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Abstract
Barter is usually defined as the dyadic exchange of goods and services of similar kind without the intervention of money. Initially regarded as a simple bilateral transaction (equivalent to commodity exchange), it did not attract particular anthropological attention. However, a model of pure barter exists only in theory. The available ethnographic data show a wide array of barter modalities and functions conveying, beyond its pragmatic goal, social, political, and moral functions (equality, fairness, political alliances, etc.). When it takes place within the same community, barter is frequently found in co-existence with gift-exchange, trade or commodity-exchange. While economists commonly regard barter as the origin of all exchange – eventually leading to the creation of money – the historical sequence could actually work in the opposite direction: money, credit, and barter. Actually, barter is widely used not only in past and traditional societies but also in contemporary societies in which, to a certain extent, it can be considered a post-monetary phenomenon.

Introduction
Barter is the direct exchange of goods or services for each other, without an intervening medium of exchange, although money can occasionally become the object of exchange. The transaction, either simultaneous or delayed, can occur between free individual partners or within a group as well as between groups, either according to agreed rates of exchange or by bargaining.

While barter touches upon fundamental economic questions on human nature that go back at least to Aristotle (e.g., private property, equivalence, justice, value, transaction costs…), it did not initially attract particular anthropological interest. In fact, since both B. Malinowski’s study of trade systems in the Trobriand Islands and M. Mauss’ theoretical work on the gift appeared in the 1920’s, attention to gift-exchange overshadowed the relevance of this type of exchange. For a long time, barter has been considered a simple bilateral transaction, socially neutral, or even “negative”, in comparison to the “positive” features of reciprocity and the exchanges embedded in kinship relations.

It was not until the 1980s that anthropologists started to pay more attention to barter and its context, revealing a wide array of situations in which it was practiced along with other exchange arrangements of goods and services, such as gift-exchange, commodity exchange, formalized trade, credit or truck systems. From then on the old analytical distinction between gifts and commodities became blurred, to the extent that some current anthropologists suggest that barter transactions should be considered a third category of exchange, deserving of study in their own right.

Barter, commodity exchange, and gift-giving
Barter has been widely reported in all five continents in an extensive range of societies throughout history, from hunter-gatherers to post-socialist states. However, a pure model of barter only exists in theory (Chapman 1980). Indeed, an apparently simple barter transaction (i.e., two parties exchanging goods taken to be equivalent) entails multiple possibilities concerning the timing of the exchange (simultaneous or delayed), the partners (neighbors or foreigners), the relationship between them (fairness or hostility), the type of items exchanged (foodstuff, luxury goods, labor), and the wider socioeconomic context in which the exchange takes place (economic crisis, international diplomacy, everyday provisioning).

Conventionally, economic anthropology distinguishes between *gift-exchange* (ideological, ceremonial, equal, and socially embedded) and *commodity exchange* (practical, material, free of any social connotation) (Gregory 1982). Barter thus has been considered a type of commodity exchange involving the transfer of “alienable objects” of which, in contrast to gift-giving, the quantitative value is more important that the qualitative. Most economists alike generally assume that in barter, as in commercial exchanges, the emphasis placed on the item being exchanged will typically lead the parties involved to try to get as much as they can out of the deal. In fact, when common products are bartered, exchange ratios naturally tend to *market equilibrium* (in terms of supply and demand), given the possibility of a degree of bargaining to settle the final ratio (Humphrey 1985).

Barter, however, embodies further complexities that go beyond simple commodity exchanges. The rate of exchange can vary due to several factors, such as the geographical distance between the points of origin of the goods concerned, the availability or nature of the goods (perishable goods, like fish, will lose their value if not exchanged in good time), or the accessibility of potential exchange partners. When the number of potential partners is small, the ideal deal will tend to a zero-sum game in which an increased benefit for one partner represents a decrease in the benefit for the other. So in these exchanges a concept of value may apparently be lacking, as reported by Steinen and Schütze (1894, 390) in the case of the Bakairi people of Mato Grosso. Nevertheless, more often than not, the rate of exchange is approximated through guesswork, being "more or less notional, almost ideological" (Humphrey 1985, 60). Some groups fix the rate of exchange according to that used the previous year, while others restrict exchanges to things of the same value and exactly equivalent to one another. When the goods exchanged tend to be of equivalent value, barter may hint a sense of moral commitment between trading partners, which closely resembles that established by the gift-exchange (Heady 2005, 269). In this respect, Lindholm reports a type of barter termed *adal-badal* (give and take) among Pashtun males consisting of an exchange that is like for like: a radio for a radio, sunglasses for sunglasses, a watch for a watch (1982, 116).

While reciprocity and gift-giving are the norm inside the community, direct barter as an expression of autonomy is more common with outsiders. Within a community, delayed barter can only work in a relationship of knowledge and trust, because it implies credits and debts. Families of the Lhomi (Tibet) only bartered rice for salt with other families known to them, habitually with delay or debt (Humphrey 1985). In contrast to local exchange, barter with strangers has often been associated with haggling, "chicanery" and even "theft". Actually, the French word *bareter* means to deceive, lie, foist, cheat, beguile. However, even in the case of potential hostility between foreigners, barter may accomplish some functions beyond its purely material goal. The famous *kula* exchange of gifts (shell ornaments) described by Malinowski was usually accompanied by a secondary barter trade in utilitarian items (foodstuffs, raw materials, manufactures) named *gimwali*. In other cases, barter can convey messages about a mutual relationship and a sense of honor, fairness, trust, and equality, and can strengthen social ties, as in the case of the Mundurucú of the Amazon River basin described by Burkhalter and Murphy (1989, 114).

According to ethnographic data, exchange calculation depends on how much people trust each other, and when some bargaining takes place, it is rarely competitive or hostile. Among the Guisu of Uganda there was no fixed rate of exchange for articles, each particular transaction being arranged to the mutual satisfaction of the two parties involved (La Fontaine 1959, 20). For Hawaiian people, "no bargain was considered binding till the articles were actually exchanged, and the respective owners expressed themselves satisfied" (Ellis 1917, 319). Similar reports from around the world indicate that haggling and arguing are not intrinsic to barter: if the rate offered by one's partner is not satisfactory, one can always start a new exchange relation with someone offering a more reasonable exchange rate. A classic example of such nonviolent practice, even where no moral relationship between the partners exists, is "silent trade" or "depot trade", where goods are exchanged without direct contact between the partakers. Herodotus documented this practice as early as the fifth century BC among the Carthaginians, yet it was widely used by merchants from Asia to Africa when traders could not speak each other's language, right up until the beginning of the twentieth century. The Garo from India and Bangladesh, until recently, exchanged cotton with foreign traders in silent barter for pigs, cattle, goats, tobacco and metallic tools. Usually one party leaves the traded goods in a customary spot and gives a signal to the counterpart, using smoke, a gong or a drum. The other group proceeds to leave a second set of articles and retreats. If both agree and are satisfied, the transaction concludes.

Available ethnographic cases show that barter and gift-giving co-exist in a symbiotic manner. In fact, goods usually circulate within *regimes of* value that differ in space and time. For instance, a man can raise a calf, then give it to his friend, who in turn can barter it for three pounds of rice with a shopkeeper, who decides to sell it to another man, who finally eats it in a religious feast. Further, the exchange of specific types of goods and services can occasionally operate within different spheres of exchange. For example, the Tiv of Nigeria (Bohannan and Bohannan 1968) had three spheres of exchange: subsistence (i.e., food such as yams, grains, vegetables, and small livestock and some tools), wealth (i.e., brass rods, cattle, and slaves) and prestige goods (marriageable females). In this context subsistence goods were the most likely to be exchanged, and conversions from one sphere to another were discouraged for their moral and social implications. The Kapauku of Western Papua New Guinea actually shared four spheres of barter:

> In the first, pork may be exchanged for growing crops, land, salt, steel axes, or infrequently, for bows or net carrying-bags. In the second sphere, woti shells, bows, and net carrying-bags may be bartered for growing crops, and very occasionally for pork. The third sphere includes human labor spent on agricultural tasks, which may be recompensed by a reduction of the bride price, through free lease of land, or by growing crops. The fourth sphere of exchange allows artifacts (except canoes and planks) to be mutually exchangeable (Pospisil 1963, 341).

To understand whether a particular barter exchange is more commodity-like or more gift-like, anthropologists observe both the dual aspect of the exchange (its economic and social side) and the nature of the relationship between the partners (Heady 2005, 272).

The Myth of "Money follows Barter"

Barter, most economists mistakenly assert, is regarded as the origin of all exchange, the "primitive" form of commerce par excellence, based on an elementary division of labor and the lack of money. That argument can be found in Adam Smith (who refers to man's "propensity to barter, truck and exchange one thing for another") and it recurs in later schools of economics when trying to substantiate the idea of the economic man (Polanyi 1957, 43). As the argument goes, in an imagined and primordial context, people produced what they needed for themselves and the surplus was swapped between individuals for other goods they required. But the difficulties derived from the exchange itself (e.g., searching for a partner, establishing a fair rate of exchange, etc.) forced the emergence of some kind of measure of value i.e., money tokens that most people would be willing to hold to swap for something else in future exchanges: salt, shells, ox hides, etc. The restrictions of barter were lifted as soon as sellers began to regularly accept these money tokens, knowing that they could be exchanged at any time. With time such money-tokens became money as we now know it.

Nonetheless, as many anthropologists have pointed out, there is virtually no evidence that this is how money really came into existence. As Humphrey puts it, no "example of barter economy, pure and simple, has ever been described, let alone the emergence from it of money; all available ethnography suggest that never has been such a thing" (1985, 48). Actually, in real life we do not usually experience transaction costs in exactly the same way economists describe them: few people with a surplus of three chickens who wants beans would be likely to spend his/her time looking for someone else, somewhere, who is willing at that moment to swap his/her beans for exactly three chickens. In the course of history, there have been very few marketplaces where people are documented as regularly swapping goods directly without any reference to a money of account, nor whole economies operated by barter alone.

Even though barter is frequently considered an economic residue (i.e., what the real market cannot or will not pick up), or under-reported due to its sporadic nature, the evidence does not support the assertion that non-monetary economies would have previously been barter economies. Ethnographic data indeed presents robust counterarguments against the evolutionary narrative, as one usually finds barter side-by-side with gift-exchange, cash exchanges and trade, rather than one form following the other in a diachronic sequence. In other cases, barter can be a more efficient, direct and fair type of exchange when one individual owns a surplus A and needs B, and another owns a surplus B and wants A, particularly when the transaction absorbs long-distance transport services and involves more than one transaction. This is the reason for its popularity in rural communities specialized in a particular product. Further, sometimes barter can be better understood as a post-monetary phenomenon of economies that are, or have been, de-coupled from monetary markets. For instance, the Lhomi of the Tibetan border, before the Chinese invasion in the 1970s, engaged in three kinds of barter: inter-village direct exchange of subsistence items; regular large-scale barter of agricultural products for Tibetan livestock and other products (butter, dried meats, clothes, etc.); and long-distance trade of salt exchanged with the nomads in Tibet for rice (Humphrey 1985). They were wealthier in earlier times and their use of money was historically intermittent in favor of barter. After World War I in Germany and the Great Depression in the US, barter systems expanded due to the scarcity of money and goods to meet the population's basic needs. In a similar vein, during the communist era the Russian *blat* system allowed people with control over particular scarce goods to provide access to their acquaintances, hoping that the beneficiary would later give them access to something else they needed in return. Multilateral barter systems developed in post-communist European countries and during Argentina's *corralito*, and the proliferation of LETS (*local exchange trading system*) was widely reported in Southern Europe during the financial crisis that began in 2008.

These examples show that barter allows trade to continue in times of monetary scarcity, or when a national currency collapses (due to wars, economic crisis, deflation, etc.). Barter not only makes payment unnecessary, but it creates a distinct circuit of goods for their own benefit. For this reason, in contexts of extreme poverty, it can be also a strategy to resist selling labor and land (Humphrey 1985, 52) or to elude monetary taxes, thereby acting as a moral economy of the poor. In this sense, this type of exchange opens up economic opportunities for other actors that otherwise would have fewer socioeconomic opportunities, notably women in many West African societies.

Yet barter is not only a phenomenon of "communitarian", local, rural or crisis-stricken modern societies, but a socioeconomic strategy occasionally found in more "healthy" contemporary economies and in wider geopolitical contexts as well. In the middle twentieth century, most European currencies were inconvertible and relied, instead, on bilateral clearing agreements that swapped goods for goods and only periodically sought to reconcile central bank accounts in monetary terms. During the 1970s and 1980s, 60% of trade within Eastern Europe at the time was based on barter, as was much of the exchange between the Soviet Union and the underdeveloped world (Rogers 2014, 140). Today, swapping all kinds of things is increasingly common on a global scale through the Internet, and corporate barter is a growing industry. In New York, so-called "barter clubs" came into being half a century ago and today comprise a network of an estimated 450,000 companies (retailers, services, and manufacturers). In these cases, barter is a payment option for businesses where money is not used. Similar associations can be found in Australia, Canada and New Zealand. In some urban contexts, barter can be quite formalized (taxed, registered, audited, etc.) and there is a growing number of guides and textbooks to know "how to get almost anything without money". On a larger scale, barter has long been a strategy of international trade between nations: not only hydrocarbons but also many other goods, especially in Eastern Europe under socialism where it mitigated economies' structural problems.

The marginalists (neoclassicals), in particular, deduced that barter was abandoned in favor of money because of its high transaction costs (e.g., searching for partners, setting a double coincidence of wants, postponing a desired transaction, wasting time on bargaining, and so on), and the problem of the meeting of wants (i.e., the difficulty of finding a partner with exchange preferences that meet one's own). Common arguments of economists for the efficiency of money over barter are as follows: first, it limits the number of price quotations necessary (i.e., all items can be quoted in money). Second, it enables buying to be separated from selling, thus permitting trade to take place without the so-called double concurrence of barter. Third, it avoids the possible drawbacks of delayed barter when information about the buyer is absent.

However, in barter the distinction between money and non-monetary goods is not always clear-cut either. A particular example of such complexity is posed by the current discussion concerning *petrobarter*, or the exchange of oil for goods and services on a wide scale without reference to monetary currency. Oil exchanges can indeed be a powerful way of capitalist accumulation encompassing "*countertrade* and *offset trade*, in which corporations and states swap goods with little or no monetary calculation, and *currency clearing*, in which states transact goods for goods over an agreed period of time, only periodically reconciling their central bank accounts in monetary terms" (Rogers 2014, 133).

Conclusions

In summary, albeit barter was initially disregarded compared to the social and moral complexities of the gift, it cannot be merely considered an inefficient alternative to market exchange nor an inherent phenomenon of so-called "primitive economies". Barter practice takes place in very diverse contexts and situations and, beyond a simple economic institution, it should be analyzed as a mode of exchange with its own social characteristics and its own moral space. Beyond its apparently pragmatic goal – the provision of goods and services – barter may embody other social, political, and moral functions (equality, fairness, political alliances, etc.) depending on the partners involved and the wider socioeconomic context in which the exchange takes place.

See also: *blat*, commodity, credit and debt, economic anthropology, gift, *kula*, Malinowski, money, sharing, trade.

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