Pergamon

Annals of Tourism Research, Vol. 31, No. 4, pp. 1031–1050, 2004

Printed in Great Britain
0160-7383/$30.00

www.elsevier.com/locate/atoures

doi:10.1016/j.annals.2004.04.003

NATURAL AMENITIES, TOURISM AND INCOME DISTRIBUTION

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Abstract: Understanding the distributional mechanisms of aggregate amenity-led economic growth is a necessary prerequisite to informed rural tourism planning. This applied study develops an empirical county-level model for the US lake states that incorporates five alternative natural amenity types and other growth variables to explain the distribution of income as measured by Gini coefficients. Results suggest that certain types of natural amenities are clearly related to the distribution of income. This extends earlier work which hypothesized that amenity-based development creates a "hollowing out" of the income classes. Analyses of tourism impacts from the sole standpoint of employment and income growth neglect to account for key components of rural development structure. **Keywords:** income distribution, new growth theory, amenity-led development, tourism planning. © 2004 Elsevier Ltd. All rights reserved.

Résumé: Agréments naturels, tourisme et la distribution des revenus. Il faut d'abord comprendre les mécanismes de distribution de la croissance économique totale dérivant des agréments naturels avant de procéder à la planification bien informée du tourisme rural. Cette étude appliquée développe un modèle empirique au niveau du comté pour les états de la région des grands lacs nord-américains. Ce modèle comprend cinq sortes d'agréments naturels et d'autres variables de croissance pour expliquer la distribution des revenus mesurée par des coefficients de Gini. Les résultats indiquent que certaines sortes d'agréments naturels sont clairement liées à la distribution des revenus. Cela porte plus loin les recherches précédentes qui avançaient l'hypothèse que le développement basé sur des agréments crée un « creusage » des classes économiques. Les analyses des impacts du tourisme du seul point de vue des emplois et de la croissance des revenus ne tiennent pas compte des éléments-clés de la structure du développement rural. **Mots-clés:** distribution des revenus, théorie de la croissance nouvelle, développement basé sur des agréments, planification du tourisme. © 2004 Elsevier Ltd. All rights reserved.

INTRODUCTION

While many rural communities are experiencing depopulation and economic decline, others are experiencing rapid in-migration and

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significant economic growth. The importance of natural amenities in explaining rural growth patterns is becoming widely accepted within the rural development literature (Isserman 2001; OECD 1999; Power 1988). Both descriptive analysis (McGranahan 1999) and more advanced statistical modeling approaches (Deller, Tsai, Marcouiller and English 2001) have consistently found that rural areas endowed with natural and built amenities—such as scenic beauty, recreational sites, and tourism attributes—experience higher rates of economic growth than the US average.

These findings of economic growth differentials reflect important transitional stages of rural economies. Taken at face value, the empirical work suggests that amenity-rich communities without extensive development should strategically pursue mass tourism for rapid aggregate economic growth. For planning and public policy, this boosterism inference runs counter to those who argue that tourism development is inferior to traditional modes of economic growth, because of the predominance of low-wage employment opportunities in these businesses and because of class issues associated with service type jobs (Ashworth 1992; Hall 2000; Marcouiller 1997; Rothman 1998; Smith 1989; Williams and Shaw 1988). In sum, growing concern over such reliance focuses on the unequal distribution of benefits and on the tendency for tourism to create a "hollowing out" of the income distribution (Leatherman and Marcouiller 1996, 1999; Wagner 1997). The policy analysis dilemma is that aggregate measures of economic growth mask key development characteristics of rural regions.

There is a strong need for empirical work that focuses on specific indicators of development rather than on simplistic and myopic measures of economic growth, such as changes in employment and aggregate income levels. Studies that address issues of distributional implications, transitions in economic structure, and the role of technology offer a clearer focus on regional development indicators. In particular, looking at growth without assessing distributional effects of change overlooks the strong developmental trend of increased intraregional income inequality. Indeed, assessing the distributional aspects of economic growth provides the real-world problem set of how tourism and other amenity-driven developments affect the lives and livelihoods of rural populations.

Rising American income inequality has been widely reported in two general dimensions. The first dimension of inequality is disparity among regions, especially the persistent income gaps between urban and rural economies (Hansen 1995; Renkow 1996). The second dimension is a trend of an aggregate increase in family income inequality regardless of geographic location. The long-term trend of income inequality (as measured using a Gini coefficient) in the United States is shown in Figure 1. The Gini coefficient is based on the Lorenz curve that shows the relationship between the cumulative percentage of total income within an economy and the cumulative percentage of income received when units are arranged in ascending order according to income. The Gini coefficient ranges from 0, indi-