

# History of barter system

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Barter system Barter system is an age-old method that was adopted by people to exchange their services and goods. This system was used for centuries, before the invention of money. People used to exchange the goods or services for other goods or services in return. Nowadays, barter services has staged a comeback with the advent of more sophisticated techniques that aid trading through the Internet. During ancient times, barter system was a local phenomenon, which involved people in the same locality. However, today barter system has become global.

You can now negotiate with the opposite party, regarding the value of the item you want to barter and vice versa. The advantage of bartering is that it does not involve money. You can buy an item in exchange for some other thing you current . The barter system was one of the earliest forms of trading. History of barter system It facilitated exchange of goods and services, as money was not invented in those times. The history of bartering can be traced back to 6000 BC. It is believed that barter system was introduced by the tribes of Mesopotamia.

This system was then adopted by the Phoenicians, who bartered their goods to people in other cities located across the oceans. An improved system of bartering was developed in Babylonia too. People used to exchange their goods for weapons, tea, spices, and food items. Sometimes, even human skulls were used for barter. Another popular item used for exchange was salt. Salt was so valuable at that time, that the salary of Roman soldiers was paid in salt. The main drawback of this system was that there was no standard criteria to determine the value of goods and services, and this resulted in disputes and clashes.

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These problems were sorted out with the invention of money, but the barter system continued to exist in some form or another. The Europeans started traveling across the globe during the Middle Ages and used barter services to trade their goods like furs and crafts to the East, in exchange of perfumes and silks. People of colonial America did not have enough money for business, which was mainly based on barter services. Most of their business consisted of wheat, skins of male deer (bucks), musket balls, etc. They were also experts in exchanging services.

If members of one family agreed to help their neighbors in harvesting their crops, the latter would help the former in their task, like roofing their building. The history of barter system can also be linked to the initial years of Oxford and Harvard Universities, where students used to pay their fees as food items, firewood or livestock. Barter services became popular during the Great Depression in the 1930s, which witnessed a scarcity of money. The barter system was used as a way of obtaining things like food and other services.

The trading was done between people or through groups, who acted as agents and facilitated third party bartering. These groups were like banks, where people maintained their accounts. In case of sale of any of the items, the account of the owner would be credited and the account of the buyer would be debited. It is worth mentioning that Adolf Hitler also used barter system to collect money for funding the war. He was engaged in barter trading with Greece, Sweden and Russia. Post World War II, the people of Germany too resorted to bartering, as the German currency had lost its value.

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Barter system has been in use throughout the world for centuries. The invention of money did not result in the end of bartering services.

Sometimes, monetary crises fueled the revival of the barter system, and the current recession has once again set a stage for its comeback. Even though money is there for trading and for business, barter system still exists and has become more strong and organized. I have, but don't want. This type of trading can be done through swap markets and online auctions.