

Last Editorial Kredit und Kapital/Credit and Capital Markets

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With Volume 57 (2024), the history of the journal Credit and Capital Markets comes to an end. We, the current editors, do not see the possibility to continue. We will thus terminate our respective activities. However, we do this with great regret, as the journal was an important part of our lives, as students, scientists and editors, and we believe that the journal, under different conditions, could have remained a valuable contribution to the dissemination of scientific insights and to the scientific discourse, as it has been in the past. This holds for a rather broad definition of research on financial issues, ranging from monetary economics to financial markets and financial institutions. Thus, despite the high degree of specialization that is common in today's individual research papers, this journal as such pursued a more holistic approach. This comprehensive view is needed to understand the overall working of finance in the economic world, particularly in Europe with its still very heterogeneous national financial systems. In this last editorial, we want to give the readers some insights into the history of the journal, and explain why, from our understanding, we ended up as we did.

The journal was founded in 1968 by Werner Ehrlicher and Helmut Lipfert under the name “Kredit und Kapital”. In their personalities, these first editors already represented the broad view on financial issues that was to characterize the future of Kredit und Kapital. Ehrlicher worked on monetary policy and public finance, whereas Lipfert, both as a scientist and high-ranking practitioner, dealt with financial institutions and financial markets. Rudolf Stucken, academic teacher of Werner Ehrlicher, seems to have served as a kind of mastermind for the project, exposing his respective views in an opening article “Zu den Aufgaben einer Zeitschrift ‘Kredit und Kapital’”, i. e., “On the tasks of a journal ‘Kredit und Kapital’”.

For Stucken, one important task was to provide science-based insights to practitioners, to help them to avoid severe mistakes and to make better decisions. Given his background and the examples elaborated in his article, his main concern was monetary policy, thus the practitioners addressed here were mainly central bankers. However, this was certainly not intended as limitation, as one of the two editors clearly represented a different dimension of finance, and many other decision makers on financial markets might also like to refer to sci-

entific insights to achieve better decisions in the complex world of finance. The journal was intended to be useful to all of them.

The basis of this approach was the scientific knowledge gained from original research articles published in the journal. The articles were accompanied by additional abstracts in languages different from the original text (depending on the original language, in German, English, or, from 1970 to 2005, additional in French) to make the basic arguments visible to a broader European audience. The “usefulness” was further enhanced through complements like reports on conferences or legal issues, and reviews of relevant books. The more recent “Policy Issues” in the journal followed the same approach, as did the annual overview on relevant publications. Thus, the journal embedded itself into the debate on financial policy issues to make the transfer of scientific knowledge into financial practice as valuable as possible.

For Stucken, born in 1891, a mere journal as a means of scientific communication is acceptable in “a time in which the willingness to study books has strongly decreased and one must be happy if at least articles in journals and newspapers are read to some extent”. However, independently of the readership, Stucken states – in the romantic language still allowed to scientists of his generation – that the editors of such a journal would naturally want to “venture out to new shores of scientific knowledge” with the published contributions, where scientific knowledge is our poor translation of the much more comprehensive and multifaceted German word “Erkenntnis”. Thus, besides all the efforts in the dissemination of scientific insights into practice, the natural core objective of university professors editing a journal is to publish original scientific research of high quality, to serve science as an end in itself. Unfortunately, there is a straight path from this observation by Stucken to the reasons why we abandon the project, as the inflow of high quality research papers has become insufficient.

Ehrlicher and Lipfert jointly edited *Kredit und Kapital* until the end of 1976. In 1977, Hans-Jacob Krümmel took over from Lipfert. Krümmel’s focus was also on banking, although, to our best knowledge, he never worked in a bank, and he discussed many aspects of banking with some reserve and often even a somewhat satirical stance. In a sense, Lipfert and Krümmel stood on different sides of the Herstatt crisis of 1974. Lipfert lost his position on the board of WestLB in the wake of the crisis, whereas Krümmel was one of the eleven members of the official “Bankenstrukturkommission” that from 1974 to 1978 worked on the causes and consequences of this first serious crisis of the German banking system after World War II. In 1984, Krümmel published one of the most insightful papers of its time on banking instability, “Schutzzweck und Aufsichtseingriff. Über den Run auf die Bankschalter und seine Verhinderung”, i.e., in imperfect translation, “Purpose of protection and supervisory interference: about the run on the bank counter and its prevention”, and he did so in *Kredit und Kapital*.

Over the years, Kredit und Kapital served as an important outlet for scientific papers for two generations of scientists, mainly from German-speaking countries. In banking and finance, we find researchers with such different approaches as Backhaus, Bühler, Büschgen, Gerke, Krahn, Kruschwitz, Schierenbeck, Stehle, Stützel, or Weber, to name just a few. We can find most of the German-speaking scientists of banking and finance of this time in the annals of Kredit und Kapital, and many of them with several contributions. We see the same diversity and richness also in monetary policy and public finance, naming, e.g., Bofinger, Dornbusch, Frey, Hellwig, Illing, Mackscheidt, Menkhoff, Neumann, R.H. Schmidt, Sinn, Starbatty, von Hagen, and many others. As a special category, we observe publications from monetary economists that made their career as central bankers, like Tietmeyer, Schlesinger, Remsperger, Issing, Kloten and, more recently, Schnabel. Most of these authors did publish in German language in Kredit und Kapital. However, Kredit und Kapital was always open to publications in other languages, in particular, but not only, in English. There is a small group of non-German-speaking economists of high international reputation, Barro, Goodhart, Kaldor, Meltzer and Sheffrin, who contributed to Kredit und Kapital, often because they wanted to enrich the international debates of their time on monetary and fiscal policy with their insights.

We apologize to all the authors not named in these rather arbitrary lists, in particular to the many outstanding researchers of our own generation we left out. We are very thankful to all of you for contributing to Credit and Capital Markets/Kredit und Kapital. For the editors, it has always been an honor and a great commitment to be entrusted with the publication of your highly esteemed research. In total, more than 1.500 authors published in our journal since 1968. Over the years, they wrote more than 1.060 scientific papers, around 530 book reviews, 220 reports and some 40 policy issues. Thus, Kredit und Kapital/Credit and Capital Markets played an important role in the personal development of a large number of researchers that stayed in academia or pursued careers in the financial industry or public service.

Amongst the editors, after the switch from Lipfert to Krümmel in 1977, it seemingly became the custom to add new members to the editorial board while honoring the previous generation by keeping them on the board. Thus, in 1989 Hans-Hermann Franke joined the editorial board, whose career path followed closely the steps of Werner Ehrlicher, finally taking over his chair in Freiburg in 1988 and consequently strengthening the tradition of the journal in monetary policy and public finance. A similar relationship existed between Hans-Jacob Krümmel and Bernd Rudolph. Rudolph absolved his doctorate and habilitation at the chair of Krümmel in Bonn. However, he was Professor at the University of Munich when he joined the editorial board of Kredit und Kapital in 1997, where he stayed until his retirement in 2010. In this year, the next generation entered the board, with Ansgar Belke representing the monetary policy side,

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and Hans-Peter Burghof focusing on banking and finance. Burghof had been both a student of Krümmel in Bonn and a doctoral student and habilitation candidate with Rudolph in Munich. This brought the total number of editors to six.

Nowadays, scientific journals usually present a large number of editors, probably to show the strength and competence of their network. Amongst these, there is a small set of managing editors. In 2013, the editors of *Kredit und Kapital* decided to adapt to this concept. In a first step, we reduced the editorial board to three editors that actually managed the journal, i.e., Belke, Burghof, and, as an addition from 2012, Hendrik Hakenes. Hakenes stands for an economic view on banking and finance. This board of managing editors was successively complemented with an international editorial board that finally comprised eleven outstanding scientists with a wide range of backgrounds and experiences. In 2020, to our great regret, our highly esteemed co-editor Ansgar Belke died prematurely. The following year, Ulrike Neyer joined us as managing editor, covering the monetary field of *Credit and Capital Markets* again.

Overall, the decision shows the need for adjustments, as times were changing, and they did so not in favor of journals edited in Germany that are meant to be European journals, and definitely not in favor of publishing articles written in any language other than English. Maybe, to some degree, the long tradition of the journal became a burden at that point, as it made it harder to change well-established customs. And, given the special tradition of the journal, there were doubts from the very beginning that such zeitgeisty adjustment would be able to save the scientific culture represented by such journals without a substantial and sustainable support from the respective scientific community. The fate of *Kredit und Kapital*, but also of many other formerly well-established German scientific journals in management and economics, shows that these doubts were justified.

However, another severe and even more imminent risk was bureaucracy. The journal was supported by the German savings banks group (Sparkassen-Finanzgruppe), both with financial resources and an office to manage the process of editing *Kredit und Kapital*. This cooperation worked smoothly for many decades, for the public good and, as must be said in these mistrustful times, without any biasing impact on the views expressed in the journal, to the best of our knowledge. In 2012, this concept seemed to have become unsustainable within the savings bank group. However, the German savings H.P.B. banks group, represented by its central network organization “Deutscher Sparkassen- und Giroverband”, DSGV, would still support the objective as such. The solution was to transfer the editorial office and the respective resources to the University of Hohenheim and its Chair of Banking and Financial Services (Burghof), using the good services of the “Stifterverband für die Deutsche Wissenschaft” in the process. However, in 2018 the university declared the editing of a scientific journal

to be a commercial endeavor and thus, if organized on a non-profit basis, a violation of European competition law. We did not, and still do not, adhere to this view, as it seems to represent an overcautious misinterpretation of European law. Nonetheless, this bureaucratic intervention almost destroyed the journal for the first time, as the University was not able to provide a feasible solution that would not lead to a long-term interruption of publication and avoid expenses that were not covered by the attributed resources. With some effort, and only last minute, we were able to transfer the journal to the Stiftung Kreditwirtschaft. However, much time and energy were lost in this bureaucratic haggling that would have been better spent on the development of the journal.

In this respect, we faced a major challenge in adapting to new market conditions. In 2013, we changed the name to an English version, Credit and Capital Markets, while consoling ourselves with this break in tradition by keeping the old name as a subtitle on the cover. Furthermore, we tried to get the journal listed in the many different digital registries that are important to make it visible in the digitized and globalized world, unfortunately not always with success. We switched to English as the main publication language, and it became the only language in 2016. In cooperation with our publishing house, Duncker & Humblot, we improved the website, joined an initiative of the ZEW Leibniz-Informationszentrum Wissenschaft to provide open access to the journal, finally including all volumes since the foundation in 1968, and we publish online first from 2023 onwards, thus articles are available immediately after acceptance.

Digitization improved our visibility. The number of downloads of articles increased markedly, already before we offered open access. For example, there was a recent surge of digital searches on the journal webpages. Furthermore, we realized a strong growth in the number of submissions from Asian countries. Unfortunately, the number of rejections also increased. Regarding papers of higher quality, we were confronted with the problem that a publication in a German journal in finance did not help scientists in their careers anymore. This stands in contrast with the Swiss community that strategically promoted its journal, Financial Markets and Portfolio Management (FMPF), through a close link with the Swiss Society for Financial Market Research and its annual conference, a sponsored best paper award, and a decent esteem of papers published in FMPF as valuable contributions to scientific careers. Until 2024, both journals achieved only C-ratings by the members of the German association of management professors, VHB, with Credit and Capital Markets being even somewhat closer to the aspired, but still insufficient B-rating. Through this support, the Swiss journal was able to survive the disregard by its own community and achieve an impressive increase in the number of submitted papers. In 2024, FMPF for the first time achieved a “B” rating. Congratulations, and the best wishes from our side for the future.

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In the same year, 2024, it became apparent for us that we would not be able to continue the journal. The trigger for our decision to abandon this activity was a restructuring of the activities of the German savings bank group in its support of the German scientific community in finance. In this situation, it would have required a lot of effort on our side to put the journal on a new financial and organizational footing. However, the main cause for our decision was the insufficient level of submissions of good quality research. For some years, we issued special issues on specific topics, for the interest in the topic as such, but also to some degree to cover up the shortcomings. We are thankful to our colleagues who served as guest editors for these special issues. However, this was no permanent solution to the problem, and the measures we took in the last years did not increase the insufficient amount of good submissions to the journal. This led to unacceptable delays in the publication of the journal. In the long run, this would have undermined our efforts to establish the journal on a sound basis. This process created a vicious circle and brought us to the current situation and to this final editorial of *Credit and Capital Markets*.

In this last issue of the *Credit and Capital Markets*, you find seven articles, including one policy issue, on such different topics as monetary policy, market uncertainty, asset management, issues in investment banking, financial intermediation and the regulation of financial institutions, which perfectly represents the holistic approach of *Credit and Capital Markets* for one last time. We informed the authors that they contribute with their articles to the last issue of this journal. We are content that they feel honored to do so, as much as they regret the sad fact as such. With their publications, they bring a long history to a worthy end.

Given that the journal has existed since 1968, we do not know who deserves gratuity for his or her support for *Kredit und Kapital* in its first decades. In our time as editors, we could always rely on the good cooperation with and outstanding support of our publishing house, Duncker & Humblot, namely Andreas Reckwerth. And there was a steadfast support by the German savings bank group, DSGV, through the Wissenschaftsförderung der Sparkassen/Stiftung für die Wissenschaft, for many years masterminded by Karl-Peter Schackmann-Fallis. From the savings banks group, Bärbel Kaatz, Gregor Mauer, and Klaus Krummrich in many different ways accompanied and supported our journal. Klaus Krummrich and Claudia Breuer also formed the editing team, together with Barbara Speh-Freidank, who, with generations of student assistants, ingeniously managed the day-to-day business of the journal since this task had been transferred to the University of Hohenheim in 2012. We would like to thank everyone, known or unknown to us, whose efforts and support made the appearance of *Kredit und Kapital/Credit and Capital Markets* possible over all the years.