

The ABC's of Capitalism: Natural, Social/Human and Built

Capital - Wealth that is used to produce more wealth

Capitalism - An economic system characterized by an open competition in a free market.

Natural resources are all of those things that we take out of nature and use: water, plants, animals, and materials from the earth such as fossil fuels, metals and minerals. All of these are things that we use up, either as raw material or as part of a production process. The end result is either a finished product, waste material or both.

Ecosystem services are natural processes that we rely on in some way. For example, soil in an acre of farmland can produce food that we eat or material for clothes that we wear. Wetlands filter water and soak up flood waters. Estuaries provide habitat for shellfish and other food that we eat. If we are careful not to overuse them, these natural processes will provide us with services indefinitely. However, if we are not careful in how we use them, we can degrade them. Farmed carelessly, soil on a farm erodes or loses essential nutrients. Sediment in wetlands reduces their ability to filter water. Fill a wetland and it no longer provides a buffer against flooding. Runoff into coastal waters and over-harvesting can degrade or deplete shellfish beds to the point that they are no longer viable.

The third block of natural capital is the esthetics or **beauty of nature**. Flowers in a window box, a view of a mountain range or seashore, a park on a warm summer day, the song of a bird, and a sky full of stars on a clear winter night are all parts of the beauty of nature. In addition to contributing to our general quality of life, the beauty of nature is essential to tourism and recreation, which form the basis of some communities' economy.

Social and Human Capital

The next level of the community capital pyramid is social and human capital. This level has two blocks -- people and connections:

Human capital is each individual's personal skills and abilities, physical and mental health, and education. **Social capital** is the connections in a community -- the ways in which people interact and relate to each other. The simplest connections are connections to family, friends and neighbors. On a larger scale, we form connections through community and volunteer organizations, the ability of groups of people to form governments to deal with common problems, and the ability of people to form companies to create goods and services to satisfy the needs of the community.

The five blocks of natural capital and human and social capital form the base of community capital. With these five blocks, communities create the sixth block, built capital.

Built Capital

Built capital includes roads, heavy equipment, factory buildings, houses, and apartment buildings. It includes basic necessities like food and clothing. It also includes things that, although not strictly necessary, many people in developed countries would be loath to do without, like dishwashers, cars, telephones and computers.

---from <http://www.sustainablemeasures.com/Sustainability/KeyTermCommCapital.html>

