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We are pleased to present Volume 44 Number 88 of Journal Economía. This issue contains a Special Section on "Preferential Trade Agreements, Trade and Multilateral Liberalization", which was edited by Patricia Tovar (Pontifical Catholic University of Peru). The number of preferential trade agreements (PTAs) has skyrocketed in the last decades, with more than 500 PTAs already notified to the World Trade Organization. The explosive increase in the quantity of trade agreements led to important contributions on their effects on trade, welfare, and worldwide protection. The Special Section contains three studies and seeks to build on those contributions by focusing on the impacts of trade agreements on trade and the labor market, and on the interaction between preferential trade agreements and multilateral trade agreements and policies.

The first article is authored by Gabriel Arrieta (graduate student at University of Southampton), and it focuses on quantifying the trade creation and trade diversion effects of the free trade agreement (FTA) between Peru and the United States. Using data at the 10-digit product level for 2002–2008, it finds evidence of intra-bloc trade creation for the entire sample, as well as for each group of goods ("raw materials and intermediate goods" and "consumer and capital goods") individually. Furthermore, there is export trade diversion for the whole sample (exports to the rest of the world that were replaced by exports to the FTA partner) as well as for consumer and capital goods, while export trade creation (an increase in exports to outside countries) is present in raw materials and intermediate goods. Lastly, import trade diversion (an increase in imports from within the bloc at the expense of imports from non-member countries) is found overall and in each product group. On the whole, the FTA is an "intra-bloc trade creation agreement" that has increased bilateral trade between its members by 39 percent.

In the second article, Lakshmi Castillo (Pontifical Catholic University of Peru) examines how the preferential trade liberalization implemented under the Andean Community (CAN) affects the most-favored-nation tariffs imposed by Peru against non-member countries during 1992–2010. The results show an overall building block effect of preferential liberalization, which is also present in most individual sectors. In addition, when the sample is split into two subperiods, there is evidence of a building block effect during the first half of the sample period, and of a stumbling block effect during the second half. Another important contribution of this study is the construction of most-favored-nation and preferential tariff data for CAN.

The third article is co-authored by Fernando Morales, Martha Denisse Piérola and Dennis Sanchez-Navarro (World Bank), and analyses how the increase in import competition from China after its accession to the World Trade Organization in 2001 (also known as the China shock) affects the Peruvian labor market, which is characterized by a large proportion of informal workers. In particular, it focuses on the effects on the probability of having an informal job, and on wages in the formal and informal sectors. It finds that the surge in manufacturing imports coming from China led to an increase in the likelihood of having an informal job for the less-skilled workers (those with elementary education) only. It also lowered the wages of the least educated workers with informal jobs (those with no education or with elementary education). Moreover, this effect is mostly driven by self-employed workers. Finally, the rise in import competition from China increased the wages of workers with formal jobs and with elementary or high school education.

This issue also contains an interesting paper on the Quantile Regressions Methodology, written by Javier Alejo (Universidad de la República Uruguay), Federico Favata (Universidad de Nacional de San Martín), Gabriel Montes-Rojas (Universidad de Buenos Aires, CONICET and Universidad de San Andrés), and Martín Trombetta (CONICET and Universidad Nacional de General Sarmiento). This paper compares two econometric tools that are used to evaluate distributional effects, conditional quantile regression (CQR) and unconditional quantile regression (UQR). It is shown that the UQR is a weighted average of the CQR, which imposes clear bounds on the values that UQR coefficients can take and provides a way to detect misspecification. The authors illustrate these techniques using age returns and gender gap in Argentina for 2019 and 2020.

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