

# Editorial introduction: Studies about the impact of recent economic crises

The almost unlimited access of the general public to economic information of all kinds and distributed by very diverse means makes it increasingly necessary to have rigorous analyses that allow critical interpretation of the information and provide economic agents with tools that allow them to make their decisions in the most appropriate way. Theoretical reasoning and formal models are useful in this regard because they allow to formulate mechanisms and make predictions under various assumptions and scenarios. In turn, empirical economic analyses allow to feed these reasoning and models and validate or refute their predictions. In addition, the increase in the quantity and quality of economic data, together with the development of empirical methods that, for example, make it possible to advance in the identification of causal effects, means that applied economics exercises provide increasingly informative and reliable evidence for decision-making and assessment of policy interventions. In short, the contributions of the field of applied economics are today more important than ever due to the need to shed light on the real drivers and consequences of (socio)economic phenomena.

Since 1998, the Applied Economics Meeting (AEM) has been an international forum for academic discussion of economic research papers with a clear empirical focus. To be clear, the AEM has been, is and will continue to be an inclusive forum that facilitates scientific exchanges and academic relations between researchers interested in a wide range of topics in the field of applied economics. The purpose of this special issue is to commemorate the 25th anniversary of the AEM, celebrated this year in Toledo (Spain) and organized by the University of Castilla La-Mancha and the Spanish Asociación Libre de Economía.

After conducting an open call among the papers submitted to the AEM and carrying out the usual rigorous evaluation process of *Applied Economics Analysis*, two studies were selected for publication. We believe that they are a fairly representative sample of the kind of papers presented at the AEM.

The two articles address issues of unquestionable academic and social interest. Firstly, the impact that the COVID-19 pandemic has had on the job prospects of the population, especially in the case of the most vulnerable groups in an upper-middle income country like Serbia. Secondly, the effect of the variation in housing wealth on consumption. Considering

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This paper forms part of a special section “Recent developments in applied economics – 25th anniversary of applied economic meeting”, guest edited by Enrique Lopez-Bazo and Mercedes Teruel.

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the important consequences that the most recent housing crisis had in different Western economies – in the broader context of the Great Recession – and in the face of a possible new decrease in house prices in the near future, it is undoubtedly interesting to know the relationship between housing wealth and consumption in a country such as Spain.

In “Left behind in COVID times: The impact of the pandemic on transition probabilities of vulnerable groups in Serbia”, Marko Vladisavljevic and Lara Lebedinski use Labor Force Survey data to systematically analyse the effects of the COVID-19 pandemic on job loss and job finding rates during the first year of the pandemic. Their study focuses on population groups most likely to have been negatively affected by the pandemic due to reduced job security and liquidity during the entire year 2020. Their results confirm that the impact of the COVID-19 pandemic was not the same for all population groups, but rather more intensely affected workers with characteristics prior to the shock that made them more vulnerable and whose jobs were not protected by the policies implemented to mitigate the impact of the health crisis. The article also shows how the asymmetry of the responses occurs both in the job loss and job finding rates. It also shows how an effect that is barely relevant for the population as a whole can hide a significant negative impact on specific groups of vulnerable workers.

In the second article, “The impact of unanticipated wealth effects on consumption: Evidence from Spanish panel data”, Antonio Cutanda and Juan Sanchís identify the effect of anticipated and unanticipated housing wealth changes on non-durable consumption in Spain. Using micro-level data from the Spanish Survey on Household Finances (Encuesta Financiera de las Familias) during the period 2002–2017, their results confirm that there is a strong effect of housing wealth on non-durable consumption of the Spanish households. The significance of the effect on consumption of changes in housing wealth, both anticipated and unanticipated, allows the authors to conclude against the permanent income model with rational expectations. The study is especially interesting, as it provides evidence on the relationship between housing wealth and consumption in Spain over a period that includes a first stage of marked economic expansion and high growth in housing prices, suddenly interrupted by the crisis and later depression that produced a great adjustment in prices, and a final period of slow recovery.

In conclusion, both empirical studies facilitate the understanding of two economic crises (the COVID-19 pandemic and the housing crisis) and their impact in the labour market and the household consumption. They inform about the costs of COVID-19 to vulnerable individuals and also the different challenges that housing wealth changes pose to households on their non-durable consumption, particularly in the case of some population groups.

The Editors of this special issue thank the authors and the referees that contribute to it for their dedicated service. The articles represent a significant contribution to the academic community and may be useful to policymakers in designing interventions to mitigate the negative economic impact of future crises. Finally, we want to acknowledge the support and encouragement of the *Applied Economic Analysis* Editorial Board during the preparation of this special issue.

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