

Globalization and National Financial Systems

Edited by James A. Hanson Patrick Honohan Giovanni Majnoni



A copublication of the World Bank and Oxford University Press

Contents

Foreword Contributors		vii ix	
1.	Globalization and National Financial Systems: Issues of Integration and Size James A. Hanson, Patrick Honohan, and Giovanni Majnoni	1	
Part I.	MACROECONOMICS AND GLOBALIZATION		
2.	Deposit Dollarization and the Financial Sector Patrick Honohan and Anqing Shi	35	
Part II.	BANKING		
3.	Bank Efficiency and Financial System Size <i>Biagio Bossone and Jong-Kun Lee</i>	67	
4.	Are Small Countries "Underbanked"? James A. Hanson	91	
5.	Foreign Banks in Low-Income Countries: Recent Developments and Impacts Stijn Claessens and Jong-Kun Lee	109	
Part III. Securities Markets			
6.	Securities Market Efficiency Ajay Shah and Susan Thomas	145	
7.	The Value of International Portfolio Diversification Joost Driessen and Luc Laeven	175	

vi		CONTENTS		
Part IV. Pension Issues				
8.	Pension Reform and Pension Service Efficiencies Thomas C. Glaessner and Salvador Valdés-Prieto	191		
9.	Promoting Pension Funds Gregorio Impavido, Alberto R. Musalem, and Dimitri Vittas	223		
Part V. Regulation				
10.	Regulatory Harmonization and the Globalization of Finance Cally Jordan and Giovanni Majnoni	n 259		