Definition and main stages of the modern economic crisis. The economic recession in the end of 2008 and early 2009 was a severe test for Russia. The peculiarity of the ongoing situation is that the main negative trends that determined the depth and severity of the crisis were the consequence of the situation in the world economy. For the first time, the country realized that its large-scale entering into the global economic system may have an explicit adverse effect. Before that, Russia had used the advantages of the world economy, first gaining from the sales of raw materials and stabilization of its financial and economic system and then using cheap credits for financing its economic growth.

Since an ongoing economic recession is unique in modern Russia, it is important to solve a complex and topical problem of forecasting its duration and aftereffects. At the same time, the necessity of avoiding possible recurrence of similar situations in the future necessitates the development of unified approaches to the analysis of recessionary processes in the economy and the systematization of the response mechanism to their individual manifestations. The accuracy of assessing the crisis depth and duration will determine government decisions about the minimization of its negative consequences. In particular, state policy concerning the country’s financial reserves will be developed on the basis of assumptions about how the situation will evolve.

Doubtless, a researcher in whatever field of knowledge dealing with a phenomenon unique in its kind will hardly be able to make a reliable long-term forecast of it. Such a prognosis requires data from repeated observations obtainable either by a scientific experiment or studying its repeated occurrence in reality. Unfortunately, unique events in economic life deprive researchers of such opportunities. As is known, no repeatedly controlled experiment is possible on the scale of the national economy—one cannot expect a second or third similar event, since decisions aimed at preventing the negative consequences must be made immediately. Therefore, the only remaining basis for developing well-justified hypotheses about the possible future is the past, comparison with which makes it possible to elucidate the present and render it concrete. Certainly, nothing analogous to the economic recession of late 2008 and early 2009 can be found, but the period of 1998–1999 can be used as such an analogue with respect to many characteristics.

Comparative analysis proper must be preceded by the definition of the very notion of economic crisis. There are numerous definitions of economic crisis in scientific literature. In particular, one of the most common is “a sharp deterioration in the country’s economic condition manifested in a significant decline in production, disruption of the established relations of production, commercial failure of businesses, and increasing unemployment, resulting in a fall in household living standards and wealth” [1]. The problem, however, is that the mechanism of the crisis expansion is usually analyzed post factum. At the same time, making practical decisions in the field of economic policy requires more definite indicators enabling a policymaker to analyze the current events and their possible development on the basis of regular statistics.

By an economic crisis can be understood a transition of an economic system from one equilibrium state to another equilibrium state differing from the first one in noticeable reduction in the aggregate income. Naturally, the emergence of an economic crisis is easily identified using annual data; it is sufficient to trace the GDP dynamics over the period of interest. The problem is to detect the inevitably pending crisis before the beginning of its active phase and before the annual statistics are available.

The economic crisis made us pay more serious attention to the current system of statistical observations in Russia. It should be noted that, although the system is widely criticized, it at the same time makes it possible to perform...
an analysis of the current economic situation, albeit with some limitation of the desired level of detail. The problem is that current statistics is inherently characterized by a certain lag that prevents realistic appraisal of the current events and, consequently, hinders adequate decision-making. At the same time, the analysis of the situation over the first months of the 2008 crisis showed that there were a great many indicators enabling a researcher to assess the short-term performance of industrial production with sufficient accuracy. Such indicators include the following:

—information about weekly electricity consumption (the noncommercial partnership Market Council);

—statistics of railroad cargo turnover (OJSC Russian Railways);

—customs statistics (Russian Federation Federal Customs Service); and

—auto sales statistics (the AUTOSTAT association for European business analytical organization).

There is no comprehensive system of short-term surveys of business conditions yet, but some information can be obtained from the Institute for Economy in Transition (IET) Industrial Optimism Index.

Reliance on official statistics requires answering two key questions: first, what monthly indicators should be used to determine the duration of an economic crisis, and, second, what behavior of the selected indicators is to indicate the crisis duration or end.

The first question can be answered by analyzing the current statistics. As far as the second question is concerned, in the first approximation the starting crisis is reflected by the key monthly indicators of economic development. In this case, the crisis can be understood as the simultaneous drop in several (or most) macroeconomic indicators published by Federal State Statistics Service. For example, the simultaneous decline in both fixed-capital investment (FCI) and industrial output is absolute evidence of the triggered crisis.

Such an approach, however, has a substantial drawback, since it is only applicable when the economic crisis has entered its active phase. It is obvious at the same time that the active phase of the crisis results from the accumulation of certain prerequisites.

It is known that, to trace the emerging signs of the economic slowdown, a common approach is employed based on the business cycle indicators, i.e., construction of at least two composite indices: coincident and leading. The coincident index is normally developed on the basis of four monthly indicators, i.e., index of industrial production, index of real household disposable income, retail trade turnover, and employment volume in the economy. The coincident index changes simultaneously with the rise or fall in the economy and actually provides a graphic method for identifying the start of the crisis.

Of special interest is the leading index serving for the early warning about the change in the business cycle phase. The leading index is calculated on the basis of monthly indicators the change in which signal the emerging slowdown in the economy. For instance, the index of leading indicators is calculated, among others, on the basis of the following monthly statistics: average weekly hours worked by manufacturing workers, average weekly number of initial applications for unemployment insurance, number of manufacturers’ new orders for consumer goods and materials, amount of new building permits for residential buildings, and consumer sentiment index.

However, the interpretation of the leading index performance has several peculiarities. As has been noted in the handbook issued by the Conference Board [5], the organization responsible for the official publications of the business cycle indicators, if economists were to take seriously each one- or two-monthly reduction in the leading index, they would declare a crisis every month. According to the recommendations of the Conference Board, in order to distinguish the drop in the leading index signaling a recession from insignificant accidental changes, it is necessary to consider simultaneously the fall duration, depth, and components spread. The longer the downturn and the more industries it involves, the greater the risk of entering a recession. A drop in the leading index must be observed for at least three months running.

Taking into account that crisis preconditions in 2008 were accumulating rather rapidly and the active phase and the crisis entered its active phase three months after the rise in negative phenomena, it is clear that it is practically impossible to identify the start of the economic downswing by calculation of the leading index before it has been reflected in the performance of the coincident index.

All this shows that we may state with a reasonable degree of certainty that the start of an economic crisis can be identified only when it cannot be prevented.

At the same time, the recovery of the economic system and its reaching equilibrium with a lower level of aggregate income and the end of the economic crisis are usually shown in the first approximation by decreasing unemployment. This assumption is based on the fact that regaining the precrisis output level after an economic downturn is possible due to production optimization implemented during the slowdown, usually with a lower employment level. When rise in output in most sectors of the economy coincides with increasing demand for workforce, this is sufficient evidence of resumption of sustainable economic growth.

Thus, the formal processing of monthly statistics is insufficient for the elucidation of the current situation at the initial stage of the crisis. We believe it would be a more efficient approach to understanding current recessional phenomena if schemes were employed enabling the structuring of the possible future developments. One such scheme