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10th anniversary of the Great Devaluation



Today is the 10th anniversary of the currency intervention of Nov. 7, 2013, which we dubbed the [Great Devaluation of the Czech Crown](#), because it took place on the anniversary of the Great October Socialist Revolution. Just as Lenin promised a better life for Russians through revolution, then-CNB Vice Gov. Mojmír Hampl said in [Dec. 2016](#) that the devaluation - he of course didn't use the word - increased wealth and economic growth, kept unemployment lower and prevented real misery. Ten years later some of the negative effects are being felt. The intervention and [guaranteed rate of the crown](#) attracted investment and [lowered the jobless rate from 6.9% to 3.3%](#), but it also deformed the labor market, contributed to high inflation and allowed foreigners to buy cheap flats at the expense of Czechs. The inflation situation is now such that, "We're all fighting to avoid a lost decade," declared Hampl in June (at [12:48pm](#)), without accepting any of the blame for the real misery now faced by many Czechs.

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