

FINANCE &

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THE FINANCIAL turmoil that erupted in East Asia in the second half of 1997 has had a far-reaching impact, not only on the countries directly affected but also on the prospects for world economic growth and on the international financial markets. Public commentary on the crisis has been characterized by divergent views as to its causes and likely effects. This has been particularly true of the debate on the International Monetary Fund's role in providing financial support to the adjustment policies of member countries in the region. To shed light on this subject, we are publishing in this issue of *Finance & Development* a series of articles by recognized experts on different aspects of the crisis and, in particular, on the response of the IMF.

Stanley Fischer, First Deputy Managing Director of the IMF, reviews the way in which, throughout its history, the IMF has evolved in response to changes in the world economy. Against this background, he analyzes the Asian crisis and the IMF's response to it. Guillermo Ortiz Martinez, Governor of the Bank of Mexico, looks at the parallels between the Mexican crisis of 1994–95 and the Asian crisis, and draws lessons about the ways in which emerging economies can protect themselves against sudden capital outflows. A perspective from the private capital markets is provided by John Lipsky, Chief Economist and Director of Research at Chase Manhattan Bank, who charts the weaknesses that the crisis has exposed in the current international financial system and addresses the ways to restore private capital flows. And Manuel Guitián, Director of the IMF Monetary and Exchange Affairs Department, takes a look at the distinct challenges of managing global capital flows in the light of the Asian crisis.

Other articles in this issue discuss the problems of aging societies in the Asian "tiger" economies, infrastructure development in East Asia, private investment in the West Bank and Gaza Strip, the destructive impact of bribery in international commerce, and the prospective role of the euro as an international currency relative to that of the U.S. dollar.

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As we announced in the March issue, the International Monetary Fund has now assumed full responsibility for the publication of *Finance & Development*, ending an association with the World Bank that began 34 years ago. We are aiming to serve our worldwide readership with a range of stimulating articles on important issues in the world monetary system and the global economy. We look forward to receiving your comments and suggestions.

Ian S. McDonald
Editor-in-Chief

Reach Participants in Fund–Bank Annual Meetings

Advertise in Finance & Development's September 1998 issue

Several thousand copies of the September issue of *Finance & Development*, including all of its language editions—will be distributed at this year's IMF-World Bank Annual Meetings, to be held in Washington, D.C. from October 6-8, which will be attended by finance ministers and central bankers from the organizations' 182 member countries, along with many senior bankers and business people.

By advertising in this issue, you will reach the participants in the Annual Meetings, in addition to our regular subscribers, at no extra charge.

Our closing date for space reservations in the September issue is July 2. We suggest you book early to secure the best positions. If you would like to receive a copy of our media kit (including advertising rates, details on our circulation, etc.), please call our Advertising Manager, Paul Gleason, at (202) 623-8300; send a fax to (202) 623-6149; write to us; or send an e-mail message to pgleason@imf.org