

Basic Concepts of the Responsibility System

The Implications of the Responsibility System

The full designation of the *Responsibility System* is "The *Contract Responsibility System* of Socialist Collective Agriculture". It is a new concept of management that has evolved with the development of Socialist collective ownership and cooperative agriculture in China. The main concepts are described below.

Public Ownership of Land. The public ownership of land is the basic foundation of cooperative agriculture and collective ownership and is also a prerequisite for the *Responsibility System*.

Agricultural Producers' Cooperatives. The cooperatives on the one hand and production teams and households on the other constitute the parties in the contract relationship.

Collective Ownership of Land. Land is owned collectively and the production inputs distributed among the households. Households are given State purchase quotas to fulfill and pay agricultural taxes.

Household Contracts. Households are given land on contract as well as other specialized inputs or machinery. Part of their produce is turned over to the Collective.

A definition of the *Responsibility System* might be that it is a contract system that stimulates productive labour and agricultural management within the Collectives. Within this contract system all items of agreement, responsibility, duty, benefits, and rights have to be clearly defined.

Types of Responsibility System

There are several types of classification according to different principles and uses. According to the type of production a contract can be classified as a job, or output, contract throughout a broad spectrum of classifications (including productivity, labour, management, administration, product handling, and so on; according to the contract unit also it is classified. as labour group, team, or household). Contracts are also classified according to land contract (where the contractor is responsible for managing the land), or profession such as forestry, animal husbandry, fishery, industry, transport, services or subsidiary occupations.

In broad terms however, depending upon the type of production and managing style, classifications can be divided into two general types: (i) a contract responsibility where payment is not linked to output and (ii) a contract responsibility where payment is linked to output. The main types and their interlinkages are given below.

	job contract	by labour by household by oper. group	contract without output link	contract by profession contract by work
Kinds of Responsibility System	output contract contract differentiation (from A to Z)	by household by oper. group by household by oper. group	contracts with output link	contract by profession contract by land

Contracts not Linked to Output. The main type that falls under this category is the "job contract" which consists of agricultural labour paid for on an hourly basis. It is, in fact, a piece-work wage system. The Collective (production team or agricultural producers' cooperative) draws up the requirements. These requirements include the quantity and quality of work required as well as the time limits set. A quota of workpoints is allotted according to the type and amount of work given. The contractor will receive the stipulated number of workpoints after the collective leadership has assessed his work and judged it to be acceptable. At the end of the year he will receive payment for the total number of workpoints accumulated in cash and kind:

The main problem with this system is that it is only a "job contract" (based on farm labour but not on output) and so there is no assessment of the quality of work. To implement this type of system properly, the man-hour quota for specific types of farm work should be assessed and translated into the relevant number of workpoints. It is, however, difficult to allot such quotas since the tasks are not only numerous but often disorderly. As a result of all these difficulties, this type of contract was not given much importance when the third reform in the *Responsibility System* took place in 1978.

Contracts Linked to Output. There are two kinds of output-linked contract system. The first is an output contract and the second kind is a contract that covers miscellaneous possibilities and can be linked to job type or productivity. The difference between this kind of contract and the one not linked to output is that the former contract is paid whether there is any output or not and this particular kind of contract only involves payment when the end results are shown (i.e. the output).

There are differences between an "output contract" and a "job contract". In the former workpoints are only given according to output no matter what amount of work is involved.

The procedures involved in this include the drawing up of a management or cultivation plan by the collective leadership according to an assessment of the productive capacity of the land involved. They also allot the workpoints to be awarded to the productivity teams, households, and contractors. All crops harvested under each contract become the property of the collective, who redistributes them among the households involved along with the cash earned; based on the workpoints accumulated. Whatever is produced in excess is kept by the contractors themselves.

The workpoint system no longer operates in the miscellaneous types of contract that are linked to multifarious job types and productivity specifications. There is a system of direct reward directly related to output only. The group or household involved contracts land, livestock, or machinery

by deed from the collective. These are used by the contractor during the time stipulated by the agreement and can only be used by the contractor(s). The contractor has the right to manage everything independently based upon a general plan provided by the State or Collective. All crops over and above the contracted amount are kept by the contractor after paying agricultural taxes and providing grain for State-purchasing.

Household Contract. Here the household is taken as the contractor. This system was introduced into Miyi County in 1984 and it is very well-suited to mountain areas where the means of production are underdeveloped. The farmers like this system and it can be forecast that it will be used for a long time (15-20 years) not only in Miyi but in other areas also.

Differences between Household Contracts and Private Ownership

The household contract combines the unified management of the Collective with the management of household units, and household management is predominant. It is linked to output and differs from private ownership because, in the latter, the land and all means of production are owned privately by the household and management is economically independent of the collective.

In the output-linked contract there are three main characteristics, and these are described below:

- o The basic means of production, such as land and irrigation facilities, belong to the collective and are only used by the household for the contracted period. Should the household become involved in alternative employment, they cannot sub-contract the land or inputs. They are also not permitted to build housing, remove the soil, or dig graves on the land. When the contract is completed the land reverts to collective ownership and only the Collective can use the land freely.
- o According to the stipulations laid down in the contract, the household must hand over a certain amount of the produce realised to the Collective. Out of this, the Collective pays pensions to the families of those in the People's Liberation Army and of revolutionary martyrs; in addition needy families, receive assistance; cadres receive perquisites; water conservation and road construction works are carried out; and so on.
- o The amount to be produced is determined by the Collective and large inputs are controlled by the Collective.