



## Bartering and early currency around the world

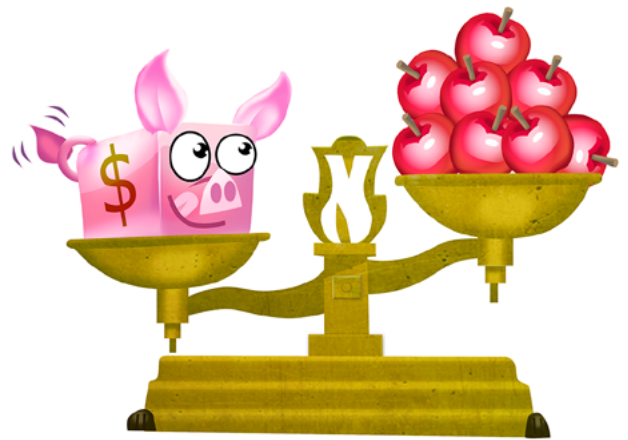
Can you imagine a life without money? How would you get the goods and services you need if you didn't have any money?

Currency, as we know it today, has not been around forever. Before currency, people used to barter to get what they needed. Read on to find out about bartering as well as how, when and why the first currencies were created.

### Bartering – what is it?

Bartering is the exchange (swap or trade) of goods or services for other goods or services. This sounds like a simple enough system doesn't it? Well, the problem with bartering is, and always has been, finding someone who wants to swap with you, finding someone who has what you need and agreeing upon a fair value for your product or service.

Bartering is thought to have been the main currency system more than 3000 years ago with people trading goods such as weapons, animal skins, food, and basic needs for survival. In more recent times (but still a long time ago) people used textiles, spices, metals and even labour (work) to barter with.



The Aboriginal people in Australia had a thriving barter system which was not always associated with physical objects – they also exchanged songs, dances, stories, rituals and ceremonies.

Barter exchange systems have evolved throughout time and still exist around the world today.

### Bartering – what are the problems?

While barter systems have been used for thousands of years, there have always been problems with them. Here are three key issues:

- **Finding someone who has what you want**

It could be very time consuming trying to find someone who had the goods or services you needed, and who was willing to accept what you had in return.

- **Agreeing on a value**

Even if you did find someone to barter with, it may have been difficult to agree on a fair value for your goods. For example who decided how many apples should be traded for one bag of flour?

- **Transport of goods**

If you had large or heavy goods to trade (e.g. metals, animals etc.) they could be difficult to transport.

These issues with trade led to early civilisations creating coin systems where each coin had an agreed upon value.

# Beyond Money

earning > saving > spending



## The creation of currency

Currency can be anything which has a value attached to it. This could be things such as shells, stones, metal coins, and paper or, more recently, plastic. However, without a value attached to them, these things are worth nothing.

Did you know that the invention of coins dates back to around 600BC? There are varying accounts of who created the first coins, but it is thought to have been the Lydian people who came from an area now known as Turkey. Other accounts refer to the island of Aegina in Greece as the birth place of coins in around 700 BC. Either way, coins have been used as currency for a long time.

Early coins were made of either gold or a silver alloy and were imprinted with images, symbols and/or words. Many early coins were not a standard weight, size or purity of metal, making them not true coins based on the standards we have today.

Coins throughout history have taken many shapes and forms. Early coins in India were thought to be circular, square and even in the shape of a bar. Early coins in China were made in the shape of miniature hoes, spades and knives and were circular with a small hole. However, in Australia, our coins have always been circular, except for the fifty cent coin which is now 12-sided.

