Identification	**Subject (Code, title, credits)**	**ECON 423 Environmental Economics, 3KU (6 ECTS)**
	Department	Economics and Management
	Program	Undergraduate
	Term	Fall, 2024
	Instructor	Rovshan Abbasov
	E-mail:	rabbasov@khazar.org
	Classroom/hours	41 Mehseti street (Neftchilar campus), Khazar University, 510 Old
	Office hours	By appointment
Prerequisites	**ECON 203** Microeconomics	
Language	English,	
Compulsory/Elective	Compulsory	
Required textbooks and course materials	***Core textbook:*** • ISE Environmental Economics (Ise Hed Irwin Economics, 2020 • by Barry C. Field (Author), Martha k Field • Core internet source: http://www.ecosystemvaluation.org	
Course outline	Environmental Economics and Policy (ENE) is concerned with the impact of the economy on the environment, the significance of the environment to the economy, and the appropriate way of regulating economic activity so that the balance is achieved among environmental economic and other social goals. The academic approach to sustainability is introduced in this course, which also looks at how modern human society may persevere in the face of resource constraints, ecosystem deterioration, and global change. Key knowledge areas of sustainability theory and practice are covered in this course, such as environmental economics and policy, population, ecosystems, global change, energy, agriculture, water, and cultural history.	
Course objectives	The objectives of an Environmental Economics course generally focus on understanding the interplay between economic systems and environmental issues, aiming to equip students with the tools needed to analyze environmental policies, resource management, and sustainability challenges. Here are some common objectives: • Understanding Environmental Issues from an Economic Perspective • Analyze how economic activity impacts the environment and the role of natural resources in the economy. • Explore environmental problems such as pollution, resource depletion, and climate change through economic frameworks. • Study market failures and the need for governmental or institutional interventions to manage environmental goods. • Evaluate the effectiveness of various environmental policies, such as taxes, subsidies, cap-and-trade, and regulations. • Understand the economic rationale for environmental regulation and the role of government in achieving sustainable development. • Learn methods to assign economic value to environmental resources and ecosystem services, such as cost-benefit analysis and contingent valuation. • Understand non-market valuation techniques to assess the worth of environmental preservation and biodiversity. • Analyze concepts of sustainable development and the trade-offs between economic growth and environmental conservation. • Explore strategies for managing renewable and non-renewable resources, focusing on long-term sustainability. • Understand the economic implications of climate change and the policies to mitigate and adapt to its effects. • Study international agreements, carbon pricing, and market-based mechanisms to reduce greenhouse gas emissions. • Explore the distributional impacts of environmental policies and how different groups (e.g., low-income, indigenous communities) are affected by environmental degradation.	

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Investigate issues of equity in access to resources and the burden of environmental harm.
Discuss environmental challenges at both the global and local levels, such as biodiversity loss, deforestation, and air and water pollution.

By the end of the course, students should be able to critically assess environmental policies, apply economic reasoning to environmental challenges, and propose solutions that promote sustainability and economic welfare.
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<tr><td>Learning outcomes</td><td>
By the end of the course the students should be able:
Through lectures, homework, a class project, discussions and guest lectures, students will:
1. Gain an understanding of the cause-and-effect relationship between environmental problems and economic development;
2. Have a service-learning experience related to environmental economics;
4. Understand how information on natural resources is collected and how it can best be used to facilitate decision-making.
5. Understand how natural resources effect economic development and what type of natural berries economic development has;
6. Learn economic principles of the nature protection;
7. Apply EE methods in environmental protection and resource use.
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<tr><td>Teaching methods</td><td>
<table>
<tr><td>Lecture</td><td>x</td></tr>
<tr><td>Group discussion</td><td>x</td></tr>
<tr><td>Experiential exercise</td><td>x</td></tr>
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<tr><td>Evaluation</td><td>
<table>
<tr><th>Methods</th><th>Date/deadlines</th><th>Percentage (%)</th></tr>
<tr><td>Midterm Exam</td><td>TBA</td><td>30</td></tr>
<tr><td>Attendance</td><td></td><td>5</td></tr>
<tr><td>Activity</td><td></td><td>5</td></tr>
<tr><td>Quiz</td><td>November</td><td>5</td></tr>
<tr><td>Individual Project</td><td>December</td><td>15</td></tr>
<tr><td>Final Exam</td><td>TBA</td><td>40</td></tr>
<tr><td>Total</td><td></td><td>100</td></tr>
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<tr><td>Policy</td><td>
Class participation and attendance is an important part of activity. Cheating is strongly discharged and may result in course dropping.
The project is an individual assignment given to each student and is evaluated with a maximum of 15 points. The assignment includes writing (6-8 pages) and presentation (about 3-5 slides).
The following criteria are taken into account during the assessment:
1. Full coverage of the topic in a 6-8 pages article (10 points)
2. Good demonstration of knowledge gained during the presentation (5 points)

The quiz will consist of 3 questions. Two of the questions will be of 2 points and one of them will be of 1 point. Although the quiz aims to prepare for the exam, it is evaluated separately with 5 points.

The activity is evaluated with 5 points. Thus, the student's general preparation during the lesson is evaluated with 1-5 points based on oral questions. By the end of the semester, these points are accumulated and determined by subtracting the common denominator (maximum 5).

Attendance is assessed with 5 points. 1 point is deducted for each absence.

Assignments submitted after the deadline will not be accepted. The course teacher has the exclusive right to make all decisions related to the behavior and success of students. Plagiarism should not be allowed when completing tasks, sources of obtained information should be cited and references should be indicated. The work will be reset when 25% or more cases of plagiarism are detected in the assignments submitted by the students for assessment (except for cases where the source of relevant references is indicated).
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		The student's attendance, whether he joins the class on time (comes or not), completes the tasks on time, and behaves carefully in the class are also taken into account (up to 5 points). During the educational process, the activity score of a student who violates discipline in an online class (auditory) organized on the Microsoft Teams platform may be negatively assessed, or the student may be expelled from the online class (auditory).	
Tentative Schedule			
Week	**Date/Day (tentative)**	**Topics**	**Textbook/Assignments**
1		Ecology and Environment. Ecosystems and Natural Resources, ecosystem services	Handout provided
2		Environmental Problems and Policy Solutions	Chapter 2
3		Social choice: How much environmental protection?	Chapter 3
4		Efficiency and markets	Chapter 4
5		Market failure, public bads and externalities	Chapter 5
6		Essentials of ecosystem valuation	Go to internet source
7		Market Price Method	Go to internet source
8		**Midterm exam**	
9		Productivity Method	
10		Hedonic Pricing Method	Chapter 16
11		Travel Cost Method/ lab activity	Handout provided
12		Damage Cost Avoided, Replacement Cost, and Substitute Cost Methods	Handout provided
13		Contingent Valuation and contingent choice methods	Go to internet source
14		Benefit Transfer Method	Go to internet source
15		Environmental Policy in Azerbaijan	Go to internet source
		Class Presentations	
		Final exam	