Globalization and Production – Part 1: Commodification (pgs. 159-176)

From Scholte – Chapter 5

**What is commodification?**

*Commodification is the act of taking something that did not represent a tradeable good, or didn’t have prior monetary value, and turning it into that exactly. More broadly it is the action of taking something that was not available previously in the market and marking available.*

*Some common examples would be culture, knowledge, food, or labor. Food being largely influenced by commodification of “food chains” that allowed for mass consumption a larger scale.*

*Commodification has worked to remove the unique characteristics of items and product and instead replaced it with interchangeable substitutes of the same type. This has created a market of product that does not represent competition on the basis of characteristics of the product but instead mainly on the price of the commodity.*

**How has it expanded under conditions of globalization?**

*As stated above because of things that like food chains, which were brought about by globalization, the commodification of items has increased exponentially. And its not just food that is in this category and its not just a single market that is now available.*

*Because of this globalized commodification the market has become more liquid since it is easier to buy and sell items that were previously only available in limited areas. This has created a larger more cash funded market for certain items and it has also increased the ability for others to enter into the market as a certain commodity when they previously couldn’t.*

*The negative of this is the same of globalization where increased “easy” competition like low-cost labor can have negative effects on certain economy when trying to compete with this new area of business. The unique or customized product market has moved entirely to large companies that can support the fighting of lower prices.*

**What are:**

Consumer capital*: Is the amount of continual purchasing that can be supported in the market by consumers. So, for example if a business is entering a sector or the market where the consumers cant purchase any more goods the market would be too saturated with product and there wouldn’t be enough capital to support this new business.*

Finance capital: *Is anything that has monetary value that can be used in the pursuit of future revenue.*

Communication and Information Capital: *Is the ability to assign monetary value to items like information that could have a high chance of future tangible value. Insider trading although illegal in this country does represent areas of information capital where passed information about a company could award stock traders monetary gains.*

Genetic/ Atomic capital: *Genetic and Atomic both related to the science of gene and DNA which can be used in industries like medical and agricultural. This is much like information capital where the knowledge is worth something but just more defined to the scientific field of gene and DNA.*

Care Capital: *Is the health services and wellness resources that are available to a person. This could be home care of a child or elderly family member or could be more wellness orientated like cleaning and maintenance services.*