

What is the 'lost decade' in Economics?

This refers to the last decade of the 20th century when the Japanese economy witnessed economic stagnation after the bust of its housing bubble. Some even include the next decade of low growth to claim that Japan lost two decades of potential economic growth due to the lack of appropriate spending by the government. Critics have argued that the size of Japan's GDP does not project a complete picture of its economy as its total population has continued to shrink over the years. In terms of per capita GDP, for instance, Japan in the last few decades has managed to grow at about the same pace as the United States although its overall GDP has not reflected as much growth.

The new U.S. Fed Chairman is unlikely to opt for policies that might upset the President's plan

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