





# 2. THE COLLAPSE OF THE SOVIET PLANNING SYSTEM AND THE COMMODITY DEFICIT

Briefly tell (remind) the students (panelists) about the disaster of the economic and social problems that Belarusan society faced at the turn of the 1980s and 1990s. Give examples from the following memoirs, and view excerpts from interviews with Sergey Bandarenko (4:40 - 5:30; 5:58 - 6:57), Nina Stuzhinskaya (0:40 - 2:34).

Since 1989, in some regions of the USSR the card (coupon) system for scarce goods was introduced. In Belarus the card-distribution system functioned in the form of the so-called "Buyer's cards" for purchase of industrial goods, separately - for men's and women's products (Order of the Ministry of trade of the BSSR and Belcoopsoyuz of September, 24, 1990 N° 52/91) and coupons - for foodstuffs.

Since 1990, an avalanche-like process of inflation, rising unemployment, and the closure of industrial enterprises began to develop. Under the conditions when the single post-Soviet ruble zone was functioning, the cost of many consumer goods in Belarus remained lower than in the neighboring countries of the former USSR. Decree No. 423 of the Council of Ministers of the Republic of Belarus "On Additional Measures to Protect the Consumer Market of the Republic" of November 14, 1991, introduced a one-time coupon for circulation with the Soviet ruble in January 1992. It was possible to buy goods in Belarus for Soviet rubles only with such coupons. Coupons were issued at the place of work, service or study on presentation of a passport and proof of residence for 60% of net earnings. Pensioners received coupons along with their pensions. For children consumer cards were issued through the housing authority. These were cut coupons, printed on a single sheet, which were actually the first state-issued paper quasi-currency of independent Belarus. Coupons and coupons were valid in Belarus until 1992, and for some food products even until 1993.

In the conditions of a deep crisis, many residents of Belarus had to look for new sources of income, change their profession and find new spheres of activity. The "shuttle traders" - small wholesale and retail traders of consumer goods using the "shuttle" trade method - became a symbol of the era: independent delivery of a small batch of goods from the place of purchase, quick sale at "their" market, the next trip along the same route. Many people found themselves in handicraft activities. Farmers appeared in the countryside.

Some new activities were legalized by the state. The population had the opportunity to engage in legal individual entrepreneurship and to travel abroad without hindrance.

#### **TESTIMONY:**

## Yadviga from Minsk worked as a cashier in a vegetable store on Chkalova Street in 1991. She recalls how trade was done at that time.

- You took goods for a certain amount of money and accordingly you had to provide coupons for that amount. They were cut out separately. Coupons were a confirmation that the buyer had the right to buy the goods. At that time some goods were in short supply, coupons were introduced so that they were not given out too much. In the evening we had to count how much money was in the cash register and how much in coupons. We had to make it all add up, it was very strict with counting and control.

### Store employees collected and turned in coupons to special card bureaus.

- At that time there was a shortage of buckwheat, rice, pasta and sugar. The issue of these goods was limited. The coupons indicated what specific goods could be bought. There was a separate queue for the items that could be purchased with coupons. Customers swapped coupons, depending on who needed what goods. But I didn't see any fake papers.

#### Vitbichi" newspaper, December 1991:

"Of course, strict control is necessary, but... This innovation has many negative aspects. All of us will be attached to the store where we live, and there is no guarantee that the nearest one will be there. And after work we are unlikely to be able to buy anything because of the huge lines. We buy food where and when we have to".

# "Sovetskaya Belorussiya" newspaper, December 20, 1991. Article "It is better to buy a product with inconveniences than not to buy it at all":

"The introduction of coupons will by no means make our lives less trouble-some than they have been so far. Moreover, the lines are bound to become longer, and both sellers and customers will become more impatient... There is no problem with talons. We got used to them. Now we should get used to coupons too. And then, having studied all the anti-market sciences, we should reject them all at once: we don't want to be slaves of papers, papers and paper! We want to earn lots of money and buy whatever we want with it! We are worse off than others!".

### Sovetskaya Belorussiya newspaper, December 21, 1991:

"As stated, the government is not going to mislead the people and says frankly that for the next year and a half the standard of living of those living on fixed incomes will decrease. Prices, on average, will be increased 3.3 times, but not for all types of goods equally. In short, we must get used to living in the new conditions of free prices and free enterprise.

## From the memories of Galina, who was in the shuttle business in the 1990s https://people.onliner.by/opinions/2020/03/05/mnenie-1239:

"We sold everything: clothes, shoes, dishes. There was almost nothing in the stores at that time. When free trade appeared, the markets were the first to fill up. Probably a lot of these goods were sewn "in basements" and passed off as well-known brands, but people did not know much about it at that time and not many people knew about boutiques. But people wanted to dress nicely. Racketeering was a serious obstacle at the time. What was it? The racketeers controlled everything: the stores, the markets... Young guys would come to you, and the amount we had to pay for "protection" would be stipulated. If you didn't agree with these guys, you could get into trouble. One day, for example, a car got in the way of our bus. A guy got on the bus, he pointed a gun at me and said: "Turn around and go back." What to do - we turned around and drove away. Another group of shuttles, as far as I know, shot at the wheels of the bus, miraculously they didn't have a serious accident. But most often it was possible to negotiate with them, the main thing was to pay. It's even difficult for me to explain to you how difficult it is. Especially the women. And women were the majority, there were usually 1-2 men in a group of 20 people. I think it was because men back then were a bit shy to trade, and women were more communicative and probably more hardy."

### **ASK THE FOLLOWING QUESTIONS:**

- Why was the card (coupon) distribution of goods introduced in the USSR from 1989 and in the Republic of Belarus from 1992?
- What new activities have people engaged in in the face of rising unemployment and business closures? (shuttle trade, crafts, farming)
- How did a craftsman (artist) have to make a living from his work? (travel to sell his products himself)
- What kind of hardships did you have to endure?
- What changed in the state's attitude toward individual economic activity after 1991? (It became legal)
- Compare the personal strategies after 1991 of Sergei Bandarenko, Nina Stuzhinskaya, and Sofia Savelova.



Case of Sergei Bondarenko: https://youtu.be/yuEdjPYG0W4



Case of Nina Stuzhinskaya: https://youtu.be/fj7ffJjOJaY



Case of Sofia Savelova: https://youtu.be/KmXo7lez914