

Maison Française d'Oxford

Round table – March 5th 2026 – 3.15 PM

Memory and Oblivion of Financial Crises

Looking back, moving forward

The memory of financial crises exists, but it is fragile, selective, and often distorted. It depends heavily on the direct experience of economic actors and on institutional mechanisms (regulation, media, education). When these channels weaken, forgetfulness tends to favour the recurrence of crises.

The roundtable held at the Maison Française d'Oxford brought together a researcher, a financial practitioner, and a public official to discuss the role of the memory of financial crises in the regulation and functioning of financial markets.

In his introductory remarks, **Youssef Cassis** (European University Institute) presented the results of the ERC project MERCATOR he led, devoted to the memory and forgetting of financial crises. The project seeks to examine the extent to which past crises influence responses to contemporary crises. The research shows that crises are not entirely forgotten, but that collective memory is partial and often distorted. The project approaches this issue through five perspectives: the experience of bankers during the 2008 crisis, the transformation of financial elites, the role of the financial press, the evolution of economics education, and the function of financial regulation. The analysis reveals **a gradual erosion of the memory of crises during the decades preceding 2008**, linked in particular to generational turnover, the marginalisation of economic history in the training of economists, and financial deregulation. While regulation can function as a vector of institutional memory, it also tends to weaken when rules are relaxed.

Jean-Jacques Van Helten (former Chief Risk Officer of the Bank of Montreal in London) offered the perspective of a practitioner. Reflecting on his experience of the Asian financial crisis of 1997 and the global financial crisis of 2008, he emphasised the importance of liquidity management and the interconnectedness of financial institutions. In his view, warning signs of the crisis were already visible in 2007, notably with the bank run on Northern Rock. The crisis revealed a system built upon highly fragile funding structures characterised by a strong maturity mismatch between short-term liabilities and long-term assets. He also stressed **the difficulty of transmitting the experience of crises to younger generations of bankers**, as current training programmes devote little attention to these issues. He further noted the re-

emergence of discourses favouring deregulation and the rise of new financial actors that may recreate systemic vulnerabilities.

Pierre Chabrol (Minister Counsellor for Economic Affairs, French Embassy in the United Kingdom) presented the perspective of public authorities. For the French economic services, monitoring the City of London primarily focuses on developments in the British regulatory framework since Brexit, and their implications for the competitiveness of European financial centres. **Following the 2008 crisis, financial regulation was significantly strengthened.** However, the adoption of the Financial Services and Markets Act in 2023 reflects a tension between two objectives assigned to regulators: ensuring financial stability while supporting the competitiveness of the UK financial centre. He also referred to the financial and political crisis of 2022 triggered by the budgetary announcements of the Liz Truss government, which illustrated the sensitivity of bond markets and the influence of pension funds on financial stability.

The discussion notably addressed the plurality of forms of crisis memory and the role of institutions in transmitting it. Several speakers emphasised that **financial regulation can function as a repository of collective memory**, insofar as regulatory rules encode lessons drawn from past crises. However, when such rules are challenged or relaxed, this memory also tends to fade. The exchanges thus highlighted the persistent tensions between financial innovation, market competitiveness, and the preservation of lessons drawn from past crises.

Summary of Participants' Contributions and Discussion

1. Youssef Cassis

(European University Institute)

Presentation of the MERCATOR project – Memory and Oblivion of Financial Crises

The research begins from a familiar observation: financial crises tend to recur partly because the memory of previous crises fades. However, the central question is not simply that of forgetting, but rather **the forms, channels, and limits of the memory of crises**: who remembers, how, and for how long?

The project analyses this issue along five axes.

1. Bankers' experience in 2008

The 2008 crisis was the first truly major financial crisis in Western economies since the Great Depression. As a result, there was a complete lack of experience with crises of such magnitude and a corresponding lack of preparedness among financial actors, who had previously experienced—and remembered—only relatively minor crises. For example, the suspension of certain investment vehicles by BNP Paribas in 2007 came as a surprise to many market participants.

References to 1929 were not immediate or spontaneous, as the generations then active in finance had not lived through major financial crises. Recent crises in Western economies had been relatively limited and had been integrated into the normal functioning of the financial system.

In practice, **the only crisis that is widely remembered today is that of 2008**, illustrating the difficulty of transmitting the memory of crises across generations.

2. The emergence of a new financial elite

A prosopographical study of 300 members of the financial elite shows significant **generational turnover**.

The previous generation had been trained in a highly regulated banking environment (“boring banking”), whereas the new generation developed in a deregulated and highly financialised context.

Education also plays a role. MBA programmes have become the norm in many countries, yet they **devote little attention to economic history and financial crises**. As a result, institutional memory remains weak.

3. The role of the financial press

An analysis of the *Financial Times* and the *Wall Street Journal* shows that crises are not forgotten but are **often distorted in their interpretation**.

The press mobilises the past to interpret present events, but primarily **at moments of crisis themselves**.

Some minor crises quickly disappear from collective memory, and even some major crises—such as the international debt crisis of 1992—are largely forgotten. The memory of crises therefore evolves continuously according to historical contexts.

4. Economics education

An analysis of university curricula and textbooks reveals a **progressive marginalisation of financial crises in the teaching of economics**.

Two developments help explain this trend:

- the rise of mathematical modelling, which sidelines economic history;
- the dominance of the efficient market hypothesis and the idea of a self-regulating market.

Crisis are often presented as simple cyclical fluctuations or contagion phenomena, which diminishes their structural significance.

5. Regulation and memory

Financial regulation can function as an **institutional vector of memory** because it encodes lessons drawn from past crises.

However, this memory may weaken over time due to:

- progressive deregulation,
- the absence of regulation for new financial products (e.g. OTC derivatives after 2000),

- the perception that certain regulations have become obsolete, as in the case of the Glass–Steagall Act, whose crisis-prevention purpose was gradually forgotten.

Conclusion

Ultimately, the memory of crises plays only **a limited role in shaping the behaviour of financial actors**.

Nevertheless, it can serve as a useful reminder against the recurring belief that “this time is different.” Yet such memory remains fragile, since financial actors are primarily oriented towards the future, and crises tend to be remembered mainly by those who experienced them directly.

2. Jean-Jacques Van Helten

(European University Institute, former Chief Risk Officer of the Bank of Montreal)

His intervention adopts the perspective of a **financial practitioner**.

The experience of crises

He referred to his first experience during the **Asian financial crisis of 1997**, which made him aware of the crucial importance of liquidity. The company for which he worked depended on market funding that suddenly dried up.

Regarding the 2008 crisis, he noted that most analyses focus on the collapse of Lehman Brothers in September 2008. In his view, however, **warning signs were already visible in 2007**, notably with the bank run on Northern Rock in the United Kingdom—the first such bank run since 1866.

Structural fragilities of the financial system

The crisis revealed a highly interconnected financial system relying on:

- repo and reverse repo transactions,
- asset-backed structured products,
- Structured Investment Vehicles (SIVs).

This system relied on a **credit pyramid built upon a relatively limited base of assets**, creating a maturity mismatch between very short-term funding and long-term assets. When liquidity dried up, institutions were forced to sell assets at a loss.

The difficulty of transmitting experience

In his view, **the experience of crises is extremely difficult to transmit.**

Training programmes for young bankers today devote very little attention to financial crises—sometimes only a few minutes.

He also observes a return of discourse in favour of deregulation, particularly in the United States and the United Kingdom. At the same time, the expansion of private equity and the return of actors associated with structured products recall some of the mechanisms that led to the 2008 crisis.

3. Pierre Chabrol

(Minister Counsellor for Economic Affairs, French Embassy in the United Kingdom)

He approached financial crises **from the perspective of public authorities and economic diplomacy.**

Priority: monitoring the City of London

For the French economic services, monitoring the City focuses on two main issues:

- the evolution and divergence of the UK regulatory framework compared with that of the European Union;
- the potential impact of this divergence on the financial competitiveness of European financial centres.

The memory of the 2008 crisis

The 2008 crisis led to a **massive strengthening of financial regulation.**

After Brexit, the United Kingdom retained most of the European regulatory framework until the adoption of the *Financial Services and Markets Act* in 2023.

This legislation reflects a certain ambiguity:

- political authorities seek to restore a competitive advantage for the City through more flexible regulation;
- regulators, who experienced the 2008 crisis, remain attached to strict regulation.

This results in a **tension between two objectives** assigned to regulators:

- financial stability,
- economic development.

The British crisis of 2022

The crisis triggered by the announcement of tax cuts by the Liz Truss government provoked a sharp reaction from bond markets, ultimately leading to the rapid resignation of the Prime Minister.

This episode left a strong impression on British policymakers because it highlighted the central role of **pension funds and bond markets in the financing of public debt**.

The question of states' dependence on debt markets is now at the centre of political debate in the United Kingdom and potentially also in France, where a similar crisis has not yet occurred.

4. Discussion

The discussion addressed several issues.

The plurality of memory

The memory of crises is not homogeneous; it varies across individuals, institutions, and positions within the financial system.

Memory and regulation

Several participants emphasised that regulation can function as a repository of institutional memory. Financial rules often embody lessons learned from past crises. However, as deregulation progresses, this memory tends to fade.

The role of institutions

Certain institutions created after crises—such as the Financial Stability Board or clearing houses—can help maintain this memory.

Political memory

In the British case, the financial and political crisis of 2022 appears to have left a strong imprint on the political class, illustrating how certain crises can quickly become embedded in collective memory.