

# Denmark

Hans Erik Havsteen interviewed **Bodil Nyboe Andersen**

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**Havsteen:** My name is Hans Erik Havsteen and I've been invited join you, Bodil Nyboe Andersen, in your home. You have a Master of Science in Economics, you are a former Governor of the Danish Central Bank where you joined the Board of Governors in 1990 and you were later the first woman as chairman of the Danish Central Bank although you had several female colleagues around the world at the time when you joined. Over the next few hours, we will talk about your life and experiences as well as your views of and experiences with Europe throughout your long career as an economist.

What do you see as the greatest benefit of the European collaboration and ideal?

**Andersen:** From a very early age, I was engrossed by the question of Europe. At the age of ten, I developed an interest in the Marshall Plan. That was the aid package that was secured by the Americans to help rebuild Europe. In my view, it was a key point that the European co-operation hereafter was based on this boost, which helped us move on from the war and the hostilities and gain a power-political balance in Europa while Europe, in the shape of the EC and the EU, has been able to establish an inner market, stability and freedom of movement, all of which have been essential for the development of Europe and not least Denmark as well.

**Havsteen:** With the mention of all this, there is already a lot to delve into. But Europe is not just one big, idyllic collaboration. There are many drawbacks associated with the European co-operation. What are the biggest drawbacks in your view?

**Andersen:** That it's somehow seen as a foregone conclusion these days – and a common theme in national politics as well – that Europe is to be blame for all the things you might find a slight bit unpleasant to institute, but then you don't give the EU credit when Europe works together on certain issues. It is as if – and we saw a clear example of this with Brexit – all the things you find difficult to manage are Europe's fault, and the way I see it, EU co-operation has become a scapegoat – undeservedly so, in my view.

**Havsteen:** You were born in the fall of 1940, six months after Denmark became occupied by Nazi Germany.

**Andersen:** Yes, in fact, it happened exactly six months after. I was born on October 9 and the occupation of Denmark occurred on April 9.

**Havsteen:** In that sense, history serves as the backdrop for your earliest experiences. When you were a child, the Second World War was an important topic – are some of your memories linked to the war and to wartime?

**Andersen:** Yes, to a great extent, in fact. We lived in Holte, but I don't remember much from that time, but when I was two and a half years old, my family moved to Aarhus where we lived in a row house where children played on the streets and there were no cars and you felt that there was this backdrop of something strange going on. All of a sudden, you might hear explosions, and at night, the grown-ups listened to strange stories on the radio. And you saw things that seemed like they had to be hidden. But you didn't really understand what was going on, and you weren't supposed to understand, as children might pose a risk if they knew too much. That is what I can recall and of course I remember the liberation of Denmark on May 4 (1945), not least because, somewhat unusually, I was put to bed and then woken up again and brought out to the street and people were acting crazy and I didn't really understand much of it. But I could sense that it was something worth celebrating.

What had actually happened was conveyed to me in words, of course. Emotionally, it never really sunk in until later, probably later in May (1945) where I remember visiting a confectioner's shop with my mom and my aunt. At the time, it was quite posh to be in a confectioner's shop drinking coffee substitutes, which I presume the adults were drinking, and eating cakes. And as we were sitting there, someone stood up and started singing the Danish liberation song 'En lærke letted og tusind fulgte' (literally 'A Lark Took Off and A Thousand Followed' ed.) and all the guests joined in. It was this feeling of community, of a forward-looking, hopeful community that was one of my first real emotional experiences that had formed because something important had transpired and I will never forget it. I can still picture the scene these many years later.

**Havsteen:** Could you tell me a little about your relationship with your parents and your family?

**Andersen:** I've been so lucky that my great-grandfathers, my grandfather and my father all wrote memoirs. And it's been quite interesting, in my old age, to read about their lives in a world that was markedly different. My grandfather who came from Thy was an agricultural candidate and later worked as a teacher at an agricultural college where he met my grandmother. She was a very unusual woman. While she was certainly highly gifted, she grew up in an environment where she had to undergo training to be a housewife on a farm.

Instead of going to school, she had governesses teach her and she was thirsting to read, to experience culture, to play music. She was anything but a housewife. After having her second child, she developed phlebitis and was bedridden for long periods of time in the years after. They lived on a farm and the house was looked after and everyone cared for the ill. At the same time, it seemed like an escape from a life she never wanted. I've

thought a lot about her. Imagine wanting to be a teacher and being barred from pursuing it. My father was allowed, because he was a man, to attend an upper secondary school and get the education he wanted. The following generation was better off in that sense.

My mother came from a working-class environment in Herning, in something of a missionary environment, and she did well at school. The family found it quite odd that she wasn't going to find a job at the age of 14. While she was well-suited for many practical things – she could have become a hairdresser or a seamstress or something else and done it brilliantly – she wanted to be a doctor. And that was far removed from what they were used to in a family of modest means in Herning. She was allowed to attend high school, studying mathematics no less, and one of the things that allowed her to break away from her traditional background was a neighbour whose daughter she played with. He was a quite wealthy textile manufacturer, as many were in Herning at the time, and he gave her moral support and saw it as a given that she should be allowed to attend high school. Afterwards, he offered her a loan which she could use to go to Copenhagen to get a degree.

Becoming a doctor was impossible. It wasn't a feasible prospect and it was too expensive. But she became a teacher, which led to a very colourful life and, in my opinion, a very good life.

**Havsteen:** She managed to take a step forward, as far as the traditional role of women is concerned.

**Andersen:** Not so far that she got what she wanted, but the next best thing.

**Havsteen:** But still further than earlier.

**Andersen:** Yes, much further.

**Havsteen:** When you think about your family, can you then recall any values that you passed on to your two children? You have two sons. Were there any values that were important for you to impart on them?

**Andersen:** Yes, it's probably easier to assess what I received from my parents as I don't really know how to put into words what I received from my grandparents. But my parents have always treated me with utmost trust. They always trusted me to deal with matters on my own. I was the older sister to three younger brothers, so it might've been necessary for them to trust me. But this feeling that they could always count on me to handle things is probably what I passed on to my children. If there was ever some form of obstacle, they were encouraged to overcome it themselves – instead of asking others for help.

**Havsteen:** In 1947, something quite exceptional happens to your family. You leave post-war Denmark to go to the by far most dynamic country on the planet at this time: The United States.

**Andersen:** Yes, but first I should probably mention that my father and mother helped found Krogerup Folk High School (Krogerup is an adult education institution established in 1946). Since they were among the founders in 1946, it just so happened that my father was to go on a one-year trip to the US thanks to a Rockefeller scholarship after he had written his dissertation on 'clearing' at the University of Aarhus.

**Havsteen:** He was also an economist?

**Andersen:** Yes, and he had a doctor's degree in economics. His trip to the US and his year-long stay there was paid for, and so was my mother's trip while she was given an allowance for her stay. They had to pay for their children out of their own pocket. But my mother refused to leave without her children and my father refused to leave without his wife. Needless to say, all four of us went. Svend was three years old at the time and I was seven.

**Havsteen:** Could you tell me a bit more about your experiences in the US?

**Andersen:** Yes, it was completely overwhelming. When we boarded East Asiatic Company's 'Erria', which was docked at Frihavnen, we saw fruits we had never seen before, loads of food, and real coffee – much to my mother's delight. Wartime shortages and restrictions had prevented us from obtaining it, or it came in rations. Suddenly, there was an abundance of it. Of course, that makes an impression on children, the sudden change, the new environment we came to. And we sailed through the Panama Canal and travelled up to San Francisco on an East Asiatic Company ship that primarily transported cargo, but passengers as well. It was a luxurious time aboard the ship except for the fact that my mother was seasick for a large part of the voyage, so she didn't enjoy it much, but it also meant that my father had to spend a lot of time with us kids. And this was a time when fathers didn't really take care of the children. It started on the voyage to the US since he had to take care of us the entire time while our mother stayed down in the cabin groaning. This also continued for the remainder of our stay in the US, which brought us much closer to our father. I think this was something that wound up meaning a lot to me.

We travelled to San Francisco where my father went to give lectures at Berkeley and Stanford Universities while attending a few seminars and whatever else he had to do. And we were quartered in a large house that belonged to a kind-hearted Quaker family who rented out rooms to people who found it difficult to navigate the housing market because they for whatever reason were short on money or were unwanted. As a result, there were an awful lot of Japanese people living in the same house, but they were nice and kind. The house itself was an old, dirty box, but there was a lot of warmth. Not only the warmth from

the Quaker family, whom we later met in Europe, but just experiencing this feeling of warmth meant a lot, along with the hospitality of my father's colleagues and their families. They often invited us to join for something or other. During the weekend, my mother and the rest of us were always invited along for lunch.

That whole world, which was so very different, was quite overwhelming and sometimes a bit too much.

**Havsteen:** Too much in the terms of material wealth?

**Andersen:** Yes, as well as this carelessness with which material comforts were regarded. We had been used to something quite different back home during the war. But I remember something else from Berkeley. On top of a hill was this strange round building called the Cyclotron. And I had overheard some adults talking about how Oppenheimer had run this cyclotron and he was of course one among several others who had developed the nuclear bomb. And I was very afraid of that building and I remember squinting at it. But I never really found out what was going on up there. But the fear stuck with me. And then there were all these other experiences. We drove around in an old car my parents had bought and went camping in the National Parks and we later drove across the US. In many ways, it was terrible for children to take part in, but on the other hand, we got to see many parts of the country. My father always made it his mission to experience the South where black people were being discriminated. It goes without saying that this was an unusual experience, coming from Europe.

**Havsteen:** But then you came back to Denmark where you've moved to Humlebæk and you attend public school before you enter middle-school in Rungsted at the age of 11. Did anyone even question whether you're going to attend high school?

**Andersen:** Not at all. Not me or my family. In fact, as part of our examinations in primary school, the head teacher had arranged a preparation course and my father and mother found that it would be a waste of their money and my time for me to do it. They felt I could easily do without it. But I was a little nervous that they overestimated me. I managed, though.

**Havsteen:** You went to secondary school and at 14, you moved into Krogerup [i.e. the building that housed the school Anderson's parents helped found].

**Andersen:** Yes, there were these three teacher's residences where we moved into the middle one. Another teacher couple lived in one of them with their four children, and then there was Hal Koch, the headmaster, who lived with different parts of his family. His children were adults at the time, and his wife, Bodil Koch, was Minister of Church Affairs for a number of years while they lived out there.

**Havsteen:** Could you talk a bit more about your time at Krogerup and what it meant for you in your late teens?

**Andersen:** Before we moved into Krogerup and lived in the forest in an old house, around a kilometre away from Krogerup, I went to these local meetings. People from the local area [around Krogerup] were invited to go for a modest amount of money and a cup of coffee afterwards and to hear lectures by a number of cultural figures and also by the teachers at the school and by Hal Koch. I don't fully remember how often they were arranged, but at least a few times a year there were these local meetings and people came out in droves for them. Sometimes you had to sit in the windowsill and this was before the fire department imposed limits on how many you could be in the room. And here I was and I was enthralled. I told you before that I developed an interest in the Marshall Plan and it came about after a lecture there. It was also amazing to hear Eigil Knuth talk about Greenland. And I also remember something quite special from a visit by Minister of Trade Lis Groes, who came to give a lecture. During the Q and A, my mother stands up and asks – and remember, this was in the 50s – what the Minister of Trade planned to do to eliminate food additives. Everyone in the room froze. You couldn't just ask a minister a question like that. It was awkward, and I was on the verge of walking out because it was so tense. On the other hand, when I look back on it now, it was a very powerful experience as it showed that despite having a different education altogether, my mother had a strong sense of ecology and knowledge about the lack of toxins at a very early stage. She wanted a vegetable patch where she knew what was going on. She spoke with the gardener at Krogerup whether you could avoid spraying it. She was way ahead of her time, but at the time, it was almost considered embarrassing.

**Havsteen:** In other words, you've been surrounded by important people from all over Denmark, by politicians and ministers, not to mention Hal Koch, the headmaster at Krogerup, who had been very important in several areas from a Danish perspective. You ended up living next to him – how was your relationship with him and how was his relationship with your family? How might he have influenced you?

**Andersen:** Well, first and foremost, I heard his lectures although it might've been limited as far as what I could comprehend, and those were often historical perspectives, but I felt that he was a special person. He had – I've since gathered from biographies about him and from his family – apparently been through various types of tough crises in those years. Once in a while he would show up in the garden – ours were next to each other – when my mum was there, and then they would drink coffee and sit in the kitchen. When us kids came home from school and were supposed to have our late lunch, we were told it would have to wait. And so, they sat there and talked, and my mother was an amazing listener. And I think that had a big impression on me, the fact that someone who had such a unique position in society, which I knew even at that time, still felt a need to talk to a someone quite ordinary like my mother, who was just a great listener.

**Havsteen:** But he was also known for his view of democracy “as a conversation”.

**Andersen:** Yes, certainly.

**Havsteen:** So, there’s a common thread.

**Andersen:** Yes, it all adds up pretty well, but I didn’t understand that at the time. You wondered a bit because you were used to other people having problems, but that just seemed [...]. And we didn’t know what was going on because we [the children] of course weren’t allowed to be there. But the other experience was Bodil Koch, as Minister of Church Affairs, being picked up by a large ministerial car in the morning, which was interesting for children like us to see.

And then we got a proper telephone line. Before we’d had a party telephone (i.e. a shared line between residents) because the phone company didn’t think there could be any more wires across the railroad tracks to Krogerup, but a minister couldn’t settle for a party telephone. And I guess, the sum of it all was that Hal Koch was a special person, the whole Koch family were special people.

I also remember, during my time as a student in Finland, my mother calling me up. There was a phone line in the hall of residence where we lived. And she only called to tell me that Hal Koch had died. I remember how I stood there with the phone and took in the news. In some way, something quite extraordinary had disappeared from my life. So yes, it all affected me, but it’s probably a bit difficult to verbalise how it affected me.

**Havsteen:** All in all, it’s a quite interesting environment up there (around Krogerup), and you’ve had two sons who work within cultural affairs to a large extent. One of your sons is an art historian and your other son is an opera director and the head of The Royal Danish Theatre. How do you remember your own cultural upbringing from when you were young and being shaped in various ways?

**Andersen:** Yes, it certainly didn’t come from home. In terms of music, the most we ever did was doing morning songs with our mother at the piano. She was a decent player, but nothing more than that. On the other hand, it [i.e. morning songs] was mandatory on our days off and on holidays. And then you had breakfast afterwards. We never listened to music on the radio, didn’t have a gramophone, couldn’t dream of going to concerts. For my parents, the Folk High School Songbook was it, more or less. And I have to say that I’m a little sad about that as an adult now. I think it would have been better if I had had a little more of a musical upbringing back home. It’s not so easy to pick that back up when you’re an adult. Instead, we were duty-bound for the theatre and the theatrical performances, as many dramatic performances were put on. Sometimes there were several performances in a year, or amateur comedies as they were called, at school.

But we went to the theatre and the high school theatre, which my parents signed me up for. A couple of times a year we went to Folketeatret which staged modern dramas for children. We also had one trip to The Royal Danish Theatre which I remember as an amazing experience. It's funny to think back on how much The Royal Danish Theatre meant to me and my children. It's quite curious.

Regarding my children, I should mention that the oldest, Kasper, is a self-made opera director and director of opera at the Royal Danish Theatre and later Covent Garden and now he's the CEO, but he still sets up his own productions to a lesser extent. The youngest ended up becoming a ballet dancer when he was 11 and he finished at The Royal Danish Theatre. But he didn't get a job, so he went to Hamburg where he danced for a few years and decided to take a mail-in high school examination and later attended Humboldt University where he got a degree in cultural anthropology and art history. He found work in Heidelberg and in Baden-Baden, and today he runs one of Germany's biggest art museum, Kunsthalle Mannheim. So, you could say culture came to them with or without me.

But I've always supported them and that's also because of my own cultural experiences, which came from Krogerup to a certain extent, but certainly also from Louisiana [Museum of Modern Art].

**Havsteen:** When you're in high school, a new museum opens up close to your home in Krogerup. And that's a museum that you could say, without exaggerating, has had a paramount importance for the arts in Denmark and in the rest of the world. For your life as well. Louisiana opens in 1958.

**Andersen:** Yes, in the last year of high school, I'm taken on as a ticket vendor during the weekends. And I earned money to support myself as I was still living at home at the time. When the museum opens, there were relatively few employees and we all knew each other. Knud W. Jensen who founded the museum had an extraordinary ability to involve us all and he had contacts all over the cultural scene in Denmark: Writers, actors, musicians, you name it. And there were quite often events out there. And as a young ticket vendor, it was customary, once the doors were closed and everything was underway, to steal inside and listen in. In the same way, there were art exhibitions that were very different from what adorned the walls of my father and mother's house, which were closer to the old-fashioned landscape paintings. But here you typically had art from the interwar period and modern art as well.

**Havsteen:** Is there anything that you remember in particular?

**Andersen:** Yes, what I liked best were the Giacometti figures. These tall, exceptional figures placed – I remember it so vividly – down in the big hall where you have a view of

Kirkegårdssøen. It was really ... I was really enthralled by them. And they were often criticized by guests who didn't think they looked like anything. Yes, they did. They looked like what they were: Giacometti figures. I've had a weakness for them ever since. It's probably outside regular people's reach to do something like that [i.e. making figures like those of Giacometti], but that's what stood out to me.

**Havsteen:** But it must also have been quite modern at this stage.

**Andersen:** Yes, quite modern. I've seen a lot of other art exhibitions, not least because of Johan [Holten, i.e. Anderson's son] in Germany, but my experience with Giacometti stands out as the most powerful, I think.

**Havsteen:** Did you learn any lessons from being part of the art scene at Louisiana?

**Andersen:** Yes, well, at the time I didn't [consciously] learn any lesson but whenever I think back on it – and for many years I kept in touch with Knud W. Jensen – let me put it this way: Those years imbued in me a great respect for the cultural efforts. Whether it be a painting or music. I didn't always appreciate it, and I didn't even always understand the talks or catch their points, but I always found great respect for such things, and I think it's something that has had an impact on my later view of different types of art. I may very well not understand it, but I respect it. And I respect the efforts that have been made. And every once in a while, you see something that makes you go: 'Yes, that captivated me'.

I went to visit Johan when he was the head of Kunsthalle Baden-Baden and had set up an exhibition with a Chinese artist who had these boards that were placed in an unusual way. And I walk into a room exhibiting something that illustrates that water is running. And in that moment, I see an old Chinese print in front of me that wanted me to show me something like that. It was meant to affect me, which I also recall. There have probably been other experiences, but these are two of them.

**Havsteen:** Even though you end up studying economics, getting a degree from the University of Copenhagen and working in an area far removed from the cultural scene ...

**Andersen** (laughter): Yes, that's certainly safe to say.

**Havsteen:** ... it's still something that's stuck with you throughout all these years.

**Andersen:** Yes, and naturally, this has been amplified by my children who both pursued artistic careers, and that is why it grew far more over time, not least my theatre experience, as it's accessible. So, it certainly came to matter a lot.

**Havsteen:** After high school, you wind up studying economics and the first few years you live at home before you move into the Egmont Kollegium.

**Andersen:** Yes, for the first three years [of studying] I took the train from Humlebæk to Nørreport (railway station in Copenhagen), and I seem to remember that it was very, very rare that we were delayed, which is much different from today. The worst part was that the trains were terribly crowded, and then there were these smoking sections where just passing through you ended up smelling all day. In that regard, the journey was not so pleasant. And once you were home, you didn't get to go back and take part in [evening] events, which made me miss living in the city.

Then from 1962 I went to live at the Egmont Kollegium (student dormitory in Copenhagen). I stayed there until I graduated in 1966. It was a great experience living in the hall of residence among other students, but it was also a time when I was busy doing other things. I became a member of the student council in my second year and I was later responsible for the scholarship committee and took part in a great deal of students' politics. At the time, students' politics was far less party-affiliated and more oriented towards student issues. It was only later that it became politicized in the way we know it today from politics. But it was a good way to expand on your studies and get a sense of the various parts of university. [This was] something that benefited me later when I was employed at the university.

**Havsteen:** A whole wealth of things happen in the 60s when you're a student. There aren't that many women studying economics when you start your studies. You graduate in 1966.

**Andersen:** Yes, and then I got a job in the economic secretariat, which was part of the Ministry of Economic Affairs, tasked with economic analyses and prognoses. At the time, they didn't use models, so you made calculations while the permanent secretary almost acted as a computer and then he figured out the prognoses. That was what the economic secretariat was most known for. And they also took part in committee work. I had been part of it for a couple of years, but I had a lot of classes at the same time. For one, there was a professor at the business college who died suddenly, and I had to take over his classes while I also taught at the university. I became genuinely fond of teaching. Either way, it came to pass that my father was appointed as minister. He hadn't even been a politician, so it came as quite the surprise. And he became Minister of Economic Affairs, and his ministerial office was right across from my office. My name tag said Bodil Nyboe Andersen, but when I showed up to work the morning after my father had been appointed minister the evening before, the name tag had been replaced with B. Andersen. Obviously, the minister's daughter couldn't be located right across from the minister. It would be wrong if the secretariat was linked to that. Anyway, I was offered a transfer to the Ministry of Finance or wherever I wanted to go and so forth, but I chose the university.

I got a job at the university where I started out at Studiegården in May 1968. May 1968 of all times ...

**Havsteen:** A lot of things are happening at that time.

**Andersen:** ... on the floor just below the psychologists who led the student rebellion. So, I got embroiled in that, too.

**Havsteen:** Did you feel any sympathy for the student rebellion's objectives and their proposals for change?

**Andersen:** Yes and no. The whole 'down with the power of professors', I thought that was fair, as I had experienced it when I was an active student politician, and we had been more or less dependent on the professors' goodwill when we collaborated with them on something. But in the end, they could just say 'get lost' if that's what they wanted. They were the ones in charge at every level of the university. That was wrong in my opinion. So the whole 'down with the power of professors', I could get behind that.

There were a lot of things happening in the 68 movement. For instance, there were these protests against the World Bank, where you almost didn't dare to have the delegates walk around with their badges because they were at risk of being assaulted. I thought that was terrible and unacceptable. Similarly, I want to say that the whole rebellion against family norms with communes and all those things, I couldn't get behind that. I didn't dress unconventionally, but it was obvious that when you were employed by the university, you couldn't walk around in a skirt suit; you had to follow the knitwear trend. And I figured that out. So I'll say that some things were proper and true while others, well, they weren't right by me. Because it was only a part of society that was characterized by this collectivism.

**Havsteen:** Your father was also a minister and he worked as a negotiator for Denmark's admission to the European Community.

**Andersen:** Yes, and he also took part in the talks with NORDEK, and yes, it goes without saying that it affected me a lot and that I heard a lot about it at that time. Naturally, my father had a very favourable view of the EC at the time and played a big part in the campaign when we were to vote. He wasn't a minister by the time we joined the EC, but he was invited to the admittance ceremony, we have a picture of him. And it pleased him that it ended the way it did. In a way, I brought this with me, in addition to my natural orientation towards EU, which probably stems from the Krogerup years, so I brought these things along, his thoughts and considerations, not least about what the problems were.

**Havsteen:** You aren't so active in the public debate at this time.

**Andersen:** No, I was working at the university, and soon after, I started a family and had children, Kasper in 1973 and Johan in 1976. And it was evident that these years were all about how to make everyday life and work align. So, you can't really manage anything else. The whole idea about injecting myself into a political debate, I didn't want to do that at all. I never wanted to be a politician. I have been asked, not just by one party, but I've never been a member of any party and I never wanted a part in politics. And that became clear to me in the 70s.

**Havsteen:** And you were fond of the university?

**Andersen:** I was fond of it in the sense that I was fond of breaking down the professors' power over the whole organization of the teaching. I've always enjoyed management. I was never a researcher. I'm good at teaching and I'm good at management. And there was a glaring need for people who were good at management. So, I was more or less roped into it and I was assigned to formulate a curriculum and make schedules and assign classrooms and such. So, we abolished the notes that said: 'this professor intends to give a lecture at this hour on this day'. And we made a coherent schedule and coherent plan with three annual examinations and a final examination. And I dove deep into the study plan – if not to say that I was practically the one who formulated it.

So I was very active in that type of work and at the same time I was also involved in university politics. I was elected to the academic council and to my great surprise was told in my first meeting with university chancellor Morten Lange that I was to be chairman of the election committee, that is the committee that handled the elections at the university. It turned out to be more exciting than it sounds, as Morten Lange was up for re-election against an opponent. Morten Lange was a former communist and he was also a mycology professor, but it was decided by the university that he was too right-wing and that it was preferable to have someone that was more on the left. And Erik Skinhøj, who was a physician, was nominated, and I was to chair the election. That wasn't the only peculiarity in the process, but in short, Morten Lange lost to Skinhøj and it was quite sad for him as he had made all the preparations for the university's extensive 500 years anniversary celebrations (in 1979, ed.).

So, I tried my hand at something semi-political if you might call it that.

**Havsteen:** One thing you've always been quite reluctant to talk about, but you've also recognized the importance of, is your gender and being part of the first generation that entered the labour market in earnest. What was your experience with that, being part of the university and studying economics and then being hired by the same institution? Did you experience any form of resistance?

**Andersen:** Not really. Maybe curiosity since you were the exception that proved the rule. And I've had that role for most of my life. I haven't taken part in the whole gender debate about quotas and so on. I was long past that. Suffice to say that it didn't really mean much to me and I never really gave it much thought. When you're in a meeting or something like that, you don't think about how you might come off. At that stage, you're already part of the pack. Then that's what it's important. The whole thing about being a woman in a male environment and being the first woman to do this or that, it never really interested me since what I've done is something I've enjoyed doing.

And there were other women, two professors for instance, Ellen Andersen and Birgit Grodal, both of whom have died, but there were others at the institute as well. And I had a great relationship with both of them. In that way, it didn't matter much at the university.

It probably became a bit more prominent later in life.

**Havsteen:** Because you switch from academia and get a new job when as the director of Andelsbanken.

**Andersen:** Yes, well, first I should probably add that the course I taught most was what was called Money and Banking, meaning financial affairs, which was my subject, and which was what students wrote their theses on under my supervision. The world of finance wasn't totally new to me. I had already sat on the board in a number of places where finance played a part. And I had given a lot of lectures all over the country. In that way, I had found an area of specialization that was very business-oriented – in contrast to those who were interested in growth theory or else.

So, I'm offered the opportunity, at the age of 40, to join Andelsbanken where there was a tradition of four people on the board of directors, where my father had a seat, as he had quit politics and had a five-year contract as chairman. In Andelsbanken, it was very much a tradition to find new members internally and externally. I was supposed to replace my father, his areas of responsibility, but I wasn't to be the chairman. I was too inexperienced for that role. But I was taken on, and one of the reasons for that, well, it was probably because of the chairman who had spotted me because of the many lectures I had given all over and in the provinces about economy and balance of payments and what not. And I stayed in Andelsbanken for ten years and I really enjoyed my years there. But of course, it was quite a change of scenery.

Not only did I have to replace the entire wardrobe, which was the least of it all, as you were also given a higher salary, so it didn't matter much. But the whole informal tone that characterized the university, and back in the 70s, it was very informal. You would just talk to one another whenever something needed to be done, and then you asked here and there and on all levels and came up with some good ideas. But when you entered a bank in the 1980s, things were top-down. You couldn't just go up to someone you bump into and ask that person's opinion on something. You had to stay within a certain framework of communicating that was very rigid. And this was something you had to get used to.

At the same time, we were faced with an business challenge, which the second youngest board member, A.C. Jacobsen, and I were tasked with. He was actually the one I ended up working closest with. And the closest thing to a mentor I ever had. I never had a female mentor, but I had him, a male mentor, who was terrific. We were different: He knew the customers and the stories and everything else and knew a lot about the procedures. But I

contributed with something quite different, the ability to think in abstract terms, which came from my university education, and the ability to formulate, in simple terms, what would happen. So, we made a plan shortly after I joined, and it turned the bank's business around.

It worked in a flash. The entire process we went through in the 80s was intended to delegate the responsibility from the main office to the local branches that were responsible for revenue. It was a bit of a struggle, but it was necessary. It turned out to be a success, but it also sparked this self-esteem for each branch, markedly shifting the balance between the main offices and the local branches.

**Havsteen:** There is a lot of discussion about banks and the world of banking today, a discussion you've stayed out of ...

**Andersen** (laughter): Yes.

**Havsteen:** ... since you retired. Do you think there's a big difference between then and now in terms of the procedures, in terms of the way the world works?

**Andersen:** In my view, you can't deny that the problems are very different, but the whole idea that you are accountable for your results, even on a decentralized basis, is not something I would've come up with. But there is a bank director in Svenska Handelsbanken whose name was Wallander – also the name of famous man from Ystad [famous Swedish TV character], but not him – and he was the general manager of Svenska Handelsbanken, which was one of the Swedish banks that performed well during the later crisis, and he wrote some excellent pamphlets about decentralization that I enjoyed and I found inspiration in. Many years later, I met him in Stockholm where I went to visit my Swedish central bank colleague and it was quite enjoyable to talk to the old man about how he had inspired me. What a small world.

In any case, back to Andelsbanken. I won't deliver a long speech on what happened there, although I could, but it was a period with many changes in the financial sector. We got the Dankort [the national debit card] and other regulations and all sorts of things. We were well off in Andelsbanken, but the bank was too small. One customer after another among the major cooperative societies had to be customers at several banks as we weren't big enough to have permission to handle customers of that magnitude. We then had to find another solution and a long-term model. Then, around 1990, came this huge merger wave where on one side, Andelsbanken, Privatbanken and Sparekassen SDS were merged into one, and a merger between Provinsbanken, Danske Bank and Handelsbanken happened on the other side. In that way, two major bank mergers happened around the same time. And that was the right thing to do for Andelsbanken, no doubt about it, as we would have lost ground otherwise.

And then what happens is that right after the merger has gone through, I get an inquiry from The Danish Central Bank about whether I would be interested in succeeding Richard Mikkelsen who was turning 70 and was planning to retire in the spring of 1990. And yes, that was my dream job.

I wasn't to be chairman for the Danish Central Bank at first – that came later – but I didn't know that at the time. But [I was to join first] as a member of the board at the Danish Central Bank. The portfolio that came with that role was simply my dream job. Even though I would only be paid half of what I was paid at the merged bank, Unibank, there was no doubt in my mind. This was where I had to go. The problem was that I had to leave the merger so soon after, as there were a few employees who felt that it wasn't so optimal that I was about to leave. But I did and I have never regretted it.

**Havsteen:** You join the Danish Central Bank at a tumultuous time. Politically, there's a lot going on in the world around 1990, which is reflected in the financial markets, including Europe.

**Andersen:** Yes, I'm taken on at a time when the Danish economy had almost stabilized after the fixed exchange rate policy was introduced in 1982. In the years leading up to 1982, Denmark devalued the Danish krone whenever opportunity permitted it.

**Havsteen:** In the same way as did many other countries.

**Andersen:** Yes, not least Italy where they were always among the first to devalue their currency. But many did it. And it was Germany that had a strong position with the D-mark. But when Anker Jørgensen (Social Democrat) relinquished power, we had a government with Poul Schlüter (Conservative) and Minister of Finance Henning Christophersen (Liberal) who did what every other Minister of Finance had wanted to do but couldn't get through. But he did it.

He said: Now we'll stop devaluing. And there were many who had said the same thing before him, and as soon as they were tempted, they caved. But the Schlüter Government persisted and that meant that the Danish interest rate, which was upwards of 20 percent if you wanted to buy a house ...

**Havsteen:** Which is a lot of money

... that was what was called the porridge and red wine model. You had to stay there for many years until the house had increased enough in value. Then it wasn't so bad. But we got a government that was determined to do this, and I must say that we owe Henning Christophersen a lot of credit as he was truly the father of the Danish fixed exchange rate policy.

Which was also pointed out at his funeral where Løkke (Lars Løkke Rasmussen, former Prime Minister) delivered a speech. And it was the right thing to do, in my view. It meant that we had developed a stable economy during the 80s and then we enter the 90s. Where the currency fluctuations wash over us, but we are prepared for it in the best way imaginable – as we had attuned the economy to the fixed exchange rate policy.

**Havsteen:** Because in Sweden, things get heated.

**Andersen:** Yes, the interest rate climbed to 500 percent, which was sheer madness. Things were spiralling around us. At first you see that the pound sterling is withdrawn from the currency co-operation, also known as Black Wednesday. Yes, the 90s became a period of large currency fluctuations. But gradually, you reach relatively stable exchange rates during the 90s, not as stable as the Danish exchange rates, but still.

And then in the early part of the 90s, things are affected by the Danish 'No' to the Maastricht Treaty. That might've been what sparked the fluctuations. Then come several currency crises. The biggest and perhaps most well-known is the one in 1992 where the pound sterling is withdrawn from the currency co-operation and went floating. There had been an enormous pressure on the pound sterling. Perhaps the exchange rate wasn't far off, but there was a speculative pressure. The best-known was (George) Soros who later was thought to have earned USD 1 billion or something like that on speculation.

Seen from the Central Bank, it was important to try and defend the exchange rate, but it was impossible to sustain the British connection to the currency co-operation. And that is why they withdrew from the co-operation in 1992. That was the start of a lot of fluctuations in the following years. And you have the major breakdown the year after when you have to suspend one of the central aspects of the currency co-operation. With the currency co-operation, you had these central rates that were connected to one another, the currencies that were involved and a fluctuation band that was tolerable. If the fluctuations exceeded or went close to the band limits, you either had to sell your currency if it was weak or buy your currency if it was strong.

That was the general idea. But the system was a little asymmetric as it was Germany that was the dominating country. They were the ones with a strong currency. And then came, for numerous reasons that are too many to explain here, a lot of currency fluctuations that led to a widening of the fluctuation band from being between 2,25 and 6 percent at most to 15 percent on either side. And then there was nothing fixed about it. But you kept up the central exchange rates, these weren't changed. And as a result, it became vital for us in the Danish Central Bank in the following years to gradually and slowly, but surely steer towards the old band, which was plus or minus 2,25 per cent on either side of the central rate, and we managed to do this over the course of a few years. For brief periods, it came within it, then it exceeded it, then it came back in, and gradually it came to a complete stabilization of the central rate of the Danish krone.

And that was very important to us as Denmark had had such good experiences with the fixed exchange rate policy. Many even felt that it had saved the Danish economy in the 80s, so it was important to get it re-established. At the same time, it became clear that we weren't going to be part of the euro, when it was introduced. Therefore it was important to be able to show stability so that when the euro was introduced, we were allowed to have a central rate and a fluctuation band vis-a-vis the euro which was more like the old, more limited band that we had been used to.

So that became the objective for the Danish Central Bank, and we worked on this throughout the 90s. Then came a few one-off crises and one that went against Denmark, but we had tremendous support from our European colleagues who felt that we certainly didn't deserve to be hit hard by it. It was a dramatic period from a currency perspective, and eventually the decision was made to switch to the euro [without Denmark]. That also came with a great deal of banking drama, but it wasn't as bad in Denmark as in many other Nordic countries where the bank system had been taken over by the state, but it was generally a period of turmoil.

**Havsteen:** You had to leave a festive dinner wearing a long dress to go to ...

**Andersen:** Yes, that's more of an anecdote, but normally the Danish Central Bank wouldn't step in when there was a bank crisis, that was the financial supervisory authority's job. But you could say that we were often invited to join, as we had money and could issue guarantees and contribute in various ways. And the supervisory authority had several bank crises in that period, and in one case, the Danish Central Bank was asked to step in as what you might call a mediator. It was about Varde Bank where various efforts had been made to turn things around after a number of bad investments.

And what you're referring to with the dinner, well, I was invited to a dinner at Børsen, and then the permanent secretaries from the Ministry of Economic Affairs and the Ministry of Finance come over and say that they would like to talk to me about Varde Bank. And this topic didn't lend itself to a discussion at Børsen (Danish newspaper) where they were serving coffee and cognac so we walked across the bridge, me in a long dress and the two gentlemen in tuxedos, to the Danish Central Bank and rang the door, and then the guard came out and let us in. Then we walked up to my office and I was assigned the task and came up with a solution within a few months.

But it's more of an illustration of how informal things were back then. Today a guard would never ever let in a bank governor at 11 p.m., accompanied by two guests no less, even though he knew them ever so well. We have a different, more restrictive system today but back then, that was just something you could do.

You might miss that type of society to some extent. In any case, I was asked, along with a few others, to come up with a solution for Varde Bank. And we did by having Sydbank take over the good customers, and then the bad bank, all the bad things, were picked up. This was a model used a lot during the crisis in the 00s. It was expensive. Which things tend to be for the authorities. But we managed to save the regular customers by transferring them to Sydbank.

**Havsteen:** A few other things happen in the beginning of the 90s such as the Maastricht Treaty which you just mentioned – and which Denmark voted against.

**Andersen:** Yes, I remember how I walked back and forth on the floor here at home watching the results of the vote that night, and I was biting my nails because of how terrible it was. Because it was not at all pleasant. That it happened the way it did. But if you swallow your disappointment, you might say that what followed was a very uplifting aftermath. Those who had opposed it and encouraged people to vote no, for instance the Socialist People's Party, entered a collaboration in order to formulate opt-out deals that enable us to put the Maastricht Treaty and the opt-outs to a vote. And those became the so-called opt-out clauses in the Edinburgh Agreement, which was passed at a summit in Edinburgh. And that is why I feel that when you look at it from the perspective of all the commotion that Brexit has created and all the disagreements, then I think that it was impressive that we in Denmark said: We have encountered a problem that none of us believe ought to have severe consequences. We try to minimize the effect of it, but in a way, we also push through a number of Danish positions. And one of these things was that we said 'No' to joining the euro co-operation unless a new referendum changes our position to a 'Yes'. We had an opt-out, and that was changed to an opt-in, meaning that we had the option to join, if a new referendum decides that. We actually had one later on, but that was also a 'No'. So, we thrive as a shadow member of the euro co-operation, which is the way it's been since 1982.

**Havsteen:** Even though the Danish Central Bank advocated that Denmark should join the euro co-operation.

**Andersen:** We did, and we have all along. And that was more consistent, considering that we had also defended the fixed exchange rate system at every opportunity. And Hoffmeyer had been a member of the Delors Committee, so we knew all the terms. It is only logical that the Central Bank advocated it, but this was a political matter, above all.

**Havsteen:** Were you disappointed that Denmark said no to the euro in 2001?

**Andersen:** Yes, I certainly was. But those were the terms. So, you had to make the best of it. And I believe that this paperless marriage with the euro co-operation that we have, that holds up to this day, that no-one is disputing by saying that this has to be changed, this is

probably the best measure of success we can have. So, we are a sort of volunteer shadow member of the euro co-operation.

**Havsteen:** Things turn very political during your time as Governor of the Danish Central Bank and Chairman of the Board of Governors between 1995 and 2005 because this type of work involves politics. What do you consider to be the most important work you've done in this period?

**Andersen:** Yes, it was a period where we had to get used to progressively less contact with Europe. In the beginning, after the euro had been introduced, we knew people we could refer to, and we had people that took part of the preparatory committees. But obviously, for the managers and the employees, it meant that one of the important sources of information, namely the meetings at the European Central Bank, vanished more or less overnight. And it's obvious that we then had to think and inform ourselves in a different fashion. But in a way, we found ourselves in smooth waters. So, it didn't matter so much. But it was certainly a change in the working conditions. In that way, it was, well, you can't call it annoying, but those were the terms. I made no secret of my view of things, but at the same time, I never made it a secret that if we didn't become a member, then we would have to have this shadow arrangement. Which we eventually got, so I technically had a reason – or the Central Bank had – to be pleased with it.

**Havsteen:** I want to move away from your time as Governor of the Danish Central Bank. Three years after your departure, a severe financial crisis takes place, including in the banking sector.

**Andersen:** I lucked out! (laughter)

**Havsteen:** I could imagine you were somewhat relieved not to be the one in charge at this point.

**Andersen:** Yes, it goes without saying, that this whole process with waking up every morning and thinking 'what might the day bring', especially with the currency crises and the referenda, which all came with a little too much excitement from time to time, then it's no doubt easier to stand on the side-lines and see what others are figuring out. And it should be noted that it (2008) was a banking crisis first and foremost, and Denmark pulled through without having to go through a currency crisis. And again, we stood our ground.

**Havsteen:** I would like to return to politics. You've said of yourself that you didn't want to enter politics, but you come from quite an interesting background in that your father was a minister for the Liberal Party while your mother was a supporter of the Social Democrats.

**Andersen:** Yes, and that was a result of the environments they grew up in. My father came from a farming environment and my mother from a working-class environment. So that was something that fit well with their individual background. We had neighbours on a farm close by in Krogerup and the husband and the wife were also at odds, and then my father and mother said: 'We can exchange votes with them for the local elections' since the husband was also a supporter of the Liberal Party while the wife was a supporter of the Social Democrats. In a way, that was just how it was in some families.

**Havsteen:** But it never resulted in any family conflicts?

**Andersen:** No, well, my mother's political career topped with her position as chairman of the local education committee, and that is not something that leads to family conflicts. That was local politics in the old-fashioned way in a relatively small municipality. But she was good at it and she enjoyed it and that was a Social Democratic mandate.

**Havsteen:** If we look at another private aspect, there's your attitude to religion. What has your attitude to religion been throughout your life and how was your family's attitude towards it?

**Andersen:** Yes, well, if we look at the end result, I've always been a member of the Danish State Church and I've stuck with it. I'm probably quite an average Danish church member that goes to church every once in a while, without being a churchgoer per se. I feel that's where I belong. I also vote in the local church council elections. But that probably comes from a more democratic mindset in the sense that if you're given a voting card, you HAVE to vote. No matter what.

But it's a relatively normal Danish attitude to the State Church. My mother cared about it a lot more and she stressed that her children weren't supposed to be strangers to the church. We didn't always feel that we wanted to spend our Sunday mornings in this way, but we did. And that was how it was. And she succeeded in making sure we didn't become strangers to the church.

So yes. That's probably a very average Danish attitude.

**Havsteen:** And both of your children are baptized.

**Andersen:** Yes.

**Havsteen:** Something that stands out, in my view, is this consciousness about history that is very telling about you. You've spoken about the impact of the war and you've talked about the generations that came before you and their memoirs. What do you believe that a consciousness about historical matters has meant to you in your personal and professional life?

**Andersen:** I believe that it's come to mean a whole lot more now that I'm older than it did before. Before, everything was quite blurred as to where your opinions originate from, and you tend to look back more in your later years. As long as you have children and you work and whatever else, there's always something in the pipeline that you must take an interest in.

Naturally, I've known about these things, but it hasn't in any way kept me busy. So, two years ago I was urged to give lectures on my life and that was what led me to read all these memoirs that I had lying around. And when you're also able to sit and google on the side and dig out facts about these events, it's an excellent combination. And I spent a colossal amount of time doing this. And that sort of meant that my consciousness about the changes in my heritage and, how to say it, my background was put into perspective. That was actually something I found quite useful. Another thing that also helped fuel it was that a couple of years ago, my oldest grandchild, Joseph, who is German, stayed here for a year while he attended German-Danish school. And he sometimes asked me about these things about my background. At the same time, both my sons, meaning Joseph's father and Kasper, have urged me to write about these various things in my life. And I've done it in a version that can be expanded upon and extended to encompass them. But the fact that the next generation – one of my nieces as well – is interested in it has sort of pushed me in this direction and urged me to elucidate these things and write down – how should we say it – what tradition and family meant to me.

**Havsteen:** You mention your oldest grandchild who is German and born in Germany. How did you react to that back in 2001?

**Andersen:** Yes, well, for a split second, I couldn't help but think: 'Then he'll become German'. Because they were living there. Johan, his father, has lived in Germany since he was 18 years old. And he's spent a great deal more than half his life there. And he's also become a German citizen so now he has dual citizenship. At the time, it hit me after which I thought: 'Well, what is it about this whole German thing that is so lodged deep within me. Is it because I grew up when I did?'. Today I'm thrilled about how the Germans are handling many things and I'm happy that two of my grandchildren get to grow up there and get the influence and education that the two of them are getting.

But for a split second, the thought crossed my mind. And I think that's because you've lived a life where things have gone up and down and you've been influenced in a variety of ways.

**Havsteen:** If you look at how Europe has evolved in your lifetime, but also how your attitude towards Germany and its development has been, where do you see Europe in 50 years' time?

**Andersen:** Yes, I would certainly like to know that as well (laughter). But I won't get to see it. But you could be worried about the disbandment tendencies that are spreading. And yes, I truly believe that it would be a terrible step backwards if we were to have individual states again rather than the collaboration that exists in Europe now.

**Havsteen:** Which you also worked to arrange.

**Andersen:** Yes, all whole life, or at least for as long as I was engaged in it, it's been clear to me that this was the way to go.

**Havsteen:** I have one final question. And that is if you see any big differences between your generation and your grandchildren's generation? What has changed since your childhood and youth and what hasn't?

**Andersen:** Yes, it goes without saying that my grandchildren will be far more international and far more communicative. The mere fact that the electronic communication on social media, not to mention everything else, matters much more [and] in a different way. It's very, very remote from the life we had, which was far more limited. I've never lived abroad, though I've travelled abroad, but I never studied abroad. That would be close to unthinkable for the next generation. They have a completely different sense of belonging in the world. And not just in Denmark or Germany. In that sense, there are certain differences, but the whole way we interact and all the problems that young people have because of social media, are the same as when we were young when you also had problems with bullying or teasing. But that was more of a private problem. That was something you kept your parents out of.

Today many of these things, which are also part of your development and growing up, even the small instances develop into an issue that is society's fault. Whereas we just endured it in a way. And that's a change that I've come to wonder about. Whether it's a good or a bad thing is hard for me to say.

What's left in my view is that when you experience having grandchildren, you discover that regardless of day-care, kindergarten and all these things that society offers small children, it's still family that's essential. It's the father and the mother and hopefully the grandparents, as I've experienced, that are essential. Especially when it comes to infants. Luckily, it's always been like that. That's why I was somewhat against collectivism in the 70s. Since I believe that the idea of the family is essential.

**Havsteen:** With that, I want to thank you for your time and for making the effort to be part of the Voice Archive so that people can hear in 50 or 100 years how you perceived Europe and the experiences you've had throughout your long life.