



FEATURES OF THE WORLD CRISIS 2008-2009. AND ANTI-CRISIS MEASURES

Yuriy UMANTSIV¹

SUMMARY:

The financial crisis 2008-2009 is considered in the article, its background and implications. It is proved that it significantly differs from previous crises, the epicenter of which was in developing countries. The main prerequisite for the financial crisis is financial liberalization, accompanied by excessive credit expansion. The crisis highlighted primarily the problem of real market opportunities.

The analysis leads to a conclusion that most researchers believe that the main prerequisite for crisis had been financial liberalization, which was accompanied by excessive credit expansion.

Global financial markets trends during 2007-2008 had been shaped by the mortgage crisis in the United States of America. A key element of anti-crisis program is to stabilize the financial system and especially in the banking sector. The crisis has made it possible to completely ensure that free markets and global financial transactions are not compatible.

The main directions of solving these problems should be the expansion of opportunities to maintain liquidity on the basis of program improvement, restrictions on banks of active operations, the introduction of a moratorium on the allocation of net profits of banks, a ban on the implementation of new emission savings (deposit) certificates and their repayment.

KEYWORDS: *financial crisis, global economy, financial market, liberalization, credit, mortgage credit, mortgage crisis, capital*

INTRODUCTION

Over the past few years the attention of the scientific community focused primarily on the analysis of reasons, features and consequences of the global financial crisis. Much of the researchers defend the idea that the crisis is primarily highlighted the problem of real market opportunities, which under industrial economy did not exist. Since economic processes now developing rapidly, each sector of the economy begins to operate on the basis of its own logic, resulting in increased turbulence of economic space. Obviously, at the heart of the crisis of 2008-2009 is "debt pyramid", its actual multiplier was not the mortgage, but ignoring any limitations of government liabilities. The global financial crisis that came in the acute phase in September 2008, were expected long ago. Scientists, experts, representatives of financial circles published many articles that discussed the problem of extreme "overlending" of the USA economy in general and households sector first of all. However, like most crises, the current one appeared quite unexpected. The

speed of the crisis in the USA and its dissemination through the European countries again confirmed the thesis of the reality of financial globalization existence [1].

1. CHAPTER

The financial crisis 2008-2009 significantly differs from previous crises, the epicenter of which was in developing countries. Features of this crisis and its causal relationships need of systematic methodological analysis. Firstly, at the present stage of economic development there is a situation where the level of integration into a single global space is quite large, causing significant interdependence. Secondly, the crisis began from a country that has the most powerful economy in the world, causing additional "lever of crisis" connected with the scale of the economy, which covered with the crisis. Thirdly, the current level of development of information and financial technology enables instant transfer information and money to accounts anywhere in the world, exacerbating macroeconomic imbalances in countries with weak financial sector and

¹ Yuriy Umantsiv, PhD in Economy. Contact information: Kyiv National Trade and Economic University. Address: 56 Kharkivske shose Street, apt. 517, Kyiv, Ukraine, 02091. Tel. +38 067 30 96 507. E-mail: uman@knteu.kiev.ua

causes additional volatility in world markets. The financial crisis in 2008-2009 demonstrated that the model of the policy based on the principles of a new consensus in macroeconomics and is used during the last decade, is no longer effective [2].

The main prerequisite for the financial crisis is financial liberalization, accompanied by excessive credit expansion. Thus a large proportion of credits allocated for the purchase of securities and real estate and their price exceeds its fundamental level. Credit expansion continues until it will be unable to obtain income from the ownership of these assets in the future. Such expansion may be prevented by the central bank actions for prevention of "overheating" of the economy and inflation. As a result of deceleration of credit activity there is a sharp fall in property prices and securities. Understanding of the economic crisis and depression is an extremely difficult task. Naturally, under such conditions there is a number of options for explanation of the crisis, but many questions are still unanswered [3]. World economic crisis is characterized by the following features. Firstly, it is the result of non-natural exaggeration of the role of the financial sector and its speculative part in the economic system of the developed countries and in the world economy in general. Secondly, under conditions of global market financial flows and transactions are largely beyond the control of the state. Thirdly, the crisis showed the final failure of the ideology of "consumer society". The crisis highlighted primarily the problem of real market opportunities. Such problem did not exist both under conditions of the industrial economy and during the crisis 30-ies of last century. This is especially feature of the current crisis differs from the Great Depression. Nowadays economic processes are developing at a rapid pace and each block of the economy begins to operate on the basis of its own logic, resulting in increased turbulence of economic space. Therefore, post-industrial economy is formed and major sources of global crisis were not formed on the periphery, as it was in 1997-1998, but in the center of the global economic system.

Systematization and generalization of the causes of financial crises allow to isolate the main, including:

- asymmetrical development of financial and real sectors of the economy,
- ignoring systemic risk by investors in the domestic and foreign markets,

- growing imbalance between the volume of savings and investment,
- sustained deficit on current account balance through the dominance of consumer imports and excessive payments of external debt,
- providing high risk loans with "floating" interest rates,
- publication by the investors of the incomplete or false information,
- impairment of collateral (especially real estate).

Slowdown in economic growth in developed countries leads to global stagflation - a reduction in aggregate demand and recession in the face of rising prices for raw materials and consumer markets, caused by falling USA dollar and increasing consumer demand especially in the Asian market. Deteriorating economic indicators of the real sector because of high inflation and reductions in market demand leads to increase of the financial risk, devaluation of financial assets and raising interest rates. Belated and not always adequate response of central banks and world's countries governments to the threats and risks against crisis phenomena can cause major economic losses and a global depression.

In theory it's recognized that the accumulation of external debt could potentially have a number of dangerous consequences not only for agents of credit agreements, but also for the financial system and real economy in general. The presence of great external impact in international lending requires a state regulatory.

The risks of free movement of foreign capital and uncontrolled growth of external corporate debt are in such:

- macroeconomic volatility, in which the flow of external resources may lead to overheating of the economy, and pressure on the exchange rate - to reduction of its competitiveness,
- inefficiency of markets in which foreign capital can be allocated inefficiently between lenders and cause formation of excessive debt,
- inability to conduct an independent economic policy because of the free movement of foreign capital imposes constraints on monetary and exchange rate policy,
- instability of the banking system because of significant capital inflows and rapid

growth of domestic credit load on the financial sector increases,

- sudden stops or reverse movement of foreign capital that cause foreign exchange, banking and debt crisis in countries- recipients of foreign capital.

The analysis leads to a conclusion that most researchers believe that the main prerequisite for crisis had been financial liberalization, which was accompanied by excessive credit expansion. This huge amount of credits directed to purchase securities and real estate properties, but the prices for which exceeded its fair level. Credit expansion lasted until it became impossible to receive income from the ownership of these assets in the future. Detonator of the global economic crisis was prolonged structural savings in the global economy of financial imbalances. However, the depth and extent of this crisis go beyond the next cycle and is characterized by distinct structural and innovative character. Regarding this, global economy must go through a massive devaluation of the excessively accumulated amount of capital.

Links of the global financial system are more interconnected than researchers had thought before the global economic crisis has occurred, but in the future, an excessive risk perception can have negative consequences for the global economy. Today, the most important tasks of economists are to understand the nature of systemic risk which can arise and to develop policies directed to avoid the risk of this type [4]. Vincent Reinhart, who during the period of 2001-2007 was the head of the Department of Monetary Affairs in United States Federal Reserve and the economist of the Federal Open Market Committee, noted that the arguments for government intervention in the economic system at the stage of the financial crisis are grounded due to the fact that financial institutions are too large, and too interconnected. The author also notes that government intervention will help to avoid financial crisis and to win time for a gradual solution [5].

Nobel laureate, Joseph E. Stiglitz in his book about the new economic order after the global crisis draws attention to the fact that in the United States of America and other developed countries, corporations are only nominally governed by the shareholders. In practice, they are managed by managers in their own interests. Academic studies illustrate that the schemes of promotion of the business activities, that prevent inconsistency in the

actions of various actors, in the end do not bring any benefit to shareholders, nor society as a whole. To illustrate this conclusion, we can mention the fact that net profits of many major banks for the period from 2004 to 2008 were negative. This means that the shareholder who, in 2005, had acquired Citibank shares for 100 dollars, by the end of 2008 owned shares whose value was 13.9 dollars. J. Stiglitz also draws attention to the problem of asymmetric information, which was also one of the factors of the crisis. For example, in order to hide the real financial condition, American banks had excluded the risky assets from balance sheets. On the eve of bankruptcy, Lehman Brothers had reported that the net value of the bank was about 26 billion dollars, but in fact the deficit in the balance was close to the mark of 200 billion dollars [6].

Priorities for the transition countries are significantly different from challenges faced by developed countries, as the authorities seek to balance efforts to ensure GDP growth and to reduce inflation risks. Fiscal policy can play a supporting role in macroeconomic management. A significant limitation of expenditure, according to IMF experts, would help to reduce inflationary pressures in many countries. It is very important for countries that have current account deficit. As noted in the October issue of Report on global financial stability in 2008, one of the main objectives is to provide more efficient and reliable risk management, including the establishment of more effective rules on the level of capital requirements and more robust liquidity management practices and full disclosure about the risks of financial transactions [7].

Empirical evidence suggests that after September 15, 2008, stock markets' volatility in developed countries has increased by 4.2 times on average. Thus, the riskiness of investment in these instruments has also risen more than 4 times. That makes investors, especially conservative ones; look for other instruments for investment. The dynamics of stock markets in developed countries primarily are determined by the fundamental indicators of economies, while the primary factor in developing countries is market liquidity. Stock markets in developed countries have relatively high dependence on foreign investment. During the rapid outflow of such investment due to liquidity decrease, equity markets fall substantially, even though they have recently showed relatively stable performance. However, stock markets in developed

countries experience a lower rate of decline. Increased volatility in the stock market is an indication of investors' uncertainty for the prospective global growth and subsequently growth of individual issuers. Thus the markets suffer significant falls as a result of panic reaction of investors to new information that fuelled speculative activities. In this situation, investors do not intend to buy long term stocks, because of prevalent speculative component. Global financial markets trends during 2007-2008 had been shaped by the mortgage crisis in the United States of America. Prerequisites for the crisis deployment had been formed during the previous eight years, when subprime segment loans (nonstandard loans) were given without proper assessment of the solvency of the borrower. However, the crisis was caused not only by the banks, but also by structures that regulate mortgage lending and control the lending process.

During the rapid growth of mortgage lending, banks actually declined from the direct lending by raising funds in the market and afterwards, crediting them. By this, they have secured their debts in the form of derivatives on debt portfolios. This scheme has broken the traditional link between lender and borrower. Buyers of mortgage bonds, receiving very little information about the risks had to rely only on reports of rating agencies. However, the risk assessment had inadequately taken into account the risky borrowers sector, the probability of return of which is about five times lower and which were characterized by noticeable fluctuations [8].

In addition, in the USA had become widespread so-called re-lending, in which real estate properties for several years repeatedly were mortgaged, every time - at a lower rate. Under these conditions, market players were confronted with "floating" rate mortgages. The reaction to the information on the bankruptcy of one of the largest investment banks has caused an instant effect of reprising risk, and with it panic driven selling of shares by investors. This resulted in falling stock markets around the world.

The trend of liberalization of national financial markets and the lack of national control on capital movement, the transition to flexible exchange rates have caused an increase of the global financial integration. The major world financial centres operate as a single market. The main features of these markets are unprecedented scale of speculative activity, high speed of the financial

transactions and the magnitude of financial savings. The globalization of financial markets separates even more financial flows from the national economies. Finances under the influence of globalization become carriers of shocks and it reveals the destructive impact and devastating consequences. The growing dominance of the global virtual capital leads to the separation of finance from the real sector which is a potential global threat.

Important in this regard are not only quantitative parameters that characterize the growth of financial markets, but also their structural changes and especially the steady increase in the share of financial instruments that completely have no contact with the sphere of production. This is a related futures derivative instruments, which during many transactions are converted into self-regenerating financial assets.

That movement and accumulation of virtual value is a prerequisite for financial crises that cut costs and bring a fictitious price ratio in line with reality. One of the mechanisms of accumulation of imbalances and virtualization is cost capitalization. If the real economy is developing dynamically, it gets high profits, resulting in increased capitalization. However, the value of companies, which is determined by share prices and the real value that is embodied in the production potential, are different quantities. The cost, according to scientists, is determined by capitalization, including a fictitious value, which begins to be changed for the real value and earns a virtual character. Exactly for this fictitious value a credit is given, derivatives are issued and the whole process becomes more separated from the fundamentals of the real economy. All this just leads to financial crisis.

Obviously, the current practice of financial market regulation shows that the increased supply of liquidity to support the market, leads to an increase of the speculative activity and increases instability. Lower interest rates in the USA and EU, which were established for the purposes for anti-crisis expansion, have caused increase in speculation on the financial market. Attention should be drawn to the huge growth of speculative capital and growing separation of manufacturing and financial sectors.

In this regard, scientists propose rethinking the new financial architecture and acknowledge that:

- the financial sector is undergoing fundamental changes, and was not just the victim of speculative policy,
- the financial crisis cannot be overcome within the existing priorities. This is not about local failures, but global scale failures that affect even those countries that are not integrated into the global economic system.

The professional players declare themselves about speculative financial market activity, as dividends in emerging markets developed are not considered by the investors as an essential part of the income and a real (speculative) price of most stocks is uncertain. The value of securities is formed not by analysts, not by formula and not in connection with the balance of the company, but by each subsequent purchaser. So the main thing – do not be the last in a long chain of resale.

Formed market is a powerful tool for redistribution of financial resources. Speculative enrichment using "financial technology" is its major role in today's conditions. This evolution of the financial market is a natural, as the purpose of market is to maximize profits and increase the speed of its receipt. New value chain that includes production component, under the process of globalization is transformed in such a way – to create a financing scheme (instrument) in order to maximize profits. Therefore, a higher amount of profit can be obtained by proper financial technologies without any connection with the manufacturing and non-financial services.

Some analysts specify on the lacks of the financial system that are related to a huge turnover of "virtual money", by which there are not goods and services, but mainly secondary financial instruments. On the one hand, this is money on which you can buy real goods, from the other – the act of sale of secondary securities is not necessarily related to the need to produce something, that is why it takes place rather in virtual, but not in the real measuring. Obviously, the extent of imbalances accumulated in the global financial system, eliminates possibility of its modernization without the removal of deep reasons of crisis and above all without cancellation of obligations under agreements with virtual derivatives, removal of deficit of the state budget and balance of payments of the USA. As these measures are not planned yet, the obvious consequences of crisis will be depreciation of considerable part of financial

capital, uncontrolled devaluation of the dollar and the loss of its role as a single global reserve currency, regional fragmentation of world monetary and financial system.

It is necessary to mark that non-standard mortgages exist in the USA for long time, and it means that a credit was given out to the borrower that couldn't give all necessary documents or his financial state doesn't give an opportunity to assert with a confidence that it is possible to expect conscientious implementation of obligations. This growth was provided by concerted action of many actors. Mortgage brokers, who made decision about allotting of credit, received commissions from their values and they had to explain to clients, that the receipt of such credits does not carry substantial risks. They also began to reduce the volume of requirements to customers, their documents and also the size of initial payment. Mortgage banks, buying credits back for brokers, actively sold them as derivative securities (CDO – collateralized debt obligations, MBS – mortgage based securities). It gave an opportunity to the banks substantially to bring down the volume of the assumed risks, translating them on the customers of such securities. Soon investment banks were involved to this process. Control after them did not envisage the estimation of risks that is used for commercial banks, supervision after that is carried out by FRS of the USA. However, most customers of such securities did not fully realize the risks, which they have been offered. In addition, in certain moment FRS consciously made decision about abandonment from government control of the activity of banks, related to producing and acquisition of securities that is provided with non-standard mortgages. The banks were approved the former standards inspections of mortgages, that were purchased from the brokers whose activities were generally not controlled by anyone. Obviously, that the pyramid built on the mortgage crediting fell down. It was a whole area of financial services, which was mixing of cash flows from equities and bonds to create derivatives. However as soon as the cycle of increase of interest rates began in the developed economies, demand on such foods began to go down, a pyramid reeled, and mortgage defaults destroyed it completely. So there was a situation in which economic subjects didn't take into account properly existent risks and operated without a corresponding previous analysis. In Declaration of the "Group of Twenty Finance Ministers and Central Bank Governors" that was accepted for counteraction to the world

financial crisis, this factor is certainly one of its principal reasons.

The financial crisis has practically ceased activities of investment banks in the USA. Above all this is because of a number of factors:

- Investment banks have higher part of the attracted money comparatively with the banks of other types. It increases the negative effects of falling asset values and increases the risk of insolvency.
- They don't have stable incomes that are specific to commercial banks.
- Increased risk of specialized banks is associated with the characteristics of funding. Investment banks are almost entirely rely on short term financing, particularly for repurchase transactions in which counterparties take collateral of property. This mortgage depreciates in case of price decline on the real estate.
- Profitability of business of investment banks at present. Except more expensive crediting and less part of the attracted money, the specialized banks faced also to the prospect of decrease in demand on the services. When there is narrowing of market of the structured financing its volume and profit also decrease

The current state of global economy is characterized by increasing risks of second wave of economic crisis. After research of economists of the International Monetary Fund, the recessions related to the global financial crises were deeper and lasted longer than the recessions related to influence of other factors.

Proceeding in an economy after such recessions takes place slower and accompanied by weak internal demand and limited conditions of crediting. Many researchers tend to compare the depth of the modern world crisis to the Great Depression in the United States. A Nobel laureate Joseph Stiglitz considers that "It isn't only the worst slump of global economy in an era after Second World War, it is the first considerable global slump in the modern era of globalization" [9].

Some experts hoped on rapid renewal of global economy that was typical for deep recessions. In the first half of 2011 expert estimations were at mostly optimistic, asserting about the exit of world economy from the crisis state. Predictions of the International Monetary Fund, World Bank the Economist Intelligence Unit, OECD coincided in the fact that most developed countries and new centers of growth expected slowdown in economic recovery. For example, as noted in the IMF Annual Report for 2011 "Ensuring a fair and balanced growth," economists' fear regarding the double recession is not true, and anti-crisis measures of governments have made a positive impact on the recovery of demand [10].

In August, 2011 analytics of investment bank of Morgan Stanley marked that the world dangerously was around a recession [11]. Known American economist Nouriel Roubini counted that probability of reiteration of recession in the most developed countries is near to 50 %. Professor of Harvard University Martin Feldstein estimated that this probability is higher than 50% [12].

A key element of anti-crisis program is to stabilize the financial system and especially in the banking sector. Thus in this case, the states were not limited only the decline of rates of refunding to their near-zero value, Re by capitalization of banks and increase of state guarantees on deposits of population. The measures of fiscal stimulation are mainly envisaged partial or complete nationalization of banks, buying problem assets, securities and other debt obligations, which include at investment banks and insurance companies.

The second largest Funds bail mechanism became fiscal stimulation that comes true due to the decline of taxes and increase of deficit of budgets and increase of national debt. As a result of fiscal stimulus, according to OECD, the overall level of public debt in the UK in 2011 grew to 90.8%, and in the USA – to 94.8% of GDP (Table 1). According to the data, the most volume of loading in relation to the taken fiscal obligations is on these two countries.

Table 1

Budget balance and gross public debt in the countries of the "Big Seven", as a percentage of GDP

Country	Budget balance			Gross public debt		
	2007	2010	2011	2007	2010	2011
USA	-2,8	-10,7	-8,9	61,9	89,6	4,8
Great Britain	-2,7	-11,5	-10,3	47,4	82,3	0,8
Japan	-2,4	-7,6	-8,3	167,0	199,2	04,6
Germany	0,2	-5,4	-4,5	65,3	80,9	4,2
France	-2,7	-7,8	-6,9	69,9	93,8	9,3
Italy	-1,5	-5,2	-5,0	112,4	132,0	34,7
Canada	1,6	-3,4	-2,1	65,0	81,7	0,7

Source: OECD Economic Outlook, 2010, № 87

There are some factors, which have influence on the dynamics of the global economy in the short and medium term, such as:

- excessive deceleration of rates of the economy growing in the developed countries, foremost in the USA and EU,
- threat to financial stability of countries of zone of euro as a result of crisis of sovereign debt of Greece and risks of crisis of row of other countries (To Portugal, Spain, Italy, Ireland),
- probable failure of the EU anti-crisis measures through uncoordinated position of the Member States and the ineffectiveness of anti-crisis emerging institutions,
- deceleration of increase of demand in countries, which are new centers of increase (in particular, in the countries of BRICS – Brazil, Russia, India, China, South Africa),
- rising prices for energy resources, agricultural products and other commodities that will strengthen inflation in many countries,
- risks, which are the consequences of fiscal policy (government action to reduce public spending and increasing tax pressure can slow economic growth and have significant negative social consequences).

Obviously, that the depth of crisis is estimated not quite adequately, as fore most examined shortly – but medium-term tendencies and does not undertake to attention her fundamental reasons for the removal of that it follows to realize the row of such measures:

- it is providing of transparency of speculative capital (in a prospect – and all global corporations with creation global observant, and maybe, even and regulative, to the organ) flow,

- it is converting of "Tobin tax" (a 15-percent tax on a risk capital is \ a capital, that hatches from a country less than in a year after his introduction) into the instrument of the economic adjusting that is used national governments at certain, in advance certain terms confessed in the whole world,
- it is bringing of influence of different countries around to politics of global financial institutes (IMF, World bank) in accordance with their part in a world economy,
- it is providing of transparency of work of IMF and World bank up to an open publication and discussion of their methodical materials.

The threat of spreading crisis, the Euro zone to other regions, followed by the emergence of a new wave of large-scale global financial crisis has put on the agenda the need to expand the global economy. An important step in this direction was the summit of leaders of the country of Great Twenty, held in November 2011 in Cannes (France). First time in a long time in the west of this magnitude was considered and approved a comprehensive action plan in the economy, which was considered and approved a comprehensive plan of action in the economic sphere, which established detailed political commitment of Member States set strict deadlines for their execution, announced increased monitoring their implementation [13].

The crisis that began in 2007 in a small part of the financial system led to the global economic crisis in 2008-2009. Links of the global financial system is more interconnected than researchers thought the global economic crisis and excessive risk perception can have

negative consequences for the global economy in the future. Today, understanding the nature of systemic risk can arise and develop policies to avoid the risk of this type are the most important tasks of economists [4].

International experience of acceptance of measures regarding control of motion of capitals and adjusting measures intended for inhibition of promissory expansion, in separate countries with markets, that is formed generalized in Table 2.

Table 2

The measures of regulation and control of capital flows in countries with markets that are formed

Country	Instruments of regulation and application period	The consequences of measures
Colombia	Dynamic reserve for credit operations of banks (2007)	The credit boom lasted until the crisis
Croatia	Limits on capital loans of banks (2003, 2007)	The growth of domestic bank loans slowed, the volume of foreign currency loans decreased and Timeframes foreign loans increased
India	Raised cash reserve ratio (2007 p.)	Reduced credit grows (south statistically the effect is weak) and had now effect on asset prices
South Korea	Limits on foreign currency loans to residents (2008) Limit open foreign exchange positions of banks on forward contracts (2010)	The slowdown in growth of total bank loans Reducing the amount of foreign loans of banks
Peru	More stringent requirements for formation under credit risks (2007-2008) Standard reservation growth of foreign currency deposits (2008)	Credit expansion decreased, as expected delivery of external resources increased
Romania	Limits on growth of bank loans (2005-2007) Raising standards reservation foreign currency deposits (2002-2006) More stringent requirements for real estate lending	Receipt of external resources to banks decreased, but credit expansion continued as increased foreign direct investment in financial sector

Source: compiled by the author based on J.D Ostry, A.R. Ghosh, K.Habermrier, L. Laeven, M. S. Qureshi, A. Kokenyne. Managing Capital Inflows: What Tools to Use? / International Monetary Fund – P. 16.

To eliminate the effects of the global crisis should implement a number of measures including:

- transparency movement of speculative capital (in the future - and all global corporations with the creation of a global observation, and perhaps even a regulatory body),
- conversion of "Tobin tax" in the normal, recognized worldwide instrument of economic regulation applied by national governments under certain, predetermined conditions),
- bringing the impact of different policies on global financial institutions (IMF, World Bank) in accordance with their share in the global economy,

- transparency of the IMF and World Bank until the open publication and discussion of their teaching materials, including at the design stage,
- transformation of the "big eight" in the body of global regulation, which requires to cover all countries, whose GDP is not lower than the minimum in today's "big eight" GDP of Canada.

Therefore it is obvious, that both for the USA and for the European countries major is a task of the most rapid renewal of the combined capital of the banking system. To carry out it will be extremely difficult on market principles, as an attractiveness of contributions to the bank sector continues to go down, and that is

why just the direct in setting of the states in the capital of banks will become the most effective instrument of decision of economic problems. Fully reasonable in this connection is a conclusion that discrete, salutatory, but not evolutionary character of institutional change of world economy in the conditions of globalization sharpens needs the search of new mechanisms of the system global management.

At the same time at the internal market through activation of trade, increase of receivables in a budget from an import the illusion of the positive state of national economy was created – the increase of clean taxes and consumer activity took place, that and formed one of the most ponderable payments in GDP. During a number of years at the positive price state of affairs of substantial structural changes and measures from modernization in industries not conducted, but an economy developed on an inertia scenario. In opinion of long-term Chairman of FRS Alan Grinstein, for activation of crediting in the USA it is necessary to envisage a selection 7 trillions of dollars [14].

It's expressing also the idea that efforts of governments of the USA and countries of EU in relation to modernization of the economies will not give the expected effect. The previous financial system departs in the past, as is torn off from the real economy and leans against the out-of-date technological mode. A world economy passes to the handing down wave of fifth long-term cycle. She will cause the protracted recession. During this crisis the global redistribution of property will take place due to reduction of enormous volumes of virtual capital, bankruptcy of the bank swift falling of basic world currencies attracted for him. A process will be accompanied by the simultaneous buying up of the real assets by financially more powerful companies. A world energy consumption and consumption will diminish on the whole, that will result in a temporal precede line on oil and gas [15].

CONCLUSIONS

The crisis has made it possible to completely ensure that free markets and global financial transactions are not compatible. The doctrine of "efficient markets, which for a long time was advocated by A. Greenspan, formed unsustainable public-private partnerships. On the one hand – the official inaction of state regulatory authorities, on the other – investment bankers conduct based on

incompetence and irresponsibility to shareholders and creditors. As a result, banks have ceased to exist on more than a century, emerging changes in the political system, civil and world wars.

Restrict access of banks to external funding sources and opportunities to refinance debt prior periods will lead to changes in the structure of passive base of banks by non-replacement capital internal resources. Even against the backdrop of the planned measures to recapitalize banks, lower public confidence in the banking system in a downward acceleration processes will not rapidly replace the outflow of resources. Loans are difficult to obtain not only on investment needs, but also for rapid turnover in trade and food industry. The main directions of solving these problems should be the expansion of opportunities to maintain liquidity on the basis of program improvement, restrictions on banks of active operations, the introduction of a moratorium on the allocation of net profits of banks, a ban on the implementation of new emission savings (deposit) certificates and their repayment.

Among the many proposals to prevent future crises should emphasize measures proposed by Dodd-Frank law. It is about a number of measures, including:

- creation of an effective and independent Commission on security of financial products,
- establishing a regulatory body that monitored the financial system as a whole and would function as a collegial body, which is designed to prepare recommendations primarily for the USA Federal Reserve,
- limit the adoption of extremely high risks and restrictions on speculative trading,
- restrictions on derivatives and increased transparency,
- introduction of additional powers for the government especially in providing financial assistance to banks [16].

The world economy is in a period of systemic global imbalances that the new geo-economic and geopolitical realities accompanied by the emergence of multiple sources of turbulence and cross-border risks. Given the scale of these processes to develop fundamentally different than those applied to the present, the mechanisms to overcome the crisis and make an attempt to develop a coherent system of indicators that would certify the approximation of future crises.

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