

CHAPTER 23 VOCABULARY – Economics, Environment, and Sustainability

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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 depletion	Exhaustion of 80% of the estimated supply of a nonrenewable resource. Finding, extracting, and processing the remaining 20% usually costs more than it is worth. May also apply to the depletion of a renewable resource, such as a fish or tree species.
economic development	Improvement of human living standards by economic growth. Compare <i>economic growth</i> , <i>environmentally sustainable economic development</i> .
economic growth	Increase in the capacity to provide people with goods and services; an increase in gross domestic product (GDP). Compare <i>economic development</i> , <i>environmentally sustainable economic development</i> . See <i>gross domestic product</i> .
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.
economy	System of production, distribution, and consumption of economic goods.
environmentally sustainable economic development	Development that meets the basic needs of the current generations of humans and other species without preventing future generations of humans and other species from meeting their basic needs. It is the economic component of an <i>environmentally sustainable society</i> . Compare <i>economic development</i> , <i>economic growth</i> .
external benefit	Beneficial social effect of producing and using an economic good that is not included in the market price of the good. Compare <i>external cost</i> , <i>full cost</i> .
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 <i>external benefit</i> , <i>full cost</i> , <i>internal cost</i> .
full cost	Cost of a good when its internal costs and its estimated short- and long-term external costs are included in its market price. Compare <i>external cost</i> , <i>internal cost</i> .
GDP	See <i>gross domestic product</i> .
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 <i>gross domestic product</i> .
GPI	See <i>genuine progress indicator</i> .
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 <i>per capita GDP</i> . Compare <i>genuine progress indicator (GPI)</i> .

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 <i>low-throughput economy</i> , <i>matter-recycling economy</i> .
high-waste economy	See <i>high-throughput economy</i> .
human capital	People's physical and mental talents that provide labor, innovation, culture, and organization. Compare <i>manufactured capital</i> , <i>natural capital</i> .
human resources	See <i>human capital</i> .
inherent value	See <i>intrinsic value</i> .
instrumental value	Value of an organism, species, ecosystem, or the earth's biodiversity based on its usefulness to humans. Compare <i>intrinsic value</i> .
internal cost	Direct cost paid by the producer and the buyer of an economic good. Compare <i>external benefit</i> , <i>external cost</i> , <i>full cost</i> .
intrinsic value	Value of an organism, species, ecosystem, or the earth's biodiversity based on its existence, regardless of whether it has any usefulness to humans. Compare <i>instrumental value</i> .
life-cycle cost	Initial cost plus lifetime operating costs of an economic good. Compare <i>full cost</i> .
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 <i>high-throughput economy</i> , <i>matter-recycling economy</i> .
low-waste economy	See <i>low-throughput economy</i> .
manufactured capital	See <i>manufactured resources</i> .
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 <i>human resources</i> , <i>natural resources</i> .
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 <i>high-throughput economy</i> , <i>low-throughput economy</i> .
natural capital	Natural resources and natural services that keep us and other species alive and support our economies. See <i>natural resources</i> , <i>natural services</i> .
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 <i>gross domestic product</i> . Compare <i>genuine progress indicator (GPI)</i> .
per capita GDP PPP (Purchasing Power Parity)	Measure of the amount of goods and services that a country's average citizen could buy in the United States.

solar capital

Solar energy that warms the planet and supports photosynthesis, the process that plants use to provide food for themselves and for us and other animals. This direct input of solar energy also produces indirect forms of renewable solar energy such as wind and flowing water. Compare *natural capital*.

sustainable development

See *environmentally sustainable economic development*.

throwaway society

See *high-throughput economy*.

true cost

See *full cost*.