

3 Capital Sector

William W. Behrens III and Peter M. Milling

3.1 Introduction	195
3.2 Historical Behavior Modes	195
Growth in GNP and GNP per Capita	196
Common Evolution in the Composition of GNP	196
3.3 Basic Concepts	201
Classification of Capital and Output	204
Basic Flows in the Productive System	205
Measurement of Capital and Output	206
Use of Industrial Output Rather than GNP	207
Exclusion of Labor	208
Depreciation of Capital	209
3.4 Causal Structure	210
3.5 Description of Equations	214
Industrial Output per Capita IOPC	214
Industrial Output IO	216
Industrial Capital IC	218
Industrial Capital Depreciation Rate ICDR	221
Average Lifetime of Industrial Capital ALIC	221
Industrial Capital Investment Rate ICIR	222
Fraction of Industrial Output Allocated to Consumption FIOAC	223
Indicated Service Output per Capita ISOPC	225
Fraction of Industrial Output Allocated to Services FIOAS	228
Service Capital Investment Rate SCIR	230
Service Capital SC	230
Service Capital Depreciation Rate SCDR	231
Average Lifetime of Service Capital ALSC	231
Service Output SO	231
Service Output per Capita SOPC	232
Service Capital Output Ratio SCOR	232