Stephen Frowen

Stephen Frowen was a scholar, teacher and editor of great distinction. In particular, he was a longstanding critical and valued observer of German domestic and external monetary policy. More than anyone else, Stephen Frowen was a mediator in issues of monetary policy between Germany, his native country, and Great Britain, his adopted home. Against this backdrop, it seems only natural that my first personal encounter with Stephen Frowen took place in the 1990s, when I was President of the Deutsche Bundesbank. The relationship between Stephen Frowen and the Deutsche Bundesbank had a long and multifaceted history. It was shaped by in-depth personal contacts and was thus far more than the usual exchange of ideas which often takes place between a critical scholar and the decision-makers of a central bank.

Professor Frowen’s biography provides an initial indication of the possible reasons for his main interests. His eventful life — he was born in Germany in 1923 but had lived in Great Britain since 1949 — allowed him to gain deep insights into both German and British economic and monetary policy. After completing his studies, Stephen Frowen first chose to operate at an international level, where he soon took over the editorial chair of The Bankers’ Magazine (now Financial World), which is published in Great Britain. Finally, however, he decided to return to the field of scholarship for good. In 1960, there were already signs of this change of direction, when Stephen Frowen moved to the National Institute of Economic and Social Research. With the assumption of full-time lecturing obligations in 1962 and the resulting re-entry into the academic world, this change of direction became definite. Thereafter, he pursued his academic path steadfastly and with great enthusiasm.

While Stephen Frowen centred his life on Great Britain, he never turned his back on Germany. To start with, there were close personal contacts, such as those with Norbert Kloten, his lifelong friend, whom he met while studying economics at the University of Bonn and who was later to become a member of the Central Bank Council of the Deutsche Bundesbank. But it was much more than friendships. His many visiting professorships in Germany also contributed to a continuous analysis of monetary policy issues in Germany. In 1987, the Bundesbank was particularly fortunate to gain Stephen Frowen as the inaugural holder of the professorial chair for international currency issues and monetary policy, which was endowed by the Deutsche Bundesbank at the Free University of Berlin on the 750th anniversary of the city of Berlin.

Stephen Frowen deserves credit for something more, however. Promoting mutual understanding of British and German monetary policy was always at the heart of his work. I have lost count of his various articles, papers and publications, but titles such as ‘The German currency union of 1990’, ‘Black Wednesday and the Bundesbank’ and ‘An evaluation of inflation targeting in Germany and the UK’ speak for themselves. Stephen Frowen always succeeded in keeping his eye on the currently most urgent monetary policy issues and in making his theoretical work understandable as a help and guide to practical monetary policy. He organised a multitude of conferences, which brought together theoreticians and monetary policy practitioners for an in-depth exchange of views. He was also the editor of several collective works which serve this purpose, and, in particular, he made numerous efforts in arranging personal contacts between British and Germans. Stephen Frowen’s keenness to give an international public some idea of German monetary policy was officially recognised when he was awarded the German Grand Cross of Merit in 1993. It is for this work, in particular, that he deserves our special gratitude.

Almost ten years ago, the Bundesbank held a dinner in honour of Stephen Frowen’s 75th birthday. As then President of the Deutsche Bundesbank, I ended my laudatio by speculating briefly about Stephen Frowen’s future work. Given his unceasing commitment to economic research, the idea of retirement — though it would undoubtedly have been well-deserved — was far from my mind. I was right; his active mind led him to keep abreast of current developments in economics. Some of his most recent publications include the much acclaimed Economists in discussion — the correspondence between G.L.S. Shackle and Stephen F Frowen, 1951-1992 as well as 50 years of the German Mark — essays in honour of Stephen F Frowen, to which he contributed a chapter.

Today, we look back on a comprehensive scholarly body of work on monetary economics and banking by Stephen Frowen, which is characterised, above all, by the quality of his empirical work in the field of monetary theory. In a wide-ranging interview in 2001, Stephen Frowen asked me about the prospects of European monetary union. My answers reflected my firm belief that the euro would be a success story — provided that all parties involved were prepared to work for it. So far, this view has proved accurate. Unfortunately, however, we shall not be able to hear Stephen Frowen’s own evaluation of the maturing European monetary union.

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