What is **money**?

Money is anything that is widely used for making payments and accounting for debts and credits.

All sorts of things have been used as money at different times in different places.

Amber, beads, cowries, drums, eggs, feathers, gongs, hoes, ivory, jade, kettles, leather, mats, nails, oxen, pigs, quartz, rice, salt, thimbles, umiacs, vodka, wampum, yarns, and zappozats (decorated axes).

The gold standard belongs to history but even today in many rich people in different parts of the world would rather keep some of their wealth in the form of gold than in official, inflation-prone currencies. The attractiveness of gold, from an aesthetic point of view, and its resistance to corrosion are two of the properties which led to its use for monetary transactions for thousands of years. In complete contrast, a form of money with virtually no tangible properties whatsoever - electronic money - seems set to gain rapidly in popularity.

It is almost impossible to define money in terms of its physical form or properties since these are so diverse. Therefore any definition must be based on its functions.

What does it **do**?

- Unit of account (abstract)
- Common measure of value (abstract)
- Medium of exchange (concrete)
- Means of payment (concrete)
- Standard for deferred payments (abstract)
- Store of value (concrete)

General functions (mostly macro-economic and abstract)

- Liquid asset
- Framework of the market allocative system (prices)
- A causative factor in the economy
- Controller of the economy

**Origins of Money**

Money did not have a single origin but developed independently in many different parts of the world.

Many factors contributed to its development and if evidence of what anthropologists have learned about primitive money is anything to go by economic factors were not the most important.