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# Editors' Summary

This issue of *Economía* consists of four papers. The first looks into the future and asks what will happen to tourism in the Caribbean region when tourists from the United States are allowed to travel freely to Cuba. The second and third papers focus on labor markets and study the drivers of part-time compensation for female workers in Chile and gender differences in promotion within Brazilian manufacturing firms, respectively. The last paper discusses financial globalization and emphasizes the importance of appropriately measuring this phenomenon.

In the first paper, Rafael Romeu raises the interesting question of how the opening up of travel between Cuba and the United States will affect the Caribbean tourism industry. Romeu uses a gravity model to estimate the impact that travel restrictions have had on travel to Cuba and other Caribbean destinations. He then uses a counterfactual estimation to assess the likely impact of lifting those restrictions. Results suggest a major increase in U.S. travel to Cuba after the ban is lifted, with the consequence of less U.S. tourism to other destinations in the region. Although this implies a major economic loss to those neighboring countries, the negative impact is likely to be mitigated by a shift to other Caribbean destinations of tourists from other origins currently traveling to Cuba. The resulting long-term overall increase in tourist arrivals to the Caribbean is estimated at roughly 4 percent. This large expanded demand represents an opportunity for other Caribbean destinations to substitute for the implicit protection they have been deriving from the restriction. In his comments on the paper, Lorenzo Perez points at two potential channels of impact ignored in the methodology: a possible expansion of total U.S. demand for travel to the Caribbean from tourists seeking more than scenic beaches, and the fact that Cuba may not be competitive in the quality of its infrastructure and services to tourists.

In the second paper in this issue, Andrea Bentancor and Virginia Robano study the part-time wage premium for females in Chile. The country exhibits one of the lowest rates of female labor-force participation in the region, and part-time jobs are seen as a potential way to deal with women's reluctance to participate. The authors find that part-time jobs are indeed associated with higher hourly earnings, but that once selection and other sources of endogeneity are accounted for, the part-time premium disappears and can even become negative for women with formal jobs and for dependent workers. Results presented in this paper raise questions about the extent to which part-time jobs are a plausible alternative for Chilean women.

The third paper in this issue, by Danilo Coelho, Marcelo Fernandes, and Miguel Foguel, explores gender differences in promotion in Brazilian manufacturing firms. The authors take an innovative step in the study of widely documented gender differences in promotion by analyzing differences between domestic and foreign-owned firms. Their findings indicate that though high-end career promotions and wage increases in large manufacturing firms in Brazil are indeed less likely for women than for men, this pattern is driven by domestic firms. Based on this finding, the authors conclude that ambitious, career-minded women tend to self-select into highly competitive jobs at multinationals, whereas other women are more likely to take jobs at domestic firms, which offer greater flexibility at the expense of greater opportunities for career advancement. In his comments on the paper, Renos Vakis praises the authors for the innovative and informative twist in their study of gender differences, but he warns the reader against taking these findings as a general feature of the labor market, given the focus of the study on the specific segment of large manufacturing firms.

In the final paper of this issue, Eduardo Levy Yeyati and Tomas Williams argue that standard measures of financial globalization are biased and lead to an overestimation of its extent and impact. By assessing the evolution of financial globalization in emerging markets using alternative measures, the authors show that over the past ten years financial globalization has expanded only marginally. They also show that international portfolio diversification has actually been declining over time. The paper then turns to a discussion of the implications of financial globalization for the deepening of local markets, international risk diversification, financial contagion, and financial dollarization. The authors find that financial globalization is positively associated with the deepening of domestic markets in good times, but they show that financial globalization has not had any discernible effect on risk diversification and of consumption smoothing. These latter facts are in line with the previous finding of limited portfolio diversification.

As always, we are grateful to the people and institutions that make the issues of the journal possible. *Economía*'s editors, associate editors, and panel members evaluated the papers submitted and provided suggestions to bring them to their full potential. The journal's managing editor, Roberto Bernal, worked hard to get the journal's machinery working and to see this issue through to completion. The Inter-American Development Bank and the World Bank hosted some of the meetings at which these papers were presented and discussed and provided logistical support. For decades, these two institutions have provided support to economic research in the region, a legacy that the journal always benefits from. Finally, it is the Latin American and Caribbean Economic Association that makes the existence of the journal possible. We are grateful for the sustained support the association gives to our activities.