Some thoughts on True Capital & Wealth

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A possible formulation

1. Natural capital (the fruits of the earth, if you like),
2. Intellectual capital (the knowledge and skills we have acquired and pass on)
3. Social capital (the institutions supporting civil society)
4. Inspirational capital (encompassing natural or constructed beauty, the arts, spirituality, sport or any number of motivational legacies that offer meaning to life beyond merely surviving)
5. Physical capital (what we have constructed and continue to maintain).

Discussion

Some use the word “Produced” in place of “Physical”. I am easy with that, as everything I’m including in the Physical capital concept has been, by definition, produced.

I do not include “Financial” capital in the above because it is in reality a *Claim* on True capital.

Intellectual and social capital are sometimes bundled together as “human” capital. Again, I don’t object to that, but the two are strictly speaking distinct and I think representing them as such makes it easier to understand what it is we are talking about.

Inspirational capital is rarely recognised, though “Religious” capital has appeared as a concept. Insofar as it has been recognised it seems to have been subsumed within the notion of human capital. But the lack of explicit recognition is, I feel, indicative of a presumption that capital is a resource with which to do something else rather than being itself seen as a human objective to build and maintain.

True capital is valuable insofar as it is valuable to humans. Saying that is not to be anthropocentric by choice, but admits that the concept of capital itself relies on this for its meaning. A conversation with flora and fauna might in time alter our understanding, but until that becomes possible we just need to recognise the limits of our analysis.

Wealth

Wealth is, in part, the enjoyment of True capital. Wealth can in many cases be increased without a corresponding increase in capital stock. For example, education delivers knowledge to people, each time drawing on the same intellectual capital stock to provide intellectual wealth to more people.

The other main component of wealth is wellness. A sick human may not be able to enjoy capital to the same extent as a healthy one. So, wealth is increased by both looking after health needs and by maximising access to capital.

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