In Java, both Error and Exception are subclasses of Throwable, but they represent different types of problems.

Error represents serious system-level issues (e.g., OutOfMemoryError, StackOverflowError) that cannot be recovered from. Even if caught, the JVM might be in an unstable state, so continuing execution is unsafe. The best solution is to fix the underlying issue or restart the application.

Exception represents application-level issues (e.g., NullPointerException, IOException) that can be handled using try-catch. The program can recover and continue execution normally.