Tea garden workers in Bangladesh earn a daily wage of Tk 120 at maximum, which doesn't even cover the price of a dozen eggs today.

PHOTO: STAR

The real worth of a cup of tea

BLOWIN' IN THE WIND

Dr Shamsad Mortuza *is the pro-vice-chancellor of the University of Liberal Arts Bangladesh (ULAB).*

SHAMSAD MORTUZA

FRIDAY morning. I am trying to solve a riddle. It involves two essential items on my breakfast menu: An egg and a cup of tea. The price per egg has gone up by Tk 5-6, while the wage of the tea leaf pluckers has remained static for God knows how many years. Underneath the sunny-side-up poach, I can see the smile of the market manipulator whom I saw on TV a while back, and behind the rising fume over my tea cup, I can see the woman narrating the miseries of the workers of a tea garden. With the Tk 120 that they make a day, I calculate, they will not even get a dozen eggs. The worth of their labour for one day has dropped down to the price of eight eggs.

My calculations instantly reminded me of Syed Mujtaba Ali's short story, *Pundit Moshai*, which we read in school. The story recounts a brahmin pundit who once gave his student an arithmetical problem to solve: The local English *laat saheb* spends Tk 75 on his three-legged dog, while the teacher earns Tk 25 as salary, with which he runs a family of eight members including a few dependents. "How many legs of the dog are equal to the brahmin family?" he quizzed.

A similarly robust reality disrupts the romantic image of a tea garden that we normally associate with our favourite beverage. The fuming tea carries the mirth of an idyllic landscape of sportive rows of perfectly-trimmed dark green tea leaf bushes, guarded by interspersed tropical trees where female tea workers rhythmically tip the two leaves and a bud that has flushed out of the shoots, before placing them in the bags hanging on their backs. The picturesque tranquility of a tea estate belies the time warp of misery and deprivation, which our tea workers have been stuck in for over a century.

When tea was introduced to this land in the 19th century, tea workers were assigned as bonded labourers. Owners today have done little to improve the condition of these workers, as they need cheap labour for the industry. And it is an industry on the slide. Let's look at some figures and try to solve some other arithmetical problems.

Bangladesh is the 10th largest tea producer in the world with a three percent share of the global yield. Yet, in 2020, we ranked 61st in tea exports worth USD 4.33 million, with a 0.056 percent share of the export pie. The top three importers of our tea have been Pakistan (52.3 percent), UAE (26.6 percent) and the US (14.4 percent). In 2021, the top four tea exporters in the world were China (USD 2.1 billion, with 28.6 percent of total tea exports), Kenya (USD 1.2 billion, 16.3 percent), Sri Lanka (USD 732.4 million, 10 percent), and India (USD 687.9 million, 9.4 percent). During this time, Sri Lanka saw a decline of 44.9 percent, probably due to its overambitious shift to organic gardening, while Kenya saw a 2.6 percent decline. Among the top exporters, the fastest-growing tea exporters from 2020 to 2021 were Japan (up by 23.1 percent), Taiwan (up by 13.1 percent), Russia (up by 9.1 percent), and Germany (up by 6.3 percent).

The last piece of information suggests that modernisation and diversification of products have improved the export potential of these countries. Our local tea market, for the most part, is happy with selling low quality dust for the local market. There is no real incentive to change the tea industry. The colonial mess in which our tea industry was born is carrying on the legacy of exploiting cheap labour to provide low quality tea for 99 percent of the local market.

The condition of our tea workers can only improve once proper attention is given to the entire sector. Banglapedia tells us, "About 0.15 million people are directly employed in the tea industry. The present generation of tea garden workers comprises heirs of a workforce recruited by the planters from Chhoto Nagpur and Jharkhand and other parts of India in the middle of the 19th century. These workers have been living in the tea gardens permanently in houses specifically made for them. The tea industry of the country faces problems as some gardens become sick and their workers are 'surplus.'"

Look at the dehumanisation of the workers and how they become redundant the moment a garden becomes sick. The workers live in a ghetto close to the gardens that we frequent for our selfies, and they live entirely at the mercy of their employers. The tears behind the tea we drink every day remain unnoticed as they are not allowed to come out of their gardens.

The recent strike called by the Bangladesh Cha Sramik Union (BCSU) has brought the issue to the fore. They are demanding a minimum wage of Tk 300 a day, which is being negotiated by the labour ministry and representatives of the tea garden owners.

I give the export details to suggest that there seems to be a reluctance to produce high-end products that will entail issues of fair trade and compliance. The danger of the sudden shift to an organic plantation in Sri Lanka and the damage that it atrophied are well-known. Our main importer Pakistan has already started officially rationing their tea. The option for us then is either to slide further down the export barrel or to use this present crisis as an opportunity to restructure the sector, which will include improvement of the condition of its workers.

Tea is a sector that requires time and patience. The problem with our new entrepreneurs is that they all want instant yields, like the egg market manipulator I mentioned above. A magistrate was seen talking to the president of the egg wholesalers. He arbitrarily fixes the market price sitting in Dhaka's Karwan Bazar. The cost of an egg does not depend on the production and transport costs. The rise in fuel made the traders arbitrarily raise the price by Tk 60 per dozen. The extra money is not going to the peripheral farmers. The middlemen are milking the situation. And these middlemen use the price of the corporate brands who market their products in fancy terms, such as "rich in omega" and "organic feed," as their benchmarks. We have seen the same examples in the case of rice.

There is no control over the middlemen and brokers. And the producers in the market will soon be forced to leave their age-old professions. A farmer will become a security guard. A tea garden worker will work in a beauty parlour. And we will be all selling imported goods with no products of our own. I sip my tea, and its steamy ghost invades my brain with the fear of an unthinkable future.

PROJECT SYNDICATE

Three globalisation shocks could hurt China and help India

Arvind Subramanian *is a senior fellow at Brown University and a distinguished non-resident fellow at the Center for Global Development.*

Josh Felman *is director of JH Consulting.*

ARVIND SUBRAMANIAN *and* JOSH FELMAN

OVER the past one and a half decades, financial, health and geopolitical shocks have pummelled world trade. The 2008 global financial crisis devastated the banks that financed much of the world's commerce, and then triggered a secular decline in economic growth. In 2020, the Covid-19 pandemic closed factories and upended global supply chains. And now, Russia's invasion of Ukraine has disrupted food and energy supplies, threatening to divide the world along geopolitical lines.

Some argue that these three shocks might even lead to the death of globalisation. But the reality is likely to be more complex: the disruptions will probably transform the global trading system, rather than shrink it, with the impact varying across the countries. Significantly, China will probably lose, while India might even gain.

Starting in the early 1990s, developing countries advanced as a group for almost two decades, rapidly catching up to the rich countries' standards of living. This convergence was facilitated by hyper-globalisation, whereby trade liberalisation and large declines in transport and communication costs swiftly increased opportunities for the developing world. China and India benefited enormously, leading to the largest reductions in poverty the world has ever seen.

This golden age ended with the 2008 global financial crisis. Since then, national growth trajectories have varied considerably. China's deceleration has been dramatic: after decades of double-digit annual expansion, GDP growth has now slowed to almost zero. But other countries such as India have continued to grow (apart from in the pandemic-hit 2020), albeit less rapidly on average than before. Why the difference?

The global shocks have proved to be particularly damaging for China because they have come on top of an ongoing, secular loss of competitiveness, as labour migration from farms to factories has started to reach its limits, causing wages to rise. The Johns Hopkins University's Shoumitro Chatterjee and one of us (Subramanian) estimated that declining competitiveness had caused China to lose out on about USD 150 billion worth of exports.

Moreover, the shocks themselves have had an asymmetric impact. After 2008, trade in goods stopped growing as a share of global GDP, while trade in services continued to rise. This affected China more severely, because it is a manufacturing powerhouse, whereas India is a competitive services trader. As a result, China's exports-to-GDP ratio decreased from its pre-2008 peak of 36 percent to 18.5 percent, while the same in India declined by much less, from 25 percent to about 19 percent.

The long-term consequences of the shocks could be very serious for China. For starters, the country has reached an inflection point in its development where it needs to navigate the difficult transition from middle-income to upper-income status. When South Korea attained China's current level of development (a GDP per capita of roughly USD 15,000 in purchasing-power-parity terms), its further transition required exports to surge by another 25 percentage points of GDP.

The prospect of China being able to replicate this seems remote, in large part because the world's political willingness to absorb Chinese exports has reached its limits. The Covid-19 shock has forced a reassessment of globalisation, with countries seeking to reduce their reliance on imports of critical goods such as pharmaceuticals.

Moreover, Russia's invasion of Ukraine has led to a broader geopolitical realignment, with the United States and its allies on one side and Russia and China on the other. This reordering comes on top of a longer-standing superpower rivalry between the United States and China. The severe Western sanctions against Russia and the resulting weaponisation of interdependence have further sharpened the geopolitical divide.

Meanwhile, China's growth model is under huge stress. The real estate and construction boom that powered the economy's rapid expansion for decades has come to an end, leaving many leading developers close to bankruptcy. Demographic trends are far more adverse than what the country's official population statistics indicate. And President Xi Jinping's embrace of state intervention is undermining entrepreneurship and economic dynamism – the domestic wellsprings of growth.

This will leave China more dependent on exports, just at a time when global demand is dimming. Consequently, the Chinese growth model may be in even more serious trouble than many believe.

But as China's prospects darken, those of other countries are brightening. For example, countries such as Bangladesh, Indonesia and Vietnam have increased their exports at extraordinary rates. All have seized the opportunity created by the USD 150 billion of manufacturing export space that China has vacated.

At the same time, the global shocks have increased opportunities for services exporters. The Covid-19 pandemic has encouraged services firms to allow their staff to work from home. But if workers for a Boston-based firm can log in from Boise, then why not from Bengaluru? Indeed, services trade has boomed over the past few years, benefiting India.

The real estate and construction boom that powered the rapid expansion of China's economy for decades has come to an end, leaving many leading developers close to bankruptcy.

FILE PHOTO: REUTERS

Similarly, "friend-shoring" of production will boost countries perceived to be friendly to the West. A growing number of firms have exited Russia, and foreign capital is fleeing China, aggravated by Xi Jinping's domestic policies. At the same time, integration efforts among the US-led alliance are increasing, with India having resumed negotiations on free-trade agreements with the European Union and the United Kingdom.

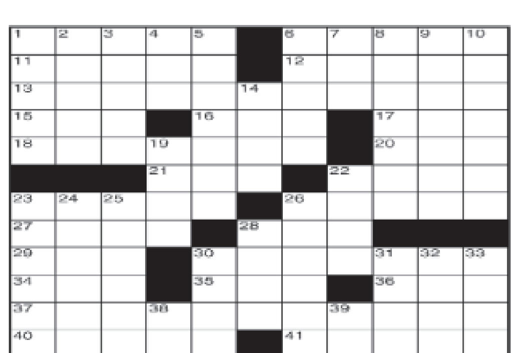
But to gain from the globalisation shocks that have differentially favoured services and open, pluralistic democracies, India will need to change its policy direction. It will need to reverse its recent inward turn and become more open economically. At the same time, it needs to improve what we call the "software of economic and political policymaking," ensuring the rule of law, even-handed treatment of all investors, robust domestic institutions, and social stability, all of which are critical for creating a favourable environment for sustained economic growth.

In sum, the three shocks to globalisation have squeezed opportunities for China while enlarging them for India. Of course, China can overcome its challenges, just as India can seize the initiative. But in each case, success will require a reassessment of current domestic policies and governance.

CROSSWORD BY THOMAS JOSEPH

ACROSS
1 "Beat it!"
6 Nest insects
11 First-rate
12 Prologue
13 Running out of energy
15 Really impress
16 Opponent
17 Iris setting
18 Muscle connectors
20 Jar part
21 Saloon supply
22 Singer Horne
23 Marine predator
26 Evasive
27 "Phooey!"
28 China chairman
29 Tolkien baddie
30 Campus dining area
34 "The Raven" writer
35 Hawaii's Mauna —
36 Atlas page
37 2003 Pixar movie
40 Leading
41 Gung-ho
42 Takes a breather
43 Digging tool

DOWN
1 Dropped-tomato sound
2 Russell of "Gladiator"
3 Out of bed
4 French friend
5 Community's fellows
6 — up (gets smart)
7 Small worker
8 Made resolute
9 Saying grace, e.g.
10 Eventually
14 Departed
19 Poorly lit
22 Weaving machine
23 Seek at the store
24 Jane Eyre, for one
25 Stresses
26 Lawsuit award
28 Earth orbiter
30 Short film segments
31 Letter after psi
32 Identified
33 Future fungus
38 Period
39 Catch some z's



2-22

THURSDAY'S ANSWERS

S	T	R	A	P		S	L	U	R	
P	R	O	B	E		T	E	N	E	T
R	I	D	E	R		R	O	U	T	E
I	K	E		I	D	A		S	A	T
G	E	O	R	G	E	W	B	U	S	H
			H	E	N		L	A	T	E
C	A	N	O	E		R	U	L	E	R
A	V	I	D		S	I	R			
B	A	R	A	C	K	O	B	A	M	A
L	I	V		L	I	T		L	O	S
E	L	A	T	E		E	B	O	O	K
S	E	N	O	R		R	I	N	S	E
	D	A	N	K		S	T	E	E	D