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Foreword by the Editors

Our Call for Papers for a *Special Issue on Emerging Markets* in December 2000 generated 64 submissions. Of these papers, we selected seven papers, making the acceptance rate for this Special Issue in the same class as the very top finance journals. The selection procedure was as objective as possible. First, each submission was double-blind reviewed by two referees. The referees scored each paper on a scale from 0 to 5. Second, the top 25 manuscripts were sent out to a third referee who prepared a detailed double blind review of the submission and also scored it. The papers with the best overall scores appear in this issue.

We are very happy with the Special Issue, which covers a very diverse set of important financial issues for emerging markets. We have an article (Li, Sarkar and Wang) that explores the diversification benefits of investing in emerging markets; a paper (Edison and Warnock) on the integration of emerging equity markets; research (van der Hart, Slagter and van Dijk) that explores individual stock selection in emerging markets. We have two articles that analyze microstructural issues in emerging markets. The first (Cho, Russell, Tiao and Tsay) studies how the imposition of price limits impacts the intraday returns behavior in Taiwan while the second (Ghysels and Cherkaoui) is a detailed clinical study focusing on the behavior of transaction costs as a response to important micro-structural reforms and the advent of foreign investors in the Moroccan market. The issue also includes research (Claessens, Djankov and Klapper) that relates corporate governance structures to the likelihood of bankruptcy filing during the Asian crisis. Finally, we have an article (Das and Mohapatra) that bridges finance and the real economy, more specifically, it deals with the links between equity market liberalization and economic inequality. This paper was the highest rated paper and is the recipient of the Best Paper Award. We decided to end the issue with a survey article by ourselves. It does not just discuss the articles in this special issue, but surveys the ever-expanding emerging market finance literature, of course, with a healthy emphasis on our own areas of interest.

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