

## The Barter Myth and the Conceptual Foundations of Economic Modernity

By Jean-Michel Servet

### *Abstract*

The barter myth—the claim that money emerged from a prior system of direct exchange—occupies a foundational place in modern economic thought. While standard critiques of the barter myth emphasize its lack of empirical support, this article advances a more capacious approach that situates the myth within the conceptual formation of economic modernity itself. Earlier monetary writings generally treated money as inseparable from political authority and social order. By contrast, the barter myth imagines a world of isolated individuals exchanging goods without monetary mediation, presenting exchange as the natural basis of human society.

The article proceeds in two steps. First, it traces the semantic history of the terms associated with barter across several European languages, showing that they carried shifting and often negative meanings before being incorporated into a narrative of economic origins. Second, it analyzes the conceptual functions of the barter myth within eighteenth-century political economy.

The article identifies three major effects. First, the barter myth establishes exchange between formally equal individuals as the primary form of social relation. Second, it displaces money and public authority from the center of social coordination, making it possible to imagine society as self-regulating. Third, it allows value to be conceived as prior to monetary institutions, creating the conditions for modern theories of value grounded in labor, utility, or scarcity.

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**Introductory Note**By Jakob Feinig<sup>1</sup>

In recent years, the critique of the barter myth has become a standard move in heterodox economic and social thought. The myth itself is familiar: Before money, people exchanged goods directly through barter; money then emerged as a device to facilitate these exchanges once a particular commodity became generalized as a means of exchange. In this account, money changes the form but not the substance of exchange. A range of economists, historians, and anthropologists have challenged this narrative on empirical and logical grounds, arguing that money is a historically specific institution tied to political authority and social power. On this view, money is not a neutral instrument but a constitutive structure of social life.

Although its critique is commonplace today, the expression “barter myth,” and the scholarly preoccupation with it, gained global visibility only recently with David Graeber’s book *Debt: The First 5,000 Years* (2011). In it, Graeber draws on Jean-Michel Servet’s work about the barter myth, including the article presented here in English translation for the first time (Servet 2001; for an English-language anthology of the French institutionalist school, see Desmedt, Blanc and Théret 2020). Graeber highlights how widespread the barter myth is, and challenges it by pointing to anthropological evidence. For him, the barter myth hides money’s character as credit, and hence the political character of debtor-creditor relations. For him, undermining the barter myth means understanding that money is deeply entangled with power and debt, and therefore inherently problematic. From his perspective, emancipation requires challenging the obligations that debt imposes, whether through practices of refusal and protest or through ruptures such as jubilees that reset creditor–debtor relations (Beaman and Ferguson 2025).

Servet criticizes Graeber and related approaches for placing debtor-creditor relations at the center of monetary analysis while underemphasizing practices of sharing and acting in common. Graeber and other authors “eclipse the role of sharing” (Servet 2013:135). In his book, *The Monetary Institution of Humanity*

<sup>1</sup> Thanks to Scott Ferguson and Diren Valayden for commenting on this note.

(the original French title is *L'Institution monétaire de l'Humanité*, 2025), Servet fully articulates this argument (see Feinig in preparation) and invites readers to consider a much broader definition of money: What if “money” consists of the rules that govern human interdependence, sharing, and acting in common? Because such rules are always historical, “money” has no inherent tendency to be just or unjust, democratic or undemocratic. Money is not inherently oppressive: It is as malleable as social life itself. The diverse set of practices we call “money” today is but one instance of instituting interdependence, acting together, and sharing.

This surprising perspective on money emerged from two strands of research Servet began pursuing as an early-career economist (personal communication, 6/13/2026). On the one hand, he analyzed about four hundred early modern texts through which he mapped the emergence of political economy as a discipline, identified the historicity of the barter myth, and mapped its contours as a discursive formation. On the other hand, he pursued research on the emergence of monetary practices in the institutionalist tradition. Servet conceived these two strands—the discursive dimension and monetary practices—as complementary but distinct. His broad definition of money is the result of bringing these two perspectives together, an unexpected payoff of deploying what turned out to be a single wide-angle lens.

The article presented below is the foundational statement of Servet’s history of the barter myth. Long before this myth became a standard object of critique, Servet treated it not simply as a false account of monetary origins but as a constitutive narrative of economic modernity.

Servet’s question is not whether barter actually preceded money, but what intellectual work the story of barter performs. In the article, Servet contrasts medieval and modern monetary imaginaries. In the former, money is inseparable from rulers and public authority, and money is considered a universal form of social mediation. When the modern barter myth replaces the medieval monetary imaginary, it becomes possible to conceive of economic life as prior to political institutions, a self-organizing domain populated by isolated individuals who engage in exchange; a sphere that, alone, produces “value.” Economic life thus comes to appear as something that emerges from

private transactions rather than from collective institutions. The effect is not merely descriptive: It installs a model of sociality that becomes central to modern economic ideology.

His deep historicization of the barter myth allows Servet to move beyond orthodox but also heterodox debates over money's origins in markets, states, and debt. Like institutionalist, state, and credit theorists, he rejects money's supposed origins in barter. Yet he pursues a broader question: What if money is constitutive of social life as such? From this perspective, money is not fundamentally a means of exchange, a creature of the state, or a technology of debt, but the process of organizing interdependence, sharing, and common action. The notion of a world "before money" appears as an illusion generated by the barter myth. For Servet, human beings have never existed outside monetary relations because there can be no social time or social space that is not already structured by forms of mutual obligation and collective coordination.

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## The Barter Myth and the Conceptual Foundations of Economic Modernity<sup>2</sup>

By Jean-Michel Servet

Across the globe, the eighteenth century is a time of significant encounters in lands then unknown to Europeans. Through the activities of trappers in the Canadian North, Alaska, and Siberia, of the famous Captain Cook in the Pacific, and of many others across the Americas, Asia, and Africa, trading posts and settlements multiply. While trappers often adapt to local ways of practicing economic life, colonizers undermine existing forms of instituting social interdependence, acting in common, and sharing.<sup>3</sup> Europeans do not treat these encounters as opportunities to understand the plurality of economic patterns. Instead, they promote the barter myth, a then-new way of thinking that conceals the stunning plurality of economic practices behind the notion that exchange is the universal human relation. This myth also becomes a foundation of the emerging discipline of political economy.<sup>4</sup>

<sup>2</sup> This article originally appeared in 2001 as “Le troc primitif, un mythe fondateur d’une approche économiste de la monnaie,” *Revue numismatique* 157: 15–32. We thank the author and Pierre-Olivier Hochard, editor of the *Revue*, for permission to publish this translation. The text was translated by Jakob Feinig in consultation with the author. It has been lightly adapted to reflect the conceptual language developed in Servet’s 2025 book, *L’Institution monétaire de l’humanité* (Paris, Classiques Garnier). Thanks to Diren Valayden, Scott Ferguson, and Jérôme Maucourant for their assistance with the translation.

<sup>3</sup> See J.-M. Servet, “Occidentalisation du monde et rencontre des imaginaires monétaires: une double illusion,” in *Comment penser l’argent?*, ed. R.-P. Droit (Paris: Le Monde Éditions, 1992), 44–57. See also Josette Rivallain, *Échanges et monnaies en Afrique du XV<sup>e</sup> au XIX<sup>e</sup> siècle d’après les récits de voyageurs* (Paris: Musée de l’Homme; Lyon: Musée de l’Imprimerie et de la Banque, 1994) and J.-M. Servet, “Démonétarisation et remonétarisation en Afrique. XIX<sup>e</sup> et XX<sup>e</sup> siècle,” in *La monnaie souveraine*, ed. Michel Aglietta and André Orléan (Paris: Odile Jacob, 1998), 289–324.

<sup>4</sup> Karl Polanyi was one of the first authors to propose a critical approach to barter. See my *La modernité de Karl Polanyi* (Paris: L’Harmattan, 1998). I have interrogated the conditions of the barter myth’s invention in my dissertation (Université Lumière Lyon 2, 1978) and continued this line of research in *La monnaie contre l’État ou la fable du troc*, in *Droit et Monnaie*, Travaux du Centre de recherche sur le droit des marchés et des investissements internationaux, vol. 14

Unlike ancient monetary myths, which revolve around heroes and gods, the modern barter myth stages a world of ordinary people engaged in exchange. Like all myths, it tells a story—one that explains how money came into existence. In this narrative, humans first engage in occasional exchanges without using money. As societies become supposedly less “primitive,” people begin accepting certain commodities not for their direct use, but because they can be traded for other goods. Over time, these commodities become widely accepted and standardized as forms of payment. Eventually, money becomes increasingly dematerialized. In this view, money emerges as the solution to the inefficiencies of barter, with its origins located in the market. To the extent that this myth is accepted, the logic of bilateral exchange can function as the universal matrix of human relations, causing the myriad possibilities for coordinating economic life to recede from view.

The barter myth emerges surprisingly late. It is not until the eighteenth century that economists begin to give it the form we recognize today, as they seek to establish political economy as a distinct field of knowledge that tackles those social relations, mechanisms and institutions we recognize as belonging to the market. From there, the myth spreads widely through books and pamphlets aimed at the general public, appearing in contexts ranging from financial institutions’ promotional materials to the leaflets of alternative local exchange systems, thereby becoming part of both mainstream economic common sense and its critiques.

Therefore, it is necessary to explain

- Why political economy requires the barter myth to constitute itself as a discipline.
- Why this myth persists among so many contemporary economists, and how what was initially a scholarly argument became part of common knowledge.

Put differently, the aim is to illuminate how and why barter comes to function as the founding myth of economic modernity.

(Dijon: Université de Bourgogne, 1988), 49–62 and “La fable du troc,” *Dix-huitième siècle* 26 (1994): 103–15.

Emphasizing the mythical character of the barter narrative challenges conventional historical accounts of money. For instance, many authors trace the term “pecuniary” to *pecus* (Latin for “cattle”), and take this supposed origin to mean that, through bartering practices, livestock was the Roman world’s initial currency. *Pecuniary*, however, does not derive from *pecus*. Rather, the English adjective and the Latin noun have a common origin in a term designating mobile wealth in general, which includes cattle as well as money.<sup>5</sup> Therefore, this false etymology neither proves nor disproves a monetary use of oxen, goats or sheep, and teaches us nothing about ancient monetary history. Instead, grounded in the barter myth, it illustrates a specifically modern understanding of money and economic life.

## 1. Money before the Barter Myth

The first modern texts that primarily focus on the material reproduction of societies appear in the sixteenth century. In this period, monetary texts proliferate as Europeans experience sustained and pronounced price increases, an influx of gold and silver from abroad, and frequent monetary transformations. These texts include scholastic writings in which what we now consider the moral, political, and economic dimensions remain deeply entangled, but also mercantilist ones from which moral considerations seem absent, and only the political and the economic remain. In the seventeenth century, there were also numerous texts on usury (a term that most authors used broadly to refer to interest rates), the balance of trade, the flow of precious metals, coins, etc. It may come as a surprise to contemporary economists that the barter myth is absent from this rich body of sixteenth- and seventeenth-century monetary writing, because they almost invariably rely on it when accounting for the origins of money.

What do these early modern texts tell us about money’s origin? In general, we find a laconic sentence such as: “Before money, there was permutation.” Some authors have been quick to equate “permutation” with “barter.” However,

<sup>5</sup> Émile Benveniste, *Le vocabulaire des institutions indo-européennes* (Paris: Éditions de Minuit, 1969).

“permutation” is a translation of the Greek *metádoxis*.<sup>6</sup> It is an implicit or explicit, direct or indirect, reference to Aristotle and to Justinian’s *Corpus juris civilis*.<sup>7</sup> Sixteenth- and seventeenth-century economic texts do not offer a clear definition of “permutation,” and it is necessary to turn to other contemporary writings to clarify its meaning. What emerges is that ante-monetary permutation presupposes individuals without divine authority or stable property relations, and thus forms part of a foundational myth. Those who participate in permutation do not appear as human beings comparable to contemporaries. Authors instead invoke Adam and Eve’s first descendants, or antiquity’s mythical heroes, as inventors of money. Another example can be found in Louis Savot’s *Discours sur les médailles antiques* (1627), which claims that the numismatic term *numus* derives from the name of Rome’s mythical king Numa.<sup>8</sup>

The barter myth is absent from sixteenth- and seventeenth-century texts because most authors regard money as essential to social life and, in that sense, universal. Outside of utopian speculation, they find it hard to imagine a moneyless society. In Thomas More’s *Utopia* (1516), for example, gold is used to make slave chains and chamber pots. In this text, individuals do not participate in commercial exchanges but deposit their products in warehouses and take what they need from there; an assembly of people’s representatives replaces the Prince. Non-utopian texts, in contrast, emphasize the universality

<sup>6</sup> In the fifteenth and sixteenth centuries, commentary on Aristotle was based on Latin translations, which explains the move from *metádoxis* to “permutation” and other translation errors. Another example: In Aristotle’s writings about money, one finds a moral condemnation of long-distance exchange, or at least an emphasis of the risks associated with such exchanges. However, in the Latin translation, the expression “long-distance exchange” was rendered as “money-changing.” Thus, the condemnation of money-changing stems in part from a translation error. See Claude Dupuy, introduction to *Traité des monnaies de Nicolas Oresme et autres écrits monétaires du XIV<sup>e</sup> siècle* (Lyon: La Manufacture, 1989). Some authors, including Karl Polanyi, translate *metádoxis* as “gift” or “sharing” (for the latter meaning, see Bailly’s *Dictionnaire grec-français*).

<sup>7</sup> For jurists, the distinction between various forms of exchange, buying and selling, and the different uses of recognized currencies, is necessary for distinguishing the specific obligations of the partners in a commercial relation. Regarding the questioning of the commercial origin of Roman coinage, see the notes to pp. 150-153 of Hubert Zehnacker, ed., *Histoire naturelle* by Pliny the Elder, Book XXXIII (Paris: Les Belles Lettres, 1983).

<sup>8</sup> Louis Savot, *Discours sur les médailles antiques* (Paris, 1627), 3.

of money by cataloging the many forms of “primitive” coins across different societies. In *Denier royal* (1620), Scipion de Gramont discusses a wide variety of coins in use across the globe. The obsession with gold described in accounts of Christopher Columbus’ first voyage may likewise reflect the belief that money—especially gold as “natural” money—is universal.<sup>9</sup> Even the title *Denier royal* indicates money’s place at the heart of society, with *denier* referring to a medieval French coin.

Although these authors consider money universal, they still recognize that peasants often exchange goods without using coins (just as the present archeology of the barter myth, like the authors discussed here, does not reduce money to coinage). These authors recognize that in-kind transactions remain shaped by money because goods and services are valued through a unit of account established by political authorities. Even when it comes to in-kind transactions, money is at the very heart of society because the state considers itself society’s heart.<sup>10</sup> Alchemical or astrological conceptions of the world, along with symbolic correspondences between nature and society and the microcosm and the macrocosm, further reinforce the connection between Prince and money. For example, the king is commonly associated with the sun, fire, and gold, while the 1:12 ratio between silver and gold is taken to mirror the relationship between the moon and the sun.<sup>11</sup> More broadly, during this period money—whether as physical coins or as a unit of account—is understood as a foundation of human society. Through money, people are thought to act collectively, recognize their dependence on one another, and participate in shared social life.

<sup>9</sup> Over a century later, Ferdinando Galiani in *Della Moneta* (1751, Chapter 2, para. 1) still writes: “The acquisition of gold and silver, of which the most precious money is made, has at all times been, and still is, the ultimate aim of the desires of the multitude, and the object of contempt and disgust for the few who arrogate to themselves the revered name of ‘wise men.’ [...] There are some who, more moderately, believe that the agreement humans have made to use money has conferred a quality on these metals—making them objects of preference—which they did not possess in themselves. Very few are those who know that, by their very nature, these metals have their just price and value permanently established and fixed in the minds of men.”

<sup>10</sup> See, for example, Thomas Hobbes, *Leviathan*, ed. Richard Tuck, (Cambridge: Cambridge University Press, 1996), 174, 228–29.

<sup>11</sup> J.-M. Servet, “Le Prince masqué: formation de l’économie politique et occultation du politique, l’exemple de l’argent,” *Proès* (Lyon) 4 (1979): 152–84.

These politico-economic representations, in which money is invariably central, are connected to a set of historical conditions: the monetarization of old relations, the development of new commercial ones, the fact that states take on new functions or develop pre-existing ones while their financial systems remain largely feudal. These conditions give rise to a deep-seated desire for currencies. Money now also plays an essential role in feudalism's residual reproduction: On the one hand, the Prince grants dowries and church offices and provides other sources of income that allow nobles to maintain their rank (though these practices vary across countries and periods). On the other hand, wealthy members of the bourgeoisie can buy their way into the aristocracy through the purchase of offices or strategic marriages, while younger sons of noble families travel abroad in search of fortune.

In addition, at the turn of the eighteenth century—a time marked by speculative bubbles—money increasingly seems to dominate public authorities rather than serve them. It can even be used as a criterion for administrative classification: In 1695, the French population is divided into twenty-two categories based on estimated wealth. For instance, the heir apparent, the Princes of the Blood, and private tax collectors (*fermiers généraux*) are grouped together despite the social distance between them. In the tenth category, we find gentlemen and lords of parishes, notaries and bankers.<sup>12</sup> As money becomes a means of social classification, it appears to acquire an independent logic and power independent of the Prince. Yet this way of conceiving society remains startling for many contemporaries: In the second half of the eighteenth century, people remain surprised that houses on a street can be numbered independently of people's rank, and without regard for any physical criteria other than the left/right opposition translated into even and odd numbers and their spatial distribution.

In the seventeenth century, the barter myth does not yet make its appearance, and there is no social imaginary that can fully replace the Prince and the central institution money. Yet it is possible to sketch the semantic fields from which “barter” and “*troc*” (“barter” in modern French) emerge. As the scholarly idiom Latin declines in favor of the national languages through which the vocabulary

<sup>12</sup> J. C. Perrot, “Rapports sociaux et villes au XVIIIe siècle,” in *Ordres et classes: Colloque d'histoire sociale de Saint-Cloud* (1967) (Paris: Mouton, 1973), 144.

of the emerging sciences is forged, versions of the words *troc/truck* and *barter/barat/baratto* spread across Europe. The multiple words and expressions related to “barter” and “troc” carry historically negative and shifting meanings across European languages before becoming stabilized as part of the barter myth.

To begin with, in the early seventeenth century, the word *troc* has a pejorative connotation. For instance, Antoine de Montchrétien—famous especially for his *Treaty of Political Economy* (1615)<sup>13</sup>—discusses “the vice of countries that barter [*se troquent*] foodstuffs,” and in a different context notes that “pewterers [...] if one gives them old pewter for repair, they will barter [*troquer*] it for today’s lower-quality pewter.”<sup>14</sup> No doubt this negative connotation—today forgotten—is due to clerics’ contempt for commerce.

The negative connotation of barter is not unique to French. In German, *tauschen* means “to barter” and *täuschen* “to deceive.” In Spanish, the proximity between *truco* and *trueque* (“barter”), *traujamancar* and *trocar* (“barter”), *trucha* (“cunning”), *trichiman* (“cunning and unscrupulous person”), *trufo* (“lie”) or *truhan* (“trickster”) is probably not accidental. In Portuguese, “to barter” is *trocar*, and *troçar* means “to mock or ridicule someone.” In Italian, *barattare* means “to barter” or “to deceive”; *il baratto*: “barter” and *una baratta*: “an argument.” These terms share their origin with the English *barter*, the Spanish *barato* (“cheap”), the Old French *barater* (“to deceive or barter by haggling and trickery”) and the Provençal *barat* (meaning a “bargain” or “deception”). Finally, in sixteenth-century French, *baraterie* refers to the practice of deliberately sinking an old but well-insured ship carrying worthless cargo, and then claiming full compensation from those who insured it against maritime risk.<sup>15</sup> Modern French has only retained the colloquial term *baratin* and its derivatives, which refer to a salesperson’s deceptive or misleading sales pitch. Some authors suggest that these words are related to the Scandinavian term *baråtta* (combat, tumult) and the Greek *prattein* (to complete, accomplish, act, a variant of *prassein* through the change from p to b). From the original meaning

<sup>13</sup> Antoine de Montchrétien, *Traité de l’économie politique* (1615; reprint, 1889), 131.

<sup>14</sup> Ibid., note 11, 268.

<sup>15</sup> Centre National de Ressources Textuelles et Lexicales. n.d. “Baraterie.” Accessed May 22, 2026. [CNRTL](https://www.cnrtl.fr/etymologie/baraterie).

of *agir*—“to act”—might have emerged that of *échanger*—“to exchange”—and *faire des affaires*—“to do business.”<sup>16</sup> To add one more possibility, for some authors, it derives from the god of hell and the Greek *barathron*, “an abyss.” Hence, the etymology of “barter” indicates negative connotations; it is also uncertain.

The etymology of *troc*—“barter” in modern French—is just as strange. After the displacement of the “r” in some European languages, and its deletion in others, the words *troc*, *torche* and *toupie* might have a common origin in the Indo-European *tereke* (to twist). The Old French *tors* (twisted object, braid), *torcel* (small bundle), and *tortis* (twisted) could derive from these expressions, just as the modern French words *tordre* (to twist), *torticolis* (a stiff neck) or *torche* (a torch), but also *troc* (barter), *détrousser* (to rob) and *rebrousser* (to turn back).<sup>17</sup> What is the connection between torsion/twisting on the one hand, and cheating/bartering, on the other?

Several hypotheses are possible. First, there are the round shells used as means of payment, still known in French as *troques*. Second, the “rolled thing” could refer to the small bundles carried by merchants or peddlers: *trousseau* in French, *truss* (“package”) in English, and *Trass* (“piece of luggage”) in German. Third, by metonymy, twisting or rolling may have become associated with exchange rituals themselves. A sale could be symbolically concluded through a gesture such as the clasping or striking of hands, as in the French expression *tope là* (“deal”), or through the transfer of a rounded object. Fourth, in Old French, a *trochée* designated a bundle of tree shoots cut slightly above ground, while a *trochet* referred to a natural bouquet used in certain medieval rites of property transfer. This network of symbolic acts and expressions may help explain why, in modern French, *se faire rouler* (“to be rolled”) means “to be duped in a transaction.” In summary, these semantic associations suggest that early modern semantic field of which barter/*troc* were part did not originally denote transparent, impersonal market transactions among equals.

<sup>16</sup> *Dictionnaire historique de la langue française* (Paris: 1992), vol. 1, 179.

<sup>17</sup> Grandsaignes d’Hauterives, *Dictionnaire des racines des langues indo-européennes* (Paris: Larousse, 1948), 218.

Throughout the first half of the eighteenth century, the French word *troc* remains largely undefined, including both its initial feminine form *troque* and the masculine *troc*, in use today. (Because of British political economy's relative modernity, the term *barter* is defined much earlier in English.) *Troc* is used for a range of objects and practices. For instance, in Nicolas Dutot's *Political Reflections on Finances and Commerce* (1738), *troc* does not refer to a transaction but to the object of an exchange in kind. When François Quesnay deploys *troc* in today's sense of "exchanges in kind" in the *Encyclopédie* article "Grains," he defines it as "exchange of foodstuff itself," which indicates that his readers did not commonly understand it in this way. For its part, the *Encyclopédie* article "exchange" uses *troc* in yet another way: "To permute [*permuter*] is the way of the palace, to barter [*troquer*] is ordinary and common, to exchange [*échanger*] is aristocratic."<sup>18</sup> Finally, a successful comic opera by Antoine Dauvergne performed in 1753 at the Parisian Saint-Laurent Fair is titled *The Barterers* (*Les Troqueurs*). Inspired by a fable of La Fontaine, its central theme is the exchange of fiancées by two lovers!

As the use of the word spreads, the barter myth as we know it gradually takes shape.<sup>19</sup> Its shadow appears in John Locke's description of "savages," or more likely of "savages" and trappers, who meet and wish to exchange goods.

[...] other promises, and compacts, men may make one with another, and yet still be in a state of nature. The promises and bargains for truck, &c. between the two men in the desert island, mentioned by *Garcilasso de la Vega*, in his history of Peru; or between a *Swiss* and an *Indian*, in the woods of *America*; are binding to them, though they are perfectly

<sup>18</sup> "Échange," in *Encyclopédie, ou Dictionnaire raisonné des sciences, des arts et des métiers*, 3rd ed. (1778), vol. 11, 605.

<sup>19</sup> Ancient travel accounts present the exchange relation between "savages" and merchant-explorers in ambiguous terms (gift/barter). Morton H. Fried, "Economic Theory and First Contact," in *New Directions in Political Economy: An Approach from Anthropology*, ed. Madeline Barbara Léons and Frances Rothstein (Westport, CT; London: Greenwood Press, 1979), 8–11.

in a state of nature, in reference to one another: for truth and keeping of faith belongs to men as men, and not as members of society.<sup>20</sup>

This passage is important for the purpose of historicizing the barter myth because here, Locke introduces its nucleus: the idea of bilateral exchanges between two individuals in an asocial and institutionless environment. Yet in this text, Locke does not provide a fully developed version of the barter myth: He does not develop arguments about the measure of value or commercial relations. Instead, his broad explicit aim is to justify property rights through labor—he develops a labor theory of property.<sup>21</sup> Implicitly, he seeks to affirm that exchange establishes the mutual recognition of property rights.<sup>22</sup>

For Locke, money arises not as a much-needed measure of value and means of payment to overcome the inconveniences of barter. Instead, money emerges as a store of value:

And thus came in the use of money, some lasting thing that men might keep without spoiling, and that by mutual consent men would take in exchange for the truly useful, but perishable supports of life.<sup>23</sup>

Unlike economists after Adam Smith, Locke does not argue that money is born from a logic of exchange and division of labor. To the contrary, it is money as store of value that gives rise to the latter two. Money as store of value also produces the opposition owners/non-owners, from which he derives the need for a state to maintain a social peace potentially or actually threatened by it. In Locke's view, the state is not at the origin of money; rather, money—having emerged in the state of nature—causes the state's emergence.

<sup>20</sup> John Locke, *Second Treatise of Government* (Indianapolis, IN: Hackett Classics, 1980), paras. 14, 46, 13. In line with this interpretation of Locke, one may consult with great interest the dissertation by Daniel Diatkine, *De la convention à l'illusion* (PhD diss., Université Paris I, 1986).

<sup>21</sup> On the legitimization of property through labor in the literature on “savage” or “primitive” societies, see Annie Jacob, *Homme économique / Homme sauvage* (thèse d'État ès lettres, École des Hautes Études en Sciences Sociales, Paris, 1992).

<sup>22</sup> John Locke, *Second Treatise of Government*, paras. 28, 29, 40–43.

<sup>23</sup> *Ibid.*, paras. 28, 46–47.

Around 1767-1776, certain economists tacitly draw on Locke's account of primitive exchange and rework it, giving it a new meaning. Prominent examples are Anne-Robert Turgot<sup>24</sup> in France, Adam Smith<sup>25</sup> and James Steuart<sup>26</sup> in the United Kingdom, and Cesare Beccaria<sup>27</sup> in Italy. Their accounts no longer center money's store-of-value function or the mutual recognition of property. Instead, they develop the origin of monetarized exchange through "barter." Using examples from an imaginary world of "savages," they break the connection between money and the Prince.<sup>28</sup>

### **The Barter Myth's Primary Functions: Equality, the Displacement of the Prince, and the Possibility of Value Theories**

It is striking that, from the eighteenth century onwards, descriptions of bartering begin to multiply and recur in almost identical terms. This pattern does not reflect converging empirical evidence of a historical origin of money in barter, nor does it provide proof that the barter myth accurately describes past economic processes. Rather, authors repeat and reproduce one another because readers come to expect a standardized image of barter derived from a

<sup>24</sup> Anne-Robert-Jacques Turgot, "Valeurs et monnaies" (ca. 1769), in *Œuvres*, vol. 3 (Paris: Alcan, 1919), 85–98.

<sup>25</sup> Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*, ed. A. Skinner (London: Penguin, 1982), 119.

<sup>26</sup> James Steuart, *An Inquiry into the Principles of Political Oeconomy* (1767; repr., Edinburgh and London: Scottish Economic Society, 1966), vol. 1, 154. For him, unlike for Adam Smith, money is indispensable for the division of labor. For Smith, it is only a matter of exchanging the surplus (see op. cit. pp. 3, 151-159).

<sup>27</sup> Ferdinando Galiani, *Elementi di economia pubblica* (lectures 1769–1770; published posthumously), in *Scrittori Classici italiani di economia politica, nos. 18–19* (Milan: 1804), vol. 1, 345–53. His friend Pietro Verri in *Meditazioni sulla economia politica* (6th ed., 1772; French trans., Paris: Delaunay, 1823) does not develop the idea of barter among "savages," but in the first two chapters links need, value, and the earliest exchanges between different societies. See André Tiran, "Pietro Verri, aux origines de la théorie de la valeur et de la loi des débouchés de Jean-Baptiste Say," *Revue d'économie politique*, May/June 1993, pp. 445-471.

<sup>28</sup> Pierre Dockès, "Naissance de l'espace marchand," Centre Walras Working Paper no. 104 (Lyon: MRASH, May 1990), 13ff; expanded version of "The Birth of Concepts of the Trading Space in the Seventeenth and Eighteenth Centuries," *Journal of the History of Economic Thought* 12, no. 2 (October 1990): 124–45. Dockès analyzes the parallel shift in how economists represented the origin of fairs and markets.

theoretical model that is projected onto Oceanic, African, or Amerindian contexts.

Several reasons explain the invention of this fiction, all of which converge on staging an “economic” world whose essential characteristic is that relations of interest govern the social order and subjugate all other motives for action. These reasons can be grouped around three major arguments: first, a new justification of the market as a vehicle of equality and progress; and second and third, two essential functions of money—payment and account. Taken together, these ways of articulating the social order displace the centrality of the Prince.<sup>29</sup>

***The first reason for introducing the barter myth is to replace traditional hierarchical relations of clientele with exchange relations, and to establish exchange as the matrix of economic life.*** When eighteenth-century authors stage the barter myth, they typically convene two individuals who neither know each other before the exchange nor create bonds that continue after its conclusion. No party asserts, confirms or claims any status, quality or identity other than that of an exchanging being before, during, or after the transaction (hence the aristocracy is excluded from this commercial logic<sup>30</sup>). The double fiction—of a relation at once ahistorical and egalitarian—characterizes a logic which in modernity is assigned to the market.<sup>31</sup>

The anonymity that is said to govern this type of exchange temporarily effaces the identities of the actors. This effacement appears as a condition of exchange, which is understood as horizontal rather than hierarchical. Since each participant becomes the other’s equal for the duration of the transaction, the hierarchies that typically structure social life are suspended. This commercial space is not limited to the two parties involved; it is instead a broader public space, a fictitious world of individuals who are both alike and equivalent. Here,

<sup>29</sup> B. Courbis, E. Froment, and J.-M. Servet, “À propos du concept de monnaie,” *Cahiers d’économie politique* 18 (1990): 5–29; and “Enrichir l’économie politique de la monnaie par l’histoire,” *Revue économique* (Spring 1991): 315–38.

<sup>30</sup> Montesquieu, *The Spirit of the Laws*, bk. 5, chap. 8.

<sup>31</sup> For a sociological definition of a market relation, see Michèle de La Pradelle, *Les vendredis de Carpentras: Faire son marché en Provence ou ailleurs* (Paris: Fayard, 1996); and my discussion in *Une économie sans argent: Les systèmes d’échange local* (Paris: Le Seuil, 1999).

equality functions as a rule of conduct, while differences in status and wealth are temporarily bracketed through a particular and reductive form of citizenship defined by the exchange relation; on closer inspection, however, these “citizens” are reduced to utilitarian consumers and producers.

In these imagined barter scenes, no debt precedes the act of exchange, and none remains after its completion. Mutual debts are immediately cancelled through the delivery of counterparts defined as equivalent, in a straightforward operation of reciprocal debiting and crediting through symmetrical payment as two goods change hands. The presumed ignorance of each party’s identity makes it possible to establish a social norm of equality between them.

In contrast to such a market-type relation, a clientelist relation weaves obligations. In this context, it is significant that modernity’s seemingly one-dimensional economic vocabulary derives from terms that have rich qualitative and relational connotations, and are initially part of a clientelist logic. For instance, a financial *obligation* in French contains the word *lien* (relation), a logic that is even more explicit in the English term “bond.” In addition, the etymology of words such as the French *client* (customer) and *commande* (“order”) illustrate a very different vision from that of barter, the mythicized expression of the market. *Client* only takes on today’s commercial meaning in the nineteenth century. Until then, *chaland* or *pratique* is used to designate a customer (late-nineteenth-century writers such as Léon Walras still use *chaland*). It is worth noting that the word *chaland*—found today only in the *achalandé* (“well-stocked” or “much-frequented”) and *nonchalant* (“unbothered”)—at the time also means friend, protector or even lover; it refers to someone who “worries about” and “finds interest in.” Conversely, *nonchalant* refers to someone who isn’t “hot” for something (from Latin *calere*, “hot”).

Until the nineteenth century, *client* refers to someone who places themselves under someone else’s protection, an etymology stemming from the Roman world’s relations between a plebeian and a patrician (*patronus*, which gives rise to the French *patron*, boss). In this logic, a client is a vassal, a servant; also, more rarely, someone who is part of a friendship relation. Later appears the meaning of the Christian patron saint, then that of a corrupt political network’s clients. In the nineteenth century, the idea of entrusting one’s interests and

repaying for it is reduced to its modern, purely commercial, meaning. (As a side note, a similar linguistic kinship exists in English: the word “patron”—the customer of a luxury establishment—derives from a participant in a client relation in Rome.)

In nineteenth-century France, there is significant hostility to replacing *pratique* with *client*. In his *Dictionary of the French Language*, published in 1863-1873, the eminent lexicographer Émile Littré accepts the usefulness of *clientèle* as an umbrella term that includes “all the *pratiques*, *chaland*s, when referring to those who frequent a store, a boutique, an establishment open to the public.” At the same time, he rejects the then-new meaning of *client*: “This neologism is not a good one: a doctor has patients; a merchant has *pratiques*, not customers; it’s a mistake to derive *client* from *clientèle*.”<sup>32</sup>

However, even if social bonds seem to have disappeared from today’s *client* (“customer”), they remain present in the trust and loyalty associated with customers. In a customer relation, something more than a simple relation of interest is at stake. Despite the fact that, legally speaking, reciprocal obligations abruptly cease after the act of purchase and sale, much of today’s commercial strategy consists in ensuring that the relation is renewed and continued through customer loyalty. From this perspective, it is remarkable that stores whose very name emphasizes the absence of haggling that used to be common in retail trade, and emphasizes customers’ equality through the idea of a single price for everyone regardless of the buyers’ identity (such as the French chain stores Monoprix and Uniprix), attempt to weave bonds through so-called loyalty cards which offer additional services and discounted prices.

The origin of the French verb *commander* (“to order”) illustrates the same phenomenon of an economic vocabulary borrowed from a field of social relations that is the antithesis of a market-type relation modeled after the barter myth. The etymology of *commander* is the Latin *mandare* (to charge, to entrust), and *la commande* (the noun “order”) first had a meaning close to the Latin meaning of “thing entrusted to someone.” In the sixteenth century, the verb loses its sense of entrusting and recommending, and its military meaning

<sup>32</sup> *Dictionnaire de la langue française* (reprint) (Paris: Gallimard/Hachette, 1970), vol. 2, “Client,” 391.

emerges. In the second half of the seventeenth century, it comes to mean “an order to supply goods in return for payment.” “To request delivery of goods in return for payment” is first documented in 1675.<sup>33</sup>

Both *client* and *commande*—central terms in the world the barter myth constructs—thus initially have rich qualitative connotations. The barter myth repurposes these terms when it stages a micro-society in which trade is the main activity, a process of exchange that reduces human beings to vectors of individual economic motives. It legitimizes and valorizes the (relentless) pursuit of material goods and the activities of utilitarian, self-interested individuals that lead to their accumulation. There are no shared interests; solidarity arises mechanically and objectively from the interdependence of actions, not from conscious motives.

Those who pursue interests qualified as economic (in fact nothing but greed, avarice, and money-grubbing) are judged positively compared to those who advance so-called collective interests. For instance, Smith praises the butcher, brewer and baker’s pursuit of self-interest while accusing of self-love those who are engaged in the realm of the political. The pursuit of individual interests is supposed to curb passions more effectively than appeals to reason, duty, morality or religion. Now, the virtues of trade are set against the follies and passions of both the great and the “rabble,” a move that legitimizes long-despised commercial activities. Commerce is presented as a civilizing agent and the merchant, of whom every barterer is the image, becomes the prototype of interest-driven man. For the few authors who deny the existence of primitive private property, community is not achieved through exchange but through sharing,<sup>34</sup> i.e., without money.

In this context, it is worth noting that in its eighteenth-century usage grounded in the barter myth, the term “commerce” comes to describe all social relations. “Commerce” is now imagined as society’s origin, based on exchanges between

<sup>33</sup> *Dictionnaire historique de la langue française* (Paris: 1992), vol. 1.

<sup>34</sup> Morelly, *Code de la nature ou le véritable esprit de ses lois* (1755; reprint, Paris, 1910), 13, 16, 23–26. See Nicole Dockès, in G. Klotz, ed., *Ordre, nature, propriété* (Lyon: Presses universitaires de Lyon, 1985), 63–118.

individuals and between families.<sup>35</sup> In a “primitive” stage, commerce is supposedly not reduced to the transmission of goods. Pierre-Paul Mercier de la Rivière describes as “tacit” the humanity of wandering humans who subsist on spontaneous production.<sup>36</sup> Doesn’t this expression reflect the absence of language? Smith draws a parallel between the exchange of words and the exchange of things; “savages” mutually emit sounds to express their needs; little by little, a language emerges.<sup>37</sup>

However, the barter myth does not merely challenge traditional hierarchical relations of clientele with a new, seemingly asocial, exchange relation. It also provides a new way of imagining society as a whole: Now, social coordination itself can be understood as emerging independently of money and hence of public authorities.

***The second reason for introducing the barter myth is the desire to imagine a form of social coordination independent of money, and therefore independent of the Prince.*** The barter myth represents exchange as a localized one-off event. In so doing, it presents a fragmented vision of economic life where horizontal, rather than vertical, relations take center stage and money is eliminated. By depicting the archetypal exchange as moneyless, it is impossible to inscribe economic practices in a social totality. Sovereignty is denied.<sup>38</sup> (However, through money—an always-present third party—society at large remains *ipso facto* present in a relation that is bilateral and purely horizontal only in appearance.)

Two central axes characterize mercantilists’ and pre-classical economists’ older theoretical systems: Money and the Prince. Thomas Hobbes, for instance, imagines an aggregate of separate, autonomous individuals who face the state

<sup>35</sup> Victor Riqueti de Mirabeau, *L’Ami des hommes ou Traité de la population* (Avignon, 1762; repr., 1971), vol. 2, 6.

<sup>36</sup> Pierre-Paul Mercier de La Rivière, *L’ordre naturel et essentiel des sociétés politiques* (1767), in *Les Physiocrates* (Paris: 1846), 525. See also the Depitre edition (Paris: 1910).

<sup>37</sup> Adam Smith, “Considerations Concerning the First Formation of Languages and the Different Genius of Original and Compounded Languages,” in *Lectures on Rhetoric and Belles Lettres*, The Glasgow Edition of the Works and Correspondence of Adam Smith, vol. 4 (Oxford: Clarendon Press), 201ff.

<sup>38</sup> Michel Aglietta and André Orléan, eds., *La monnaie souveraine* (Paris: Odile Jacob, 1998).

individually; exchange is not the natural and exclusive mode of relating to each other: there are other forms of transfer such as theft, plunder or gifting. For this reason, a constraint is required to socialize individuals.

In contrast, for classical economists, exchanges driven by individuals' private interests become society's central axis. For them, society regulates itself without money or governing authorities; it functions because individuals trade; hence the image of the "invisible hand."<sup>39</sup> While these authors are convinced that money has advantages for making transactions smoother, it is not required for society's existence. The interplay of exchanges leads to the choice of a privileged medium which gradually becomes money; the state merely consecrates and perfects what has emerged outside of public policy. For instance, the influential cleric and economist Nicolas Baudeau (1771) asserts that in "highly polished empires" such as Peru, Egypt and China, "the great social institutions had been established before the idea of currencies was conceived. [...] The sovereign and his partners directly received, in kind, the sustenance and raw materials needed for their work and enjoyment."<sup>40</sup> Through these transformations, it becomes possible to imagine a society without money or the Prince.

In short, the barter myth is a theoretical *coup de force* against prior, openly political, conceptions of social life. While mercantilists sought to reject the morality transmitted through scholasticism, classical economists either build a political project in which the economic becomes the social whole, or they consider only the economic as essential, while radically downgrading the importance of the political. The nineteenth century eventually retained the second version of this economic utopia.

This extraordinary break with, and synthesis of, older ways of thinking about what we now call jurisprudence finds exemplary expression in Adam Smith's work. In the first part of his *Lectures on Jurisprudence*, which he teaches in 1762-

<sup>39</sup> On the interpretations of the "invisible hand," see especially Claude Gautier, *L'invention de la société civile: Lectures anglo-écossaises, Mandeville, Smith, Ferguson* (Paris: Presses Universitaires de France, 1993), especially 236ff.

<sup>40</sup> Nicolas Baudeau, *Première introduction à la philosophie économique ou analyse des états policés par un disciple de l'Ami des hommes* (1771), in *Les Physiocrates*, ed. Eugène Daire (Paris: 1846), 684. See also the edition by Dubois (Paris: 1910).

1763 and 1766,<sup>41</sup> he still approaches forms of government and contracts from a legal perspective. The second part, is entitled “Police,” which, in eighteenth-century usage, refers to the maintenance of order, sanitary regulations, and the provisioning of markets. In this part, he also analyzes the division of labor and the formation of prices. In other words, in these lectures, Smith retains the scholastic framework.<sup>42</sup>

The rupture comes in *Wealth of Nations* (1776), where Smith draws a line—long considered definitive—between moral philosophy and political economy. Here, he develops a full-fledged version of the barter myth,<sup>43</sup> and abandons the traditional trichotomy of ethics (which regulates individuals’ conduct and morals), economics (which governs the family and the domestic economy) and politics (which deals with the organization of the *polis* or community).

Jean-Baptiste Say—France’s most famous popularizer of Adam Smith—completes this worldview. In his work, public authorities appear only in a residual way, especially through taxation; their work is not essential. At the very beginning of the introduction to his *Traité d’économie politique* (1803), he comments on the French Revolution and the subsequent political regimes:

For a long time, politics proper, the science of the organization of societies, has been confused with political economy, which teaches how the wealth that satisfies the needs of societies is formed, distributed and consumed. However, wealth is essentially independent of political organization; under any form of government, a state can prosper if it is well administered. We have seen nations grow rich under

<sup>41</sup> Adam Smith, *Lectures on Jurisprudence*, Glasgow Edition, vol. 5 (Oxford: Clarendon Press, 1978), 24–27 (table).

<sup>42</sup> In these lectures, he still follows his teacher Francis Hutcheson (1694–1746), whose *System of Moral Philosophy* discusses economic matters in relation to gratuitous and onerous contracts, and whose *Principles of Economics and Politics* deal with domestic economics and state government.

<sup>43</sup> Its beginnings can be found in the Lectures of 1762–1763 and 1766, Adam Smith, *Lectures on Jurisprudence*, Glasgow Edition, vol. 5 (Oxford: Clarendon Press, 1978), 348, 492–493.

absolute monarchs, we have seen them go to ruin under popular assemblies.<sup>44</sup>

In sum, through classical economics and its barter myth, it becomes possible to conceive of a society without money, and, therefore, without the Prince. In addition to marginalizing traditional relations of clientele and the Prince, the barter myth also provides a new way of conceptualizing value itself. Once exchange is imagined as arising independently of money and public authority, it becomes possible to treat the value of goods as preceding monetary institutions.

**The third reason for the emergence of the barter myth concerns the conceptualization of value.** The barter hypothesis makes it possible to imagine value as emerging outside of and prior to money. This reversal is decisive. Earlier mercantilist and pre-classical frameworks did not posit a theory of value independent of monetary institutions. Economic quantities could only be compared through a politically established unit of account. For example, when the Irish-French mercantilist Richard Cantillon compares the pure product of land (standing hay) to the pure product of labor (water sold in the streets of Paris), the comparison necessarily passes through money as a common measure.<sup>45</sup> Likewise, in the physiocratic circuit,<sup>46</sup> exchanges between “productive” and “sterile” classes are represented not as “real” flows independent of monetary mediation, but as flows already valued in pounds (*livres*), the unit of account established by political authority.<sup>47</sup> In mercantilist and physiocratic frameworks, value does not precede money; monetary

<sup>44</sup> Jean-Baptiste Say, *Traité d'économie politique* (Paris: Guillaumin, 1841), 6th ed., ed. Horace Say, 1. However, for Jean-Baptiste Say, the political order is a prerequisite for the functioning of economic relations (see André Tiran, *Jean-Baptiste Say: écrits sur la monnaie, la banque et la finance*, PhD diss., Université Lumière Lyon 2, 1994.). This represents a truly significant break with, for example, the Physiocrats, who conceived of economics as a total social science; see Catherine Larrère, *L'invention de l'économie au XVIIIe siècle* (Paris: Presses Universitaires de France, 1992).

<sup>45</sup> Richard Cantillon, *Essai sur la nature du commerce en général* (Paris: INED, 1952; originally published 1755).

<sup>46</sup> François Quesnay et la physiocratie (Paris: INED, 1958), 2 vols.

<sup>47</sup> Pierre-Henri Goutte, “Économie et transitions: l'œuvre de Dupont de Nemours au début de la Révolution française, 1789–1792,” in *Idées économiques sous la Révolution française* (Lyon: Presses Universitaires de Lyon, 1989), 216–233.

measure established through political authority is what renders economic comparison possible.

The barter myth transforms this relationship. Once exchange is imagined as originating in barter between individuals, hence outside political authority, value can be conceived as inherent in commodities themselves—whether grounded in labor, utility, or scarcity. Money then appears merely as a convenience through which we may express an already-existing value relation. The modern theory of value thus presupposes the barter myth’s fiction of exchange prior to money.

To begin with, the notion of labor as a measure<sup>48</sup> is central to the Smithian narrative:

In the primitive and crude state of society that precedes the accumulation of capital and the appropriation of land, the ratio between the quantities of labor required to acquire different objects seems to be the only circumstance that can offer a rule for exchanging them. If, for example, in a nation of hunters, it usually takes twice as much labor to kill a beaver as to kill a deer, a beaver should naturally be exchanged for two deer, or be worth two deer.<sup>49</sup>

In the economic literature, this passage has been recycled endlessly as a purported description of exchange in “primitive societies” (including by authors who deny that the labor theory of value is relevant for “civilized societies” with capital accumulation). In this new framework, money no longer constitutes social and economic equivalence; rather, equivalence is presumed to emerge directly from exchange itself, opening the way for modern theories of value grounded in labor or utility.

A second non-monetary approach to value constructs the “utility” of goods—a central dimension of French political economy, particularly in its descriptions of “primitive exchanges,” as in this passage by Turgot:

<sup>48</sup> Annie Jacob, *Homme économique/Homme sauvage* (thèse d’État ès lettres, École des Hautes Études en Sciences Sociales, Paris, 1992)

<sup>49</sup> Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*, 119.

As long as each exchange is viewed in isolation, and in particular, the value of each item exchanged is measured solely by the needs or desires and the means of the contracting parties, weighed against one another, it is determined solely by their mutual consent.<sup>50</sup>

In this framework, the measure that makes such comparisons possible is utility. Although utility theories reject labor as the substance of value, they preserve the same fundamental operation: value is treated as emerging from relations between individuals and objects prior to monetary institutions.

Distinct from the earlier practice of using money as a unit of account, modern authors treat “value” as a “natural” measure, grounded in labor or utility, and independent of political authority. This specifically modern approach to value posits economic agents as unsocialized individuals who relate to each other through the medium of their labor or the hierarchy of their needs. Even as they engage in exchange, they remain unaware of the other party’s working conditions and system of needs, except insofar as they are reflected in the offers made. Human relations are projected onto objects—whether the aim is to acquire and transform them (labor and scarcity) or consume them (utility and scarcity). Here again, human beings are imagined as establishing a social order independent of the Prince.

By grounding value in labor or utility, modern theories of value presuppose an abstract equality between individuals that masks the social conditions in which valuation takes place. For example, the actual hierarchy of remunerations, which manifestly does not reflect prior value, makes it clear that such equality is a mere chimera. Moreover, utility theories generally assume preferences to originate within isolated individuals, overlooking mimetic dynamics whereby desires are shaped by the expressed desires of others. Value is therefore not

<sup>50</sup> Anne-Robert-Jacques Turgot, *Réflexions sur la formation et la distribution des richesses* (1766), in *Œuvres* (Paris: Alcan, 1914), vol. 2, 552. Significantly, this quote is from a paragraph entitled “Naissance du commerce. Principe de l’évaluation des choses commerçables” (paragraph 31). See also “Valeurs et monnaies,” pp. 92-93.

simply the outcome of individual utility calculations, but the product of socially mediated processes of imitation, distinction, and recognition.<sup>51</sup>

In sum, the modern concept of value, whether grounded in labor or utility, consolidates the assumptions of the barter myth by grounding objectivity and exchange in an abstract model of isolated individuals. “Value” supports a model of the individual as fully rational in cost–benefit terms, making choices as if independently of social mediation. Theories of value that emerge from this framework—whether based on labor, utility, or scarcity—present themselves as “objective” descriptions of economic reality.<sup>52</sup> In doing so, they construct a vision of social relations in which individuals are treated as isolated agents and others appear primarily as competitors for access to goods and resources. Beyond this epistemological claim to objectivity, the determination of price abstracts from the social relations in which exchange is embedded, thereby obscuring hierarchies of power and status. In this abstraction, price stages an ideology of formal equality between parties to exchange, and thus their apparent substitutability within the market relation.

### **The Barter Myth as the Conceptual Foundation of Economic Modernity**

The myth of barter is a foundational element of political economy as a supposedly autonomous discipline and, through it, of economic modernity itself. By imagining exchange as a relation among formally equal individuals independent of public authority, the barter myth makes it possible to conceive of society as self-regulating and of value as preceding monetary governance. Only under these conditions can “the economy” appear as a distinct sphere governed by its own immanent laws. In this sense, the barter myth does not merely offer a speculative account of money’s origin; it structures the very way modern societies imagine social coordination, equality, and value. At the same time, by presenting money as a secondary instrument that merely facilitates

<sup>51</sup> Emmanuel Blanc, “La confiance à travers l’analyse smithienne de la sympathie,” in *La construction sociale de la confiance* (Paris: Monchrestien, 1997), 281–315.

<sup>52</sup> In contrast, a socio-economic theory of value must “develop” (as in photographic film processing) the subjective nature of value, that is, that price-value is a hierarchical relation to the other. The observation of private bargaining and international trade relations illustrates these processes, which may be described as forms of valuation.

pre-existing exchanges, it obscures money's constitutive role in organizing social life. The barter myth is thus not only a foundational narrative of political economy, but also a conceptual trap for historians, anthropologists, and economists who continue to treat monetary relations as derivative rather than socially and politically constitutive.



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