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What would Jiří Rusnok do?



The Kafkaesque metamorphosis of [Aleš Michl into Jiří Rusnok](#) is one of the most important Czech economic events of the past two decades. On Nov. 15, 2021, six months before he was appointed governor, Michl wrote in [MFD](#) that the interest-rate hikes under Rusnok were "short-term activism" and that another "activistic policy" was the devaluation in 2013-2017. It was responsible for preventing us from having a strong crown, he said. At the end of last week, just after the ECB raised its interest rates, the new Michl told [Bloomberg](#) that the CNB's own rates might have to rise. "The real problem," he said, "is that there is too much money in the economy." Yet his board never took any real action to reverse the devaluation that he had so criticized and has instead adopted [Rusnok's policy of a revaluation of the crown](#) based on interest rates. The old Michl would keep interest rates unchanged tomorrow. The new Michl would do what Rusnok would do and move to keep the interest-rate differential unchanged.

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