

## THE 'RESPONSIBILITY SYSTEM' IN AGRICULTURE

### "The road to common prosperity"

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Some foreign friends lack understanding of China's current agricultural policy of a contracted responsibility system based on the household, which is now being enforced in the rural areas to encourage prosperity among some peasants first. They wonder whether the system will lead to class polarization.

The introduction of the system of responsibility in production is accompanied by the reform of management and the elimination of egalitarianism. It links the peasants' remuneration with their labour and grants them autonomy in management. Introduced in 1979, this system had been adopted by 98.3 per cent of the country's rural production teams by the end of May this year. Today, great changes have taken place in the rural areas. For instance:

\* From 1979 to 82, the value of China's agricultural production increased at an average annual rate of 7.5 per cent, as against an average 3.2 per cent in the 36 years between 1953-78.

\* China's 1982 grain output rose 6.7 per cent over the previous year. This year's summer grain output was 5 million tons more than that of last year, a record year in China's history.

\* The average per-capita income of the peasants rose from 133.6 yuan in 1978 to 270.11 yuan last year.

\* The percentage of peasants households with a yearly per capita income of more than 300 yuan rose from 1978's 2.4 per cent to 36.2 per cent in 1982. Poor families with a yearly per capita income of less than 100 yuan dropped from 33.3 per cent in 1978 to 2.7 per cent in 1982.

\* Currently, 9.4 per cent of peasant families are engaged in specialized lines of production — a marked increase over the end of last year. The number of households engaged in commerce, transportation, services and processing industries has increased particularly quickly. The development of these specialized households has accelerated the social division of labour and increased opportunities for employment.

These figures show the rapid development of agricultural production and a general improvement in the peasants'

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standard of living. The production responsibility system encourages the broad masses of peasants to become better-off through their labour and to take the road to common prosperity.

Common prosperity is our goal. Allowing some of the peasants to become affluent first is a strategic measure for securing this goal. More social wealth will be created and a material foundation for common prosperity will be laid by encouraging the peasants to learn from the advanced, improve production techniques and management and achieve better economic results.

It is true that the maximum and minimum income gap among today's peasants is larger than before, and for a time in the future this trend will remain unchanged. But the income gap will not lead to class polarization, because public ownership of the means of production and the principle of distribution "to each according to his work" still dominate the rural areas. Class polarization means a handful of people, through the accumulation of wealth, rely on the means of production they own to exploit others, while the majority of people lose their means of

production and become hired labourers because they have sunk into poverty. The present income gap between peasants only indicates different degrees of improvement in their standard of living on the road towards common prosperity. This is fundamentally different from the class polarization in societies dominated by private ownership.

Our policy is to encourage our people to become well-off through labour and to strictly forbid anyone to seek exorbitant profits through damaging the interests of the state, the collective and others. As for families in financial difficulty because they lack power or management skills, the state and the collective provide them with relief or other kinds of assistance.

From a long-term point of view, with the constant growth of the peasants' incomes, the popularization of scientific and cultural knowledge and the all round development of a diversified economy in the rural areas, rural labour power, particularly the semi-abled labour power of the poor families, will be appropriately distributed. This, plus the growing assistance provided by the state and the collective, will gradually bridge the income gap between the peasants.

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### CHINA

#### Are the good times ending? — asks the *Economist's* 'Peking Correspondent'

China's peasants, who have gone through collectivisation and decollectivisation are worried that change may be sneaking up on them again. They fear a retreat from the "responsibility system" which, since it was first introduced in parts of the country in 1978, has given China's 170 million peasant households a bigger say in what they grow and has paid them by results — thereby making Chinese agriculture a great deal more efficient. Grain output, important to a country which has to live mostly on rice or noodles, has increased from nearly 305 mn tonnes in 1978 to 370 mn tonnes this year, an all-time record. Food production is more than keeping pace with the number of extra mouths China has to feed.

Despite these achievements, "contradictions", as the Chinese like to call their problems, have appeared. The "responsibility system" has been taken up by 90 per cent of China's rural households, including those in areas like the north-eastern plains of Jilin and Heilongjian, where larger-scale farming makes far better sense. In many areas peasants in search of quick gains have worked only the best land, leaving the rest to lie fallow.

The reform is also causing a problem for investment in big projects, such as irrigation schemes. Government investment in land improvement schemes is to drop by 40 per cent under the current five-year plan, and is unlikely to increase much after 1985. Government money will go to major construction projects, poorer regions and those with development potential. Smaller projects are supposed to be financed by funds accumulated by the farmers themselves. But many peasants are ploughing their profits into new houses and consumer goods instead. Provincial newspapers have started to complain that China's once-poor peasants are becoming "the heartless rich".

Local party officials, who resent the new reform because it makes them redundant, have joined in the chorus of criticism. Under the old system they had the power to assign production tasks and even to decide when peasants should get up in the morning. Now time is money, and peasants decide how to spend both.

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