

S. Zaidi

Crisis Hits Home: Impact of the Global Crisis on Households in Europe and Central Asia

The global recession threatens the well-being of more than 160 million people in the region who are poor or just above the poverty line. This is one of the main findings of a recent report by the World Bank Group, *The Crisis Hits Home: Stress Testing Households in Europe and Central Asia*.⁵ Using precrisis household data with aggregate macroeconomic outruns, the report simulates the impact of the crisis on households, focusing on three main transmission channels: access to financial markets (including the cost of borrowing and the burden of debt service payments), the relative prices of goods and services, and the income and employment of members of the household (figure 2.1). This chapter summarizes some of the main findings from this analysis, focusing on those of special relevance and interest to Russia.