

# People, partnerships and human progress: building community capital\*

TREVOR HANCOCK

28 Napier Street, Kleinburg, Ontario, Canada L0J 1C0

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## SUMMARY

*The Victorian-era journal The Sanitarian used on its masthead the slogan 'A nation's health is a nation's wealth'. Today, we are re-discovering that wisdom, recognizing that health is indeed a form of wealth. Moreover, we are beginning to understand that wealth is not merely our economic capital, but includes three other forms of capital—social, natural and human capital. Health is one key element of human capital. A healthy community is one that has high levels of social, ecological, human and economic 'capital', the combination of which may be thought of as*

*'community capital'. The challenge for communities in the 21st century will be to increase all four forms of capital simultaneously. This means working with suitable partners in the private sector, making human development the central purpose of governance, and more closely integrating social, environmental and economic policy. Community gardens, sustainable transportation systems and energy conservation programmes in community housing projects are some of the ways in which we can build community capital.*

*Key words:* healthy community; partnerships; social capital; sustainable development

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## INTRODUCTION

Some 200 years ago, the Austrian public health physician Johann Peter Frank wrote a six volume treatise on public health entitled 'A System of Complete Medical Police', for which a modern translation would be 'A System of Complete Health Management' (Frank, 1976). In it he discussed all the ways in which the health of the population could be protected and improved. Writing as he was in northern Italy, then part of the Austro-Hungarian empire, he noted that the empire's greatest asset was its people and that it was in the Emperor's best interest to improve the health of the people. In essence, what Frank was saying was that the people's health was the empire's wealth.

One hundred years later, Sir Benjamin Ward Richardson—a self-avowed disciple of Edwin Chadwick and himself a leading Victoria public health reformer—used as the masthead slogan for his journal *The Sanitarian* the following: 'A nation's health is a nation's wealth'.

Today, we are rediscovering the wisdom of our forebears and understanding that health is indeed a form of wealth, a resource, an asset; in short, a form of capital. Conventionally, however, wealth has been measured in economic terms, especially in recent history. How much property we possess, what money we have in the bank, what we own as individuals, as communities, as companies or as nations—these economic assets constitute our wealth. Yet clearly there are other forms of wealth. In recent years, we have also come to value, both economically and for its intrinsic worth, our 'natural capital'; the natural resources from which much of our economic wealth is derived. Even more recently, there has

\*This paper is based on the Second Annual Belfast Healthy City Lecture, given at City Hall, Belfast, November 12, 1999.

been a growing discussion about ‘social capital’, the social networks and systems that constitute our civic society (Putnam, 1993; Campbell *et al.*, 1999). A fourth form of wealth is to be found in our human resources.

- *Human capital* consists of healthy, well educated, skilled, innovative and creative people who are engaged in their communities and participate in governance. It is the end point, the central purpose of human-centred development.
- *Natural capital* includes high environmental quality, healthy ecosystems, sustainable resources and the conservation of habitat, wildlife and biodiversity, and it constitutes the bedrock of our society. It has been through the exploitation of natural resources—energy, minerals, forests, fisheries, grasslands, soils, etc.—that we have achieved the levels of economic and social development that underpin the high health status we currently experience today.
- *Social capital* constitutes the ‘glue’ that holds our communities together. It has both an informal aspect related to social networks and a more formal aspect related to our social development programs. High levels of what have been termed ‘social cohesion’ and ‘civicness’ are rooted in social networks and in participation in society, including the governance processes through which decisions are made. In addition to these informal forms of social capital, there are also the more formal forms of social capital that result from society’s investment in social development that ensures people have equitable access to such basic determinants of health as peace and safety, food, shelter, education, income and employment.
- *Economic capital*, and the use of such capital, constitutes the means by which we can attain many of our human and social goals. We need a level of economic prosperity that is sufficient to provide the means by which we can feed, clothe and house everyone, provide clean water and proper sanitation, ensure universal education and the provision of health and social services accessible to all. Economic capital can and should create healthy jobs, and its equitable distribution ensures that people’s basic needs are met. At the same time, the means of increasing economic capital must not threaten either our human capital or the environmental and social capital upon which we depend for our health and well-being.

Thus, our total wealth can be said to consist of these four forms of capital. This is an idea that ecological economists have been proposing for many years [e.g. (Ekins *et al.*, 1992)]. However, more recently, and perhaps more importantly, the World Bank itself has begun to acknowledge the existence and importance of these four forms of capital. In a 1995 research report, they set out to estimate the world’s wealth in terms of these four forms of capital (World Bank, 1995). According to their estimate, some 20% of the world’s total wealth was to be found in natural capital, another 20% in economic capital and the remaining 60% in a combination of social and human capital (they had trouble distinguishing and separating these two). We could take issue with what they chose to measure and how they chose to measure it in monetary terms, but that would be missing the point. The important issue here is, first, that the World Bank recognizes that wealth is to be found in more than simply economic capital and, secondly, that conventional economic capital—the focus of our markets—only constitutes 20% of the world’s wealth. Surely this is a highly significant statement from such an important economic organization?

In the past, it has too often been the case that we have increased one form of capital, namely economic capital, at the expense of one or more of the other forms of capital. But increasing economic capital by decreasing funding for education and thus depleting human capital, or by laying off vast numbers of people, thus disrupting the social capital represented by families and social networks, or building our economies by depleting natural resources, these strategies are fundamentally unsustainable in the long term. This idea was well expressed in a 1992 report on human and ecosystem health (Canadian Public Health Association, 1992) which stated:

Human development and the achievement of human potential requires a form of economic activity that is environmentally and socially sustainable in this and future generations.

This statement also serves to underline the concept that our focus must be on human rather than economic development and that economic activity is a means, although not the only one, to achieve that end.

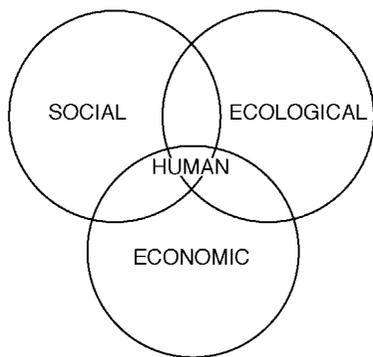
This paper seeks to translate these ideas into the realm of healthy communities, to explore

how to increase all four forms of capital and to determine with whom we should work in the private sector. Based on a model of a healthy community developed some years ago (Hancock, 1993), a new model is proposed that integrates all four forms of capital (Figure 1). This model places human capital at the centre, since an increase in human capital (human development and the achievement of human potential) is seen as the result of (beneficial) environmental, social and economic development, and thus the product of an increase in these other three forms of capital.

What communities require is a new form of capitalism: one that will simultaneously increase all four forms of capital. This can be considered to be the creation of community capital. In the 21st century, healthy (and successful) communities (and businesses and nations) will be those that learn to increase all four forms of capital together. This model and the concept of community capital have a number of implications, several of which are explored below.

## IMPLICATIONS

The most important implication of this model is that it puts human development at the centre. This is not to argue that human development should be the only goal, and in particular it is not to argue that natural and social capital should be sacrificed in the interest of human development. Indeed, in the medium to long term, further human development depends upon conserving all these other forms of capital, not depleting them. It is to argue that we need a human-centred rather than an economic-centred form of development. Human development and the



**Fig. 1:** The four capitals model.

achievement of human potential is, or should be, the central purpose of governance, the common theme that unites the statutory (public), business (private), voluntary and community sectors. For if as a society, as a civilization, we are not in the business of improving the quality of life and increasing human development and human capital, what business are we in?

A second important implication involves the need to work with the private sector. The private sector is but one of four sectors (the other three being the statutory, voluntary and community sectors) whose participation in the process of choice and decision-making constitutes governance. But the private sector has not always been very fully engaged in the healthy community process, which may in part reflect the lack of experience of the statutory, voluntary and community sectors in working with the private sector. It may also represent a failure to understand their motivation, to understand 'what's in it for them' as partners and to present a rationale for the private sector to participate as active partners in the creation of a healthy community. One reason for adopting the language of the 'four capitals' is to try to address the private sector in their own terms.

Successful and progressive private industries have always recognized that their success depends upon the quality and productivity of their employees, the social resources and capital of the communities of which they are a part, and the quality of the environment and the sustainability of the resources upon which they draw. But for many businesses this has not always been self-evident or has not been of sufficient importance to be taken into account when compared with the importance of the short-term bottom line. Moreover, for a variety of reasons, the ways in which the private sector increases profit may conflict with the goals of improved health (Hancock, 1998).

In spite of this, there are compelling reasons to engage the private sector, and to do that it is necessary and important to understand what motivates the private sector and what will entice the private sector to enter into real partnerships. Three groups of private sector industries should be considered as potential partners.

The first group of industries are those who actually profit from an increase in population health status. Curiously enough, it can be difficult to identify industries whose bottom line is improved as a result of improved population

health. While in one sense every industry benefits from reduced employee sickness, absenteeism and disability, it may be that only a few industries profit directly. These include the life, disability and health insurance industries (if we live long healthy lives, we pay them premiums but don't use their services) and the leisure, recreation, travel and tourism industries, since healthy people may be more likely to use their services. One industry that does not benefit economically from increased population health, curiously enough, is the pharmaceutical industry (or more generally the 'medical-industrial complex', as the Director General of the World Health Organization once described it (Mahler, 1978). Their best economic return will come from having us lead long lives in a state of chronic illness and/or taking 'lifestyle' and preventative medications for many years, thus consuming their products and using their services.

A second category of industry that would make a useful partner are those who are the 'producers of health', i.e. those who grow our food, build our houses, provide clean water, protect us from harm, educate our children and otherwise produce the determinants of health. (This category may well include the pharmaceutical and health care industries.) The producers of health, however, are not automatically our natural partners. For example, food producers may be producing unhealthy food, builders may be building unhealthy housing, or the health care industries may be medicalizing us. But certainly within this category of industries we should be able to find partners who are committed to producing healthier food, healthier housing and so on. These are potentially good partners.

A third category of industries that would be natural partners are those who are already committed to working in a way that increases the four capitals. The newly emerging 'green' businesses (Hawken, 1993; Hawken *et al.*, 1999) and ethical investment funds that will only invest in environmentally and socially responsible corporations are examples of businesses leading the way to a new economy that will maximize all four forms of capital simultaneously.

A third implication of this model is that we need to bring together the three key policy areas of social, environmental and economic policy, which correspond to the three forms of capital in the circles of Figure 1. Indeed, this is a major thrust of the strategy for 'joined up government' currently espoused by the UK government.

Similarly, a report from the Premier's Council in Ontario, Canada (Premier's Council, 1995) suggested that the objective should be to integrate more closely these three policy sectors. If the overlap at the centre between these three policy sectors represents human capital, as suggested earlier, then the more we integrate the three sectors, the higher the resultant human capital.

## CREATING COMMUNITY CAPITAL

How then can community capital actually be created? What activities will simultaneously increase all four forms of capital at the community level? As a general rule, 'green' community economic development projects and strategies, which by definition are concerned with building ecological and economic capital, are also likely to increase human and social capital. 'Green' businesses in the private sector are also often, but not necessarily, concerned with increasing human and social capital.

One example that has been implemented in Liverpool and Glasgow, among other cities, is community-based energy retrofitting of public housing, in which local people are trained to do the work and new local businesses are created to carry it out. How do these projects simultaneously increase all four forms of capital?

- *Economic capital* is created both at a community level, because money for the project comes into and stays in the community, and at a household level because the discretionary income is increased when heating costs are reduced. In addition, the value of the housing stock is also increased.
- *Ecological capital* is enhanced by reducing energy consumption, which is often fossil fuel-based. This results in both the conservation of a vital resource and reduction of the emissions of air pollutants and greenhouse gases that accompany fossil fuel use, or otherwise reducing the environmental impact of energy use.
- *Social capital* is enhanced when unemployment and poverty are reduced as community members become employed, while the community involvement needed to develop and manage the project helps to build community capacity and social networks.
- *Human capital* is increased in a number of ways. Community members acquire new skills

that enhance both their employability and their sense of self-esteem, while new social and organizational skills are also acquired. On the health side, not only may respiratory disease resulting from cold, damp housing be reduced, but the wider community may benefit from reduced air pollution and associated health problems.

Another example is the community gardens that have sprung up in Toronto and other North American cities in recent years. How do these community gardens simultaneously build all four forms of capital?

- The community gardens build social capital because, unlike an allotment garden, they are created and managed by the community itself and depend upon a cohesive social network to organize and manage the gardens. What also tends to happen is that in the ethno-racially diverse communities of modern cities, while each family tends to grow the foods with which it is familiar, before long they begin to ask about and learn about the vegetables that other cultures grow and use. It may not be long before this progresses to sharing recipes, sharing foods, establishing community dinners and in various ways building social networks across ethno-racial divides.
- Community gardens provide an oasis of greenery, flowers and even habitat for various insects and birds; one part of the garden might even be a butterfly garden, for example. In addition, the food grown there is often grown organically and provides an opportunity for composting, thus reducing waste production in the community. And because the food is grown locally, the ecological costs associated with shipping food long distances is avoided. In all these ways, the community garden contributes in its own small way to ecological capital.
- Human capital is increased as people learn about gardening, about other cultures, about the environment and organic gardening, about how to cook foods, about nutrition and so on. Intergenerational learning may also occur, as older and more experienced gardeners teach young people. And of course the product of the gardens contributes to nutritional status by providing fresh food.
- In the low-income communities in which many of these community gardens are established, the gardens help to reduce the cost of living by

providing cheaper sources of food. In some cases, a portion of the harvest may be provided to the local food bank. This all contributes to increasing the disposable income of local residents. In addition, in some cases, the garden may actually become a source of income and employment. This has been the case in a couple of examples in New York, where gardeners have started to grow fresh herbs for local restaurants.

- Finally, the impact of the community garden may spread to other forms of social and economic activity. One community garden in Santa Cruz, California, was actually set up for and with homeless people and has helped them with access to food, job skills, social networks and links to the neighbouring residents. Participants may become interested in broader aspects of the food system and may get involved in bulk-buying groups, food co-ops or community-supported agriculture.

In short, in a variety of ways, the community garden can contribute to building all four forms of capital simultaneously.

A similar analysis can and should be performed with respect to a wide range of policies, programs and community and private sector activities. On a larger scale, for example, we can take the case of transportation. A transportation system that is oriented to walking, cycling and public transportation rather than private cars contributes to ecological capital by saving energy and reducing emissions. It contributes to human capital by reducing health-damaging air pollution and motor vehicle accidents, and by increasing the amount of exercise people get. It may contribute to social capital by increasing the social networking required for car sharing, car pooling and other more social means of getting around, in addition to the social interaction that may occur in the use of public transport. Finally, such a policy contributes to economic capital at a societal level by reducing congestion, a very expensive waste of energy and time, and by reducing the costs of transportation if people do not need to own a car or perhaps are only part owners in a shared car-pooling system. This in turn increases their disposable income, which may be spent on more health-enhancing product and services.

In the 21st century, those communities, enterprises, cities and nations that learn how to build all four forms of capital simultaneously are likely to be the ones that will thrive. It is

important to recognize that this process of change will take much time to accomplish. There are no quick-fix solutions to the creation of healthier cities and communities, instead a long-term commitment to multiple small steps must be taken. In essence, a healthy community and a healthy city is created one household at a time, one street at a time, one block at a time, one neighbourhood at a time and one day at a time. Multiple small strategies provide multiple opportunities to learn and also provide a margin for failure, because failure will occur and is a learning experience that needs to be accepted, not penalized. The challenge for cities is to learn how to create community capital as a fundamental strategy for creating a healthy city.

### ACKNOWLEDGEMENT

The support of Healthy City Belfast is gratefully acknowledged.

*Address for correspondence:*

Dr Trevor Hancock  
28 Napier Street  
Kleinburg  
Ontario  
Canada L0J 1C0  
E-mail: thancock@on.aibn.com

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