

LETTER FROM THE EDITOR

The problem of corruption has recently received considerable attention worldwide. How is it that, although the laws of virtually all countries forbid corrupt behavior, governments do not work more actively to combat it? This topic is addressed from three perspectives. Robert Klitgaard looks at ways in which greater international cooperation can help to fight corruption and advances a number of interesting initiatives, including a proposal for an international “anticorruption contest.” Cheryl Gray and Daniel Kaufmann suggest specific ways in which anticorruption efforts might be promoted in both developing and transition economies, while Paolo Mauro looks at some of the root causes of corruption and proposes an agenda for future research.

The scourge of AIDS could be economically devastating, particularly in the developing world. Three related articles look at the economic implications of the AIDS epidemic and discuss the steps that developing countries should take to prevent its spread. Lyn Squire outlines the extent of the epidemic and describes a role for government; Martha Ainsworth discusses government priorities in AIDS prevention; Mead Over reviews what governments can do to deal with the impact of AIDS in an equitable way.

Lant Pritchett and Daniel Kaufmann examine the extent to which civil liberties and democracy can affect a government’s effectiveness and the performance of its investment projects. The challenge of achieving low inflation in transition economies is analyzed by Sharmini Coorey, Mauro Mecagni, and Erik Offerdal. In their article, Paul R. Masson, Miguel A. Savastano, and Sunil Sharma discuss the issue of whether inflation targeting, which has been used as a framework for monetary policy in a number of industrial countries, can also be used in developing countries.

Other articles look at the means by which the vital biodiversity of natural species can be preserved in the face of ever-expanding agricultural development and how distance education can promote the spread of knowledge, particularly in developing countries.

In recent months, currency crises in Asian countries have had repercussions around the world. The article on currency crises looks at the role of monetary policy in countering speculative attacks. It concludes that a period of tight money may indeed be needed to restore exchange rate stability, if other measures are not taken early or forcefully enough.

* * *

Beginning with the June 1998 issue of *Finance & Development*, the International Monetary Fund will assume full responsibility for its publication. We are pleased to inform you that the magazine will continue to appear every quarter, both in print and on the World Wide Web, and to cover a wide range of issues of importance to the international monetary system and the global economy. All current subscribers will continue to receive the magazine as before.

This change ends an association that began 34 years ago when *Finance & Development* was first published by the IMF and the World Bank to explain the work of the two institutions and to serve as a “journal of information and discussion for the general reader.” We believe that these original purposes are as valid today as they were then. Over the years, *Finance & Development* has attracted an active and loyal readership in almost every country in the world. We are dedicated to continuing to serve you, our readers. We look forward to your participation and, as always, welcome your comments and suggestions.

Ian S. McDonald
Editor-in-Chief



To receive **FINANCE &** Development

regularly you should apply by letter or e-mail to Subscription Services, *Finance & Development*, International Monetary Fund, Washington, DC 20431, USA. Subscriptions to *Finance & Development* are free of charge, unless you wish your issues to be sent via airmail, for which there is a US\$20 charge that must be prepaid. Please specify the language edition you wish to receive and briefly state your occupation or the name of the organization with which you are affiliated.

An annual index of articles and reviews is carried in the December issue. The contents of *Finance & Development* are indexed in Business Periodicals Index, Public Affairs Information Service (PAIS), and Bibliographie Internationale des Sciences Sociales.