

Name: _____ Date: _____ Period: _____

Directions: (Make a copy of this document) You will read one of the articles or examine some of the images which are assigned to you. Once you are done reading the article or examining the images, you will answer the questions for your article or images. Once you are done answering the questions, you will be paired up with a partner and work together to answer the remaining questions. Finally, you will complete the Google form here once all the questions have been answered!

The Culture of Nonmonetary Bartering

By Rosa Murillo 29 November 2017¹

For generations in northern Ecuador, a type of bartering known as *trueque* has presented a unique way to exchange goods and services without the use of money. Such bartering of products is an alternative way of life for communities in these highlands. *Trueque* is an ancient cultural practice of the region and is based on the guiding principles of Andean thought and, therefore, economic solidarity. The practice consists of exchanging products, knowledge, and services that others need. Prevailing need is the basis of the exchange, not monetary value. This type of barter promotes complementarity, reciprocity, redistribution, dialogue of knowledge, autonomy, cultural exchange, and cultural revitalization.

As one producer in Natabuela explained, “With bartering, no one loses. Everyone leaves happy and with many products for the home.”

In the province of Imbabura in northern Ecuador, there are different ways of bartering:

1. *Itinerant bartering*: One or several families leave their community with products and go to another community at a different altitude, where families have different products to exchange for what they need. Typical exchanges might be bananas for potatoes, oranges for beans, corn for traditional healing services, or animals for clothes, containers, or mats.
2. *Bartering at specific sites*: This is done on specific dates during harvest periods, such as from June to November and during Holy Week in March or April. These are massive and far-reaching events for different populations. The events are held at long-established locations, such as Ibarra and Pimampiro in Imbabura, where people from colder and warmer areas meet to exchange products grown in different climates. As an example of the magnitude of these exchanges, during such an event as many as 200 families from

¹ <https://www.iaf.gov/content/story/the-culture-of-nonmonetary-bartering/>

Ibarra and 6,000 families from Pimampiro might exchange the equivalent of up to US\$50,000 per day. There are no invitations to these events; people simply know the bartering dates and prepare their products for exchange. Participants include children and adults, Afro-descendants, indigenous people, and mestizo people. Participants exchange products piece-by-piece, and entire families participate in the bartering process.

3. Permanent bartering: Born from direct sales fairs in Imbabura, this is one of the most recent methods of exchange that has been taking place since 2009. Products are exchanged weekly, representing an average exchange of the equivalent of US\$8 per week for a family. This enables producers to assess the exchange value of their production and diversify their diets on an ongoing basis with foods that cannot be easily acquired within their communities.

The Social and Solidarity Economy Movement of Ecuador (*Movimiento de Economía Social y Solidaria del Ecuador* – MESSE) defines bartering as a practice of a solidarity economy and sees it as promoting autonomy and strengthening civil society. For this reason, MESSE declared 2013 as “National Bartering Year” in the city of Pimampiro. The organization promotes trueque on an ongoing basis within direct marketing processes and in training sessions carried out among its members as well as with local and national partner organizations.

However, it is clear from talking to those who practice *trueque* that it goes beyond economics and is part of a way of life in northern Ecuador. As one Afro-descendant producer from the Piquiucho community explained, “The whole family prepares the day before we go bartering. We have everything we want to exchange and we know what we want to bring home.”

This producer also noted that it might be difficult to replicate such bartering in other environments: “Hopefully people from other places can do this as well because it is an alternative way of life, although you may not be able to do this form of bartering elsewhere because it is so unique.”

Questions for The Culture of Nonmonetary Bartering

1) What is Trueque and why is it important to the people in northern Ecuador?	
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<p>2) What is one of the different types of bartering mentioned in the article, and how does it work?</p>	
<p>3) Why might Trueque be hard to do in other places outside of northern Ecuador?</p>	

Exclusive: First Russia-China barter trade may come this autumn, sources say
By Reuters 7 August 2024²

MOSCOW, Aug 8 (Reuters) - Russia and China may begin using barter trading schemes, three trade and payments sources told Reuters, with two expecting deals involving agriculture as soon as this autumn, as Moscow and Beijing try to limit using banking systems monitored by the United States.

Bilateral payment delays were high on the agenda when President Vladimir Putin visited China in May and although workarounds have emerged, such as using small, regional Chinese banks whose activities are harder for Washington to detect, payment issues remain. Barter trading would allow Moscow and Beijing to circumvent payment issues, reduce the visibility Western regulators have over their bilateral transactions, and limit currency risk.

Russia is developing regulations for barter trading and the Russian sources Reuters spoke to are working on the assumption that China is doing the same. The sources, who requested anonymity due to the non-public nature of the information, are all closely involved in bilateral trade.

A top manager at a large Russian bank said a barter scheme was being prepared, but refused to disclose details. One source who works in payments said a trade with Russia exporting food products was under discussion. Russia's industry and trade ministry and China's commerce ministry did not respond to questions about the commodity barter trade.

Barter History

China and Russia have a history of barter deals. In 2019, China agreed to trade palm oil worth nearly \$150 million from Malaysia for construction services, natural resources products, and civilian and defense equipment. In 2021, a Chinese company exported auto parts worth \$2 million to Iran in exchange for pistachios. Barter deals between Moscow and Beijing were common before the Soviet Union collapsed and continued into the 1990s, but the deals now under discussion would be the first in around 30 years.

Russia's economy ministry published a document in February advising Russian companies how to conduct barter transactions and pointing out pitfalls to avoid. The 15-page document includes a step-by-step guide for calculating costs and customs duties, explains the requisite accounting requirements and provides contract templates for the different kinds of barter trades - bilateral, multilateral and tolling, where a factory is used by a third party for example.

² <https://www.reuters.com/markets/first-russia-china-barter-trade-may-come-this-autumn-sources-say-2024-08-08/>

The document describes barter trades as a good way to avoid international settlements and cash. Russia's economy ministry did not respond to questions about the document or planned barter trades with China. Barter trading offers a way out of huge payment problems with both sanctioned and civilian goods, said a Russian government source, lamenting that Putin's trip to China has not improved prospects as hoped.

"There are political things that need solving, but despite our boss' visit to China, they haven't been," the person said.

A different source at a Russian industrial firm said metals exports from Russia in exchange for machines from China were being discussed between companies.

Questions for Exclusive: First Russia-China barter trade may come this autumn, sources say

4) Why are Russia and China thinking about using a barter system instead of money for trading?	
5) The Article mentions some bartering examples from the past. What do these examples show about using bartering?	
6) What steps does Russia's economy ministry suggest for making barter deals work smoothly?	

Primary source images about bartering:

PepsiCo and the Soviet Union Barter Deal & Labor Theory of Value of the 19th Century³

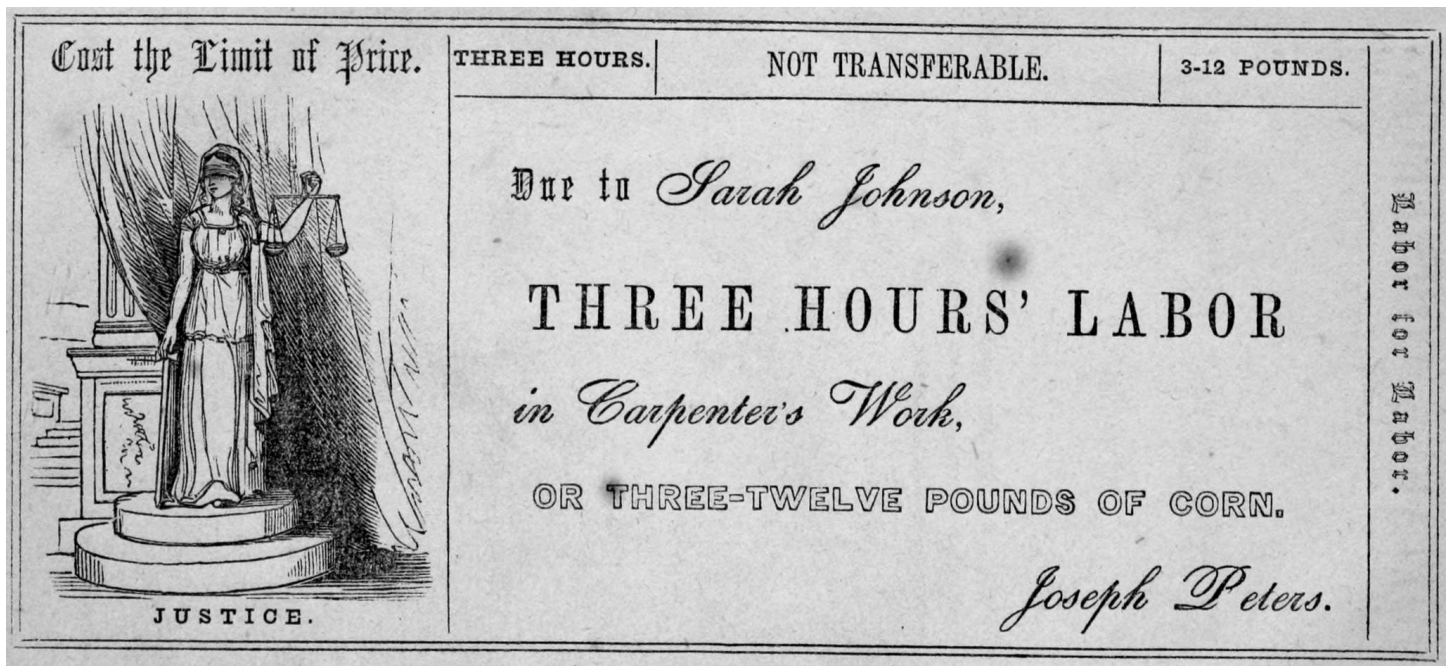


During the Cold War, the Soviet Union and PepsiCo entered into a groundbreaking barter agreement to overcome economic barriers. In 1972, the Soviet ruble (Soviet Currency) was not accepted internationally, making it difficult for the USSR to purchase goods through traditional trade. To solve this, PepsiCo agreed to provide its cola to the Soviet Union in exchange for Stolichnaya vodka, which Pepsi then sold in the United States.

By the late 1980s, as the demand for Pepsi products grew, the deal expanded further to include Soviet military equipment, such as ships and submarines, when vodka alone could not cover the cost. This arrangement made Pepsi one of the first American brands to operate in the Soviet market and, for a brief time, one of the largest owners of a naval fleet. This barter deal

³ <https://en.wikipedia.org/wiki/Barter#>

highlights how nations can exchange goods and services when traditional currency systems fail, showcasing the adaptability of economic trade on a massive scale.



In the 19th century, labor notes emerged as an alternative currency rooted in the labor theory of value, which connected the worth of goods to the time it took to produce them. These notes were most famously associated with reformers like Robert Owen, who sought to create fairer economic systems in his utopian communities.

Labor notes represented the amount of labor time a person contributed and could be exchanged for goods or services of equal value. By directly linking labor to economic worth, this system aimed to eliminate profits and reduce inequality, bypassing traditional money and capitalist intermediaries.

Although labor notes were never widely adopted, they represented an early attempt to redefine economic exchange. Their existence reflects the desire for fairness in trade and offers a historical example of alternative systems that prioritize labor over currency.

Questions for Primary source images about bartering

7) Why did the Soviet Union trade goods like vodka instead of using money?

8) How did the bartering deals benefit PepsiCo?	
9) Looking at the image of the note, what is Sarah Johnson entitled to?	
10) Why did people think labor notes were a fair way to trade goods and services?	

[Link to Google Form](#)