

LETTER FROM THE EDITOR

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While many developing countries elsewhere are enjoying rapid growth, fueled in significant part by inflows of private foreign capital, many sub-Saharan African countries are stuck in low gear. As official capital flows dwindle in a climate of aid fatigue and budget pressures in industrial countries, sub-Saharan Africa's political leaders increasingly agree that the region's prospects hinge on its more thorough integration into the global economy. But how can this be accomplished? The lead articles in this issue discuss two specific areas in which sub-Saharan African countries might usefully undertake reforms.

The article by Amar Bhattacharya, Peter Montiel, and Sunil Sharma notes that although the recent surge in international private capital flows to developing countries has largely bypassed sub-Saharan Africa, some countries in the region have received considerably more than others. It examines the reasons for their differing success and suggests ways in which the sub-Saharan African countries might attract more foreign private capital.

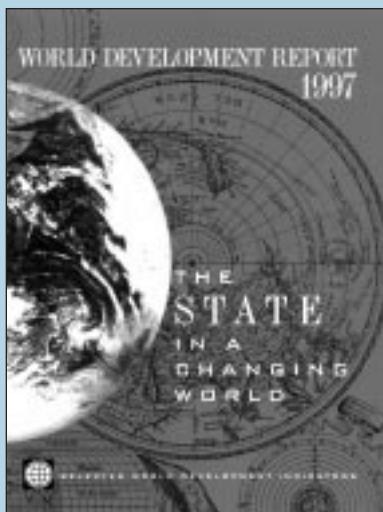
Since financial liberalization is now widely recognized as a crucial element in countries' economic development, developing countries have become increasingly interested in how they can successfully bring it about. In their article, Huw Pill and Mahmood Pradhan examine the experiences of Asian and sub-Saharan African countries in liberalizing their financial systems. They note that Asian countries' liberalization efforts generally have been more successful and highlight some lessons from the Asian experience that might be applied to countries in sub-Saharan Africa.

Over the past five years, the economic situation in much of sub-Saharan Africa has improved. An increasing number of countries have persevered with adjustment and structural reform, and their efforts are beginning to bear fruit. Still, the road to sustainable economic growth in the region as a whole will be neither short nor easy. But, as the authors of these articles observe, sub-Saharan African countries can derive substantial benefits if they make determined efforts to reform their economies.

Claire Liuksila
Editor-in-Chief

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