

Evolution of Money: How Did We Get Here?

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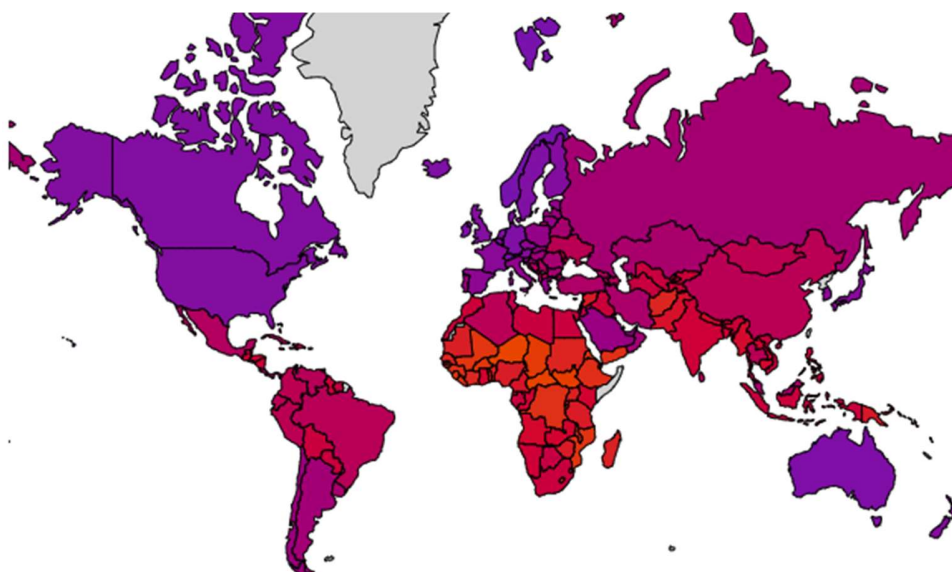
We all know the story of Lydians starting to use coins as the first official currency because of the problems bartering caused, even before that, items like tea, salt, and seeds were used as money in bartering, but their perishable nature pushed people to develop money from a more sustainable material like metal. [\(1\)](#) This evolved into the usage of various metals like gold, silver, and bronze through time, sorting the values of the metals according to their scarceness is actually the very fundamental principle of economics which made it into the modern eras. The usage of first paper money also laid the foundations of the banking system, because the paper money was ensuring a coin payment from the government as much as the amount specified on the money. However, it took a minute for the West to catch up on the paper money, a similar paper money system was established in 17th-century colonial North America. [\(2\)](#)

After the invention of the money came the desire for wealth and eventually social classes. It would not be wrong if we said the motivation for most of the wars that happened on Earth was money/wealth, hence the ruling methods were based on the distribution and usage of the money. Power was decided by the amount of money/wealth a person has since forever, it is no surprise that money is the main discussion around the ruling methods and political ideologies even today. Since Europe became extremely rich during the colonial period (15th-20th centuries), wars became more money intensive in Europe too. Money is both the reason and the victim of the wars in especially in the 20th century, we can see how WW1 and WW2 damaged the global economy and the global welfare, at the beginning, the reason for both wars was wealth and money, hence power. Spanish Influenza (resulted in 50 million deaths)[\(3\)](#) and The Great Depression (resulted in a crushed global economy) were the results of those money-aimed wars. Global money standard question has risen after WW2 in order to take the first step to globalization, for almost 3 decades, Gold Standard that was created in Bretton Woods Conference in 1944 was used globally. [\(4\)](#) In Gold Standard, a country's money supply was fixed by their gold reserves; exchange rates among the different currencies and the country's inflation rate were adjusted according to The Gold Standard until the 1970s. The Gold Standard was not the only outcome of the Bretton Woods Conference; IMF and World Bank were established during the conference in order to achieve and regulate across-border trade, hence globalization.

Now is the time to ask the question, how did we get here? In the last issue, I wrote about the [Antitrust Laws and The Free Market](#), during that article I summarized the history of capitalism and neoliberalism, and how the current marketplaces were evolved after WW2. In this article, we should first define the current political ideologies ruling the world in order to point out their flaws. Since the economies run with the taxes and the market activities, the regulations and the government spending decisions should be made according to the public's best interest, you might think. However, those decisions about how the government will spend the taxpayers' money and regulate the markets that taxpayers are making money are usually being made

according to the lobbyists' best interests. The most common economic system is Capitalism and the most common political ideology is Neoliberalism currently in the World, together, these concepts create the perfect world for entrepreneurs to exploit the poor and enhance their wealth while the government gives them tax cuts to "encourage investment" and rise the income taxes of the minimum wage workers. This system of exploitation is not new, Feudal Europe had the Peasants, India's Caste System had Shudras, and now the Capitalist World has the minimum wage workers. The same old cycle of labor exploitation to make the rich richer is going on for millenniums.

To look more into the impacts of globalization and industrialization, we should mention the unbalance between the developed and undeveloped countries in terms of their places and the opportunities they receive in the global market. The "underdeveloped" countries were defined as the countries with low HDI (Human Development Index) levels, which mostly includes heavily colonized countries. (5) Globalization brought up a very unfair competition between already industrialized countries and countries that just got rid of the colonizers in the early 20th century. Already industrialized countries had the sources and the technologies to dominate the market which they successfully did, while the other countries were trying to have an access to basic human needs to survive. This unbalanced competition in the global economy is far from over, and it will not end until providing basic human needs become a more important purpose than making the rich richer.



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Population



To answer our question, we came here by exploiting to gain wealth, actually, humanity was always been here. Except, now, people exist for the economy, in contrast to the past where the economy existed for people. We can see for ourselves this statement reflects the truth, solely from the fact that many world leaders refused to acknowledge the threat of pandemic in order not to “destabilize the economy” and their actions cost the lives of over a million people. Some of the world leaders are still refusing to act meticulously about the pandemic and the lives of many people keep ruining.