

expansionism in the 19th and early 20th centuries. This second form is called *aggressive or malevolent mercantilism*.

Economic Liberal International Political Economy focuses on the role of markets in social life. Markets work according to their own, only guided by laws of economics. The Economic Liberals believe that markets would maximize anyone's gains and economic interaction under the guidance of liberal economy principles would benefit everyone, individuals, households, companies, and states. The economy is a sphere of cooperation for mutual benefit from individual to global levels.

Economic Liberals believe in David Ricardo's *comparative advantage theory* in which each state is supposed to focus on the production of the products which are most profitable for them. Therefore, in Economic Liberal IPE, individual as a producer and a customer is the major actor. The individual is rational in its choices, and when he applies his rationality into the market, everyone gains and economics becomes a *positive-sum game in which all the participants have gains*. According to these, human success and progress is only possible through the *constant development and expansion of the free market economy and capitalism* in not only individual countries but in the whole world.

The Marxist International Political Economy is an approach that argues that economy is decisive in all events in social and international levels. The Marxists believe that economy is a medium of exploitation and confrontation between the bourgeoisie and the proletariat and that politics is determined to a large extent by socio-economic context. The class which is dominant in terms of economics is also dominant in terms of politics. So Marxist IPE focuses on the global capitalist expansion and the struggles between classes and states that were created by this capitalist expansion. They argue that as the capitalist development is *uneven*, it is destined to produce new crises and contradictions between social classes and states and therefore class interests and class conflict determines the development of any given state.

New Marxists like **Immanuel Wallerstein** work on the idea of "World System". The World System is characterised by certain economic and political structures which depend on each other. According to Wallerstein, during World history, there have been two major systems; *World-Empires* such as the Roman and British empires where political and economic control is concentrated in a single centre and *World-Economies* such as the Capitalist world system in which economic activities are tied to each other but political authority is divided among states. The capitalist world economy is divided into three different areas which are the Core, the Semi-Periphery, and the Periphery. Within this system, there is an unequal exchange and economic surplus is transferred from periphery to the core. The semi-periphery acts like a buffer zone, absorbing the shock of the reaction from the Periphery to the Core. Wallerstein believes that the end of the Cold War meant development of World Capitalism but in time it will bring the end of World Capitalist System, too.