perceptions of issues and the balance of influence over time. Consequently, it assists the Park management to find an acceptable balance between stakeholders and its own interests and mission. The systematic knowledge provided by a stakeholder analysis improves the quality of strategies developed to deal with issues and their stakeholders. As strategic program formulation improves, for example, so does the sensitive area of budgeting (as resource allocation grows more tailored). And, last but not least, more transparency ultimately also facilitates control. The case study on the GSMNP showed that although management there only recently started to focus on partnerships, this shift already turned out some positive results in terms of a greater financial independence and maybe even more visible improvements of the visitor center and a new learning center (to be built very soon). However, a simple glimpse at the sheer numbers of stakeholders identified in this thesis (as visualized in Fig 59 “Stakeholder Classification”) and the potential goal coalitions and conflicts among them, bears a level of complexity that clearly points to a need of a more systematic management approach. Moreover, results from some current projects of the GSMNP, such as regional transportation planning in order to defuse the traffic problem in the area, show an increased need for such techniques.

Although Stakeholder Theory has not been widely employed in the non-profit sector so far, it seems that there is a very valid case for using it to manage NPs. The NP’s dual mandate and mission produces a tradeoff between conservation and recreation which can be most meaningfully addressed through collaboration. Therefore, using collaborative management approaches not only makes sense, it is necessary.

Given that pollution is a significant threat nowadays, this claim gains urgency, as communicating the importance of preserving natural resources seems to be more essential than ever. By identifying local schools as stakeholders of a NP or by establishing environmental learning centers for visitors and locals, the NP management not only fulfills it’s mission but also contributes to a potential positive shift of attitudes and values towards the environment. This in turn might help to prepare the ground for a better understanding of ecological/economic tradeoffs and support for a gradual move towards a more sustainable economy.

As described in the previous chapter “Stakeholder Management in the GSMNP”, the Park Management there clearly identified the need of a close co-operation with some of its partners. Phil Francis, the former superintendent of the GSMNP, outlined the importance of a collaborative Ecosystem Management approach as follows: “You cannot manage a park by only looking internally, you have to look outside the Park boundaries. Most of our issues, - just to mention air quality –are originated outside the Park. So, unless we have a collective effort to address these issues, we won’t succeed.”

A stakeholder analysis is by no means a panacea for any kinds of troubles management might encounter. By adapting and employing the stakeholder management approach, however, Park management could identify, map and monitor its relationships more effectively and, moreover, enhance it’s ability to collaborate.

This thesis ultimately attempted to determine if the stakeholder management approach represents a meaningful tool for the NPS dual mission and mandate. Both, case study findings on the GSMNP and a close look at stakeholder theory strongly suggest that it can indeed be a very useful approach for managing a NP.

## 8 Glossary

**AFFILIATED AREA** – An area administered in connection with the National Park Service (NPS) that uses NPS assistance but is neither federally owned nor directly administered by the NPS [<http://www2.nature.nps.gov/stats/glossary99.pdf>, Oct. 2000].

**BACKCOUNTRY** – One or more primitive or wilderness areas in a park reached primarily by hiking, boating or horseback. [<http://www2.nature.nps.gov/stats/glossary99.pdf>, Oct. 2000].

**BUSES** – Vehicles carrying ten or more passengers including commercial tour buses and school buses [<http://www2.nature.nps.gov/stats/glossary99.pdf>, Oct. 2000].

**CAMPGROUND** – An area of land designated and developed for use as a camp [<http://www2.nature.nps.gov/stats/glossary99.pdf>, Oct. 2000].

**CATEGORY** – NPS areas are categorized by their proximity to population centers in the following manner [<http://www2.nature.nps.gov/stats/glossary99.pdf>, Oct. 2000]:

- Mixed Area Park – A park located in a mixture of Outlying Area, Rural Area, Suburban Area, and Urban Area.
- Outlying Area Park – A park located in a Metropolitan Statistical Area (MSA) with a population of less than one million people.
- Remote Area Park – A park located outside of any MSA and requiring special travel arrangements to reach.
- Rural Area Park – A park located outside of any MSA and accessible by paved highway, scheduled air or marine transportation service.
- Suburban Area Park – A park located outside the central city but still within an MSA with a population of greater than one million people.
- Urban Area Park – A park located within the central city of an MSA.

**CLASSIFICATION** – Designated name for areas administered by the NPS may be found in the publication, *The National Parks: Index 1999-2001*.

**CONCESSIONER** – A private company or an individual granted the privilege of providing facilities and services considered necessary by the NPS for accommodating visitors [<http://www2.nature.nps.gov/stats/glossary99.pdf>, Oct. 2000].

**CONCESSIONER CAMPGROUND** – An element of a concessioner operation involving services for overnight camping or equipment for camping [<http://www2.nature.nps.gov/stats/glossary99.pdf>, Oct. 2000].

**CONCESSIONER LODGING** – An element of a concessioner operation involving facilities for overnight lodging such as hotels, motels, cabins, cottages, trailer villages and trailer rental [<http://www2.nature.nps.gov/stats/glossary99.pdf>, Oct. 2000].

**CONSERVATION EASEMENT** - A conservation easement is a legal agreement between a landowner and a land trust such as the Foothill Land Conservancy.

Landowners voluntarily restrict the type and amount of development that may take place on their property without giving up ownership of the land. You may sell your land or leave it to your heirs, but future owners also will be bound by the easement terms. Each easement is tailored to the particular property and the interests of the owner. For instance, an easement could prohibit development of any kind, or might allow for continued farming and even the building of agricultural structures. Easements may also allow for timber management and harvest. In some cases an easement might apply to just a portion of the property, leaving the option of development open for the remaining part [<http://www.foothillsland.org/index.htm>].

MISCELLANEOUS OVERNIGHT STAY – Any overnight stay not otherwise defined (sleeping aboard boats, camping in organized groups, and/or any other overnight stays not included in other categories of overnight stays) [<http://www2.nature.nps.gov/stats/glossary99.pdf>, Oct. 2000].

MIXED AREA PARK – See CATEGORY.

NATIONAL PARK SERVICE (NPS) – A department of Interior (DOI) agency which administers approximately two dozen types of federal land, nationally significant for their scenic, natural, scientific, historical or archeological interest (see CLASSIFICATION). The agency was established as a Bureau of the DOI by an Act of Congress, August 25, 1916. The NPS does not administer National Forests (United State Department of Agriculture/Forest Service), Wildlife Refuges (United States Department of Interior/Fish and Wildlife Service), or a variety of other lands available for public use[<http://www2.nature.nps.gov/stats/glossary99.pdf>, Oct. 2000].

NEGLECTIBLE TRANSIT – A brief, incidental entry into a park by a passing traffic (vehicular or pedestrian) using NPS administered grounds roads or walkways (See NON-REPORTABLE VISITS) [<http://www2.nature.nps.gov/stats/glossary99.pdf>, Oct. 2000].

NON-RECREATION OVERNIGHT STAY – A reportable non-recreation overnight stay includes leaseholders, line shacks for ranchers, and government personnel (other than NPS employees) [<http://www2.nature.nps.gov/stats/glossary99.pdf>, Oct. 2000].

NON-RECREATION VISIT – A reportable non-recreation visit includes through traffic, trades-people with business in the park, and government personnel (other than NPS employees) with business in the park [<http://www2.nature.nps.gov/stats/glossary99.pdf>, Oct. 2000].

NON-REPORTABLE VISIT – The entry into a park by NPS employees, their families, concessionaire employees, members of cooperating associations, NPS contractors and service personnel [<http://www2.nature.nps.gov/stats/glossary99.pdf>, Oct. 2000].

NON-REPORTING – These areas do not report recreation visits to the NPS [<http://www2.nature.nps.gov/stats/glossary99.pdf>, Oct. 2000].

OUTLYING AREA PARK – See CATEGORY.

OVERNIGHT STAY – One night within a park by a visitor [<http://www2.nature.nps.gov/stats/glossary99.pdf>, Oct. 2000].

REAL WAGE – wage adjusted for inflation

RECREATION VEHICLE – Any enclosed vehicle used for camping which is more elaborate than a simple truck or car, such as pickup truck with camper body, pop-up tent trailer, travel trailer, bus, motor coach, mobile home, etc.  
[<http://www2.nature.nps.gov/stats/glossary99.pdf>, Oct. 2000].

RECREATION VISIT – The entry of a person onto lands or waters administered by the NPS for recreational purposes excluding government personnel, through traffic (commuters), trades-persons and persons residing within park boundaries  
[<http://www2.nature.nps.gov/stats/glossary99.pdf>, Oct. 2000].

REGION – An NPS administrative subdivision. The seven NPS regions include the following states [<http://www2.nature.nps.gov/stats/glossary99.pdf>, Oct. 2000]:

- Alaska (AK) – Alaska
- Intermountain (IM) – Arizona, Colorado, Montana, New Mexico, Texas, Utah, Wyoming
- Midwest (MW) – Arkansas, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Oklahoma, South Dakota, Wisconsin
- National Capital (NC) – Washington, D.C., Maryland, Virginia, West Virginia
- Northeast (NE) – Connecticut, Delaware, Massachusetts, Maine, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, Virginia
- Pacific West (PW) – California, Guam, Hawaii, Idaho, Nevada, Oregon, Washington
- Southeast (SE) – Alabama, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Puerto Rico, South Carolina, Tennessee, Virgin Islands

REMOTE AREA PARK – See CATEGORY.

RURAL AREA PARK – See CATEGORY.

SERVICE PERSONNEL – Non-reportable visits include visits by employees of the NPS who are assigned to the park or are visiting the park in connection with their duty assignments, NPS contractors, concessionaires, cooperating associations, and the temporary or permanent members in the household of NPS employees resident in the park [<http://www2.nature.nps.gov/stats/glossary99.pdf>, Oct. 2000].

SUBURBAN AREA PARK – See CATEGORY.

SUSTAINABILITY – In 1987, the World Commission on Environment and Development developed a definition of sustainability that was included in its findings, which became known as the Brundtland Report. It stated that sustainable development “meets the needs of the present without compromising the ability of future generations to meet their own needs.” (United Nations World Commission On Environment and Development (The Brundtland Commission), *Our Common Future*,

1987). Although this definition has become widely publicized, the term sustainability is not limited to one precise definition.

URBAN AREA PARK – See CATEGORY.

VISIT – The entry of any person except NPS and service personnel, onto lands or waters administered by the NPS. A visit may occur as a recreation visit or a non-recreation visit. A same day reentry, negligible transit, and an entry to a detached portion of the same park on the same day are considered to be a single visit. Such adjustments are made insofar as practicable no noncontiguous parts of the same park. However, visits are reported separately for two contiguous parks [http://www2.nature.nps.gov/stats/glossary99.pdf, Oct. 2000].

VISITOR DAY – Twelve visitor hours in a park [http://www2.nature.nps.gov/stats/glossary99.pdf, Oct. 2000].

VISITOR HOUR – The presence of one or more persons (excluding NPS personnel) in a park for continuous, intermittent or simultaneous periods of time aggregating one hour (e.g., one person for one hour, two persons for one-half hour) [http://www2.nature.nps.gov/stats/glossary99.pdf, Oct. 2000].



## 9 Appendix

### 9.1 Map of the GSMNP



## 9.2 Questionnaire

### ***Stakeholder Identification***

What are the major stakeholders of the GSMNP according to the following description: “A stakeholder in an organization is any group or individual who can affect or is affected by the achievement of the organization’s objectives.”

Please specify the relevant stakeholders for the GSMNP and complete, specify respectively alter the organizations suggested above accordingly.

- NPS Service, Ministry of Interior
- Employees
- Customers/Visitors
- Local Communities “Gateway Communities”
- Gatlinburg
- Pigeon Forge
- Pittman Center
- Sevierville
- Bryson City
- Cherokee
- Townsend
- Local people
- Suppliers
- Competitors
- Federal state and local government
- Foreign Governments
- Cherokee Indian Reserve
- Southern Appalachian Mountains Initiative
- SAMI (Southern Appalachian Mountains Initiative)
- Friends of the Smokies
- Gatlinburg Gateway Foundation
- Foothills Land Conservancy
- Great Smoky Mountains Institute
- Smoky Mountains Field School
- Other Social/environmental activist groups
- Media
- General Public
- Business Support groups (local Chambers of commerce, etc.)
- Local tourism industry/economy











## **Visitors**

- Who are national park visitors?  
Demographics, visitor profile, age, household income, rationale for visiting
- What do people (visitors, residents, stakeholders, etc.) expect from the GSMNP NPS units?

## **Communities**

What is the relationship between the GSMNP and it's surrounding communities?

Are the local communities involved in the decision making process of the NP?  
Is there a formal setting of meetings/decision making procedure?

Knowledge and awareness for NPS issues among the local population

Values, attitudes and opinions of GSMNP residents regarding general environmental issues, GSMNP area federal land issues, and GSMNP NPS issues.

## **Management Plans of the GSMNP**

### **Collaborative decision making**

What I have learned so far, there are a lot of non-governmental organizations (e. g. Foothills Land Conservancy, the Gatlinburg Gateway Foundation, various Chambers of Commerce, etc.), which are closely cooperating with the National Park Service and I'd be very interested in learning more about the GSMNP interacting with such public/private organizations.

## **9.3 Interviewee list**

Prof. John Peine

Sue Bock – Gatlinburg Gateway Foundation

Jim Jagger – Pigeon Forge Department of Tourism

Phil Francis – assistant superintendent of the GSMNP (former superintendent)

Bob Miller – information GSMNP

Keith Langdon – ABTI



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## 10.2 Internet sources:

All of the below sources are dated December 2000.

National Parks in general:

US National Parks: <http://www.nps.gov>

America's NPs: <http://www.nationalparks.org/>

Park Science Homepage:

<http://www2.nature.nps.gov/parksci/>

North American Nature net

<http://www.nearctica.com/index.htm>

NPS Statistics:

Forecast of recreation visits 1999 and 2000:

<http://www2.nature.nps.gov/stats/forecast9920.pdf>

Forecast of recreation visits 2000 and 2001:

<http://www2.nature.nps.gov/stats/forecast20002001.pdf>

Recreation Visits Ranked by Park and Contribution to System 1999:

<http://www2.nature.nps.gov/stats/ranked99.pdf>

Recreation/Non-Recreation Visitor Days by Fiscal Year 1995-1998:

<http://www2.nature.nps.gov/stats/fiscal9598.pdf>

Visits Report by decade 1991-1999: <http://www2.nature.nps.gov/stats/dec9199.pdf>

Visitation NPS: <http://www2.nature.nps.gov/npstats/system.cfm>

Statistical Abstract 1999: <http://www2.nature.nps.gov/stats/abst99.pdf>

NPS Glossary: <http://www2.nature.nps.gov/stats/glossary99.pdf>

Overnight stays 1979-99: <http://www2.nature.nps.gov/stats/onstays7999.pdf>

National Park, Social Science Program:

<http://www.nps.gov/socialscience/public/public.htm> , October 2000

<http://www.nature.nps.gov/>

NPS Organizational chart, last revised 04/24/2000:

<http://www.nps.gov/refdesk/orgcharts/NPSOrgchart.htm>

Nature based Tourism in North Carolina

<http://www.conservationfund.org/conservation/sustain/index.html>

MGM

MGM <http://www.nps.gov/planning/>

MGM2: <http://www.nps.gov/planning/mgm/mgm2.htm>

## **10.2.1 Great Smoky mountains**

homepage:

<http://www.nps.gov/grsm/> ; October 2000

<http://www.nps.gov/grsm/gsmsite/home/> ; October 2000

Travel & Tourism information:

[http://www.gorp.com/gorp/resource/US\\_National\\_Park/tn\\_great.HTM](http://www.gorp.com/gorp/resource/US_National_Park/tn_great.HTM)

<http://www.greatsmokymountainsnationalpark.com/>

Park visitation report: <http://www2.nature.nps.gov/stats/>

pictures & views: <http://www2.nature.nps.gov/ard/parks/grsm/lookRockWeather.htm>

Flora & Fauna: <http://www.nps.gov/grsm/gsmsite/natureinfo.html>

GIS data: [http://www.nps.gov/gis/southeast\\_data.html#Tennessee](http://www.nps.gov/gis/southeast_data.html#Tennessee)

research links: <http://www.nps.gov/grsm/resrch.htm>

The Smokies magazine

[http://www.thesmokies.com/real\\_estate/](http://www.thesmokies.com/real_estate/)

<http://www.gosmokies.com/menu.shtml>



## 10.2.2 NGOs

Friends of the Smokies

<http://www.friendsofthesmokies.org>

Community Sustainability Indicators Workshop summary report:

<http://sunsite.utk.edu/samab/Pubs/CSIW.pdf>

Great Smoky Mountains Institute

<http://www.nps.gov/grsm/tremont.htm>

<http://www.nps.gov/grsm/sminfo.htm> (Info about more stakeholders)

Foothills Land Conservancy

<http://www.foothillsland.org/index.htm>

The Smoky Mountains Field School

<http://www.ce.utk.edu/Smoky/>

The Conservation Fund

<http://www.conservationfund.org/conservation/index.html>

Sustainable Databases on the Web: <http://sunsite.utk.edu/samab/Init/SDD.htm>

GSMNP Database: [http://web.utk.edu/~nodvin/great\\_smoky.htm](http://web.utk.edu/~nodvin/great_smoky.htm)

Flora & Fauna Database Online Query System:

<http://ice.ucdavis.edu/nps/sbypark.html>

SAMAB: <http://sunsite.utk.edu/samab/>

Discover Life in America

<http://www.discoverlife.org/>

National Parks Conservation Association (NPCA)

<http://www.npca.com/flash.html>

National Park Foundation

<http://www.nationalparks.org/npf/ask-npf.htm>

Parks as Classrooms

<http://www.nationalparks.org/npf/programs/education/PAC.htm>

SAA

Economic, social and cultural report:

<http://sunsite.utk.edu/samab/saa/reports/social/social.html>

Maps

Bryson City: <http://www.greatsmokies.com/direct.htm>

## 10.2.3 Gateway communities:

Cherokee:

Homepage: <http://www.cherokee-nc.com/>

e-mail: [cherokeeinfo@cherokee-nc.com](mailto:cherokeeinfo@cherokee-nc.com)

Gatlinburg:

<http://www.gatlinburg.com/>

e-mail: [vickis@gatlinburg.com](mailto:vickis@gatlinburg.com) (Planning)

NPO Gatlingburg Gateway

<http://www.gatlinburggateway.com/>

Gatlinburg city:

Homepage: <http://www.ci.gatlinburg.tn.us/>

[dball@ci.gatlinburg.tn.us](mailto:dball@ci.gatlinburg.tn.us) (Tourism)

Gatlinburg department of Tourism: <http://www.gatlinburg-tennessee.com>

Pigeon Forge:

<http://www.mypigeonforge.com/>

<http://www.pigeonforgepr.com/> (Press releases)

[inquire@pigeon-forge.tn.us](mailto:inquire@pigeon-forge.tn.us) (Tourism)

[kpowell@pigeon-forge.tn.us](mailto:kpowell@pigeon-forge.tn.us) (Media relations)

Sevierville:

<http://www.seviervilletn.org/>

[info@seviervillechamber.org](mailto:info@seviervillechamber.org) (chamber of commerce:)

Townsend:

<http://www.smokymountains.org/>

<http://www.imagesbuilder.com/townsend/>

Pittman Center:

<http://www.pe.net/~rksnow/tncountypittmancenter.htm>

Counties:

Swain & Hayford

Data: NC Department of Commerce <http://cmedis.commerce.state.nc.us/region/>

<http://cmedis.commerce.state.nc.us/countyprofiles/countyprofile.asp?pop=yes&infra=yes&education=yes&income=yes&emp=yes&tax=yes&manu=yes&map=yes&county=Swain>

Swain county: <http://www.swaincountync.com/>

<http://www.uscounties.com/Tennessee/index.html>

City homepages in Tennessee:

<http://capitolimpact.com/gw/tnmun/home.html>

Blount county: <http://capitolimpact.com/gw/tncty/tn47009.html>

NC: <http://www.nccbi.org/>

Blount  
Sevier

Census Data

Census 2000: <http://www.census.gov/dmd/www/2khome.htm>

<http://www.census.gov/prod/www/statistical-abstract-us.html>

Parks & Recreation Data.

<http://www.census.gov/prod/99pubs/99statab/sec07.pdf>

General: <http://www.census.gov/>

Mapsearch: <http://www.census.gov/datamap/www/>

Sevier county population & changes in population 98-99

[http://www.census.gov/population/estimates/county/co-99-1/99C1\\_47.txt](http://www.census.gov/population/estimates/county/co-99-1/99C1_47.txt)

Source: Population Estimates Program, Population Division, U.S. Census Bureau, Washington, DC 20233, Contact: Statistical Information Staff, Population Division, U.S. Census Bureau (301-457-2422)

Internet Release Date: March 9, 2000

County business patterns:

Swain: <http://www.census.gov/epcd/cbp/map/98data/37/173.txt>