



The Prevalence and Persistence of Barter Trading in the Informal Sector: The Case of Zimbabwe

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ABSTRACT This paper seeks to show the increasing use of barter trading as a means of executing transactions in the informal sector of Zimbabwe, focusing on the Informal Cross Border Traders (ICBT). In the context of this paper, the term Informal Cross Border Trade, was used to describe the activities of small entrepreneurs who were involved in buying and selling across national borders. Survey was conducted, and secondary information was obtained from documentary searches. The paper established evidence of barter trade and that barter trade occurred as a result of the scarcity of cash, high inflation levels and an unstable exchange rate. Though barter at individual level was associated with primitive societies in the olden days, the study revealed that barter can develop and persist in deteriorating economies, which are characterized by cash shortages and unstable currencies, as traders and consumers sought a stable system to execute transactions.