

Abstract: International and historical dimensions of the financial crisis of 2007 and 2008

This article provides an interpretative overview of the papers in this special issue of JIMF devoted to international aspects of the 2007–2009 financial crisis. It then goes on to provide additional empirical evidence of two sorts. The first documents the difference between the monetary policies pursued by the European Central Bank, the Bank of Japan, the Bank of England and the Federal Reserve in this episode and the policies pursued by the Federal Reserve in the Great Depression. In the course of this episode, unlike the Great Depression, policies were not contractionary and the recessions were less severe than in the United States in 1929–1933. The second compares the recovery in the United States in the aftermath of the recent crisis and in recoveries following periods of previous banking crises. This recovery is much weaker than average.