

## Your Coffee Needs a Teaspoon of Perspective: The Unheard Cry Against Trade

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If you are one of the 154 million Americans who consumes coffee (Lofffield et al.), have you ever considered the journey those coffee beans took in order to end up in your coffee grinder? Grown on the plantations of São Paulo, Brazil, or in the volcanically enriched fields of Nariño, Colombia, coffee is one of many goods that transcends several geographical borders to end up in homes across the world. You might then be inclined to think, *I love trade and globalization because it got me my coffee*. Understandably, in the comfort of prosperous 21<sup>st</sup> Century America, we are marked by pronounced consumerism and tend to be the winners of free trade, oblivious to the fact that there are also many who lose out by virtue of the uncontrollable – they were born in the ‘wrong’ country. Such perspective should drive us to not only be grateful that we have found ourselves on the more fortunate side of trade, but also alleviate the troubles of the other side should we get the chance.

It is fine to love trade. Many economists and fellow consumers would stand by you. In Krugman’s article about the relevance of free trade, he jokes about a hypothetical Economist’s Creed that would “surely contain the affirmations ‘I understand the Principle of Comparative Advantage’ and ‘I advocate Free Trade’ ” (131). Classical economic theory suggests that lifting the restrictions of consumption and production networks to leverage the global market leads to a more efficient allocation of scarce resources (Bernstein 372-376). If I were a coffee lover living in Colorado Springs determined to make coffee – a good that requires 10 phases of manufacturing (National Coffee Association, America) – from scratch, you would think I were crazy! Or economically speaking, inefficient, for undertaking the production of a good I did not have the proper factor endowment to meaningfully attempt, even if I succeeded. The coffee farmers in Brazil and Colombia, on the other hand, could easily become producers because the climate there is better, the soil is more nutrient-rich, etc. So, we should let them produce the coffee we consume, pay a competitively low price for it, and enjoy the fruit of efficiency!

Sure, but hidden by the pleasure of encountering these favorable price tags, global trade rarely benefits all parties and stakeholders. Coffee is only one of many goods that invokes such introspection! The US National Coffee Association identifies coffee as a “labor-intensive and difficult process”. Most of the leading producers of coffee, Brazil, Colombia, Vietnam, Ethiopia, etc. are all developing countries who, in a frenzy to produce coffee at the lowest prices, resort to child labor and exploitation to frightening extents. “About 20% of children in coffee-growing countries fall victim to labor exploitation in coffee cultivation. Facing demanding quotas, workers often bring their children to help in order to earn a living wage.” (Thelwell 2020) On work tempo, Thelwell also notes that children as young as six years old often work 8 to 10 hours a day and are exposed to the health and safety hazards such as dangerous levels of sun exposure and injuries, to poisoning from contact with agrochemicals. The children who work in such conditions

are subject to harsh working conditions given the lack of structure and safety labor laws usually provide.

The ethical involvement and poor treatment of children in the production of coffee is not only a burden on the conscience, but ironically, also the economy at large. While child labor can be used to boost economic activity in any market, the children in question forfeit the opportunity to receive formal education to contribute to the economy in other ways which could be more productive (Thelwell 2020). As seen in figure 1 below, research surrounding the suggests that countries that permit higher levels of child labor whether by law or through shadow structures tend to be associated with having a lower national GDP (Abdullahi & Noor 2015).

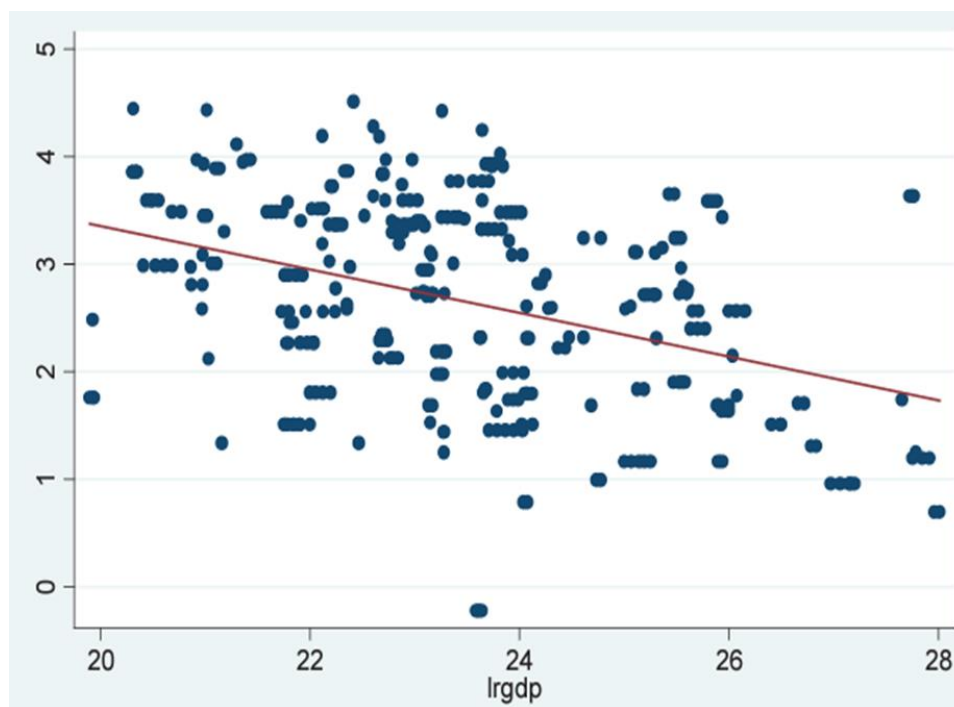


Figure 1 The negative association between  $\ln(\text{child})$  and  $\ln(\text{rgdp})$

When children are made to work from a young age, the opportunity cost to that country would be the higher productivity gains that would have resulted from the higher levels of human capital accumulation (Thelwell 2020). Perhaps the next child who shows up on the coffee fields of Brazil could have been a very successful entrepreneur, or the reforming statesman that accelerates economic growth in Brazil. We shall never know...

The call to action is not in reversing the benefits that we continue to enjoy in consumeristic 21<sup>st</sup> Century America. We can continue to enjoy it, but hopefully with a newfangled perspective that not everyone wins in the complex processes that facilitate free trade – sometimes, winning or losing is a matter of being born in a certain kind of environment.

This humbling thought should cause us to be grateful for the benefits of free trade we often take for granted. Greater still, they should lead us to remember the choiceless ones who paid their own high price to make us better off, and to reform the associated markets and institutions that oppress them if we ever get the chance.

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