|  |  |
| --- | --- |
| **Glossary** |  |
| **Chapter 23** |  |
| **cost-benefit analysis** | A comparison of estimated costs and benefits of actions such as implementing a pollution control regulation, building a dam on a river, or preserving an area of forest. |
| **discount rate** | An estimate of a resource's future economic value compared to its present value; based on the idea that having something today may be worth more than it will be in the future. |
| **economic development** | Improvement of human living standards by economic growth. Compare economic growth, environmentally sustainable economic development. |
| **economic growth** | Increase in the capacity to provide people with goods and services; an increase in gross domestic product (GDP). Compare economic development, environmentally sustainable economic development. See gross domestic product. |
| **economic system** | Method that a group of people uses to choose which goods and services to produce, how to produce them, how much to produce, and how to distribute them to people. |
| **economics** | Social science that deals with the production, distribution, and consumption of goods and services to satisfy people's needs and wants. |
| **economy** | System of production, distribution, and consumption of economic goods. |
| **external cost** | Harmful environmental, economic, or social effect of producing and using an economic good that is not included in the market price of the good. Compare external benefit, full cost, internal cost. |
| **full-cost pricing** | Finding ways to include the harmful environmental and health costs of producing and using goods in their market prices. See external cost, internal cost. |
| **genuine progress indicator (GPI)** | GDP plus the estimated value of beneficial transactions that meet basic needs, but in which no money changes hands, minus the estimated harmful environmental, health, and social costs of all transactions. Compare gross domestic product. |
| **greenwashing** | Deceptive practice that some businesses use to spin environmentally harmful products as green, clean, or environmentally beneficial. |
| **gross domestic product (GDP)** | Annual market value of all goods and services produced by all firms and organizations, foreign and domestic, operating within a country. See per capita GDP. Compare genuine progress indicator (GPI). |
| **high-throughput economy** | Economic system in most advanced industrialized countries, in which ever-increasing economic growth is sustained by maximizing the rate at which matter and energy resources are used, with little emphasis on pollution prevention, recycling, reuse, reduction of unnecessary waste, and other forms of resource conservation. Compare low-throughput economy, matter-recycling economy. |
| **high-waste economy** | Economic system in most advanced industrialized countries, in which ever-increasing economic growth is sustained by maximizing the rate at which matter and energy resources are used, with little emphasis on pollution prevention, recycling, reuse, reduction of unnecessary waste, and other forms of resource conservation. Compare low-throughput economy, matter-recycling economy. See high-throughput economy. |
| **human capital** | People's physical and mental talents that provide labor, innovation, culture, and organization. Compare manufactured capital, natural capital. |
| **human resources** | People's physical and mental talents that provide labor, innovation, culture, and organization. Compare manufactured capital, natural capital. See human capital. |
| **internal cost** | Direct cost paid by the producer and the buyer of an economic good. Compare external benefit, external cost, full cost. |
| **low-throughput economy** | Economy based on working with nature by recycling and reusing discarded matter; preventing pollution; conserving matter and energy resources by reducing unnecessary waste and use; and building things that are easy to recycle, reuse, and repair. Compare high-throughput economy, matter-recycling economy. |
| **manufactured capital** | Manufactured items made from natural resources and used to produce and distribute economic goods and services bought by consumers. They include tools, machinery, equipment, factory buildings, and transportation and distribution facilities. Compare human resources, natural resources. See manufactured resources. |
| **manufactured resources** | Manufactured items made from natural resources and used to produce and distribute economic goods and services bought by consumers. They include tools, machinery, equipment, factory buildings, and transportation and distribution facilities. Compare human resources, natural resources. |
| **matter-recycling-and-reuse economy** | Economy that emphasizes recycling the maximum amount of all resources that can be recycled and reused. The goal is to allow economic growth to continue without depleting matter resources and without producing excessive pollution and environmental degradation. Compare high-throughput economy, low-throughput economy. |
| **natural capital** | Natural resources and natural services that keep us and other species alive and support our economies. See natural resources, natural services. |
| **per capita GDP** | Annual gross domestic product (GDP) of a country divided by its total population at midyear. It gives the average slice of the economic pie per person. Used to be called per capita gross national product (GNP). See gross domestic product. Compare genuine progress indicator (GPI). |
| **perverse subsidy** | Subsidy that leads to environmental damage or damage to human health or well-being. See subsidy. |
| **poverty** | Inability of people to meet their basic needs for food, clothing, and shelter. |
| **subsidy** | Payment intended to help a business grow and thrive; typically provided by a government in the form of a grant or tax break, in order to give the company an advantage in the marketplace over its competitors. See perverse subsidy. |