



PLACE CAPITAL: THE SHARED WEALTH THAT DRIVES THRIVING COMMUNITIES

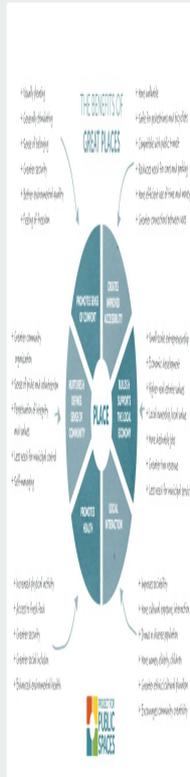
ETHAN KENT | APR 20, 2011

WHAT IS PLACEMAKING

To create wealth and prosper, societies everywhere seek to build capital, a production factor not often desired for itself but for its help in producing other goods. Today there are many kinds of capital: human, social, cultural, natural, and infrastructural.

What is Place Capital?

But it may be that a key to producing lasting wealth, and a way to efficiently build and leverage these other kinds of capital, is to focus on place. Place Capital can be defined as the shared wealth (built and natural) of the public realm – and it is increasingly becoming society’s most important means of generating sustainable economic growth for communities.



The focus on Place Capital, or the shared wealth of communities, can often best achieve, and leverage, narrower goals.



The public places we most value, both in our communities and around the world, have

this wealth and attract its preservation and expansion. Focusing on place can best build and leverage many kinds of capital, while often creating resilience and further innovation. Where Place Capital is strongest people actually compete to contribute to this shared wealth, often changing their behavior in ways that ultimately support the value the place gives to others.



The "Happy December" holiday programming of Ljubljana, Slovenia adds shared value to citizens and entrepreneurs at minimal cost.

Public markets, town commons, and communal wells are early examples of human efforts to create these 'shared value generators' in physical places. Today, public places receive relatively little focus and investment above the necessary infrastructure and facilities to support production and distribution.

Why we are failing to generate place capital



At the center of the Milwaukee waterfront, a bosque of trees, a driveway and a parking lot is a misallocation of Place Capital.

In contrast to the 'public market' model, which organizes support for shared community goals and public space, retail environments and advertising endeavors often drain value from the public realm. On top of this, transportation investment largely ignores, and usually degrades, the destinations of Place Capital, favoring the movement of capital through places. Finally, the architecture of public buildings, educational institutions and open spaces rarely supports the potential value it can create. There is a lot of attention on "good design" to have a sustainable, or less negative, impact on the environment or community, but little is being done to leverage the great value, and further demand, that our built environment can induce.

How we channel human, social, economic, infrastructural and cultural capital into the

generation of Place Capital effectively determines a community's success in attracting and spawning further wealth generators. As information and resources become more and more available and the pace of change accelerates, it should be easier than ever to create places that we want to be in, that build Place Capital.

The various disciplines, institutions and government agencies charged with shaping this public realm, along with the forms of capital that they build, have all been siloed, isolated from one another and from their relationship to Place Capital. Consequently, our experiences of our public realm are increasingly thin and what is offered in these spaces is imposed on the people that they are meant to serve. Along with the homogenizing forces of globalization, the increasingly placeless nature of our built environment tends toward homogeneity and is created with less participation and resources and less creative processes. We are left only to be passive consumers.

The increasing significance of place

The paradox is that in spite of, and in response to, this increasingly placeless environment, produced with limited creativity, our perception of places is increasingly determining where we choose to be at any one moment. We are more discerningly and deliberately choosing to identify ourselves with places we feel express our identity, or to use places as a way to express our identity. Now, more than ever, we go where we like.

Further, places are becoming the repository of our greatest hopes and dreams for our personal and human legacies. Public places are where our most valued relationships are experienced and grown. Seeing ourselves as co-creators of these places, through our relationships as participants, or as placemakers, elevates our role in society to builders of civilization.



Areas without Place Capital can be built up or sprawled, wealthy or poor.



Public markets are how cities first formed, and where cities have gone wrong is where they have prevented the shared value exemplified in markets.

Placemaking as a means of place capital production

The efforts people undertake to improve places that matter to them – Placemaking – can further give rise to a rich experience of place for ourselves, and our communities. Placemaking for these purposes can be defined as the empowerment and engagement

of the individuals in a community to participate in, understand and contribute to the evolution of the spaces that define that community. Placemaking however, is not a new profession, discipline or field of study, but a growing movement that is bringing out the best of professional knowledge and skills while supporting the communities in connecting to places and taking ownership over the planning process and the emerging results.

With the increasing importance of place comes the prioritization of happiness as a desired outcome and goal of human settlements. Experiencing a comfortable, engaging, sociable place is offering a compelling opportunity for happiness. Whether it is the feeling we get when we are in our neighborhood, at a corner store, on a shopping street or exploring a far-off destination, many are seeing a sense of place as an increasingly important -even vital- part of our lives. This experience of place not only includes the experience of actively participating in the creation of meaningful spaces but, perhaps more powerfully, participating in, understanding and contributing to the richness of these small worlds, infinitely larger than ourselves.



On great streets, like this one in Oslo, buildings compete to contribute to the street and the street is comfortable for all.

But places are not just defining our communities; they are emerging as the leading factor in defining the global economy and human progress. People, information and capital are all increasingly more mobile, but ultimately, places which are inherently immobile, are the destinations for this creative potential.

As places strategically define themselves as the beacon of this creativity, they in turn, become its source. Therefore, places are emerging as the chief source of competition and creativity in global and local markets and will increasingly be the driving force behind markets and business models. In light of this inevitable trend, communities need to define themselves as places to attract place building business and business models need be directly responsive to the places and communities they are meant to serve.

See also [Place Capital: Reconnecting Economy with Community](#)



ETHAN KENT

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