HUMAN RESOURCE MANAGEMENT

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Short Description

HUMAN RESOURCE MANAGEMENT

case study

Description
Case 5:

An Unexpected Currency for Ukraine

In the early 1990s, the Soviet Union split into separate countries. Consequently, the Russian Ruble was no longer the monetary unit for the newly independent nations. Ukraine was one of these nations. To prevent a financial crisis, until a new currency was issued, the Ukrainian government issued coupons for use in buying the country’s limited supplies of food and other products.

These coupons were not originally intended to be the new Ukrainian currency. However, as Ukraine’s economy developed, these coupons became widely accepted as money. At first, Ukrainians were using both the coupons and the Russian Ruble. As the new monetary system replaced the old one, Rubles became less acceptable for making purchases. The acceptance of the ration coupons made them the unofficial currency of Ukraine.

Today Ukraine's currency is the Hryvnia. In recent years, in an effort to expand the country's economic development, the World Bank has provided Ukraine with several major loans. Two of these were designed to improve agricultural productivity and to expand food product exports. Ukraine's rich soil is well suited to growing grains, sugar beets, vegetables and other farm products.

Questions:

1. **What problems can occur in an economy that does not have enough money in circulation?**

2. **What made the ration coupons valuable in the Ukrainian economy?**

3. **What made the Russian Ruble less acceptable among Ukrainians?**