

Abstract

Lecture: Europe and Japan in the financial crisis

Sahoko KAJI

In this class, we look back on Japan's experience of financial crisis in the 1990s, with an eye to drawing lessons for Europe in today's financial crisis. We first discuss how the bubble developed in Japan. We then review the burst of the bubble and its consequences, as well as what the Japanese policy authorities did about it. There are several lessons to be learned. Judging from the fact that we had another financial crisis, most of the lessons which would have been useful in avoiding a crisis were not learned. We will ask whether any lessons are being learned in terms of policy and other responses.