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Community Capitals: Built Capital

Cheryl Jacobs, Extension community development educator

INTRODUCTION

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:

- sewer and water systems
- buildings
- machinery
- roads
- electronic communications

Built capital creates physical infrastructure that enhances other community capitals in the following manners:

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

(Flora et al. 2004)

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 are in poor condition. They are the basic services, facilities, and structures that communities expect to have: "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" (Flora et al. 2004).

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 "be-all, end-all" to community development is one we see in many communities: the wish for a youth center. The thinking often is shortsighted, 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 capital* and *human capital*. Build the youth center without providing volunteers to run it, without people to invest their time and money in the upkeep, or without children 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 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 example, 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 private 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.

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