POM: An Introduction

From the beginnings of human history, governments and nations have used money. In the beginning the money was some sort of commodity money like salt, pigs, blankets, or beads. But as time and technology advanced, money took on other forms, the most popular being coins of metal and then bills of paper. Today the most recent form is bank accounts. All these various forms of money are either tangible, physical objects or representations of physical objects. For human beings, money today is considered to be a set of physical objects even when it is just in a computer memory some place.

So what is money? Economists have given many definitions, but perhaps the most simple and most meaningful is that money is anything which constitutes a medium of exchange. As is often the case, the definition requires more explanation than the original term which most people understand pretty well already. So let's just say that money is anything which makes the exchange of goods and services easier and more efficient than barter. (Barter is the direct exchange of goods and/or services.)

Money has certainly made trade easier than barter. Without some form of money our economy would collapse. Regardless of the other consequences money in its various forms has brought, it has made possible agricultural society, industrial society, and our present information economy. This is obvious because we do live in an information society and all the nations of the world have always used money.

But money has consequences beyond just making trade easier. The form of the money has consequences. The fact that a money is a physical object or represents a physical object has consequences. It is those consequences which <u>these articles</u> exist to explore.