

Identification	Subject (Code, title, credits)	ECON 423 Environmental Economics, 3KU (6 ECTS)
	Department	Economics and Management
	Program	Undergraduate
	Term	Fall, 2025
	Instructor	Abdul Baghi Nabiyeu
	E-mail:	
	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	<p>Core textbook:</p> <ul style="list-style-type: none"> ISE Environmental Economics (Ise Hed Irwin Economics, 2020 by Barry C. Field (Author), Martha K. Field <p>Supplementary textbook:</p> <ul style="list-style-type: none"> Tietenberg, T. and Lewis, L., Environmental & Natural Resource Economics, 12th Edition Core internet source: http://www.ecosystemvaluation.org Math review: Fundamental Methods of Mathematical Economics, 4th Edition, Kevin Wainwright, Alpha C. Chiang 	
Course outline	<p>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.</p>	
Course objectives	<p>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:</p> <ul style="list-style-type: none"> 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. 	

	<ul style="list-style-type: none"> 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. <p>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.</p>		
Learning outcomes	<p>By the end of the course, the students should be able: Through lectures, homework, a class project, discussions, and guest lectures, students will:</p> <ol style="list-style-type: none"> Gain an understanding of the cause-and-effect relationship between environmental problems and economic development; Have a service-learning experience related to environmental economics; Understand how information on natural resources is collected and how it can best be used to facilitate decision-making. Understand how natural resources effect economic development and what type of natural berries economic development has; Learn economic principles of the nature protection; Apply EE methods in environmental protection and resource use. 		
Teaching methods	Lecture		x
	Group discussion		x
	Experiential exercise		x
Evaluation	Methods	Date/deadlines	Percentage (%)
	Midterm Exam	TBA	30
	Attendance		5
	Activity		5
	Quiz	November	5
	Individual Project	December	15
	Final Exam	TBA	40
	Total		100
Policy	<p>Class participation and attendance is an important part of activity. Cheating is strongly discharged and may result in course dropping.</p> <p>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).</p> <p>The following criteria are taken into account during the assessment:</p> <ol style="list-style-type: none"> Full coverage of the topic in a 6-8 pages article (10 points) Good demonstration of knowledge gained during the presentation (5 points) <p>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.</p> <p>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).</p> <p>Attendance is assessed with 5 points. 1 point is deducted for each absence.</p> <p>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). 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).</p>		

Tentative Schedule				
Week	Date/Day (tentative)	Topics	Textbook/Assignments	
			Environmental Economics (2020 by Barry C. Field, M.K. Field) ⁱ	Tietenberg, T. and Lewis, L., Environmental & Natural Resource Economics, 12th edition
1		Microeconomics & Math Review, Basics of Environmental Economics	Handout provided	
2		Introduction to Environmental Economics	Chapters 1 & 2	
3		Benefits and Costs, Supply and Demand	Chapter 3	Chapter 2
4		Markets, Externalities and Public Goods	Chapter 4	Chapter 2
5		Cost-Benefit Analysis I	Chapter 7	Chapter 3
6		Cost-Benefit Analysis II	Chapter 8	Chapter 3
7		Valuation I – Foundations of Non-Market Valuation	Go to the internet source	Chapter 4
8		Midterm exam		
9		Valuation II – Revealed Preference Methods	Chapter 7 Go to the internet source	Chapter 4
10		Valuation III – Stated Preference Methods	Chapter 7 Go to the internet source	Chapter 4
11		Valuation IV – Discrete Choice & Advanced Issues	Go to the internet source	Chapter 4
12		Environmental Macroeconomics I	Chapter 21	
13		Environmental Macroeconomics II	Chapter 21	
14		The Global Environment – Climate Change, International Environmental Agreements	Chapters 18 & 19	
15		Environmental Policy in Azerbaijan and globe/Class Presentations	Handout provided	
		Final exam		

ⁱ The sequencing of chapters may vary slightly across different editions of the textbooks. The weekly reading plan is organized thematically, and instructor may adjust the assigned chapters to align with the edition in use.