

# Classical vs modern globalization

Sociology



Nadir Eroglu studied the impact of globalization of financial markets on the economic policies of nations. By conducting this research, Eroglu aimed to highlight how globalization has reshaped the financial markets. Eroglu states that globalization of international finance has separated the financial capital from the state by separating the political control, economic activities, regulation, and stability through financial deregulation and information technologies. Moreover, he also highlighted the increasing supremacy of financial commodities on the economic structure and the impact of this hegemony in making the implementation of nation-states policies limited and ineffective.

Holter, J. (n. d.). *The Invisible Hand: Failing on a Global Scale*.

Jonathan Holter appears to be a major supporter of classic and neo-classic globalization and an opponent of modern globalization in his research study, “The invisible hand: Failing on a global scale”. Holter has discussed the theory of the invisible hand proposed by Adam Smith and analyzed its implications in the world economy. By quoting various examples, he has also explained reshaping of the world economy and financial markets and highlighted the problems created by modern globalization. The crux of Holter’s research is that globalization has created a free-trade economy and it has changed the world for the worse, because modern globalization has not promoted a global-scale social welfare system, which it has promised, therefore, there is a need to establish powerful institutions devoted to poor economies and international finance and trade organizations should be also strengthened.

Radovanovic, N. (n. d.). *International Finance in the Period of Globalization: Current Trends*.

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Natalie Radovanovic in an article on “ International Finance in the period of globalization: current trends” discussed the current practices of financial institutions including IMF and World Bank. Radovanovic has presented his view that debate on globalization always significantly affects the policies of IMF and the World Bank because globalization has enhanced the interdependence between fiscal policy and monetary policy, thereby, increasing the movement of public and private capital and risks associated with it. Radovanovic also discussed the developments and problems created by globalization and he concluded his discussed by presenting alternatives to the current global financial system.

Truman, E. M. (2001, November 30). Globalization and the International Financial System.

In 2001 Edwin M. Truman presented his views on “ Globalization and the International Financial System. He argued that two components greatly affect international finance including integration and technical change and these components are influenced by globalization such as globalization led to the integration of money and capital markets and these integrated markets are the essence of international finance. Aim of Truman is not to argue on the debate on risks and rewards of globalization but he focuses on challenges faced by individuals and institutions in International Financial System and his point is that these challenges should be taken seriously.