* The world prosperity increases as trade among the world increases.
* All comparative advantage has implication for trade policy.
* Nations who have free trade policies will prosper more than those who do not.
* Due to NAFTA, we are now in a disagreement/conflict with Canada
* Political Economy: looking at how policy making affects the globe.
* Use citation indexing to figure out what’s legitimate data vs what is not.
* In political science people get very confused. A good political scientist is not a political person. Your ideology should help you to only form a hypothesis
* Theory: an explanation that you can test
* Two of the financing centers/ institutions are there for when **nations** need financial help.
  + The world bank is one of two leading international financial institutions.
  + The other key international key financial institution in our world is the International Monetary Fund.
  + Nations go to the world bank when they need to pay for a project
  + The donors for these projects are nations (rich nations)
  + Intergovernmental organization (IGO)
  + Monetary Stability= Economic Stability
  + Want to stimulate economies, because when individual economies collapse, it hurts business for everybody.
  + Tariff war started taking place
  + Do not exist to stimulate the conditions of the economy and financial crisis
* Austerity
* Both create a far more favorable environment for international trade.
* The World Bank helped create GDP which measures the size of an economy.
* Lower the barriers the economy globalizes
* Growth of the economy per person, more people are getting wealthier (.85 correlation- as trade goes up we become a wealthier world)
* Wealth per person does not consider how many people are living in poverty
* Impoverishment can bring violence and crime
* Steady increase is looking at the mean which can be very
* Poverty level $1.90 per day

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A nations wealth is part of it's national interest.

Nations are better off pursuing policies of free trade that are open. That kind of commerce among nations are a great policy for all nations.

When looking at the impact of trading relations on the global economy, there tends to be more economic output, wealth, and production when free trade is embraced

Political Economy. This looks at how policy making affects the global economy.

We know the difference between legitimate and non-legitimate sources of data by studying scholarly or peer-reviewed sources and studying the data in them. If the data is cited a lot, that enables you to be able to study the data more. If there's a lack of sources or citations, then it indicates that the data is not well recognized. This is based upon scholarly peer review. Intellectuals will hold each other to rigorous standards.

A good political scientists is not a political person. Political science is strictly the scientific study of the political realm. Ideology should only be used to develop a hypotheses, because it allows you to test the ideological belief. You don't use ideology to generate conclusions.

Someone who takes a proper, skeptical stance in the classroom should leave out ideology. This is about teaching you how to analyze politics and economics, not how to have a certain opinion on issues.

We develop theory by test our assumptions. Our assumptions are our hypotheses. We can test theories.

The world bank is one of the worlds leading international financial institution. The other key international financial institution in the world is the IMF (International Monetary Fund).

These banks exist for nation states when they need help. If a country needs a loan, they go to one of those two institutions to get help.

Why have two? They have different functions. The world bank is a development bank. A nation will go here when it needs to pay for a project, some kind of good or service that fosters economic development. Lets say Nigeria has a river and they want to dam it up, they don't have money to pay for the dam because they are poor and have to focus their budget on fighting terrorism. Nigeria will go to the world bank and ask to take out a loan. The bank will treat them just like a person, they will study their portfolio and decide whether or not to accept their demands based on how they assess their risks on their portfolio, just like a bank would do to a person.

The banks will put conditions on the loan. They want a return on their investment. These institutions are funded by donors, which are just other nations. Many of those who donate to the bank are your rich nations. The richer nations make their contributions and then they get a 'seat' which makes them a member of the bank. This makes it an inter-governmental organization. There are voting desicions that happen within this organization and it operates like any other IGO.

The interantional monetary fund loans money to maintain monetary stability in the economy. If Greece suffers a sudden financial collapse and they need to shore up their banks, they'll go to the IMF. The IMF will give them money to stabilize their economy. When economies collapse that's not good for the global economy. If we let economies collapse, that's hurts business for everybody. For any entity, firm, or individual that does business with the country that has a collapsing economy, it will be effected by the collapse. Because we live in a globalised world, we have the potential of allowing these economic plights to spread if it isn't stabilized.

Neither of these banks are interested in profits, they're interested in a stable economy and economic growth in the world.

When Greece took their money from the IMF, the IMF told them to get a more balanced budget. They had to increase their taxes and spend much less on all their government spending.

The world bank created a standard measure on the size of economies. The term GDP was created by this.

Globalisation refers to the decline or lowering of barriers of nations economies. A globalised economy is one where nations openly or freely trade with each other.

As trade goes up, wealth in the world goes up. It is a positive relationship. If it's a postive relationship, that adds empirical support to the theory of comparative advantage. If it's a negative relationship it discredits the theory.