



Euro Area Business Cycle Network



## Key Contacts

### Chair

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### Vice Chair

Evi Pappa (<https://eur03.safelinks.protection.outlook.com/?url=https%3A%2F%2Fcepr.org%2Fabout%2Fpeople%2Fevi-pappa&data=05%7C01%7Cakoliopoulos%40cepr.org%7Ca4e38e6be9384a82a49b08db31f17ec8%7Cdd672081708b4fbe86b6e69b0d273523%7C0%7C0%7C638158685533965591%7CUnknown%7CTWFpbGZsb3d8eyJWlloiMC4wLjAwMDAiLCJQIjoiV2luMzliLCJBTiI6Ikl1haWwiLCJXVCi6Mn0%3D%7C3000%7C%7C%7C&sdata=SgmTRtoBZUcX6WPbsVd8bglh%2BUNg6TgkEmFKT8ojmeY%3D&reserved=0>), Vice Chair, Universidad Carlos III de Madrid and CEPR

### Member

John Fernald (<https://eur03.safelinks.protection.outlook.com/?url=https%3A%2F%2Fcepr.org%2Fabout%2Fpeople%2Fjohn-fernalld&data=05%7C01%7Cakoliopoulos%40cepr.org%7Ca4e38e6be9384a82a49b08db31f17ec8%7Cdd672081708b4fbe86b6e69b0d273523%7C0%7C0%7C638158685533965591%7CUnknown%7CTWFpbGZsb3d8eyJWlloiMC4wLjAwMDAiLCJQIjoiV2luMzliLCJBTiI6Ikl1haWwiLCJXVCi6Mn0%3D%7C3000%7C%7C%7C&sdata=IzbyVC77u%2Bm83YqF6tvYwgvNh3jbUXmQNlShSXNdYPw%3D&reserved=0>), INSEAD, Federal Reserve Bank of San Francisco and CEPR

### Member

Antonella Trigari (<https://eur03.safelinks.protection.outlook.com/?url=https%3A%2F%2Fcepr.org%2Fabout%2Fpeople%2Fantonella-trigari&data=05%7C01%7Cakoliopoulos%40cepr.org%7Ca4e38e6be9384a82a49b08db31f17ec8%7Cdd672081708b4fbe86b6e69b0d273523%7C0%7C0%7C638158685533965591%7CUnknown%7CTWFpbGZsb3d8eyJWlloiMC4wLjAwMDAiLCJQIjoiV2luMzliLCJBTiI6Ikl1haWwiLCJXVCi6Mn0%3D%7C3000%7C%7C%7C&sdata=AA%2Fk2I6NoFPTnck%2Ffgel5BOElyLijH%2BN4WxGvAw2WJUQ%3D&reserved=0>), Bocconi University and CEPR

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Silvana Tenreyro (<https://eur03.safelinks.protection.outlook.com/?url=https%3A%2F%2Fcepr.org%2Fabout%2Fpeople%2Fsilvana-tenreyro&data=05%7C01%7Cakoliopoulos%40cepr.org%7Ca4e38e6be9384a82a49b08db31f17ec8%7Cdd672081708b4fbe86b6e69b0d273523%7C0%7C0%7C638158685533965591%7CUnknown%7CTWFpbGZsb3d8eyJWlloiMC4wLjAwMDAiLCJQIjoiV2luMzliLCJBTiI6Ikl1haWwiLCJXVCi6Mn0%3D%7C3000%7C%7C%7C&sdata=AA%2Fk2I6NoFPTnck%2Ffgel5BOElyLijH%2BN4WxGvAw2WJUQ%3D&reserved=0>), Bocconi University and CEPR

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## Methodology

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The Committee defines a recession as

*“a significant decline in the level of economic activity, spread across the economy of the euro area, usually visible in two or more consecutive quarters of negative growth in GDP, employment and other measures of aggregate economic activity for the euro area as a whole.”*

A recession begins just after the economy reaches a peak of activity and ends when the economy reaches its trough. Between trough and peak, the economy is formally in an expansion; between peak and trough it is in a recession. In both cases, growth rates may be very low.

To reduce the chance that data revisions might lead the Committee to reconsider its choice of turning points in the future, the Committee examines a wide array of economic data in addition to GDP, such as the individual components of output and labor market data. The practice of examining the joint evolution of several key macroeconomic aggregates has been followed by the committee since its inception.

Furthermore, note that the Committee has dropped since October 2012 the previous requirement that peaks or troughs mark turning points in economic activity in most countries of the euro area. The Committee's sole objective is to characterize Euro-area economic activity: adopting a dating criterion that refers solely to aggregate Euro-area economic activity achieves this objective most transparently.

More information about this methodological change is available [here](#). A companion paper written by Binnur Balkan for this Committee ([available here](#)) explores the impact this new method would have had on the past findings of this Committee. Furthermore, note that the Committee has dropped since October 2012 the previous requirement that peaks or troughs mark turning points in economic activity in most countries of the euro area. The Committee's sole objective is to characterize Euro-area economic activity: adopting a dating criterion that refers solely to aggregate Euro-area economic activity achieves this objective most transparently

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