Editor's Note

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The present issue of this journal contains six articles. In the first one, Carlos Medina and Christian Posso study the main factors determining the decision to remain in the United States by Colombian migrants who live there. To better understand their decision, they analyze the relationship between immigrants´ education level and the complexity of the tasks encountered on the job. The results indicate that those Colombian immigrants in the United States who returned to Colombia between 1990 and 2005 were, on average, less well educated than those who stayed in the United States. They also found that these Colombian migrants´ education level is closely related to the skill level required for their work in the United States.

The second article by Javier Armando Pineda and Carlos Eduardo Acosta highlights the importance of job quality in the context of flexible production and employment in the world today. They are interested in developing the appropriate theoretical framework and methodological tools for measuring job quality. They place the definition and discussion of job quality within a broad theoretical framework that deems it a multidimensional phenomenon related to the concept of quality of life, and go on to propose the estimation of a composite index of job quality based on Principal Component Analysis.

In the third article, Clara Machado, Carlos León, Miguel Sarmiento, Freddy Cepeda, Orlando Chipatecua and Jorge Cely study the stability of the large-value payment system in Colombia (Deposit Accounts - CUD) when faced with failure-to-pay by a systemically important institution by means of the Network Topology (NT). They also assess the responsiveness of the affected institutions which make use of their own resources or the liquidity facilities provided by the Banco de la República, using a Payment Simulation Model. The authors find that the CUD is a medium-sized, robust, stable and concentrated network, and that the number of affected institutions is influenced by variables such as institutions' balances in the CUD, the opportunity for intra-day transactions and the concentration of liquidity effect. They also found that most institutions have mechanisms that allow them to overcome transitory illiquidity in the payment system.

The following article by Inés Paola Orozco, José Eduardo Gómez, José Piñeros and José Vicente Romero makes an initial attempt to explain the determinants of the number of banking relations in the Colombian private corporate sector. They use models of count data and estimate Poisson and negative binomial regression models. The authors find that the data present over-dispersion; hence, the negative binomial regression model is more appropriate than the Poisson regression model. The results indicate that variables such as liquidity, size, debt structure, efficiency, growth rate of GDP and the real lending rate are important in determining the number of banking relationships. An interesting result is that the GDP growth rate has a positive effect on the number of banking relationships, which would suggest that during economic downturns firms seek alternative sources of funding.

In the fifth article, Juan José Echavarría, Norberto Rodríguez and Luis Eduardo Rojas estimate an econometric model that describes quarterly inflation by an unobserved component trend-cycle model, where the trend is probably induced by the target of the central bank. The authors find that inflation persistence increased in Colombia during 1979-1989 and 1989-1999, whereas it decreased to a lower level in 1999-2010, thanks to the adoption of an inflation targeting regime. Also, they find that the inflation gap shows low persistence, a result compatible with the Neo-Keynesian Phillips Curve.

Lastly, Juan José Echavarría, Enrique López and Martha Misas discuss the different structural factors that might explain inflation persistence and evaluate alternative ways to measure it. The authors present the continuing evolution of both the level and the gap of inflation in Colombia during the period 1990-2010, using a regime switching model and a Kalman filter. According to the results, the inflation targeting regime adopted in1999 has reduced the mean and variance of inflation but has not modified the persistence of inflation.