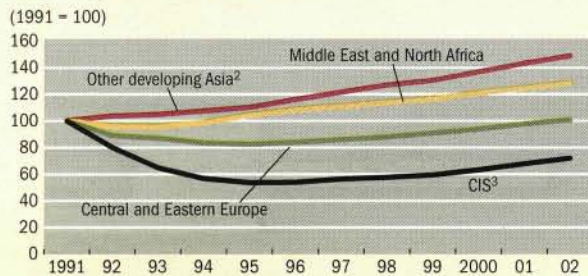


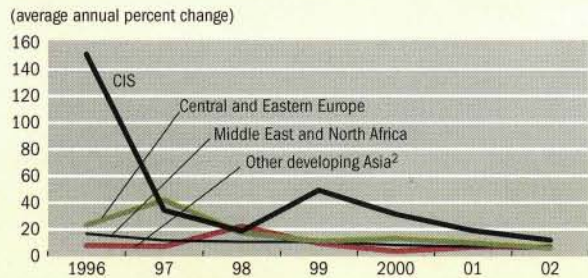
The Commonwealth of Independent States

A decade after starting their transition to market economies, the CIS countries¹ have achieved impressive economic growth but need to implement further structural reforms to strengthen the investment climate.

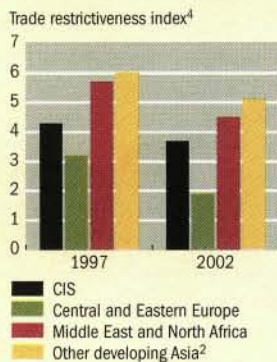
Economic growth has picked up, but real GDP levels have lagged behind other regions.



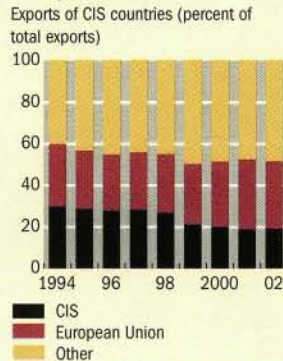
Cautious macroeconomic policies have led to a decline in consumer price inflation.



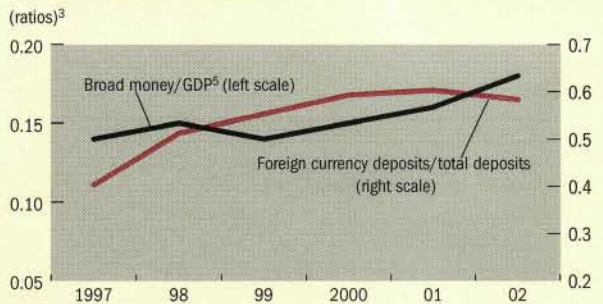
Most CIS countries have become more open, although some maintain high trade barriers.



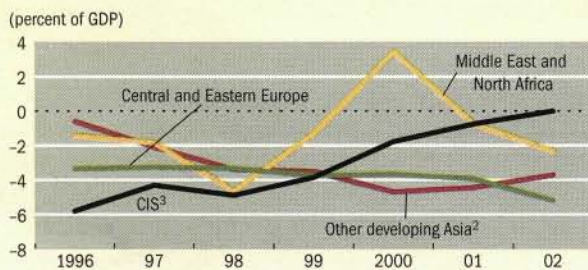
Trade, especially exports, has shifted to non-CIS destinations, such as the European Union.



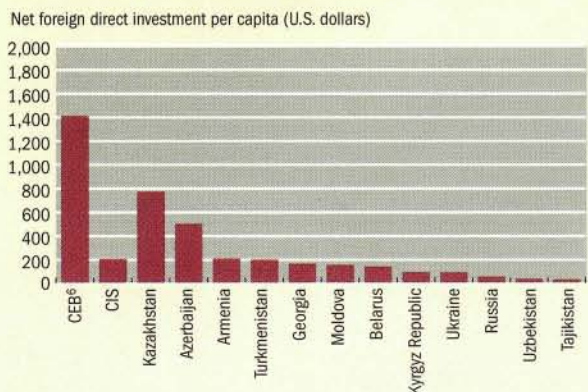
Financial intermediation has increased but remains low by international standards.



Lower government budget deficits have helped stabilize the CIS economies.



The investment climate remains weak, as reflected in the low levels of foreign direct investment.



Sources: IMF, *Direction of Trade Statistics*, Former Soviet Union database, Trade Restrictiveness database, World Economic Outlook database, and staff estimates; European Bank for Reconstruction and Development, *2002 Transition Report*; and national authorities.

¹CIS countries are Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, the Kyrgyz Republic, Moldova, the Russian Federation, Tajikistan, Turkmenistan, Ukraine, and Uzbekistan.

²Excludes China and India.

³Excludes Turkmenistan.

⁴Scale is 1 to 10, with 10 being most restrictive.

⁵Includes foreign currency deposits.

⁶Central and Eastern Europe and the Baltics.

ARTICLES

- A**
- George T. Abed**, *Unfulfilled Promise*, March
Daron Acemoglu, *Root Causes*, June
- B**
- Mark Baird and Sudhir Shetty**, *Getting There*, December
Emanuele Baldacci, Benedict Clements, and Sanjeev Gupta, *Using Fiscal Policy to Spur Growth*, December
Steven Barnett and Rolando Ossowski, *What Goes Up . . .*, March
Adam Bennett, *Failed Legacies*, March
Andrew Berg, Eduardo Borensztein, and Paolo Mauro, *Monetary Regime Options for Latin America*, September
Beyond the Washington Consensus, September
James Boughton and Zia Qureshi, *Staying on Track*, September
Robin Brooks, Kristin Forbes, Jean Imbs, and Ashoka Mody, *Dancing in Unison?* June
- C**
- Asimina Caminis**, *interview with Esther Duflo*, *Putting Economic Policy to the Test*, September
Jorge Iván Canales-Kriljenko, Roberto Guimarães, Shogo Ishii, and Cem Karacadağ, *Riding the Tiger*, September
Paul Cashin, Luis Céspedes, and Ratna Sahay, *Commodity Currencies*, March
Jeremy Clift, *interview with Nobel Prize winner Vernon L. Smith*, *The Lab Man*, March; *interview with Professor Allan H. Meltzer*, *Concentrating the Mind*, June; *interview with Hernando de Soto*, *Hearing the Dogs Bark*, December
Country Focus: Japan, June; *The Middle East and North Africa*, September; *The Commonwealth of Independent States*, December
Susan Creane, Rishi Goyal, A. Mushfiq Mobarak, and Randa Sab, *Banking on Development*, March
- D**
- Salim M. Darbar, R. Barry Johnston, and Mary G. Zephirin**, *Assessing Offshore Financial Centers*, September
Christina Daseking and Julie Kozack, *Avoiding Another Debt Trap*, December
Gianni De Nicoló, Sami Geadah, and Dmitriy Rozhkov, *Bridging the "Great Divide"*, December
Shantayanan Devarajan and Ritva Reinikka, *Making Services Work for Poor People*, September
- E**
- Christine Ebrahim-zadeh**, *Dutch Disease: Too much wealth managed unwisely*, March
Hali Edison, *Testing the Links*, June

- Benn Eifert, Alan Gelb, and Nils Borje Tallroth**, *Managing Oil Wealth*, March
Christian Eigen-Zucchi, Gunnar S. Eskeland, and Zmarak Shalizi, *Institutions Needed for More than Growth*, June
Sena Eken, David A. Robalino, and George Schieber, *Living Better*, March
- F**
- Falling Behind?* December
Paul K. Freeman, Michael Keen, and Muthukumara Mani, *Being Prepared*, September
- G**
- Edward Gardner**, *Wanted: More Jobs*, March
- H**
- A. Javier Hamann and Alessandro Prati**, *Beating Inflation*, June
Nancy Happe, Mumtaz Hussain, and Laure Redifer, *Absorbing Shocks*, December
Peter S. Heller, *Who Will Pay?* September
Hit by Disaster, September
- J**
- Abdelali Jbili and Vitali Kramarenko**, *Should MENA Countries Float or Peg?* March
- K**
- Manmohan S. Kumar**, *Deflation*, June
- L**
- Prakash Loungani**, *Inequality*, September; *The Global War on Poverty: Who's Winning?* December
- M**
- Trevor A. Manuel**, *Africa: Finding the Right Path*, September
The move to inflation targeting, June
- O**
- Bright E. Okogu**, *Middle East to dominate world oil for many years*, March
Guillermo Ortiz, *Latin America: Overcoming Reform Fatigue*, September
Overcoming the Obstacles, December
- P**
- Plunging into crisis: Freshwater resources come under increasing pressure*, June
Eswar Prasad and Thomas Rumbaugh, *Beyond the Great Wall*, December
- R**
- Carmen M. Reinhart and Miguel A. Savastano**, *The Realities of Modern Hyperinflation*, June
Dani Rodrik and Arvind Subramanian, *The Primacy of Institutions (and what this does and does not mean)*, June
Kenneth S. Rogoff, *A Vote Against Grandiose Schemes*, March; *Disinflation: An Unsung Benefit of Globalization?* December; *More Cheerleading or More Whistle-Blowing?* September; *Unlocking Growth in Africa*, June

S

- Jeffrey D. Sachs**, *Institutions Matter, but Not for Everything*, June
John Williamson, *From Reform Agenda to Damaged Brand Name*, September
The World's Forests—Balancing Economic Demands and Conservation, December
- BOOK REVIEWS**
- David M. Andrews, C. Randall Henning, and Louis W. Pauly (editors)**, *Governing the World's Money*, December
Orazio Attanasio and Miguel Szekely (editors), *Portrait of the Poor: An Asset-Based Approach*, December
Peter Bernholz, *Monetary Regimes and Inflation: History, Economic and Political Relationships*, September
Surjit Bhalla, *Imagine There's No Country—Poverty, Inequality and Growth in the Era of Globalization*, June
**Lester Brown, Plan B: Rescuing a Planet Under Stress and a Civilization in Trouble, December
Elina Cardoso and Ahmed Galal (editors), *Monetary Policy and Exchange Rate Regimes*, March
Merih Celasun (editor), *State-Owned Enterprises in the Middle East and North Africa: Privatization, Performance and Reform*, March
W. Max Corden, *Too Sensational: On the Choice of Exchange Rate Regimes*, September
Samiha Fawzy (editor), *Globalization and Firm Competitiveness in the Middle East and North Africa Region*, March
Clement M. Henry and Robert Springborg, *Globalization and the Politics of Development in the Middle East*, March
Jack Hollander, *The Real Environmental Crisis: Why Poverty, Not Affluence, Is the Environment's Number One Enemy*, December
Yasheng Huang, *Selling China: Foreign Direct Investment During the Reform Era*, December
Jeff Madrick, *Why Economies Grow: The Forces That Shape Prosperity and How to Get Them Working Again*, September
Samuel Paul, *Holding the State to Account*, June
Roger Porter, Pierre Sauvé, Arvind Subramanian, and Americo Beviglia-Zampetti (editors), *Efficiency, Equity, and Legitimacy: The Multilateral Trading System at the Millennium*, March
Eberhard Reusse, *The Ills of Aid: An Analysis of Third World Development Policies*, March
David Woodward, *The Next Crisis? Direct and Equity Investment in Developing Countries*, December**