

Preface

The global economic crisis triggered in 2008 has significantly changed the economic landscapes of many countries. Some are still struggling with deep scars made by the crisis, and others that have been relatively less damaged are also suffering from stagnating global demand. The impacts of the global crisis were not limited to economic recession, but extended to the ways of thinking about how markets operate and what policies are desired. With aftershocks still in play, it may be premature to assess the overall impacts of the 2008 global crisis. A better understanding of the causes and impacts of the global crisis at the moment, however, should help shore up efforts to prepare appropriate policies for the future.

The conference on Global Economic Crisis: Impacts, Transmission and Recovery, organized by the East-West Center and the Korea Development Institute and held in Honolulu, Hawaii, in 2010, investigated the global crisis from historical, international and policy perspectives. Participants reaffirmed that lax supervision and regulation in the financial market of the advanced countries were at the center of the story, although there surely were multiple causes. They also confirmed that the bold macro-economic policies carried out immediately after the outbreak of crisis saved the global economy from plunging into another Great Depression. Regarding the postcrisis performance across countries, they agreed that sound balance sheets were critical for resilient recoveries. In particular, the analyses of the Korean economy were greatly illuminating in this respect. Whereas Korea, with fragile balance sheets, suffered miserably upon the shock of the Asian crisis a decade ago, it survived relatively well during the recent global economic crisis thanks to improved fundamentals.

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