



Tea War: A History of Capitalism in China and India

Speaker: Andrew B. Liu, Assistant Professor, Villanova University

Chair: Madhavi Thampi, Honorary Fellow, Institute of Chinese Studies

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Venue: Zoom Webinar, ICS Delhi

The seminar was based on Dr. Liu's recently released book 'Tea War: A History of Capitalism in China and India' where he traces the beginning of capitalism in China and British India through the perspective of tea trade in 18th and 19th century. In the book, he explores the idea of how capitalism and wealth accumulation started in both countries and compares the emergence and development of tea trade in both countries, and issues related to commodification and division of labour and the situations in which the plantation workers worked in tea plantations.

Dr. Liu began with a short introduction on the trade angle involving China, India and Britain where tea was a major commodity. During the 17th and 18th century, through the Canton trade system, countries from Western Europe purchased tea from China and sold it back in Europe with huge profit. He considered this development as the beginning point of global capitalism which is also participated by China. As British colonised the Indian subcontinent, they coerced Indians to cultivate opium which was later sold to China and in return, they bought tea from China. Concerned with the growing consumption of opium in China, the Qing Empire tried to limit the entry of British opium which led to the First Opium War (1839-1842) between the British and Qing Empire. However, the speaker claimed this was not the only war British had waged over China. They were, simultaneously, waging another war in the form of breaking Chinese monopoly over tea production by cultivating tea in the Assam region of colonial India.

The speaker pointed out that the emergence of Indian tea during this period led to the competition with Chinese tea and eventually, by the end of 19th century, it had surpassed China's tea productions and sales. He claimed that the competition over tea productions and sales between colonial India and China was the beginning point of modern capitalism in both the countries, which had become a part of the global division of labour. According to him, in the 19th century, Chinese tea was by far the biggest export commodity in China, and tea from colonial India constituted the major portion of Indian export commodities. At the time, tea industry also employed more workers than any of the urban industry in both countries.

Owing to this fact, Dr. Liu claimed that tea should be considered as the inception of capitalism in both China and colonial India.

Further, highlighting the limitations in historiography on Asia, the speaker noted that the economic approach to history-writing – which primarily relies on the horse race of GDP growth – clearly ignored the significance of Asia in the development of ‘global capitalism’. The history of capitalism is primarily concerned with how global capitalism emerged in the first place. For a long period of time, the speaker claimed, the history of capitalism has been quite Euro- and North American-centric, and the framework to map the emergence and development of global capitalism was modelled on technological advancement, proletarianization, and industrialisation of Western Europe and North America. Although, Chinese and colonial Indian tea industries were a major part of global market and division of labour, the trajectory of industrialization in both these countries were markedly different from British or Northern US model of industrialisation. He observed that the old framework of history of capitalism revolved around the notion that proletarianization – creation of independent labour, divorced from land, serfdom, and slavery – was a key component in the emergence and development of global capitalism. Since both China and colonial India did not have the system of independent labour, the history of capitalism downplayed their significance in the development of global capitalism.

Global labour history was another topic touched upon by the speaker. Unlike Asia, Western Europe and Northern US have created an independent workforce free of land and serfdom which became an existing model for the development of capitalism in 19th century. Meanwhile, in Asia, particularly China and colonial India, had the old model of peasantry system. The tea industry in China employed land-owning peasants and seasonal labours, while colonial India used indentured labour, recruited across eastern and central India for the production of tea. The mode of labour used both in China and British India were starkly different from Europe and Northern US. Owing to this notion, British India and China were excluded from the development of history of global capitalism. However, Dr. Liu claimed, it is an inadequate parameter to gauge the development of the history of capitalism as competition and wealth accumulation an essential part of capitalism. Since both China and colonial India fared well on these fronts, they ought to be considered a part in the emergence and development of capitalism.

During the discussion, several questions were raised. Over the recruitment system of labour in China and colonial India, the speaker clarified that there were differences in recruiting labour in both countries but at the same time, some similarities also existed. The division of labour based on gender and recruiting particular groups more suited to the cultivation of tea were few of them. On the issue of technology tea production, the speaker noted, tea production in both countries were labour-intensive and the division of labour was created to overcome the deficiency of technology, i.e., human labour was divided to do certain works similar to modern machinery to enhance the productivity of tea cultivation. On the question of labour associations among tea workers, Dr. Liu noted that there were no associations formed for the well-being of labour both countries and that the causes of tea workers were overtaken by the nationalists groups in both countries.

This report was prepared by Mohd. Adnan, Research Intern, Institute of Chinese Studies

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