

## The Socioeconomic Benefits of the *Responsibility System*

### *Social Benefits*

The following passages list the social benefits that have resulted from the introduction of the *Responsibility System*.

Improvement of Socialist Productive Mechanism in the Rural Areas. Formerly, it was presumed that collective ownership meant that everyone owned all means of production and the benefits should be shared out equally whether one worked equally or not. Families did not even have small tools of their own. Now that ownership is shared between Collectives and households, the form of collective ownership has not fundamentally changed but it has become more realistic and people are more secure and satisfied with this system.

Improvement in Distribution. Distribution mechanisms have improved. Formerly, distribution was on the basis of handing over everything to the Collective. Distribution would then be on the basis of workpoints. Now, a portion of each contracting household's produce is given to the Collective to be redistributed collectively, and the remainder belongs to the producers themselves. The workpoint system is discontinued and collective distribution is related to output and the value of output.

Workers' Initiative. The position of the labourers and their relationship to the production process has changed. Previously, they made not decisions concerning production and management, but simply took orders from the cadres on production teams and the Cooperatives. Even meetings that were held for "discussions" were a mere formality. All profit and all loss was borne equally by everyone. Now, the contractors are responsible for production and management. They are no longer controlled but control. The initiative now belongs to those who actually do the work.

Improvement in Living Conditions. Living conditions have improved in terms of food, clothing, shelter, and transportation. As far as food is concerned, the diversification of agriculture means that there is also more variety in the diet. Previously, coarse grain foods were mainly consumed, now farmers can afford to eat better food. In the context of housing, about 20-30 per cent of farm families are building new houses and brick and tile buildings are replacing the common wooden houses.

Social and cultural activities have also increased. Most households have radios, and some have T.V. sets, taperecorders, and even refrigerators. Generally speaking, the material and social conditions have obviously improved.

People Feel Secure. The Chinese peasants have suffered a great deal because of long periods of upheaval and frequent changes. Quite often they did not have enough to eat or wear. Now, this problem is quickly disappearing. The Contract System has removed the insecurity of *Dafulong* and restored the idea of being in control of one's own destiny. The Central Committee of the Chinese Communist's Party's endorsement of the *Responsibility System* has made farmers feel stable and secure. The Household Contract has restored the family's role and stabilised the social order. Many farmers who had left their farms during the Commune Period have returned home on their own initiative.

The system has also played the relationship between farmers and cadres on a more equal basis. Previously cadres controlled distribution, could take more for themselves, and also controlled who got more and who got less. There was a lot of resentment from the farmers and bad feelings between cadres and farmers. Cadres would sometimes resort to beating or sewing at the peasants, and this was not an uncommon phenomenon. Cadres were also seen to be socially extravagant with public wealth and caused a lot of wastage agriculturally also. This led to instability in the rural areas. Now the role of the cadres is much diminished and the income of the collective is restricted.

### *Economic Benefits*

Increased Incomes. Incomes have increased along with the increase in productivity and the change in distribution system. Individual incomes have risen and collective incomes have decreased. The grain and cash income of farmers has risen appreciably (Tables 9 and 10).

**Table 9: Increase in Per Capita Annual Income of the Rural Population in Miyi County after the Adoption of the Responsibility System**

| Years                                   | Before R.S. |      |      |      |      | After R.S. |      |      |      |      |      |
|---|-------------|------|------|------|------|------------|------|------|------|------|------|
|   | 1975        | 1976 | 1977 | 1978 | 1979 | 1980       | 1981 | 1982 | 1983 | 1984 | 1985 |
| Per Capita Grain Ration jin person/year | 487         | 477  | 449  | 585  | 528  | 550        | 551  | 611  | 851  | 977  |      |
| Per Capita Cash Income Yuan/person/year | 79          | 73   | 80   | 95   | 101  | 106        | 108  | 120  | 214  | 285  | 337  |

1/ Based on data obtained through selecting randomly one village from 7 townships (27 townships in the whole County) with different natural conditions and productivity levels.

**Table 10: Per Capita Annual Average Increase Rate of the Cash Income of the Rural Population in Miyi County (%)**

| 1975-1985 | Before Introducing R.S. 1975-79 | Transition Period 1979-80 | After Introducing R.S. 1980-82 | Period of Development of R.S. 1983-85 |
|-----------|---------------------------------|---------------------------|--------------------------------|---------------------------------------|
| 15.6      | 6.3                             | 5.0                       | 28.1                           | 54.1                                  |

Grain supplies do not really represent the increase in income, because grain can be freely bought and sold. Cash is much more indicative of the rise in income level. The data in Tables 9 and 10 show a remarkable economic benefit for peasant farmers. Before 1980, there were no production teams in the County with cash incomes of more than 150 *yuan*/person and up to 1982 there were four teams with incomes of 300 *yuan*/person, 170 teams with 150-300 *yuan*/person, and 315 teams with 100-150 *yuan*/person. Production teams with a per capita income of less than 100 *yuan* made up 53 per cent of the total.

By 1984, the County had a number of families with a per household cash income of 5,000-10,000 *yuan* (1,000-2,000 *yuan*/per person and US\$ 1,500-3,000 per household). A 40 household team had six households with an income of 5,000-10,000 *yuan*. By the end of 1987, the number of ten thousand *yuan* households had reached 20.

Development of a Market Economy. The policy has been to promote technological innovations. Improved early maturing vegetables have been produced and soils are being improved. Ways are designed to encourage the flow of market products. The price of grain has risen because farmers are now allowed to sell it on the free market. Before, peasants did not have surplus grain to sell and all the grain was purchased by the State Ministry of Commerce. Previous to the *Responsibility System* the commodity rate of grain was 20%, afterwards it rose to 50%, and in recent times it has risen as high as 60%. Similar situations prevail for other agricultural products as well as horticultural and livestock products.

Early maturing vegetables are a new feature. These vegetables are in great demand and actually fall short of the market for these products. Vegetables are transported by rail to North, Northeast, and Northwest China.

The varieties of agricultural products and products from subsidiary occupations have increased substantially. However, the quantities purchased by the State are limited. In 1984, the quantity purchased over 1975 was 1.78 times more and 1.52 times more than in 1979. In 1984, State-purchased fruits amounted to only two per cent of the total production, vegetables three per cent, and other products such as beef, mutton, poultry, and eggs only 10 per cent or so. Therefore, hundred day markets have been established (where buying and selling take place every day). Rural markets take place every 100 days, 7 days, and 5 days depending upon the location. In the towns (previously only 20% of the 27 towns had markets) there is a market every three days.

#### *Increase in State Income and the Promotion of Industries*

Poorer production teams were given tax rebates in the beginning, but this is now disappearing as there are few poor production teams. As individual households become richer, less subsidies are needed from the State, therefore, State income increases. In 1985, the net financial surplus in the County was 4.38 times that of 1980 and in 1984 it was 3 times that of 1980. The average yearly increase during 1980-1985 was 32.06 per cent. In 1984, the agricultural tax increased by 46 per cent over 1980 and by 71 per cent over 1975.

Along with these developments, however, the rural surplus labour force has also increased. This has led to the establishment of industrial enterprises and industries run by households, either singly or in a group, villages, towns, and the State. Increase in agricultural productivity currently supplies sufficient raw materials for industrial production. In Miyi County industrial production increased from 25.21 per cent of the total output in 1975, to 32.28 per cent in 1979, and 39.60 per cent in 1984.