Chinese and Indian teats and the history of global capitalism

Andrew B. Liu

Tea, originating in China and later widely cultivated in colonial India and other Asian societies, was one of the key factors in the creation of a global market. Tea sales from China spiked after the 1862 Nanjing Treaty and the attendant creation of the treaty port system. At the same time, British colonialists established their own tea industry in the northeastern Indian territory of Assam. Over the second half of the century, the Chinese and Indian industries engaged in a back-and-forth competition for consumers in Europe and the U.S. In both regions, the first systematic calculations of labor (conducted in the twentieth century) revealed that each of the tea industries employed more workers than any comparable urban sector in each country. In short, tea was central to the creation of modern capitalism in both regional societies.

Past scholarship has acknowledged the massive expansion of tea cultivation and production in Asia during this period, but it has been skeptical whether market competition actually transformed the economic conditions in those regions. For instance, the China trade relied upon smallholder peasant households, and the Indian industry was powered by an indentured workforce. Historians have labeled both types of production as ‘precapitalist’ in nature. In fact, tea production in Asia was constantly evolving and dynamic. Chinese merchants and British planters introduced techniques that were recognizable, industrial and modern. For instance, much like the classic English factories of the industrial revolution, they increased the scale of operations in response to greater demand, and relied upon a strategy of hiring primarily low-wage workers — women and children — in an attempt to save expenses. But perhaps the most notable instance of the subtle ‘industrial’ character of rural tea production in Asia was the way in which tea plant managers developed systems for rationalizing production through the careful calculation, measurement, and disciplining of their employees’ working time. This was true for tea production in both China and India. For instance, in the Chinese tea districts of southern Anhui (Huizhou), we have manuals written by merchant and workshop owners that use precise calculations to designate how quickly one should roll and roast tea. Huilou and his managers would monitor working time by lighting incense sticks that burned at a constant rate. With the sticks as a baseline, the managers rewarded workers based upon how many pounds of tea they could process in a given time. Similarly, in the plantations of Assam, we have recorded observations that the ‘tea gardens’ in the remote valleys of the Brahmaputra River set their clocks differently from the rest of the surrounding Indian society, a system they called ‘British Time’. British planters sought to maximize the amount of daytime spent working, so they set their clocks backwards an extra hour such that, in the words of one account in Bengal, “when the gong strikes six o’clock, it is not quite (Thik ni) six o’clock”. Planters then divided up the day into twelve equal units of sunlight, in which work was carefully regulated by the ringing of gongs and the constant weighing of leaves picked.

Such examples suggest that instead of thinking of Chinese and Indian tea as the apex of the precapitalist industries in Asia, we should view the history of tea as a pivotal moment in the history of capitalism, both within China and India, and on their connection to the rest of the world.

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Tea production in southern China and its political implications during the Tang and Song Dynasties

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Throughout the Tang and Song dynasties (618-1279), the center of China’s economy gradually shifted southwards into the valleys of the Yangtze and Huai Rivers — a region that is now known as ‘southern China’. Moreover, a significant fiscal reform on taxation took place during the mid-Tang era; the government started to collect a tea tax, which gradually became an important source of government revenue. This practice was legitimized in 793 AD through a law imposing a 10 percent tax on tea. Before that, the government only collected land taxes and commodity taxes on textiles. This tax reform was closely related to the expansion of tea plantations, as well as changes in the broader context of economy and politics during the Tang and Song dynasties.

Tea production in China was originally concentrated in Sichuan and Yunnan, and expanded east- and southward to the Yangtze River during the Northern and Southern Dynasties. Up to the Tang, tea plantations had prospered in southern China. Parts of southern China, like the hilly areas in southern Anhui, had already been known for tea production during the Tang dynasty. Historical records show that around 862 AD, 70-80% of the residents in Qimen (青田县) County, Anhui depended on tea cultivation. During the uprising period, merchants would flock in to purchase tea with silver or silk, and then sell the tea in other parts of China or abroad. During this time, the once backward hilly areas developed into affluent counties that contributed abundant taxes. Local officials, such as the Zheng Chuan (郑成功) family, who accumulated enormous wealth from tea trading, founded a militia for self-defense during the turmoil in late Tang.

Later, the Northern Song dynasty re-unified the Central Plains, but was confronted with chronic threats from nomadic regimes in the north. Tea, as a profitable business and means to cover the military expenditure necessary for protection from nomadic groups, became a strategic commodity for the Song government. Thus, the government continued to adjust the tea acts (chaofa 茶法). It also promoted a government monopoly on tea to maximize fiscal revenue and to control the outbound flow of tea products. As a result, the merchants, who paid a high price for their official tea licenses (jín 金), armed their caravans to protect their tea products. At the same time, the high price for tea promoted increasing numbers of armed smugglers seeking to counter the government monopoly. Consequently, the tea tax became a major source of revenue for the Song government. The tea giants appeared in provinces such as Hubei, Jiangxi, and Anhui. Later, during the northern-south military confrontation between the Great Jin and the Southern Song dynasty, these local militias played active roles in protecting their own properties. When the Yuan dynasty replaced the Song, the government appointed the surrendering militia leaders to rule their own regions. For example, Wang Yunlong (王雲龍) from Wuyuan (婺源) County, Anhui, was appointed as a local administrator, and his offspring inherited his authority to manage tea taxes in Anhui and Jiangxi. This historical vignette indicates that tea production and trade advanced the development of the hilly areas in southern China during the Tang and Song dynasties, turning infertile counties into prominent tax contributors. The loose control of the government over these originally barren and backward areas facilitated the growth of local forces in the new prosperous era of tea. However, as the government quickly became aware of the financial and strategic significance of tea, it extended central administration into these areas. Despite the initial interdependence between the central and the local forces, the government eventually absorbed local forces as the basis of its own taxation and over lucrative and strategic tea resources.

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