

Mechanisms And Framework Of Barter Practice

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ABSTRACT: Purpose – The primary objective of this study is to investigate the mechanisms and framework of barter practice in northern region of Ghana. Specifically, it examines the Perception that “barter practice is a primitive form of trade exchanges and that cannot be practice in this modern era where money has become the medium of exchange in all exchange practices”. **Methodology/Approach** – Data were collected through a focus group discussions held with respondents from three different communities where barter exchanges appear to be still prominent. A total of 90 respondents made up the discussions; specifically 30 respondents were contacted in each of the three communities according to those into barter practices. **Findings** – The findings revealed the following; First, barter practice is still very prominent particularly in fishing communities where they have little access to food crops (that is they do not farm food crops) and do not have markets to trade with. Second, wide varieties of goods/commodities are bartered in the communities these include; fish, cereals of all kind, legumes of all kind, cotton, firewood, animals, root and tuber crops. Third, exchange partners are faced with a lot of challenges, notable challenges include; difference in the value and quantities of commodities exchanged which most often leads to cheating and arguments, since most barter exchanges are not prearranged, it becomes difficult at times to get an exchange partner, because some of the commodities cannot be preserved for long periods they are sometimes exchanged cheaply (most especially if you cannot find an exchange partner). Fourth, distance is often not considered a critical factor in the exchange process within the community itself because the people are closer to each other so they easily barter. Distance becomes a factor especially when one has to travel to other communities to exchange, this is so because most exchanges are not pre arranged, an exchange partner may go and would not find an exchange partner. Fifth, since most residents are into barter exchanges, there is limited use of cash in the community, thereby enabling people as well as parents to reserve money in order to take care of their children school fees and health care bills Sixth, barter practice provides a platform for regular interactions among residents and residents from other communities since people exchange what they do not have and want. Seventh, exchange partners are always available during the rainy season but become very difficult to get an exchange partner during the dry season since there is nothing to exchange. Practical implications – The findings in this paper confirmed the importance of barter practice as a way of sustaining people’s income since there is limited use of cash. Finally, barter practice is practiced seasonally and is very vibrant during the rainy season and less active during the dry season since there is often nothing to be exchanged in the dry season.

Keywords: Exchange partners, cheating, prearranged commodities.

1 BRIEF REVIEW OF PAST WORKS

The word “Barter” can be described as a non-technical English term which anthropologists have applied to a range of transactions that share certain characteristics. First of all, there must be a clear understanding of the boundary between barter and gift exchange. In order to understand these concepts, it is useful to refer to a distinction between commodity (barter) and gift exchanges. Gregory (1986) draws on the ideas of Karl Marx, and defined barter as commodity transactions involving the exchange of unlike goods and services in order to obtain a material benefit or otherwise profit. He further defined gift exchange as involving partners who present each other with goods and services which are basically alike in order to reinforce the social relationships that exist between them. From the distinctions given by Gregory, we can conveniently state that, barter does not necessary involve the exchange of goods and services between two people but the exchange of unlike goods and services which does not necessarily focus on tighten social ties. There are several definitions to barter, for instance Tadele (2000) defined Barter as a process of transaction in which objects are exchanged without the use of paper money. Similarly, Anderline and Sabourian (1992) defined Barter as “a form of non-monetary exchange in which all trades are required to balance in some appropriate sense. Banks (3) described barter as a transaction which is bound by a single contract that specifies the goods to be exchanged to an equivalent value”. These definitions draw to the fact that barter is an exchange which does not involve paper money. Taking Gregory’s definition of barter into consideration, barter is simply defined as the exchange of unlike goods and services with the use of paper money.

1.1 Motives for Barter Practice

Several research conducted on barter revealed that barter is practiced to due to some reasons. For instance Paun and Shoham (1996) looked at the reasons for inter-organizational barter, which they states as follows establishing relationships with new trading partners, allowing for entry to new or difficult markets, generating goodwill, accessing marketing networks and expertise, disposing of surplus products, using excess production capacity, disposing of obsolete or perishable products, increasing sales volume, increasing profits, enhancing competitiveness, and securing government contracts. Similarly Palia and Liesch (1997) discussed on countertrade but their reasons are applicable for inter-organizational barter, which they also states as follows; developing new markets, increasing sales potential, increasing growth of sales potential, building long-term strategic alliances, strengthening competitive position, increasing market share potential, developing markets for new products/services, increasing profit potential, fulfilling buyer requirement, improving cost position (scale economies), repatriating funds, building political capital, disposing of countertraded goods, and acquiring countertraded goods. Also, Marvasti and Smyth (1998) talked about domestic barter which usually flourishes during economic downturns. For example in Zimbabwe when they experienced the highest inflation of all time in the world, people exchange food stuffs and other goods just to get want they wanted.

2 Profile of Adayili (one of the three communities where the study was carried out)

Adayili is a small community located in the Savelugu/Nanton municipal of Northern Region; it is about 68km away from Tamale (regional capital) and 56km and 12km away from Savelugu and Diare respectfully. Adayili community is made up of three sections; each section is occupied by a tribe. The three tribes found in Adayili are the Ewe, Hausa and Mamprugu speaking tribes. The Ewe tribe

are predominately into solely fishing, while the Hausa and the Mamprugu tribes are partly into fishing but predominately crop farmers. The main occupations of the people are fishing and farming. The community lacks infrastructure and basic social amenities. Among the basic social amenities they lack are; schools, electricity, Toilet, pipe borne water, market and grinding mill. The community been a fishing community also have no engine boat to facilitate their fishing business. However the road leading in and out of the community is very motor able.



Fig. 1. Adayili community located 68km, 56km and 12km away from Tamale, Savelugu and Daire

3 BARTER PRACTICE IN THE STUDY AREAS (Adayili, Kuldalani, Daboya camp)

Barter is practiced by virtually every member (men, women and children) of the community and also people in nearby communities who come to barter with residents. A very wide varieties of goods/commodities are barter in the community these include; fish, cereals of all kind, legumes of all kind, cotton, firewood, animals, root and tuber crops and any other commodity or good that can be exchanged. Women are mostly engaged in barter than the men, especially when it comes to commodity exchange. Bartering mainly involves the exchange of fish and any other commodity/good. Barter mainly takes place during the rainy season and during this period exchange takes place daily.

3.1 How Barter Works

Normally people who have goods/commodities to exchange and come from either within or outside the community enter into houses of people to exchange their goods (this is done just like people who enter houses to sell commodities). When these people come and they have what the person needs they negotiate and then they exchange their commodities. Barter exchange also takes place outside people homes; it takes place near the riverside and along roads. Just like what happens at home, when people pass by and they see a good (this is done especially for firewood which are mostly along the road) that they are interested in they contacted the owners of the goods and they negotiate and then exchange.



Fig. 2. Two women in the process of exchanging onions and pepper and dried okro

3.2 Factors That Are Critical To Barter Exchange

In terms of population, the people are not very many and what they cultivate (food produce) and the fish they catch are most at times sufficient for them to exchange with. However, there are instances where a particular good/commodity which is not common in the community but is of high demand by the people, because most people need the good there is often ineffective bartering in the

sense that because people what the good they tend to bid much quantity of another good for the uncommon good which in real sense should not be so (in economics the higher the demand the higher the price is applied in barter exchange). Distance is often not considered a critical factor in the exchange process within the community itself because the people are closer to each other so they easily barter. Distance becomes a factor especially when one has

to travel to other communities to exchange, this is so because most exchanges are not pre arranged, an exchange partner may go and would not find an exchange partner. If someone goes a couple times and do not get anyone to exchange, he/she becomes discourage and may

even barter it very less. Exchange partners are always available during the rainy season but become very difficult to get an exchange partner during the dry season since there is nothing to exchange.



Fig. 3. A woman waiting for an exchange partner to exchange her commodities.

3.3 Emerging Trends in Barter Trade

There are no barter markets in the communities but they are regarded as “barter towns” because they exchange commodities with each other at homes, along the road, at the bush and at the river side. The most recent and common trade practice in barter exchanges among the Adayili residents is the exchange of cotton and fish between fishermen and cotton farmers. The fishermen use the cotton to block leakages or holes in their canons. Exchange partners are faced with a lot of challenges, notable challenges include; difference in the value and quantities of commodities exchanged which most often leads to cheating and arguments, since most barter exchanges are not prearranged, it becomes difficult at times to get an exchange partner, because some of the commodities cannot be preserved for long periods they are sometimes exchanged cheaply (most especially if you cannot find an exchange partner). The risk of exchanging stolen goods/commodities is very low; however some stolen commodities are normally encountered. The most common way of identifying stolen good/commodity is when a person exchanges a huge quantity of a commodity for a much smaller quantity produce.

4 IMPLICATIONS OF BARTERING ON COMMUNITY LIFE

There are no limitations in accessing or exchanging for what you want. This so because there are no markets in the communities and the only way to get what people who have markets have is to exchange with either members of the community or people from other communities. Because the communities are fishing communities, there is much interaction with people from other communities because they come to exchange their foodstuffs for fish and vice versa. Since most residents are into barter exchanges, there is limited use of cash in the community, thereby enabling people as well as parents to reserve money in order to take care of their children school fees and health care bills. Also the people of Adayili considered barter as a way of addressing their losses, that is in the event they encounter low yield or crop loss they revert to fishing and then exchange the fish for crop produce with people who have crop produce to exchange either within or outside the community. The people also see barter as a way of accumulating crop produce to last them for a whole year, what they do is that they catch more fish and then exchange with different for food produce. Also, bartering is a way of getting a variety of crop produce without having to buy them. All what they do is to catch fish and then exchange for the kind of produce they want.



Fig. 4. Two women exchanging fish and Maggie

5 CONTRIBUTION OF BARTER PRACTICE TO LOCAL ECONOMIC DEVELOPMENT

Indicators of Development

1. Access to electricity

2. Access to toilet facility
3. Access to grinding mill
4. Availability of market
5. Availability of school
6. Access to engine boat

There is increase in economic activity especially during the rainy season as people from different communities come into Adayili to exchange their commodities. During this time, fishermen are motivated to catch more fish because they will get some people to exchange with and crop farmers are also motivated to cultivate more because they will also get exchange partners. The rainy season is always considered a bartering season since it is the only period people exchange anything they have and want. Also exchange partners often exchange on credit basis making it easy for people to trade with each other and later pay. Barter

becomes an employable venture only if there is something to be exchange. There is equitable distribution of goods because the community has three groups who are into different activities, these enables those who are into fishing to exchange fish for crop produce with those into farming. Since people get goods to exchange with others, they are always motivated to grow more grows and catch more fish thereby improving their productive potential. Also there is easy access to what one wants because there are people who want what you have and also have what you want. There are instances where human consumption exceeds the capacity of the natural environment for example during the dry season, human consumption of fish and crop produce far exceeds the quantity of fish and crop produce available for exchange.



Fig. 5. Limited Fish and crop produce during the dry season

6 CONCLUSIONS

Barter practice is regarded as a primitive way of exchange which many people thinks is out of place to still barter or exchange goods especially when money has become the most and easiest way people transact their business. Whiles barter has seen some significant transformations over the decades into modern forms such as countertrade and below barter. Barter practice among locals whose main occupations are fishing and farming is still very common and well practiced. The study also shows that, people who have items to exchange move from house to house in search of people who will like to exchange some items, which is just like the conventional way people take their goods or items to offices and homes of people to sell. Barter practice is very actively practiced is a seasonally activity which is mainly carried out during the rainy season and becomes less active during the dry season. This type of research mainly looked at the way barter is carried out and therefore it is highly recommended that more research should be carried out to explore the mechanisms and framework of barter practice in this modern era.

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