



Community Capitals: Built Capital

Cheryl Jacobs

Community Leadership Development Extension Associate

The Community Capitals Series introduces the concept of measuring success in communities based on seven dimensions called community capitals. Capital is any type of resource capable of producing additional resources. When those resources or assets are invested, they become capital (Flora, et al. 2004). Community capitals are all of the things in a community that have the potential to be a resource that can be invested, saved, or used up. This is the seventh in the series.

Think of Built Capital as the foundation of a community. In some ways, Built Capital is the delivery system, the infrastructure of how other capitals can be used. Facilities, roads, power plants, and technology are physical infrastructures that can be used to strengthen local development. Some examples of Built Capital might include:

- Sewer and water systems
- Buildings
- Machinery
- Roads
- Electronic communications

Cornelia Flora, Director of the North Central Regional Center for Rural Development (NCRCRD) explains (Flora et al. 2004) that Built Capital is:

Physical infrastructure that enhances other community capitals because:

- It serves multiple users
- It can be locally maintained and improved
- It links local people together equitably
- It links local people, institutions and businesses to the outside

Built Capital is something that needs to be managed by a community. Often Built Capital is in the background, it is the things we don't notice until they are not there or they are in poor condition. They are the basic services, facilities and structures that communities expect to have. Flora explains that "Built Capital enables individuals and businesses to be more productive within the community. Although the Built

Capital of a community is necessary, it cannot ensure the economic health and well-being of that community. People must be able to use the infrastructure in productive ways."

Successful Communities

Built Capital does not usually stand on its own. A common example of this is when communities say "if we could just get a... 'insert a typical economic development project here' to come to our town, that would solve our problems." The communities may offer incentives, such as tax incentives, spec buildings, or savings on utilities, but when the incentives end, the commitment from the company often ends. It is only when Built Capital is paired with the other community capitals that it is most effective.

Another common example of Built Capital not being the end all and be all to community development is one that we see in many communities: the wish for a youth center. The thinking often is short sighted, assuming that the Built Capital will in itself solve a Social Capital problem. "If we only had a youth center, then the kids would be off the streets..."

An investment in Built Capital is only part of the solution. The other investments are in Social and Human Capital. Build the youth center without providing volunteers to run it, people to invest their time and money in the upkeep, or kids who want to be there, and you have wasted a lot of money on a building that will stand empty.

People are the common ingredient in successful community projects. The community capitals rarely stand alone, communities exist as a system, and all of the things that occur have impacts on the other parts of the system.

Changing South Dakota Communities

Most communities in South Dakota have infrastructure that is several decades old and is starting to deteriorate. Financing for these projects is getting more difficult to obtain. Local, state, and federal money in the form of grants may be available, but the majority of the available funding is gained through tax revenue.

Unfortunately, many small communities are also facing population decline, which translates into a smaller tax base, which makes funding large infrastructure projects all the more difficult. Small communities face great economic challenges as they attempt to update their old systems and add new Built Capital such as telecommunications equipment for internet and cellular technology.

In rural areas where resources are scarce, a relevant question for communities is who should be responsible for the creation, upkeep, and improvements of the Built Capital in the community. Can and should private resources be used to fund public infrastructure?

For instance, who should maintain a local swimming pool that is built using shared resources, both public and private? Who has the right to say who has access to the pool or what the costs or user fees should be? Public goods and services are controlled and regulated by laws and statutes, while pri-

vate goods and resources can choose to be as inclusive or exclusive as they want to be. As resources become scarce, more communities will have to rely on joint funding, such as the pool example, and they will also have to determine new rules between public versus private goods.

Built Capital in a community also includes housing. A common theme in rural communities is the lack of good quality, affordable housing. As rural populations decline and access to jobs moves to urban centers, communities are faced with a double edged dilemma. People want the quality of life in a small town, but they also need jobs, health care, shopping, and services found in larger towns.

Many communities think that just building more housing will make people want to move there. But without all of the other types of community capitals in place, Built Capital cannot stand alone. It is clear that the community capitals work as a system. Communities that make plans using the community capitals framework will be able to see how the seven community capitals intertwine with each other.

References

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