

## Economic Terms Glossary

### **Traditional Economy**

An economic system in which cultural norms, customs, and traditions shape the economic activities. Resource allocation and economic choices about production and distribution are influenced by tradition.

### **Indigenous Economy**

See definition for “Traditional Economy” above.

For this lesson, we will merge “Traditional Economy” and “Indigenous Economy” into Traditional-Indigenous Economy.

### **Free Market Economy**

An economic system in which resources are allocated purely by the forces of supply and demand. The government has no influence over what is produced, how things are produced, or for whom things are produced.

### **Natural Resource**

A part of the environment that is considered as a factor of production and able to be used commercially (such as coal).

### **Resource Allocation**

The assignment of resources to specific uses i.e. determining what will be produced, how it will be produced, and for whom it will be produced.

### **Sustainability**

The ability to endure over time. Sustainable growth requires that resources are used at a rate at which they can replenish themselves and the environment is not despoiled in the process of production.

### **Sustainable Development**

Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

### **Economic Model**

A formal presentation of an economic theory; an economic theory in practice.

### **Traditional Knowledge**

Traditional knowledge (TK) is knowledge, know-how, practices, skills, and innovations that are developed, sustained, and passed on from generation to generation within a community, often forming part of its cultural or spiritual identity.

### **Sources**

- WIPO World Intellectual Property Organization  
<https://www.wipo.int/tk/en/tk/>
- Economics Dictionary from Best Dictionary Apps
- Geeks for Geeks  
<https://www.geeksforgeeks.org/traditional-economy-definition-examples-pros-cons/>