“Natural Capital Accounting and Frameworks for our Common Future”

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Planetary Boundaries Framework
“Safe Operating Space”

Source: www.goo.gl/DkEwCX
What is the *Structure* for SDG’s?

“Development” = “Improving Well Being for All”

- Structure: How do SDG’s relate to each other?
- In what sequence, and why, should SDG’s be implemented?

*Source*: from J. Rockström/ P.Sukhdev presentation to EAT Forum, Stockholm, 2016
“Natural Capital” Base for SDG’s

“Development” = “Improving Well Being for All”

Source: from J. Rockström/ P.Sukhdev presentation to EAT Forum, Stockholm, 2016
Pioneers of Environmental Economics

David Pearce
University College London

Kenneth Arrow
Stanford University

Partha Dasgupta
University of Cambridge

Karl-Göran Mäler
Stockholm School of Economics
From: Foreword, by Prof. Partha Dasgupta....

“Inclusive wealth is the social value of an economy's capital assets. The assets comprise (i) manufactured capital (roads, buildings, machines, and equipment), (ii) human capital (skills, education, health), and (iii) natural capital (sub-soil resources, ecosystems, the atmosphere).

Such other durable assets as knowledge, institutions, culture, religion – more broadly, social capital – were taken to be enabling assets; that is, assets that enable the production and allocation of assets in categories (i)-(iii). The effectiveness of enabling assets in a country gets reflected in the shadow prices of assets in categories (i)-(iii)”
The UN ("Inclusive Wealth Report, 2014") calculates human capital based on average years of schooling, workes wages, and the number of years they can expect to work before they retire (or die)."}

Chart Source: [http://www.economist.com/node/21557732](http://www.economist.com/node/21557732)
### Dimensions of Wealth

<table>
<thead>
<tr>
<th>Ownership Categories</th>
<th>Capital Classes</th>
<th>Physical Capital</th>
<th>Human Capital</th>
<th>Natural Capital</th>
<th>Social Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>('Private Goods')</td>
<td></td>
<td>Market design, regulations, rules, etiquette</td>
<td>Civil &amp; Criminal Laws; Judicial systems</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community Ownership:</td>
<td></td>
<td>Community Centres, Community Schools</td>
<td>Traditional Community Knowledge</td>
<td>Community Forests, Grazing Commons</td>
<td>Social Capital</td>
</tr>
<tr>
<td>('Club Goods')</td>
<td></td>
<td>Community rules, norms, customs, culture</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Ownership:</td>
<td></td>
<td>Roads, Bridges, Public Hospitals</td>
<td>Public Databases, Non-patent Knowledge</td>
<td>High Seas Fisheries, National Parks/Forests</td>
<td>Social Capital</td>
</tr>
<tr>
<td>('Public Goods')</td>
<td></td>
<td>Constitutions; Judiciaries; Law &amp; order; Tax systems</td>
<td>Social equity; Communal harmony; Cultural diversity</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Focus: Natural Capital

Ownership Categories

Capital Classes

Physical Capital
- Factories
- Securities
- Software
- Patents

Human Capital
- Health
- Education
- Job Skills

Natural Capital
- Mines
- Fields
- Private Forests

Social Capital
- Market design, regulations, rules, etiquette
- Civil & Criminal Laws; Judicial systems

Private Ownership: (‘Private Goods’)
- Community Centres
- Community Schools
- Community rules, norms, customs, culture

Community Ownership: (‘Club Goods’)
- Traditional Community Knowledge

Public Ownership: (‘Public Goods’)
- Roads
- Bridges
- Public Hospitals
- Constitutions; Judiciaries; Law & order; Tax systems
- Social equity; Communal harmony; Cultural diversity

Social Capital
- Community Forests
- Grazing Commons
- High Seas Fisheries
- National Parks/ Forests
Focus: Natural Capital

Our theory of change
No individual organization will solve the enormous problems we face by itself, and it is only by working together that we will find the solutions we need. The sum is greater than the parts...
IIRC vs Mainstream Categorization of Capitals

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Thank You!

www.gistadvisory.com

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