To Be or Not to Be in the Eurozone?

An Answer from Prague

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Czechs not prepared to accept the euro

Source: Eurobarometer (the percentage of people supporting the euro).
Established by emperor Franz Josef I in 1892.
The Czech Republic is the only successor state of Austria-Hungary that has kept the krone without interruption ever since then.

The Czechoslovak and Czech koruna never experienced significant inflation!
Krone was the imperial currency of Austria-Hungary.
Meanwhile, hyperinflation plagued neighbouring countries

- **Austria**: Prices increased by 500%

- **Poland**: Prices increased by 850%

- **Hungary**: Prices increased by 620%

The price level in Czechoslovakia, 1921–1924

In three years, prices decreased by 26%

Source: Czechoslovak statistical yearbook, 1925.
Czechoslovak koruna stable, unlike neighbours’ currencies

**FIGURE 1** Successor Currencies in Zürich (Swiss centimes; end of month; logs)

- **Czech Crown**
- **Hungarian Crown**
- **Austrian Crown**

`SOURCE: Schweizerische Nationalbank [1944] and Hantos [1925].`
