**Currency in Indigenous Societies**

This was the first article I’d ever written. I have an emotional attachment to this so I won’t change anything.

INTRODUCTION

We live in a society and consequently need money to live. Does the fast-food franchise employee appear at work every morning for the love of chicken grease? No. Does your supervisor actually enjoy coming to work at 7am? Perhaps. Nonetheless, the two of them have something in common. They value money and all the goods, services and privileges it can allow them access to.

But why does money hold so much power over us? We, as a species, have a vacuum in us that we cannot fill; an eternal desire for stuff. Though it is impossible to satiate, we still attempt to do so with goods and services. This is economic scarcity [Mullainathan Shafir, 2013]. While money cannot fill this hole but it can pad the bottom a little bit and few of us can resist the lure of legally sourced unlimited streaming services.

THEORY

But, where did money come from? What facilitated its creation? There are a variety of theories developed to answer this question and depending on the particular economy being examined, it can be any of these answers or a combination of all of them. One is the traditional metallist perspective: that money evolved from the barter system. To elaborate, as people began to develop larger communities, individuals recognized that they had different aptitudes for producing different goods and began to specialize. This led to a situation where an individual would have an abundance of fish but no bread, for example. And someone else would have a lot of bread and no fish. They would then exchange the goods they had in excess for those they could not easily get on their own. This was not a complete solution to the challenges of exchange, however. Societies have far more goods than fish and bread. Scenarios can appear such as a mechanic with a peanut allergy needing envelopes from the only supplier in town who happens to have a driving phobia. The barter system would be neither adequate nor practical [Graeber, 2012]. An alternative theory, the chartalist theory, is that money was introduced by societal elites as a way to control markets and quantify tributes received by subjects (Baron, Ancient Monetization: the Case of Classic Maya Textiles , 2018). This represents an alternative economic perspective from mainstream western influenced neoclassical economics. [Morris, 2010]

This is where the subjectivist economic perspective comes in. Pioneered by Karl Polanyi, it states that monetary systems of ancient civilizations, closed economies or indigenous economies cannot be directly compared to that of open industrialized nations because of the different monetary needs of these societies. Direct comparisons would make the smaller economies seem under-functioning despite operating in their own right. In its inception, this theory was used to as a separation point between modern currencies and seemingly primitive and underdeveloped currencies. These ideas have, however, been refined though further research and archeology and the modern understanding is that monetary systems in precolonial and prehistoric societies are now known to be more sophisticated than previously assumed.

Accordingly, there are two types of money: general purpose money and special purpose money. General purpose money is the standard three role currency that is recognized in complex market systems. Special purpose money is a currency that has either one or two of these roles and can also be used for direct consumption. [Polanyi, Arensberg, Pearson, 1957]. At the very least, it needs to fulfil a triangular hypothesis would make something be classified as currency. (Jacobson, 2001). Nontheless, these currencies still deviate from what we view as modern money. I will examine this further with examples from both precolonial African and Mesoamerica.

In much of central and southern Africa during the iron age, iron and copper were widely smelted. Unlike iron, which iron was used to produce purely utility items, copper was used for ceremonial jewelry, tools and religious items. Its use was limited to the upper class; a predicament that both indicated the social stratification in these societies, limited the context in which it could be used and increased its inherent value. Copper was made into ingots, bangles, rods and crosses depending on its specific purpose and the ethnic groups performing this trade. These could be traded for subsistence items like food and shelter but also for more specialized goods like slaves and ivory. Missionaries and explorers were able to use them for trade (Bisson, 1975).

Predictably, the system in West Africa, well over a millennium later, was far more sophisticated. In this region from the 16th to 19th Century one of the most commonly used forms of currency was the cowrie shell. Originating from the Indian Ocean, cowrie shells were valued for their exoticism; being unavailable in landlocked West Africa. Notably, cowrie shells originating from the shores of East Africa were not as valued as those imported from Asia. This created a limited supply that facilitated their primary use as a source of currency. Slaves and ivory exported off the continent as part of the Transatlantic Slave Trade, as well as food, were valued in cowrie shells. [Hogendorn Johnson, 1986]. The use of cowries shells as currency was so widespread that evidence of its inflation had been recorded. It is suggested that this was because the inflow of cowrie shells into West Africa grew faster the value of commodities and enslaved people being exported outside of the region [Ronnback, 2017]. Like a lot of modern currency, it did not quickly decay like cloth. Thus, they were discovered in abundance in archeological sites.

The complexity of ancient South American civilization also facilitated the development of complex forms of currency. From the first century BC until the crumbling of the empire, the Mayan civilization was known for its extensive market system. The Maya markets were controlled, maintained and organized by social elites. They imposed laws enforcing a code of conduct and restricting trade to these markets were in place. Because of this, all traders from across the civilization congregated there to trade in a vast variety of goods and services. The archeological remains of these markets can still be found to this day [Baron, Ancient Monetization: The Case of Classic Maya Textiles, 2018]. These currencies were so well established that they could be measured in terms of one another and were treated as a general purpose currency. Two of the most significantly traded goods by the ancient Aztecs were cotton textiles and caoco beans. Cocoa beans, in particular, derived their value from their use in the brewing of a special beverage only enjoyed by upper class citizens, during ceremonial events and as offerings to the gods.

CONCLUSION

Ancient societies developed their own forms of currency complex enough to enable them to exchange goods and services as efficiently as was necessary for the times they lived in. Now, these currencies, which were often rare decorative items or expensive consumable goods, were never going to be as sophisticated as modern fiat money, digital currency and the dreaded incomprehensible cryptocurrency. And that’s okay because they served their purpose to the extent that they were needed, in the same way as bullion and goldsmith receipts in historical Europe. The history of money in indigenous societies is not as often documented as their western counterparts. It is a shame because this information can provide a lot of insight into the development of money and economic society around the world.

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