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**Instruments for supporting of industrial and financial sectors**

**of the economy in terms of its instability**

*Instability in the economy for the last decades has financial nature. It was accompanied by worsening of external and internal market conditions, demand reduction for the products of industrial enterprises, especially for the products of the processing industry enterprise. Economy instability leads to the GDP decline, capital outflow from industrial and financial sectors of economy, investment, lending activity decrease. In these circumstances the role of state support instruments and measures increases. Banking sector is a leading institute of investment and current activity of business financing. In circumstance of instability and crisis, accompanied by capital outflows and restrictions to attract foreign sources of financing the role of the banking sector increases. For the last several years role of the microfinance organizations in providing financial resources for small business activity rises.*

**Инструменты поддержки промышленного и финансового секторов экономки в условиях её нестабильности**

*Нестабильность в экономике в последние десятилетия имеет финансовую природу, сопровождается ухудшением как внешней, так и внутренней экономической конъюнктуры, сокращением спроса на продукцию промышленных предприятий, в первую очередь на продукцию предприятий обрабатывающей промышленности, что приводит к снижению ВВП, оттоку капитала из промышленного и финансового секторов экономики, снижению инвестиционной, кредитной активности. В этих условиях возрастает роль инструментов и мер государственной поддержки. Банковский сектор является ведущим институтом финансирования инвестиционной и текущей деятельности субъектов экономики, роль которого в условиях нестабильности и кризисных явлений, сопровождающихся оттоком капитала и ограничениями привлечения зарубежных источников финансирования, возрастает. В обеспечении финансовыми ресурсами деятельности предприятий малого бизнеса в последние годы усиливается роль микрофинансовых организаций.*

***Keywords:*** *economy instability, industrial sector, financial sector, instruments of support.*

***Ключевые слова****: нестабильность экономики, промышленный сектор, финансовый сектор, инструменты поддержки.*

Development of the economic systems is a cyclic process; this fact is confirmed by the world history of crises appearances in different countries.

Tendencies of the negative consequences spreading and the scale of crises underline importance of studying the instruments for supporting sectors of the economy in terms of economy instability.

The signs of economic and financial instability, causing formation of the financial and banking crises are: significant level of deposit withdrawals and banksfinancial losses; reorganization and liquidation of banks, significant level of support for the banking sector.

The reasons of economic and financial instability had common and specific features in different countries. It was formed under the influence of the particular factors and was accompanied by the use of common and specific mechanisms of economy support. International monetary fund experts determined 144 banking crises begging from 1970. [1].

All crises had financial nature , led to the GDP declining, inflation, increased unemployment, the deterioration of economic conditions and the demand redaction for production of industrial enterprises and especially for the products of the manufacturing industry (Table. 1).

*Table 1*

**Indicators of global economic development 1991 -2015 years [2]**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **The development of the world economy** | **annual change in%** | | | **2007** | **2008** | **2009** | **2010** | **mean** | **2014** | **2015** |
| **1991–1998** | **1999–2006** | **2007-2010** | **2011–2014** |
| Annual change in % | | | | | | | | | | |
| World real GDP | 2,8 | 3,9 | 2,2 | 5,2 | 3,2 | –1,3 | 1,9 | 4,7 | 3,4 | 3,1 |
| Countries with advanced economies | 2,5 | 2,6 | –0,1 | 2,7 | 0,9 | –3,8 | 0 | 2,8 | 1,8 | 1,9 |
| Emerging market and developing countries | 3,3 | 5,9 | 5 | 8,3 | 6,1 | 1,6 | 4 | 6,6 | 4,6 | 4 |
| For reference, the potential volume of production (the main advanced economies) | 2,5 | 2,3 | 1,5 | 2,1 | 1,7 | 1,2 | 1,1 | 1,4 | 1,3 | 1,4 |
| World trade, volume | 6,7 | 6,8 | –0,2 | 7,2 | 3,3 | –11,0 | 0,6 | 6,4 | 3,5 | 2,8 |
| Import | | | | | | | | | | |
| Countries with advanced economies | 6,2 | 6,2 | –1,8 | 4,7 | 0,4 | –12,1 | 0,4 | 4,9 | 3,5 | 4,3 |
| Emerging market and developing countries | 7,3 | 9,3 | 3,8 | 14 | 10,9 | –8,8 | 0,6 | 8,6 | 3,7 | 0,5 |
| Export | | | | | | | | | | |
| Countries with advanced economies | 6,5 | 5,7 | –1,6 | 6,1 | 1,8 | –13,5 | 0,5 | 5,8 | 3,5 | 3,4 |
| Emerging market and developing countries | 8,3 | 9,1 | 2,4 | 9,5 | 6 | –6,4 | 1,2 | 7,8 | 3,1 | 1,7 |
| The terms of trade | | | | | | | | | | |
| Countries with advanced economies | 0,2 | –0,4 | –0,1 | 0,4 | –2,0 | 1,5 | –0,2 | –0,2 | 0,3 | 1,9 |
| Emerging market and developing countries | –1,5 | 2,8 | –0,1 | 1,2 | 4,4 | –8,0 | 2,3 | 0,1 | -0,4 | -3,9 |
| World prices in US dollars | | | | | | | | | | |
| Manufacturing products | –0,6 | 2,5 | 2,5 | 8,8 | 9,6 | –8,9 | 1,7 | 2,3 | -0,7 | -4 |
| Oil | –6,8 | 22 | –0,7 | 10,7 | 36,4 | –46,4 | 20,2 | 4,6 | -4 | -17,5 |
| Primary commodities, except fuel | –1,5 | 5 | –2,0 | 14,1 | 7,5 | –27,9 | 4,4 | 2,7 |  |  |
| Consumer prices | | | | | | | | | | |
| Countries with advanced economies | 3 | 2 | 1,4 | 2,2 | 3,4 | –0,2 | 0,3 | 1,5 | 1,4 | 0,3 |
| Emerging market and developing countries | 54,5 | 7,4 | 6,5 | 6,4 | 9,3 | 5,7 | 4,7 | 4,3 | 4,7 | 4,7 |
| Interest rates (in percentages) | | | | | | | | | | |
| Real six-month London Interbank Offered Rate, LIBOR | 3,1 | 1,3 | 1,3 | 2,6 | 0,9 | 0,5 | 1 | 3,1 | -0,5 | -0,4 |
| World real long-term interest rate | 3,8 | 2,3 | 1,8 | 2 | 0,4 | 2,6 | 2,3 | 3 | 0,5 | 1,4 |
| In% of GDP | | | | | | | | | | |
| Current account | | | | | | | | | | |
| Countries with advanced economies | 0,1 | –0,9 | –1,0 | –1,0 | –1,1 | –1,0 | –1,0 | –0,7 | 0,5 | 0,7 |
| Emerging market and developing countries | –1,8 | 2,1 | 2,9 | 4,1 | 3,8 | 1,6 | 2,1 | 3 | 0,5 | -0,2 |

The rate of growth of the economy as a whole, industry, trade in most countries during recessions not only slowed down, but also had a negative trend, with a slight increase in revenues and decrease in foreign trade prices

From 2012 – 2015 most countries volume of import relative to the income was less than in the years before the world finance crisis. The ratio of the average import volume growth to the growth of the gross internal product (elasticity of demand for import with respect to revenue) in 2012 – 2015 was lower than in 2003 – 2006. In advanced economies this index decreased from 2.77 (2003 – 2006) to 2.09 (2012 – 2015) and in emerging economies and in developing economies from 1,9 to 0,7 respectively. Most of the developing countries were in difficult macro3economic situation, characterized by deteriorating terms of trade, tightening of external financing conditions, declining of the investment growth rate. In developed countries unfavorable demographic trends, low productivity growth, consequences of the global financial crisis continued to prohibit significant recovery of business.

In most cases reasons of economy instability arising are connected with closure of external sources of finance, worsening of the foreign economy conditions, lack of regulation and supervision, distrust of financial institutions and new financial instruments. However in different countries some reasons were primary, others didn’t have significant impact on crisis formation.

Current financial crisis is a link in the chain of crises that are widely described in economic literature. Only in the 1990s several crises that involved the whole group of countries occurred in the world economy. In 1992 – 1993 some countries of the European Union (United Kingdom, Italy, Sweden, Norway and Finland) experienced currency crises. In 1994 – 1995 severe crisis began in Mexico and spread over other Latin America countries. In 1997 – 1998 global financial crisis began in South-East Asia (Korea, Malaysia, Thailand, Indonesia, Philippines) and then spread to Eastern Europe (Russia and some former soviet union countries) and Latin America (Brazil). Crises of 2004, 2008 – 2009, 2014 – 2015 affected almost all countries over the world.

Developing countries in their history to a greater extent have been influenced by external factors (energy prices, tourist flow etc.) and by the situation in the countries, which were main investors of the developing economies. Besides in many cases crisis in these countries was accompanied by political instability. Due to lack of regulation and supervision the majority of banks carried out risky credit policy, which led to increase of bad assets on their balance sheet and to liquidity problems.

Average percent of the debt overdue at the peak of crisis reached 22% that is 36% higher than in developed countries, where an average value of this indicator was 14% [1].

In its turn developed countries were less influenced by external factors, and more by internal causes. Financial liberalization process, financial institutions speculation acted as a catalyst of instability in the banking sector. As a result, the so called "banking bubbles" formed amid total demand decreasing with the deterioration of the financial situation of the borrower, that, led problems with liquidity and ability to finance economy (table. 2).

*Table 2*

**Summary data on net lending and net borrowing, % of GDP [2]**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Options** | **mean** | | **2010** | **2011** | **2012** | **2013** | **2014** | **2015** |
| **1998 –2007** | **2002 –2009** |
| Countries with advanced economies | | | | | | | | |
| Net lending / borrowing | –0,7 | –0,8 | 0 | 0 | 0,1 | 0,5 | 0,5 | 0,7 |
| Current account balance | –0,7 | –0,8 | 0 | –0,1 | 0 | 0,5 | 0,5 | 0,7 |
| Saving | 22,5 | 21,5 | 20,3 | 20,8 | 21,2 | 21,4 | 21,7 | 21,9 |
| Investments | 22,9 | 22,2 | 20,4 | 20,8 | 20,8 | 20,6 | 20,8 | 20,7 |
| The balance of the capital account | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Emerging market and develop-ing countries | | | | | | | | |
| Net lending / borrowing | 2 | 3 | 1,5 | 1,5 | 1,3 | 0,7 | 0,5 | 0 |
| Current account balance | 2 | 2,9 | 1,2 | 1,4 | 1,3 | 0,6 | 0,5 | –0,2 |
| Saving | 27,1 | 30,1 | 32,1 | 32,9 | 32,8 | 32,1 | 32,2 | 31,4 |
| Investments | 25,5 | 27,5 | 31 | 31,5 | 31,7 | 31,5 | 31,7 | 31,5 |
| The balance of the capital account | 0,2 | 0,1 | 0,3 | 0,1 | 0,1 | 0,1 | 0 | 0,2 |

At the same time consequences of the economy instability for the developed and developing countries are not identical. In recent crisis times (table 1, table 2) almost all countries suffered investment losses, accompanied by credit activity, investment capital and innovative activity reduction. However it more affected countries with emerging market and developing economies.

During the crisis of 2008-2009 most of the countries (except Norway) unstable economic situation led to the reduction of GDP. The amount of loss was correlated with efficiency of measures taken by the government to support financial institutions. However even the efficient measures taken by developing countries couldn’t decrease the amount of loss to the level of the developed countries. The average decrease of the gross domestic product in developed countries was 5,3%, in some cases gross domestic product decrease was avoided (Norway). In the developing countries this indicator was 7,3%, that is 27% higher than in developing countries.

After global economy crisis of 2008 – 2009, including crises in the field of finance and lending, there were processes that had contradictory effects on the capital accumulation. On the one hand, trends favorable to financing of investment activity (were?) maintained and developed. On the other hand conditions that impede the effective transformation of the financial capital into the elements of the real capital, enhancing production process and investment were created. Factors that contribute to production and investment development are: the increase of financial resources volume, that can be used for investing, financial globalization, increment of international financial activity, changes in financial intermediation system, increase of financial resources volume for long-term investments; enhancing role of the government in providing favorable institutional environment for investment in national companies and for attracting foreign capital; changes in the structure of capital accumulation. Factors that prohibit the development of investment process are: the gap between the financial and real sectors of the economy; uneven distribution of the world's savings; growing public debt; investment demand, demand for innovation [3, pp. 31 – 36].

In most countries, including Russia, national projects are implemented. They involve government support in creation of conditions for development and raising industries competitiveness. During the crisis, the US National Research Council in its 2008 report established the most important priorities in order to maintain global competitiveness of the US industry, including mechanical engineering [4]:

1. Actions should be taken by The Federal Government to enhance the level of funding for basic researchof the branch.
2. Actions should be taken to encourage greater intellectual interchange between the industry and academia.
3. New data on globalization of manufacturing and services in high technology industries, needed to be tracked by relevant Federal agencies, because of high importance for the U.S. economy.

Due to the limited budget financing, the costs of new products creation, development and implementation of new equipment and technology remains very low in Russia. Under these conditions, the importance of financing industrial enterprises’ economic activities by other non-governmental institutions increases, the main of which are the banks.

The crises in 1998 and 2008 in Russia are more characterized by instability in the banking sector, but the last crisis in 2014 is generally economic in nature and involves both financial and manufacturing industry sectors of the economy. Recovery of industry, transport and construction in 2015 to the level of 1999 (average recovery 77%), to the level of 2009 (95 % recovery) occurs at a slower pace than in previous cris**e**s. The volume of investments in fixed assets in 2015 recovered to the level of 1999 and 2009 only for certain industries. Employment by industries in 2015 did not reach the pre-crisis values. Organizations debts on received bank credits and granted loans in the industry, construction and transport increased on average by 2.5 times compared with 2009.It affects the return on assets. Industries, construction remain unprofitable compared to 2009, financial potential accumulated by the end of 1999 hasn’t been restored (Table 3).

*Table 3*

**Indicators of development of Russian economy branches 1998 – 2015 [5]**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Options | | 1999/  1998 | 2009/  2008 | 2015/  2014 | 2014/  2008 | 2014/  1998 | 2015/  2009 | 2015/  1999 |
| The share of GDP | Industry | 103,0% | 94,2% | 107,6% | 87,5% | 74,3% | 100,0% | 77,7% |
| Transport | 87,6% | 102,6% | 102,6% | 88,1% | 58,6% | 88,1% | 68,6% |
| Building | 85,9% | 100,4% | 93,6% | 104,6% | 79,4% | 97,5% | 86,5% |
| Investments in fixed assets | Industry | 112,0% | 104,8% | 105,4% | 110,2% | 116,8% | 110,8% | 109,9% |
| Transport | 131,2% | 122,7% | 100,0% | 95,5% | 134,0% | 77,8% | 102,2% |
| Building | 95,1% | 76,1% | 91,2% | 73,9% | 82,9% | 88,6% | 79,5% |
| The volume of goods shipped | Industry | 184,5% | 91,0% | 106,3% | 182,6% | - | 213,3% | - |
| Transport | 103,4% | 79,0% | 100,2% | 53,8% | - | 68,2% | - |
| Building | 136,9% | 85,4% | 97,1% | 135,3% | - | 153,7% | - |
| Employment | Industry | 101,0% | 94,6% | 99,5% | 91,0% | 90,7% | 95,7% | 89,4% |
| Transport | 101,2% | 97,2% | 101,8% | 101,8% | 113,8% | 106,6% | 114,5% |
| Building | 99,8% | 97,2% | 100,7% | 103,5% | 111,2% | 107,2% | 112,2% |
| Liabilities of organizations on received bank credits and granted loans | Industry | - | 122,6% | 125,5% | 306,6% | - | 313,7% | - |
| Transport | - | 129,8% | 110,7% | 333,9% | - | 284,8% | - |
| Building | - | 102,5% | 108,4% | 192,2% | - | 203,4% | - |
| The return on assets | Industry | 5,2% | -0,3% | 1,3% | -2,1% | 5,3% | -0,4% | 1,4% |
| Transport | 2,3% | 0,8% | 2,6% | -0,6% | -5,5% | 1,2% | -5,2% |
| Building | 2,2% | -0,2% | 2,8% | -4,0% | -1,3% | -1,0% | -0,7% |

The main problem of the country’s current economic development model is strengthening of the structural imbalances of the economy with a predominance of primary industries. The sectoral structure of the country's economy as a whole in 2015 comparing to 2010 has changed: the share of such economic activities as the manufacturing reduced by 4.5%; power generation and distribution, gas and water by 26.8%; construction by 8.8%; transport and communication by 19.9%; wholesale and retail trade, repair of motor vehicles, motorcycles, household goods and personal items by 21.2%.The share of transactions with real estate, renting and rendering of services has increased by 41,7%, mining by 1.7%, agriculture by 20,4 %. [5].

Structural differentiation of the Russian economy shows a decline in the role of the Far East District in the development of the industrial sector of the country. The share of manufacturing industries has reduced by 3.8%; power generation and distribution, gas and water by 9.1%; the share of mining has increased by 17.7%. In Khabarovsk region the share of the mining has decreased by 2, 2 %; power, gas and water generation and distribution by 17%, the share of manufacturing has increased by 8%. [5]. Therefore raw materials industries dominates in the economy of the Far-Eastern region and the Khabarovsk region (37.7% the Far-Eastern Federal District, Khabarovsk region 18.2%), transport and communications (13.9% the Far-Eastern Federal District, the Khabarovsk region 25.7%), wholesale and retail trade, repair of motor vehicles, motorcycles, household goods and personal items (11.4% the Far-Eastern, the Khabarovsk region of 15.1%).

In the Far East and in the Khabarovsk territory economies such activities as mining have strengthened their market position at the expense of the manufacturing sector; construction, agriculture, hunting and forestry; fishing and fish farming; power generation and distribution, gas and water (Table 4).

*Table 4*

**The volume of goods of own production that was shipped, the amount of executed works and performed services by own forces according types of industrial production in 2008 – 2015 [5]**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Index, %** | **2008** | **2009** | **2014** | **2015** | **2009/2008** | **2015/2014** | **2014/2008** | **2015/**  **2009** |
| **Russian Federation:** | **100** | **100** | **100** | **100** | **100** | **100** | **100** | **100** |
| mining | 21,3 | 22,7 | 22,8 | 22,8 | 106,2 | 99,8 | 106,9 | 100,5 |
| manufacturing | 68,3 | 63,9 | 66,8 | 67,6 | 93,6 | 101,2 | 97,8 | 105,8 |
| production and distribution of electricity, gas and water | 10,4 | 13,5 | 10,4 | 9,7 | 129,5 | 92,7 | 100,3 | 71,8 |
| **The Far-Eastern Federal District:** | **100** | **100** | **100** | **100** | **100** | **100** | **100** | **100** |
| mining | 53,5 | 56,7 | 64,2 | 64,6 | 106,0 | 100,7 | 119,9 | 113,9 |
| manufacturing | 28,9 | 23,5 | 23,7 | 23,8 | 81,4 | 100,4 | 82,2 | 101,3 |
| production and distribution of electricity, gas and water | 17,6 | 19,8 | 12,1 | 11,6 | 112,2 | 95,5 | 68,9 | 58,6 |
| **The Khabarovsk region:** | **100** | **100** | **100** | **100** | **100** | **100** | **100** | **100** |
| mining | 12,5 | 19,4 | 19,0 | 19,6 | 154,9 | 103,2 | 151,5 | 101,0 |
| manufacturing | 68,6 | 51,8 | 60,8 | 63,2 | 75,4 | 104,0 | 88,6 | 122,1 |
| production and distribution of electricity, gas and water | 18,8 | 28,8 | 20,2 | 17,2 | 153,1 | 85,1 | 107,3 | 59,7 |

Therefore the raw materials industry sector in the whole country and its regions, including the Far East keeps the trend of expansion, while the basis for the reproduction of the inside-oriented sector of the economy is constantly shrinking. In conditions of instability the role of financial institutions and state support instruments in supporting industrial sector is enhancing. Instruments of support of the industrial and overall real economy activities require the use of a system of additional measures and institutions to facilitate the financing of investment and innovation. They will contribute to improving the investment climate in the country, attracting capital to industrial sector of the economy [6, p. 209-210].

In conditions of 2014 – 2016 instruments and elements of support in Russia were: financial infrastructure (government programs, grant support, tax incentives, corporate venture investors, business angels and their associations, venture capital funds and companies; credit institutions: public, private commercial banks, research support funds); production and technological infrastructure (technopark structures, business incubators, centers of sharing facilities, engineering centers, centers of transformation technologies, commercialization of technologies, testing laboratories); information and expert consulting infrastructure; megaprojects. [7].

Through all crises banking sector remains the leading institute in financing investment and current activities of economic entities, especially in conditions of crisis, accompanied by capital outflows and restrictions of attracting foreign sources of financing. In addition to these factors, specific national factors that increase the negative impact on development of the Russian financial system were formed: a weak economic dynamics that reduces the potential of the financial institutions, primarily credit institutions, in obtaining profitability; high leverage in traditional bank lending sectors; continuing restrictions on access to external financial markets; giving priority in financing not competitive economy projects but the business; lack of "long money" in the economy as a result of undeveloped forms of collective savings (pension funds, mutual funds, life insurance) [8, pp. 6 – 7].

First problem that banking sector faces in the conditions of crisis are the deposit outflow because of declining confidence in banks , the deterioration of the loan portfolio quality, reduction of capital provision and, consequently, instability of the resource base, reducing profits, increasing liquidity problems. One of the main problems during the crisis, both for the banks and for the state, is to restore confidence in the financial system, to recover the activity of banks, to solve overdue debt problems.

Behavioral model of banks and measures of state support to overcome the crisis varied considerably across countries

Behavioral model of banks and measures of state support to overcome the crisis varied considerably across countries. Following measures allowed overcome crisis problems with small losses for the banks and for the economy as a whole: timely assessment of the situation by the state and banks; bad assets write-offs and recapitalization; borrower’s debts restructuring; providing of additional government guarantees on deposits for preventing panic of the population

Models of the banks behavior during the crisis can be divided as follows: wait-and-see model – the banks do not take action to overcome the current situation, taking a wait-and-see position, hoping for help from the state (Chile, Mexico, Japan, Indonesia, Venezuela); active model - banks recognize losses, remove bad assets from the balance sheet and recapitalize them, restructure debts of borrowers and review credit policy (Norway, Sweden, Korea); coercive model- the banking sector operates as it is dictated by the authorities (Argentina) ; passive model - credit policy and the requirements for borrowers review, debt restructuring (Turkey, Kazakhstan, Canada, the Philippines); Mixed model – tightening of credit policy, removing bad assets from the balance, search for new trends in the banking business (Great Britain, France, the United States, Azerbaijan and others).

In both developed and developing countries economic instability contributed to risky operations of banks (securities, real estate, etc.), which on the background of the general economic recession only exacerbated the situation. State support measures for financial institutions were also significantly different in different countries. Actions of various states had common features and were targeted at the country's specifics. The spectrum of banking sector support instruments was greater in developing countries than in developed countries (Table 5).

*Table 5*

**Instruments of the banking sector support**

|  |  |  |
| --- | --- | --- |
| **Instrument** | **The developed countries** | **Developing countries** |
| new scheme to maintain liquidity | + | + |
| Recapitalization | + | + |
| Nationalization | + | + |
| lowering / raising the refinancing rate | 100% / 0% | 70% / 30% |
| state guarantees | + |  |
| deposit insurance | + | + |
| estimation of the total volume of bad assets | + | + |
| regulation of foreign debts |  | + |
| increase / decrease in reserve requirements |  | 90% / 10% |
| financial support |  | + |
| bank restructuring |  | + |
| improvement of the regulatory framework |  | + |

*Source: compiled by the authors.*

In different period of times as the most common instruments of the banking sector support in different countries were used:

* recapitalization with public funds, these injections were 69% higher in developed countries than in developing countries;
* disposal of bad assets, which was carried out through the purchase of bad assets and their further transfer to the state management company.
* state guarantees that allowed to share the risk of loss between the government and the bank. However, this instrument required strict state control over the bank activities.

For solving banking system liquidity problem central banks of many countries created additional instruments of replenishment of the bank's liquidity and modified current financial instruments. Credit policy was often reviewed in the direction of tightening.

State aid to financial institutions involves not only the selection of areas for assistance, the volume of funds, but also transparency and clarity of making decisions, timely assistance.

A delay in the assessment of the bank’s situation and expected losses, a delay in the adoption of measures to support the financial sector, banks (Chile, Mexico, Indonesia, Turkey, Argentina, Kazakhstan, Japan, the USA 1929 – 33. Brazil 1997 – 99., Venezuela, Malaysia, 2007 – 2009, Greece) as well as the formation of hidden problems and hidden negative processes in the financial sector (eg, Japan) leads in the future to higher expenditures to overcome the crisis.

This happens because late assessed risks and measures leads to more complex flow of the negative processes, which in some cases becomes latent, protracted and leads to increase of costs of assistance to banks and industrial sector of the economy, redaction of the effectiveness of government measures, the formation of an imbalance in the economy in the future. As a result, in the most countries’ economies negative trends overcome occurred due to improved external environment and internal measures ensured their containment.

Therefore bad consequences minimization assumes taking measures by the state and by the financial institutions.

Russian crises for the lasts decades were financial in nature and mostly touched banking and industrial sectors. At the end of 2015 in Russia operated 947 credit organizations, while in 1998 their number was 2 451, in 2008 – 1 172. The securities portfolio in 1998, 2008, 2014 were 300, 12 843, 30 842 billion rubles, respectively.

Post-crisis growth of the securities portfolio was held at a higher rate than in 2008, 2014, and amounted to 148% in 1999, 100.3% in 2009, 113% in 2015. Non-cash payment instruments with the use of electronic means of payment received progressive development. From 2010 to 2015 the number of individuals of non-cash transactions increased by five times, and transactions volume by three times [9].

An important factor in the expansion of non-cash circulation is the development of payment cards market. By the end of 2015 the number of payment cards issued by Russian credit organizations amounted to more than 244 million, or 1.7 cards per capita – it is 1.8 times more than in 2010 (138 million cards, or 1 card per capita ) [10, p. 14]. The points of growth in the non-cash payments are the multifunctionality, the struggle for customer loyalty, mobility. However, credit institutions reduce the amount of cash service provided to customers too quickly, and this creates difficulties of cash access, particularly in sparsely populated areas.

For Russia, this is doubly true in view of the huge territory with still poorly developed infrastructure in the regions for the implementation of non-cash payments [10, p. 15].

Rising of cost of credit resources during 2012 – 2015 (from 10, 33% to 16, 51%) had a negative impact on the formation and use of the involved capital in industries. Enterprises directed significant part of the profits to repay interest on loans.

The high cost of credit resources has led to a decrease in profits, and as a result to a reduction in reinvested earnings in manufacturing, to low turnover of capital, to changes in the composition of assets for the worse. In 2015, the share of bank loans in the sources of investments in fixed assets of enterprises in Russia as a whole accounted for 8.1% (23.6% decrease comparing to the year 2014). The share of bank loans in the assets of the Khabarovsk region enterprises in January-June 2016 was 7.2% [5]. And if banks still give credits to large and medium enterprises of the real sector of the economy, because lending money to these market actors is less risky and produces more profit, then for small business, microenterprises, and population credit resources has become more inaccessible. As a result the share of bank credits in the sources of the economy financing is shrinking as a result a niche appears that can be taken by non-credit financial institutions engaged in lending to those categories of potential borrowers for whom to get a loan is most difficult (the small business and the public). Today activity of microfinance institutions is increasing. The activities of microfinance institutions focused on supporting small and medium-sized businesses and individual entrepreneurs operating in the industrial sector. From 2008 to 2015 their number has increased from 2755 to 3688. About 37% of the total portfolio of microloans of the micro-finance organizations accounts for development of small and medium-sized businesses. The loan portfolio for business development has increased by 4 times from 2008 to 2015 (from 5, 3 to 22, 4 billion rubles) [11].

Thus, the instability in the economy in recent decades has a financial nature. It is accompanied by a deterioration of both external and domestic economic situation, the reduction in demand for the products of industry, primarily in the production of manufacturing enterprises. Instability in the economy leads to GDP decrease, capital outflows from the industrial and financial sectors of the economy, investment, lending activity redaction. In these circumstances, the role of instruments and measures of state support increases. The main instruments of support for the real economy and its industrial sector in both developed and developing countries, including Russia, were government programs, tax incentives, funds of support. The banking sector is the leading institution of financing the investment and current activities of economic entities. In conditions of instability and crisis, accompanied by capital outflows and restrictions to attract foreign sources of financing the role of the banking sector increases. The role of microfinancial institutions in provision financial resources for small business activities increases. In the period of instability in the most countries were used to a greater extent the same instruments, main of which were the following: deposit insurance; capital replenishment and bad assets reduction; mergers, acquisitions; government purchase of bad assets; key rate.

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