3
The Evolution of Responsibility Systems

> Men make their own history, but they do not make it just as they please; they do not make it under circumstances chosen by themselves, but under given circumstances directly encountered and inherited from the past.
>
> Karl Marx, *The Eighteenth Brumaire of Louis Bonaparte*

A new image of China appeared in the North American media in the post-Mao era. Western journalists reported that China's new leaders were pragmatists, hard-nosed realists who had little inclination to ponder issues raised by Mao Zedong concerning the dangers of capitalist restoration or the power of revolutionary ideology turned into a material force for development. It seemed their one and only concern was to turn China into a powerful, modern state by the year 2000. Therefore they decided to allow the proliferation of private enterprise, competition, material incentives, advertising, Western fashions, and luxury goods such as color televisions, washing machines, and motorcycles, believing that the "capitalist entrepreneurial spirit" and the "revolution of rising expectations" would put vigor into an otherwise sluggish, overcentralized, and bureaucratic economic system.

Westerners, from ordinary newspaper readers to China scholars, generally responded to this news with either approval or condemnation depending primarily on their own opinions about capitalism and socialism. But few questioned the accuracy of the account of how and why this major shift was occurring.

This is not surprising. It is a common characteristic of modern social theory that the autonomy of leaders is exaggerated while the autonomous activity of social actors at the grass roots is downplayed or denied. It seems to be very difficult to conceptualize the interpenetration of activity at the national and local levels. Local situations are, at best, viewed as a reflection of the impact of decisions taken by elites in positions of command. Except for moments of mass protest, ordinary people melt into the background in most accounts of national policy formation.[1]

Peasant Initiatives and Party Responses

The Third Plenary Session of the Eleventh Central Committee in December 1978 is generally acknowledged as a major turning point in the half-century evolution of the party's development strategy. Policy decisions at this meeting covered a wide range of economic, political, and social issues of which the new economic policies received the greatest attention. Inside China, the rural economic reforms aroused the greatest ferment. This was not just because four-fifths of the nation's one-billion-plus citizens live in rural settings. It was rather that the rural reforms provided the most dramatic and concrete manifestation of the post-Mao leadership's development orientation.

Recent changes in the relations of production in the countryside have occurred with a scale, speed, and significance rivaled only by the earlier land reform and cooperativization movements. However, there is considerable difference of opinion as to how to interpret these changes. Some argue that the new policies and institutional reforms represent a disastrous dismantling of the foundations of socialist agriculture built up over thirty years of community organizing.[2] Others would agree that it *is* a step backward to a lower level of socialization of production relations, but that because of past errors and failures, it is an unavoidable and essential step to restore peasant enthusiasm and the legitimacy and promise of the socialist system in their eyes.[3] The fact that rural production and peasant incomes have dramatically increased is taken as irrefutable evidence that the policies are correct because they work; for "practice is the only criterion of truth."[4] Discussion of this precept was pivotal in forcing acknowledgment of the failure of certain policies commonly associated with Mao's leadership. Leaders like Deng Xiaoping and Hu Yaobang rose to prominence in part through this discussion.

There is, however, a third interpretation of recent innovations that remains the least developed. This view interprets recent reforms as a major step forward into a new stage in the evolution of a society of associated producers in the context of a more complex and technically sophisticated system of production and distribution.[5] This perspective is strengthened by analysis that reveals that stagnation of rural production and incomes in the aftermath of cooperativization was due not only to factional infighting and bureaucratic mismanagement but to structural impediments to further development of productive potential arising from faulty conceptions of appropriate forms of socialist organization.[6]

It is never easy to criticize something without a clear picture of an alternative approach. In China, disagreement about recent policy shifts and institutional reforms arises partly out of ambivalence about the desirable character of a future developed, socialist society. It is only after considerable grass-roots experiments and evolution of new forms of division of labor, specialization, coordination, and cooperation in recent years that a new picture is emerging of the components of "a modern socialist countryside with particular Chinese characteristics."

Recent disagreements about the nature of socialism and socialist development have been good for China's peasants. Reinforced by an understandable crisis of confidence in the party after the Cultural Revolution, such uncertainty allowed the emergence of a more permissive approach that has enabled many peasants (more commonly local peasant cadres) to turn to old and new methods of organizing production and distribution, methods that they felt they could handle to their best advantage. The evolution of the new rural policies involved a concomitant development of political communication that has included village-level discussion and experimentation, higher-level investigations, lower-level reports on results of experiments, local articulation of needs and desires, pressure from below to get support or at least acquiescence from county or provincial leaders, and in some cases conspiracies of silence about practices that had not received official approval.

As early as late 1977, some critics of the movement to build Dazhai-type counties began to speak against the erosion of the autonomous rights of teams, the leveling of incomes by Dazhai-type workpoint assessment systems, the abolishing or shrinking of private plots, and the squeezing out of private sideline production by identifying it as a form of spontaneous capitalism. In December, a national symposium organized by the party for provincial agriculture bureau cadres concluded that the "sixty articles," which summarized the early sixties' "new economic policy" for rehabilitation of the rural economy after the Great Leap Forward, had been correct after all and should be resurrected to guide current rural development. Provincial meetings in early 1978 echoed articles in the press calling for implementation of "the socialist principle of payment according to labor" (*an lao fen pei*). For a time defenders of the Dazhai model in positions of power were able to silence such critics, but not to stop the alternative approaches developing more or less spontaneously in some villages.[7]

Particularly in the early period, the initiative was largely in the hands of peasants and their village leaders. While central party and government leaders debated rural policies in 1977 and 1978, peasants, first in Anhui and Sichuan and then in Hebei, Hubei, Gansu, and other provinces, began reorganizing their systems of production management and income distribution. They looked back to the early fifties and their experiences with mutual aid and cooperatives and various methods of calculating remuneration. They reinstituted familiar contract responsibility systems in which payment was very closely tied to the quantity and quality of labor and output. However, because of the heavy criticism leveled against household contracting in the Cultural Revolution attack on Liu Shaoqi and the "three freedoms and one contract" (*san zi yi bao*), most innovators and their supporters invented new names for familiar contract forms to avoid contamination by association with the word "contract" (*bao*). Instead of speaking of "contracting production" (*bao chan*), many teams said they were merely "fixing quotas" (*ding e*). But the difference was largely semantic. In October 1978, the newly resurrected Academy of Social Sciences sponsored a conference on rural income distribution. The reform-minded economists Xue Muqiao and Yu Guang-

yuan, spoke in defense of the introduction of fixed quotas that link income to output. Such academic support, however, could not substitute for the party's stamp of approval.

Local innovations began in 1977, more than a year before the Central Committee finally discussed the issue at the Third Plenary at the end of 1978, after which two draft policy statements were issued for discussion and experimental implementation by local leaders. These documents, "Decisions on Some Questions Concerning the Acceleration of Agricultural Development (Draft)" and "Regulations on the Work in Rural People's Communes (Draft for Trial Use)," were circulated through party channels to the local levels but never published in the Chinese press (*Issues and Studies* August 1979: 100–15). In August 1980, Tang Tsou conducted interviews in China in which he learned about the contents of these documents. The following discussion is based on a report of this research in Tsou, Blecher, and Meisner (1982: 44–47).

The first document contained twenty-five articles, the third of which was the most controversial and important to the innovators in the villages. This article discussed the question of remuneration and upheld the principle of rewarding laborers proportionally according to the labor performed. It stated that the practice of assigning equal workpoints to everybody should be corrected. The article affirmed that it was permissible to assign workpoints for fixed work quotas or for labor time plus appraisal of the quality of work performed. It went further to add that "under the prerequisite of unified accounting and unified distribution by the production team, it was also permissible to assign responsibility for particular tasks to work groups, calculate rewards for work by linking them to yields, and award bonuses for surpassing output quotas." Without saying so directly, this document called into question the Dazhai workpoint assessment system. Without a high level of solidarity, the Dazhai annual assessment remuneration system when tried by other collectives produced dissension at best and soldiering at worst.[8]

In the spring of 1979, there was considerable debate over the interpretation of this document, particularly the third article with its provisions for tying remuneration to output and assigning of responsibility to groups (*bao gong dao zu*). Here was a possible challenge to both established management systems and recent innovations. Disagreement focused on the meaning of assigning responsibility to groups. A narrow literal interpretation appeared in a letter from Guangdong to the editor of *People's Daily* (March 15, 1979: 1). The position put forward in this letter was that "*bao gong dao zu*" meant assigning responsibility for work, not assigning responsibility for production (*bao chan dao zu*). Concretely, the letter argued, this should be taken to mean delegating to work groups responsibility for day-to-day field management, such as weeding, hoeing, and application of fertilizers and pesticides. In contrast, responsibility for production would involve allocation of a plot of land, farm tools, and animals to the group for its use. This was to be avoided because it would involve the virtual breakup of the

team and creation of smaller accounting units. A comment attached to the letter by the editor supported this position.

Since this was the very method being tried in Anhui, it naturally caused considerable consternation when the editor of the party's national newspaper condemned it. However, a letter of reply to *People's Daily* from an official in Anhui's provincial Agricultural Commission came to the defense of the province's peasant innovators. It pointed out that teams were still viable collectives inasmuch as they still drew up a unified plan for crop production and implemented unified distribution of crops and cash income at the end of the harvest. On March 30, 1979, again on page one, the editor of *People's Daily* revised his views and acknowledged "responsibility for production" (*bao chan dao zu*) as an acceptable form for linking remuneration to output. However, he maintained his objection to letting groups retain all surplus production beyond the targets. Instead, he recommended retention of only a percentage of the excess as a bonus. More than a year later, *People's Daily* (July 2, 1981: 4) acknowledged that the editor's original comment in the spring of 1979 had aroused considerable fear and misgivings that the party would revert to more centralized, bureaucratic control of rural development processes.

Behind the official who wrote the letter of reply to the editor of *People's Daily* was an even more powerful ally of the Anhui peasant innovators. This was the provincial party secretary, Wan Li.[9] In 1977, when Wan Li became first party secretary of Anhui, it was obvious that there were severe problems in the rural districts of the province. Per capita grain production in Anhui had fallen below that of 1952. Twenty years of cooperative agriculture had failed to overcome seemingly intractable problems of poverty, underemployment, and apathy. In 1978, severe drought caused massive suffering in the Anhui countryside. When peasants began to demand changes and to experiment with outlawed small group and household management systems, Wan Li was ready to listen, to investigate, and to support them. Writing in *Red Flag*, the party's theoretical journal, Wan Li (March 1978) urged the opposition in the party to support the introduction of a responsibility system in which peasants would be paid for work done instead of according to some formula derived from the Dazhai workpoint system model.

Peasants could take encouragement from a number of decisions taken by the party at the Third Plenum at the end of 1978. Private plots were restored where they had been abolished and enlarged elsewhere, with the allowable maximum raised from 5 percent to 15 percent of a team's cultivated area. However, legal ownership of the land remained in the hands of the team. Families retained the right to use, but not to sell their allotted "private" plots. In 1979, restrictions on household sideline production were removed. Peasants were encouraged to produce food and handicrafts, which could be legally sold in rapidly expanding free markets in cities and rural towns. This produced a steady increase in the number and size of peasant markets throughout the country. By 1983, the number of peasant markets exceeded 48,000 and accounted for 10.2 percent of retail sales.

Five thousand of these markets were located in urban centers. In some cities they had become extremely important. In Chongqing, one of China's largest cities, the value of foodstuffs sold by private traders in the city's 112 free markets was equal to 70 percent of retail sales in the state-run food markets (*China Daily* February 6, 13, and 23, 1984: 3).

In 1979, the state also raised the procurement prices for major agricultural and sideline products. Prices for quota grain were increased 20 percent, while the procurement prices for grain sold to the state beyond the quotas determined by state plans were 50 percent higher than quota grain prices. At the same time, grain quotas were reduced by 2.5 million tons in the summer of 1979. Lowering of state grain quotas plus increased production meant that an average of sixty extra kilograms of grain per peasant became available for personal consumption or feed for livestock (Zhang Yulin 1982: 137).

In 1979, prices for cotton, sugar crops, oil-bearing crops, animal by-products, aquatic products, and forest products were all increased, some quite significantly. The State Statistical Bureau calculated that procurement price increases added thirteen billion yuan to peasant incomes in 1979–80 (ibid.). Distribution of this added income was uneven, however. The greater the amount produced, particularly the greater the above-quota surplus, the greater the income derived. Naturally the biggest producers netted the greatest benefits, while those still working at subsistence level or worse gained very little. In Inner Mongolia, the impact on grain farmers was marginal, while the impact on herdsmen was very dramatic.[10] Price increases can account for only a small portion of the dramatic and steady rise in peasant incomes. Inner Mongolian peasants I interviewed between 1981 and 1983 estimated the impact of price increases on annual per capita incomes to range from 1.20 yuan for grain to 10 yuan for soybeans. In their opinion, it was diversification and overall increases in production that put more money in peasant pockets, not state subsidies in the form of raised procurement prices.

Originally the state had intended to lower prices of most farm inputs by 10 to 15 percent. However, this promise never materialized. Higher prices for many manufactured consumer goods as well as some farm inputs have meant that real income gains have not been quite as dramatic as they might appear from disaggregated statistics. The failure to lower prices for agricultural producer goods is extremely serious. The scissors effect between producer goods prices and farm gate prices in China is much worse than such price ratios in other countries. China's peasants have borne an unfair share of the burden of development (Butler 1985). Recognition of this situation has been behind the current shift in Chinese development strategy (*People's Daily*, May 23, 1983: 2).

In 1979, China's leaders decided to import ten million tons of grain annually to relieve some of the pressure on peasants and to buy time to allow for a readjustment of the structure of production away from a one-sided emphasis on grain to a more diversified rural economy. In this way peasants would have more options for increasing their incomes and developing production that is better suited to the particularities of local ecosystems.[11] However, shifts from grain production to other crops in an attempt to rationalize the structure of production and increase peasant incomes, while helping to correct the deleterious effects of monocrop agriculture on soil quality, caused severe local grain shortages in 1980 and even some famine in Hubei and Hebei provinces (Gray and Gray 1983: 107). Although diversification of interregional cropping patterns based on comparative advantage is a logical and necessary strategy for increasing overall productivity, the importance of continued growth of grain production for China should not be underestimated. Grain provides 80 percent of most people's caloric intake as well as 80 percent of their protein. Grain is key for expansion of production of animal proteins as well. Despite record-breaking harvests in 1982 and 1983, the government continued to import thirteen to fifteen million tons of grain each year.

It was in the context of such policies, together with a deluge of press and radio features and commentaries detailing and criticizing instances of infringement of rural collectives' rights of self-management, that peasants in villages thousands of miles apart began testing their new freedoms and forging new systems of production management and labor remuneration.[12] In February 1982, during a visit to the Five Cassia Tree Brigade in the suburbs of Chengdu in Sichuan province, I spoke to peasants and local cadres about the early development of responsibility systems in Sichuan. In 1979, with the approval of Zhao Ziyang, who was at that time the provincial party secretary, peasants began reducing the size of their teams, which had grown too large for face-to-face decision making. Teams' rights were restored so they could decide whether and how to grow crops; to establish orchards and woodlots; to raise livestock, poultry, or fish; to invest accumulation funds in collective industrial and other sidelines; to organize their labor; and to divide their income. Teams typically divided into smaller work groups (*zuoyezu*) similar to those in Anhui. In a common form, each group would assume responsibility for a particular product from planting to harvesting on a designated plot of land. They were paid in workpoints whose value, when converted into grain or cash, was determined by the team's total output and income. The team remained the unit of accounting. These work groups signed contracts with their teams that stipulated quotas for number of laborers, tasks to be accomplished, quality criteria, and payment schedules, including bonuses and fines. These early responsibility systems in Sichuan were known as "three- (or four- or five-) fixed and one reward" systems (*san [si wu] ding yijiang*), referring to the fixing of performance criteria and the use of a bonus incentive. These groups achieved a basic goal of the reforms, namely, the integration of unified and decentralized management. The teams retained their unified authority over planning, accounting, and overall production management; the work groups took over the thorny problems of assessing and recording individual labor performance and income distribution.

Some members of these work groups found they still had spare time after completing their share of field work and tending their private gardens and ani-

mals. Individuals began negotiating contracts with the team for tasks that could be handled by a single person (*bao chan dao lao*). A typical contracted task might involve looking after a village fish pond or orchard, guaranteeing a certain yield in return for a specified number of workpoints. Reward for exceeding the quota could be stipulated as workpoints or as the right to keep, sell, or give away all or part of the surplus. Penalties for shortfalls took the form of forfeited workpoints or fines and usually averaged about 10 percent of losses.

In 1980, teams began to divide into smaller work groups in many areas, especially in poorer districts.[13] However, this form of decentralization appears not to have lasted very long in most villages. Instead, most teams opted for greater devolution of self-management authority to households and individuals. In Inner Mongolia, interviewed peasants said they had dismantled small group responsibility systems in 1981 after about a year of experimentation, because they "couldn't get along." It is important to note that these groups were not specialized; this was a purely mechanical division with each group given more or less equivalent forces of production—land, labor, tools, animals, seed, fertilizer, etc.—to produce more or less the same crops—millet, potatoes, sorghum, and wheat. In one brigade in Fujian province, Victor Nee was informed in the spring of 1980 that since 1978, there had been "a rash of team fissions in the brigade; from an original eleven production teams, there were twenty-one teams with the smallest comprising only seven households." In January 1981 he was informed in a letter from the village that there had been even further divisions so that some "teams" now included only two households. Nee concluded that the collective was falling apart (Nee 1983: 64 and 1985: 165).

The difficulties peasants experienced organizing these work groups and then holding them together was the subject of a popular short novel, *Peasant Steps*, by Yuan Xueqiang, an amateur peasant writer. The story takes place in Shandong province where a team decides to break up into smaller working groups. In the process five individuals are ostracized by their neighbors because of their reputations as lazy, argumentative, conceited, or having "sticky fingers" or loose morals. They end up forming their own group led by a party member who feels that their ostracism by the other villagers is unfair. The story was made into a film called "Our Niu Baisui," which despite its serious theme is quite humorous and apparently very popular, especially with peasant audiences.

Household responsibility systems (*bao chan dao hu*) were specifically prohibited in the original draft of the twenty-five-article document issued in December 1978. Nevertheless, in a number of counties in different parts of the country large numbers of teams adopted this system anyway in 1979.[14] It was not until the Central Committee's Fourth Plenary Session in September 1979 that the total prohibition against household contracting was finally removed. This meeting approved a final official revised version of the twenty-five articles that opened up a loophole by stating that "except for certain sideline occupations with special needs and single isolated households living in remote mountainous areas lacking convenient transportation links, the system of household contracts should not be used."

This loophole became common knowledge when it was quoted on the front page of *People's Daily* (October 6, 1979). The general impression given was that household contracting was a backward method of organizing production suitable for backward areas and units where the collectives were poorly developed and leaders incompetent or corrupt. It seems that quite a few villages felt comfortable with this description of themselves and took this document as a green light to get rid of dispensable brigade and team cadres deemed too expensive to maintain. Individual families began to take over much of day-to-day production management themselves.

From the very beginning household contracting was not confined to remote hilly areas, though it was more common in poorer, less developed collectives (Tsou et al. 1982: 49). Being rather homegrown and spontaneous, the responsibility systems bear a confusing array of names with many local peculiarities. Jack and Maisie Gray (1983: 155–64) illustrate the confusion by summarizing eight different typologies from Chinese national and local newspapers in 1980–81. I, too, found considerable variation in the meaning given to terms and the systems in use in villages visited in seven different provinces and autonomous regions from 1981 to 1983. Household responsibility systems involve a combination of "unified management" by collectives and "individual management" by households. Unified management refers to collective decisions about the structure of production and often provision of certain inputs and services. In what follows a range of household responsibility systems will be described, beginning with those that display the greatest autonomy for household producers and the least involvement of the collective.

All-Inclusive Household Contracting

Toward the end of 1978 in Chuxian prefecture in Anhui province, peasants in a number of teams began to experiment with a system of contracting output quotas to households. The teams contracted plots of land to individual families and divided up farm tools among them. The teams still owned the land and medium-sized farm machines if they had any. These were very poor teams where farming was still done almost entirely by hand so that collective day-to-day field operations had produced few economies of scale. Quite the contrary, the peasants felt they had been "roped together to live a poor life," and they were the first ones to really cut the rope. The system they evolved is known as *da baogan* or *baogan daohu*, which William Hinton translates as the "all-inclusive contract" or "render unto Caesar that which is Caesar's while I take the rest for myself" (Hinton 1983b: 6). One Chinese source has translated *da baogan* as "contracting output quotas to individual households without unified accounting and income distribution by the production team" (Zhang Yulin 1982: 133). This

sums up the essence of the system, but it is too clumsy.

Households that make these "all-inclusive contracts" with their teams agree to pay a stipulated amount of output to the state for their agricultural tax. This tax was paid by the teams under the old system, and it still is where unified accounting remains. The households also agree to pay a stipulated amount into the team's accumulation and welfare funds. The amount of the latter depends on the level of services the collective is able to provide. The amount of the former depends on the team members' perception of the collective's ability to invest funds in income-generating enterprises. The accumulation fund is also the source of team cadres' wages. After guaranteeing their contributions to the state and the collective, the households may use their land, tools, output, and income as they wish. In such a system there is no longer any need for private plots since peasants can use their contracted land to grow anything they wish once they have ensured production of the contracted sales quota for the state. Households must purchase farm inputs and any services provided by the collective.

As soon as all-inclusive contracting was introduced in Anhui, peasants began to diversify their production both to satisfy their own needs and to produce those commodities for which they knew there was a profitable outlet in the market. The results in Anhui and many other formerly poverty-stricken areas have been quite spectacular. Rural production has been intensified, diversified, and commoditized, a process that shows no signs of slowing down as peasant consumption and investment continues to keep pace with the unprecedented growth of peasant incomes.[15]

In 1982 and 1983, I interviewed peasants involved in all-inclusive contracting in Yunnan and Inner Mongolia, both border regions with large ethnic minorities, but at opposite ends of the country. In Xishuangbanna, a Dai minority autonomous prefecture on the border with Laos and Burma, the prefectural chief of agricultural affairs, Huang Jianzhong, stated that the number of households with all-inclusive contracts had increased from 44.9 percent in February 1981 to 86.2 percent a year later. Huang also reported that there were still twenty-two villages in the mountains along the border where the people, mostly of the Hani and Yao minorities, had no form of collective production and farmed individually (*dan gan*). Some of these minorities were still using traditional slash and burn techniques in 1983.[16]

Dai women, who handle household production planning, management, and accounting, said they preferred all-inclusive household contracts to the old workpoint system. They stressed their greater autonomy and flexible hours. In the past, the team leaders would call them out to work every day. Now they worked fewer hours but accomplished more. For example, in Manjinglan village in 1981, when cutting of the first season's rice was organized by team leaders, the harvest had been twenty days behind schedule and interfered with the Spring Festival. In 1982, with households assuming responsiblity for the entire cycle of production, everyone finished in time to relax and enjoy the celebrations. Dai peasant women

reported that they were able to get transplanting and harvesting tasks completed more rapidly by soliciting the assistance of relatives. They likened their greater household autonomy and the spirit of mutual aid to the early days of cooperation after land reform.[17]

Dai peasants also related their preference for the household responsibility system to their desire to retain their traditional customs and life-style. They explained that they were accustomed to spending many hours eating, drinking, and visiting with friends and relatives. An evening meal on such occasions might last all night. It was easier to maintain such customs, they said, in the context of the more flexible and autonomous household management of production than when team members were expected to show up for work each day like factory workers.

Although Yunnan and Inner Mongolia are both border regions inhabited by ethnic minorities, there is a world of difference between the monsoon climate and tropical forests and gardens of Xishuangbanna and farming on the arid Inner Mongolian plateau where dry winds and sand from the Gobi Desert blast and dehydrate the land and its crops almost daily. In this environment can be found some of the worst poverty in China. Collectives among the farming population are generally quite poorly developed. Production is relatively undiversified—mostly millet, wheat, oats, potatoes, sunflowers, sugar beets, and soybeans. Vegetables are grown on land near city and town markets where peasant incomes are consequently much higher. But for peasants located far from urban markets, the prospects for development of lucrative sidelines are much more limited. The consequent relative poverty of these areas is quite visible.

On the Hetao plain in the Great Bend of the Yellow River, Han and Mongolian peasants divided up their land according to the number of persons in each household (*an renkou fen di*). No doubt borrowing on the experience of land reform, the land was distributed as fairly as possible, taking into consideration soil quality and past productive performance. Tools and livestock were also distributed. In accordance with the system of all-inclusive contracting, each family took full responsibility for profits and losses and, after meeting the state grain quota of forty-five kilograms per person and the annual agricultural tax of two yuan per mu of contracted land, households were free to engage in whatever forms of production they wished.[18]

This new freedom to engage in sidelines without restrictions can be quite important to families in villages with minimal collective incomes. For example, one family on the arid Hetao plain reported that of its total income of one thousand yuan, one-third derived from grain sales to the state and the rest from sales of homemade potato starch noodles in the free market. In the Cultural Revolution decade, growing potatoes and processing and selling noodles in the free market had been condemned as capitalist profiteering even though the demand for this popular local speciality remained unmet by either collective or state-owned shops and restaurants. The local people could still remember the days before the

lopping off of "capitalist tails" wiped out the thousands of independent entrepreneurs engaged in the production and distribution of these tasty noodles. When the prohibition was ended, many households returned to this popular and lucrative sideline.

All-inclusive contracting by households has produced higher incomes for some peasants in Inner Mongolia, but it has also brought many problems. Not all peasants are good farmers. For years many peasants have merely taken orders and assumed no direct personal responsibility for technical decisions. Peasants in Inner Mongolia reported that after assuming self-management responsibility for contracted plots, some households made serious mistakes with fertilizer or pesticide applications. Some were unwilling to invest time and money in soil improvement, seeking only to extract as much as possible while the contract lasted. This problem was tackled in 1983 by lengthening the period of contracts to a maximum of fifteen years. Peasants were encouraged to invest in "their" land. They could get agricultural loans at very favorable terms for fertilizers, pesticides, farm tools, and so forth. Interviewed peasants reported in 1983 that rural credit unions in Inner Mongolia were offering such loans at very attractive interest rates ranging from 0.4 to 0.7 percent.

Another problem has been the neglect or collapse of water conservancy and irrigation systems. In December 1982, when I went to the countryside to plant trees with students from Inner Mongolia University, they pointed out empty reservoirs with "no one to look after them." These same students expressed concern over reported conflicts between households when irrigation of one family's contracted land produced waterlogging or dehydration in another's because of the lack of unified management. Investment in water conservation in some provinces declined 70 to 80 percent, resulting in a significant contraction of irrigated area (Walker 1984: 800; Wiens 1985: 90).

Nevertheless, many peasants have experienced certain inherent advantages of collective farming, and in many areas where all-inclusive contracting is practiced, peasants have retained or restored unified collective management of waterworks, livestock breeding, seed selection, and, when they have the machinery, even plowing, harrowing, sowing, or harvesting. Households pay for such services either directly through water taxes or fees for mechanized operations, veterinary services, and so on, or indirectly with contributions to their team's accumulation fund.[19]

A very serious problem arising from all-inclusive household contracting is the depletion of collective welfare funds and consequent collapse of welfare services. The number of brigades with cooperative medical care systems declined from 80 percent in the seventies to 58 percent in 1981 (Parish 1985: 21). In all the brigades I visited in Inner Mongolia, rural cooperative health care systems had collapsed for lack of collective welfare funds.[20] In some brigades, barefoot doctors had either opened up private practices and pharmacies or given up medicine to turn to full-time farming so as to be able to feed their families. In

Siziwang banner, the Wulian Number Two Brigade had a small hospital in which doctors provided care on a fee-for-service basis. They also received 20 percent of hospital income from the sale of medicines.

Some village schools (*minban xuexiao*) have been closed for lack of funds to pay teachers.[21] On the Hetao plain of Inner Mongolia in 1983, I learned that a few parents had kept their children at home to work in contracted fields or family sidelines. The parents felt the children were wasting their time attending classes taught by overtired, poorly prepared teachers who were trying to support their families by growing crops in fields allotted to them by teams too poor to pay them wages.

Another serious problem has been the illegal building of houses on contracted farmland. Only 10.3 percent of China's land surface is arable, and the ratio of population to farmland (1.04 hectares per person in 1977) is equivalent to that in Bangladesh or Indonesia. And yet in the two decades from 1957 to 1977, 33.33 million hectares or 29.8 percent of China's arable land was lost to urban and rural construction. Reclamation campaigns added 21.33 million hectares to reduce net loss to 12 million hectares. This is equivalent to the total arable land of Sichuan, Guangdong, and Guangxi combined. Furthermore, reclaimed land is typically marginally productive, while that lost to construction is, more often than not, fertile land built up through generations of careful cultivation (Smil 1984: 69; Yeh 1984: 692). Peasants, unlike the majority of city dwellers, are homeowners, and millions are spending their first "big incomes" on millions of square meters of new living space. In recent years, however, peasants have been encouraged to tear down old housing and build multistoried dwellings on the sites of their original homes rather than encroach on already scarce farmland. In some areas peasants are building new villages on unused hillsides or wasteland.

In 1984, more than 200,000 brigades in China were not linked with highways and therefore found it quite difficult to deliver products to markets (*China Daily* Feb. 15, 1984: 4). For such collectives there are few opportunities to increase incomes by developing private sidelines. For example, in 1983 I met a student from a poor, remote mountain brigade in Inner Mongolia where the peasants depended on grain sales to the state for their entire income. The state kept the annual sales quota at a minimum—just fifteen kilograms per person, approximately enough to feed one city adult for a single month. Income from sales of quota grain was not even enough to pay the agricultural tax. Thus household income and funds for the brigade's welfare and accumulation funds had to come out of above-quota grain sales. As a result, some families who lacked labor power were suffering because the collective welfare fund was inadequate to supply even their basic needs.

One of the most serious objections raised by critics of the household responsibility systems is that the gap between rich and poor households is growing. Some have argued that the greater freedom to develop private sidelines will exacerbate income differentials (Hinton 1983b: 24–26). It is true that the income gap be-

tween the richest and poorest peasants has grown considerably. This is because a very small number of families have made a great deal of money—ten and even twenty times as much as their fellow villagers. But if we examine the situation more closely, another side of the picture emerges. In 1978 when the responsibility systems were just emerging, 33 percent of peasant households had annual per capita incomes of less than one hundred yuan. In 1978 the government considered one hundred yuan the poverty line in the countryside where peasants were still relatively self-sufficient in food production. In 1978, fully one-third of peasants were classified as poor by government standards. But by 1983, only 2.7 percent of peasant families were below this poverty line (*China Daily*, March 8, 1984: 3).[22]

Table 1 in Appendix A indicates an annual rate of increase of rural per capita net incomes averaging 16.4 percent per year from 1980 to 1985. Estimates based on survey data show an increase of rural per capita net incomes from 133 yuan in 1978 to 424 yuan in 1986. These figures include income from both collective and private production. All per capita income figures for peasants are estimates, since neither the government nor the collectives require peasants to report their income from private sidelines. Before the policy changes, peasants might well have been inclined to underestimate their earnings from private production and marketing. And even in the present context, I have often found peasants to be not at all clear about total income from sidelines, particularly when these are handled by elderly family members and are their source of pocket money. It has been generally estimated that approximately one-third of peasants' income derives from private economic activity, although in the 1980s the proportion is quite likely rising. The average rate of growth of peasant incomes in real terms (accounting for inflation) between 1978 and 1982 was 17.8 percent per year. This rate of growth can be compared with a total increase of only 3 percent for the twenty years before 1978 (*China Daily* June 17, 1983: 3). Also important to peasants is the fact that during the same years payment in kind, while rising in absolute terms, decreased as a proportion of peasant income from one-half to less than one-third. Under the old workpoint system peasants were constantly running short of cash as they were not paid by the collectives until just before the Chinese New Year and their sources of cash from private marketing were severely restricted. In the relaxed climate of the new economic policies, already by 1981 peasants were pocketing on average two and a half times as much cash as in 1978 (Klatt 1983: 30).

While it is clear to all who visit the countryside that peasant incomes and living standards are improving rapidly, there are many obstacles to measuring the exact dimensions of the changes. Left out of almost all analyses of income before and after the reforms is any discussion of the significance of the fact that after introduction of household contracting, particularly all-inclusive contracting, peasant private investment has increased significantly and represents a major factor affecting net income available for personal consumption. Peasants also paid for investment before the reforms but in the form of collective accumulation

funds withdrawn before the calculation of workpoint values and distribution of personal income. Chinese survey data on per capita income are supposed to reflect net income after deductions of costs of production in family operations, taxes, depreciation of fixed production assets, and contracted payments to the collective for services and reserve funds (*China Statistical Yearbook 1986*: 756–57). In my experience in conducting household interviews, however, many families do not keep very exact records of income and expenses either because they are not that concerned or they simply do not have the necessary reading, writing, and accounting skills. If the surveys are based on accurate records, this would indicate a biased sample relying on the more literate sector of the rural population, who are generally also the higher income earners.

Responsibility Systems on the Grasslands

During four trips to the grasslands while living in Inner Mongolia from 1981 to 1983, I investigated the evolution of all-inclusive household contracting as practiced by Mongolian herdsmen in three different grassland banners. Before the introduction of household responsibility systems, herdsmen were paid in workpoints by their brigades for caring for herds that belonged to the commune. There were strict limits on the number of sheep, cows, horses, or camels a family could own privately. The Third Plenum of the Eleventh Central Committee in December 1978 removed the restrictions on owning large private herds and flocks. During the 1981–1983 period, Mongolians on the grasslands were making a transition from one form of responsibility system to another. In many brigades they still had a system of unified accounting and distribution. Each family was assigned a certain number of animals and given a quota of live animals and by-products (lambs, calves, foals, milk, wool, camel's hair, etc.) to deliver to the commune. Proceeds from the sale of these collectively owned contracted animals and their by-products were then distributed to all households by the brigade in the form of workpoints.

One couple with four children living in Siziwang banner explained the system in their brigade in 1983. Since 1978, they had been allowed to keep 30 percent of newborn lambs. They had built up a personal herd of fifty sheep, five cows, and one horse. From 1982 to 1983, the husband looked after sixty head of collectively owned beef and dairy cattle while the wife and a neighbor tended a flock of four hundred collectively owned sheep. The family earned sixteen hundred yuan from its labor for the collective and seven hundred yuan from sales of meat, wool, and milk from its private herd in 1982.

The increases in state procurement prices for live sheep, mutton, and wool have had a considerable impact on the livelihood of Mongolians. Before liberation, which occurred in 1947 in Inner Mongolia, most Mongolians living on the grasslands were shepherds working for herd owners. After liberation, although there was no confiscation of the animals of the owners of the largest herds

comparable to the confiscation of landlords' property in farming areas, the power of these "range lords" (*muzhu*) over land and water use was broken and many families began to build up herds of their own. Between 1952 and 1958, collectives of herding families were established throughout the autonomous region. During the Cultural Revolution, private herds were eliminated. After the Third Plenum in 1978, families again began to build up private herds, most between fifty and one hundred animals. By 1982, 49.7 percent of sheep, horses, camels, and cattle in Inner Mongolia were privately owned. These animals were far more valuable than those of the preliberation lords of the grasslands. In the forties, manufactured goods were extremely expensive. One sheep could buy a pack of cigarettes; one horse a pair of knee-high Mongolian leather boots. Today one sheep is worth fifty to one hundred yuan and a pack of cigarettes costs less than one yuan. In 1982, per capita annual earnings exceeded five hundred yuan—several times the average incomes of Han and Mongolian peasants in the autonomous region. It is quite common to see grassland Mongolians dressed in silk robes with silver buttons and jewelry, riding motorcycles instead of horses and camels, and living in yurts worth several thousand yuan with floors covered with expensive wool carpets.

In 1982 and 1983, there was considerable variation in the contract agreements between families and brigades in different banners on the grasslands. In Siziwang banner in Ulanqab league in 1982, families kept 70 percent of newborn animals. In Xilinggol league the percentage retained ranged from 100 to 0.

In 1983 the responsibility system in many banners was evolving into all-inclusive contracting whereby collective herds were being distributed to households and becoming private herds. In Siziwang the change was scheduled to be carried out in June. In Xilinggol, it had been completed in Jiringol Commune in July.

The head of an extended family of seventeen explained in an interview how the decision had been made in Jiringol. After several informal discussions with brigade leaders followed by a family council, he attended a lively meeting of fifty-odd representatives (mostly male household heads) of the more than three hundred members of the brigade. They discussed the results of all-inclusive contracting in other places and the possible problems they might encounter. They agreed to make a mechanical division of the herds with subsequent adjustments to achieve greater efficiency, equality, and satisfaction. It was agreed to distribute fifteen sheep, four cows, and four horses for each person in each household. Male and female animals and average and top-quality breeds would be distributed equitably. There was no opposition to adopting the new system; but there was heated discussion over how to ensure the livelihood of families with high ratios of dependents to labor power or lack of know-how or other problems. As a result, after subsequent redistribution, some families concentrated on sheep raising, others on horses or cattle, and families short of labor received fewer sheep, cows, and horses and were compensated with camels, which are comparatively less demanding. The original official distribution was strictly "egalitarian" but produced unequal opportunity. The redistribution worked out by the herdsmen was based on the mutually perceived needs and capacities of different households and was calculated to maximize each household's opportunity to realize their respective potentials. Many aspects of this decision-making process appear to restore the more autonomous, voluntary, and mutually beneficial cooperative relations and democratic communication characteristic of the mutual aid teams and lower-stage cooperatives of the early fifties.

After amalgamation of their private herds with the newly distributed animals, this seventeen-member household pooled their labor and income from tending nearly 700 sheep, 50 head of cattle, and 740 horses. Another family of eight explained that under the system of unified accounting by the brigade, they had earned more than one thousand yuan looking after 100 head of cattle and horses. Now they worked much harder since they owned more than 200 sheep, more than 30 cows, and 30 horses. But they also earned much more. In 1982 they received one thousand yuan from the sale of wool alone. In the fall they planned to sell about 30 sheep to obtain at least another two thousand yuan plus an undetermined amount from the sale of milk and cattle. In one year, they would more than triple their household's gross income. Like many peasants, these herdsmen were planning to spend much of their new income on means of production, particularly machinery. They were saving to buy a small tractor for four thousand yuan and a mower for two thousand yuan. With such equipment, they said, they could handle more animals because they would be able to harvest fodder grass to feed their herds in winter.

After distribution of collective herds, the brigades can no longer accumulate collective investment funds directly from sales of livestock to the state. The herdsmen contract with the brigade to fulfill state quotas for livestock production, but they sell their animals to the state directly. They pay a minimal livestock tax of .004 to .02 yuan per head per year. They also make payments into brigade welfare and accumulation funds. Accumulation funds were being used to pay brigade cadres. Typically, administration had been reduced to three persons—an accountant plus a leader and a vice-leader. In one brigade, cadres earned wages of five to seven hundred yuan annually plus income from their own household herds. This enabled them to maintain incomes roughly equal to the average among their neighbors. In some brigades, accumulation funds were also being used to improve the grasslands by seeding of forage grasses and by some fencing. Brigade cadres were supposed to plan and supervise the use of the grassland to try to prevent overgrazing and disputes among neighbors.

In the early eighties, herdsmen were on average contributing about 5 to 7 percent of their incomes to their brigades' accumulation funds and 2 to 3 percent to welfare funds. These are minimal contributions that could finance only minimal collective investment and collective social services. Thus education remains a serious problem and cooperative medical care systems have largely disappeared

in the grasslands. By contrast, in February 1982, interviewed cadres of the Five Cassia Tree Brigade in the suburbs of Chengdu in Sichuan province reported that their brigade distributed 60 percent of earnings as personal incomes. They paid 5 percent in agricultural taxes to the state, while 14 percent went into the accumulation fund to expand production. This left 21 percent which was deposited in the welfare fund to pay for free childcare in three daycare centers, to build and staff an elementary school with 340 students and 16 teachers, and to subsidize a cooperative medicare system that covered medical and hospitalization costs for which subscribers paid an annual fee of one yuan. It takes a certain level of productivity and generation of surplus before peasants are able to achieve these levels of socialized services. It is not adequate to compare personal income figures to grasp the true extent of gaps in quality of life between different collectives and regions.

The responsibility system has restored herding households' autonomous management rights and raised output and income on the grasslands. This represents a dramatic reversal of the trend before 1978. From 1949 to 1958, the output of animal husbandry increased by 9.2 percent per year; from 1959 to 1969 it increased by 2.9 percent per year; and from 1970 to 1978 it declined by an average of 0.7 percent per year.[23] Production is rising now, but Inner Mongolia faces severe problems if herding families are to continue to raise their incomes from grazing animals on the grasslands. In the Cultural Revolution decade, in response to the campaign to "take grain as the key link" and to strive for self-sufficiency wherever possible, a massive campaign was mounted in Inner Mongolia to turn grasslands into grain fields. The result was disastrous. Although the per capita cultivated area in the region was raised to three times the national average, grain yields averaged only 136 jin per mu (15.1 bushels per acre) or less than one-third of the national average (Smil 1984: 60). It is extremely difficult to cover costs of production with such low levels of productivity. In some of the major pastoral areas, one-third of the grasslands had degenerated so badly that forage grass output was down by 40 percent (*People's Daily* March 20, 1982).

Recognizing that separating responsibility for animals from responsibility for the grasslands will inevitably lead to overgrazing in an already badly damaged and fragile ecosystem, collectives in Ih Ju league, where desertification has been very severe, instituted a responsibility system for managing and restoring grasslands in the spring of 1982. The collectives calculated the local grasslands' output of forage grass and animal carrying capacity and organized herdsmen to plant fine strains of grass and to begin fencing grazing areas. By 1984 the idea had spread until about 56,000 households, 20 percent of Inner Mongolia's herding families, had contracted responsibility for pastureland with their collectives. Each family was responsible for an average of 3,700 mu (633 acres or 250 hectares). By the end of 1983, 1.43 million hectares of pasture had been fenced in and grass and trees had been planted on 0.5 million hectares (*China Daily* March 9, 1984: 3). This is only a fraction of the grasslands as Inner Mongolia has 86.66 million hectares of grassland of which 73.33 million hectares are considered efficient for grazing. Nevertheless, it is an important breakthrough.

In 1982, Inner Mongolia had forty-two million head of livestock grazing on the grasslands and output value of livestock products was approximately eight hundred million yuan.[24] By 1986 the number of livestock had risen to more than one hundred million head and output value was two billion yuan. This phenomenal growth was reflected in herding families' average per capita income of 650 yuan. This can be compared with Inner Mongolia's peasant households, who had average per capita incomes of 370 yuan in 1986. But there is clearly a limit to how much incomes can be increased by herding alone. There is room for further development of breeds of sheep that produce more wool or meat while eating no more grass than other breeds. In many areas, however, it is clear that the saturation point has already been reached.

In 1982, when asked about the future, herdsmen said that diversification and some change in their way of life would be inevitable. They talked about development of industries to process milk, meat, wool, and hides, which would create jobs for Mongolian youth. The industries they envisioned would be located not in polluted Han cities where Mongolians who have grown up in the grasslands feel alienated, but in small towns surrounded by the grasslands and close to the herdsmen and their animals. In 1982, herding households were using most of their increased incomes for consumption or for investment in grassland improvement, well-digging, or mechanization. Taxes paid to the state and contributions to collective accumulation funds were minimal.

By 1986, the situation had begun to change dramatically. Half of herding households were involved in 16,000 joint ventures producing more than two hundred fodder and animal products for sale in domestic and foreign markets. Construction of meat storage plants and processing of byproducts such as bone ash and bone oil were beginning to eliminate waste and losses. In 1986, the income from such ventures was four hundred million yuan—one-fifth of the region's total income from animal husbandry (*China Daily* Feb. 10, 1987: 2).

Evolution of Party Policy on Household Responsibility Systems

In 1978 and 1979, when household contracting first appeared in Anhui and Sichuan, no one in China would have predicted that by 1983, 90 percent of teams would be using some form of household responsibility, much less that by the end of 1984, 94 percent of teams and 97 percent of all households would be practicing some form of all-inclusive contracting. In 1979 and 1980, party and government documents, editorials, and newspaper and radio features tended to stress that household contracting was an expedient measure to restore peasant initiative and enthusiasm where mismanaged collectivization had failed to stimulate production and promote general welfare (see, for example, Yu Guoyao 1980: 12–15;

People's Daily Nov. 1, 1980: 1). But in 1980, there were also indications that perspectives were beginning to change.

In February, the Eleventh Central Committee held its Fifth Plenary Session. Zhao Ziyang, the reform-minded party secretary from Sichuan, joined the Politburo's standing committee at this time. The party decided to set up once again a Secretariat to look after day-to-day affairs. This body had been eliminated in the Cultural Revolution when Mao Zedong, as party chairman, concentrated administrative power in his own hands and those of the "Cultural Revolution Group," which issued directives in his name. Hu Yaobang, another reformer, was elected general secretary (a post held by Deng Xiaoping until he was ousted as the "number two capitalist roader in the party" in 1966). Eleven members were appointed to the Secretariat, which soon became the most active leading body in China promoting the economic reforms. The member of the Secretariat put in charge of rural work was Wan Li, the peasant innovators' advocate in the Anhui party and government hierarchy. In April, Wan Li was appointed vice-premier of the State Council, and in August he became the minister in charge of the State Agriculture Commission.

Also in 1980, after the Fifth Plenary Session, the press launched open criticism of Dazhai and of Xiyang county where the model brigade is located. In September it was announced that Dazhai's party secretary, Chen Yonggui, had been relieved of his post as vice-premier at his own request.

In the same year, top party leaders went to rural areas around the country to investigate conditions, while more than one hundred high-level cadres, economists, and theoreticians conducted rural surveys in ten provinces. In September, the Secretariat held a conference in the capital for provincial-level first secretaries to sum up the results of these surveys and draw conclusions for rural policy. These policy decisions were recorded in a party document (no. 75, 1980) entitled: "Certain Problems Concerning Further Strengthening and Improving the Responsibility Systems for Agricultural Production."[25] This document gave the party's blessing to household contracting with or without unified accounting and income distribution by the collective. It was reiterated, however, that these forms were appropriate for poor and backward collectives, although the document stated that where other teams had adopted household contracting, they should be maintained so long as team members requested no change.

The apparent ambiguity of this position appears to have been a product of conflicting attitudes among provincial-level party leaders. In Sichuan, Anhui, Gansu, and Shaanxi, party secretaries appear to have been relatively supportive of household contracting.[26] In Anhui, it was already being practiced in 90 percent of teams. But party authorities in Zhejiang, Jiangsu, and Liaoning were dubious about its applicability in their relatively developed rural areas (Zweig 1985: 145; 1983: 889). Other provincial leaders were ambivalent, expressing a general willingness to tolerate household contracting in poor, remote villages where more collective management systems had clearly failed to produce prosperity. Given the doubts and resistance of even provincial-level party leaders, the stipulation that no teams that had already opted for household contracting should be obliged to drop the system was a significant guarantee for its survival and continued diffusion. However, it would still be a couple of years before the party would drop its attitude that household contracting was "a method of last resort" (*meiyou banfa de banfa*) to be used only where all else had failed (Xu Shiqi 1982: 4).

With the loophole in the party's position on household contracting pried open even further, the ideological question of where and why its introduction would not undermine socialist relations of production came to have practical significance. Throughout 1980 to 1981, party theoreticians and reform-minded economists gradually developed an increasingly sympathetic perspective on the character of production relations embodied in household responsibility systems, including even the radically decentralized self-management of all-inclusive contracting. Articles by Wu Xiang (1981), Wang Yuzhao (1981), Yu Guoyao (1980), Ma Biao (1981), and Xu Dixin (1981) are typical examples of this discussion cited by Andrew Watson (1983) in his own provocative study of Chinese agriculture's recent search for "shoes that fit." A common characteristic of most of these articles is a defense of household contracting on the grounds that it does not eliminate collective ownership of the most essential means of production, the land. This perspective skirts the more crucial issue of the nature of relations of *control* over this collectively owned asset. Control is, after all, the underlying reason for the Marxian focus on ownership of the means of production.

But probably the most important influence on evolution of household contracting was the success of the system itself. Peasants who heard about leaps in income in other villages after introduction of household contracting began demanding similar self-managing rights for themselves. Hu Yaobang, Wan Li, and Zhao Ziyang each went to the countryside to see for themselves what was happening after dissemination of Document no. 75 for discussion in late 1980 and early 1981. They became critical of local leaders' attempts to manipulate the direction of development either toward or away from household responsibility systems.[27]

About this time, the press began criticizing inflexible and dogmatic cadres who tried to shape local policy implementation with "one stroke of the knife" (*yi dao qie*). (See, for example, *People's Daily* Sept. 22, 1981: 1.) This universalizing impulse was the product of inadequate communication and of relations of subordination and domination. It had undermined the Socialist High Tide, the Great Leap Forward, and nearly all subsequent political movements. Central leaders were alarmed and urged a return to earlier traditions of careful investigation and attention to local needs and demands. They recognized the need to ensure that the implementation of household contracting was not politicized and made the target of a mass mobilization campaign. The old principles of voluntarism and mutual benefit had to be restored and preserved no matter what form of unified or decentralized management villagers opted for.

During 1981 and 1982, a series of national and provincial conferences were

convened to discuss the rural economic reforms and the responsibility systems in particular.[28] As reports of ever larger numbers of teams turning to household contracting poured in, so did complaints about problems arising out of the new management systems. There were reports of waste due to overproduction of cash crops coupled with cutbacks in cultivation of less profitable grains. There was talk about the anarchy of market forces and fear of a collapse of state planning in the rural economy. But when the party and government attempted to reinstate the authority of state plans, many cadres and peasants interpreted such moves as indications of the final arrival of a much feared policy reversal once again (*People's Daily* Oct. 30, 1981: 1; *FBIS* Nov. 6, 1981: K1-2). A National Rural Work Conference in October 1981 suggested a solution that would combine the stability of state planning with the vitality of market competition. The key lay in the greater use of contracts whereby teams could obtain guarantees from households to ensure fulfillment of state plans. The solution lay not in abolishing regulation by the market, but in transforming it, at least in part, into state regulation through the market, using a combination of price incentives and voluntary, but binding, contracts.

In 1982, conference reports and articles in national and local newspapers and journals began to suggest that household contracting, even all-inclusive contracting, could be advantageous and therefore appropriate even for relatively prosperous, successful collectives. *People's Daily* reported use of comprehensive and specialized household contracts in model suburban communes with a highly developed division of labor (July 29, 1982: 1; Aug. 25, 1982: 1). To a great extent these articles were merely acknowledging a fait accompli. The first article stated that already in 1981, 94 percent of teams were practicing all-inclusive contracting. This was the party's first open endorsement of its introduction anywhere and everywhere the peasants desired it.

By the end of 1982, the party was openly and unequivocally endorsing household responsibility systems. In October 1982, the Central Committee sponsored a joint session of delegates to a conference of provincial agriculture secretaries and a party conference on rural ideological work. Out of this meeting a new perspective emerged, which was spelled out in a party document (no. 1, 1983) entitled: "Some Questions Concerning Current Rural Economic Policies." The 1983 document was a draft for trial use. It became official policy after formal approval at a national conference on rural work in November 1983. Perhaps the best way to capture the spirit of the shift in tenor reflected by this policy statement is to quote from the document itself.[29]

> The rapid development of output-related contract responsibility systems is not at all accidental. With peasant households or task groups becoming contractors, this responsibility system expands peasants' decision-making powers and realizes the advantages of small-scale operations. It overcomes the disadvantages of overcentralized management, the inefficiency of large work groups, and egalitarianism. It also inherits the positive legacy of the past movement to organize cooperatives, preserves the system of public ownership of basic means of production, such as land, retains certain unified operations, and brings into play the role of newly added productive forces that were developed through many years of effort. The combination of decentralized operations and unified operations has wide applicability. It suits the present situation in which manual labor predominates. It suits the particularities of our present agricultural production. It also provides the prerequisites for the development of the productive forces in the course of agricultural modernization. In the context of this system, the contracted family operation is a new type of family economy functioning at one of the operational levels of the collective economy. We should not confuse it with the former small-scale individual economy based on private ownership because there are essential differences between them. Therefore, we should energetically support the masses' demand for adoption of this practice wherever it exists. Of course, we should not force people to implement it if they haven't asked for it. We should always permit simultaneous existence of various responsibility systems.

In looking back over the development of household responsibility systems from 1978 through 1983, one can only agree with two *People's Daily* reporters who described the communication dynamic involved in the evolution of this policy as "the bottom level pushes the upper level and the masses push the cadres" (July 2, 1981: 5). But one would also have to conclude that the peasants got more than a little help from certain leaders at the very top of the party and state hierarchy. It has also been a case of pushing and pulling between the center and the provinces. In general, central policy statements have represented not policy initiatives so much as policy responses to initiatives taken by peasants and local leaders. In certain provinces leaders acted to protect peasant innovators even when their innovations lacked official sanction. But for certain other provinces and municipalities where highly unified management and accounting had yielded a relatively high level of industrialization, mechanization, diversification, and commoditization of production, local and even provincial leaders feared the new policies would unleash a tide of petit-bourgeois rugged individualism that would sweep away the commune setup built up over decades of painstaking organization. For such leaders, the party's policy statements served to prod them down a road they were hesitant to travel.

Unified Management of Household Contracting

So far, in looking at household responsibility systems, only "all-inclusive contracting" has been examined. Although quite different types of production—rice cultivation by the Dai people in Yunnan, subsistence farming of peasants on the arid Inner Mongolia plateau, and livestock production among the Mongolian

herdsmen—have been discussed, the basic characteristics of the contractual relationship remain the same. Workpoints have been eliminated and the collective no longer conducts unified accounting and distribution. In the most extreme cases, the collective has more or less ceased to function as a productive unit. Instead it provides limited social services and acts as a broker between the state (primarily the county or banner government) and the producers in hammering out production targets, state quotas, and taxes. It is also responsible for implementation of other national policies such as birth control, education, sanitation, and environmental protection.

It is important but difficult to know just how common is this situation of minimal development of socialized production and social services. Chinese sources divide rural collectives into three categories (Zhang Yulin 1982: 129). Twenty-five percent are considered relatively successful cooperative endeavors in which significant increases in productivity have resulted in radical improvement in the quality of rural life. Another 50 to 60 percent are said to be in an intermediate state with many apparent problems but clear prospects for stabilization and development of collective production relations through readjustment and reform. A final 20 percent have failed fundamentally insofar as no significant improvement in either output values or living standards have been achieved in most or all of the years since the establishment of advanced agricultural producers' cooperatives in the early fifties. There are units where the collective may exist in name only and where all too often "socialist" relations of production have meant exercise of tyrannical bureaucratic power over alienated producers stripped of any real authority over planning or organization of production. It was these "collectives in name only" that party leaders had in mind when they sanctioned household responsibility systems as they emerged from the backwaters of the rural economy in the late seventies.

But when Wan Li, Zhao Ziyang, and various provincial leaders defend the household responsibility systems today, they are talking about household contractual agreements being used in more than 90 percent of China's six million base-level rural collectives. Among these, there is considerable variation in the extent of devolution of responsibility to households as opposed to unified management by collective leaderships. In Yunnan and Inner Mongolia, there has been a major movement toward highly decentralized household management systems with minimal intervention by collective leaders. But these are unquestionably frontier, underdeveloped areas where cooperativization was more often than not experienced as a policy imported from outside. Visits with peasants and interviews of rural cadres in suburban communes in Fujian, Guangdong, Sichuan, and the rural districts of Shanghai and Beijing revealed a very different situation.

Cai Tang Brigade is located on the outskirts of Xiamen in Fujian province. At the time of my visit in January 1983, it was a village of 970 people living in 160 households. They owned 645 mu (107.5 acres) of cultivated land of which 500 mu (83.3 acres) were devoted to vegetable production for the city and the rest to

grain crops, primarily rice and sweet potatoes. Responsibility for grain production had been delegated to households who had signed contracts for three years to guarantee production of five hundred kilograms of grain each year. For this the households were paid workpoints. If they wished, they could keep this grain, but then they had to pay for it. They could also keep any grain produced in excess of this target without paying for it, but for this they received no workpoints. The brigade derived most of its income from vegetable production. Household contracting in 1983 was being used primarily to meet state grain quotas and to satisfy peasant households' own consumption requirements.

Land devoted to grain cannot yield profits anywhere near equivalent to plots of the same size planted with vegetables. For this reason most suburban communes are wealthier than collectives in more remote country districts. Unspecialized household contracting of grain production, as practiced in Fujian's Cai Tang Brigade, is one method of sharing the opportunity costs of meeting the country's need for cereals production.

In February 1983, I visited the July 1st Commune in the western suburbs of Shanghai. At the time of my visit, it was a prosperous alliance of 101 natural villages (teams) organized into eleven brigades. Because of the success of family planning, the commune had a very favorable labor-power/dependent ratio. Out of a total population exceeding 18,600, it had a labor force of approximately 12,200 people. The commune had a diversified structure of agricultural production. Triple-cropped wheat and paddy and late rice were grown on 36 percent of the cultivated area, cotton on 18 percent, one hundred varieties of vegetables on 41 percent, and melons and fruit trees on 5 percent. Collective agricultural sidelines included dairy cattle, poultry, fish, and mushrooms. The commune sold each day an average of 116,200 jin (52,818 kilograms) of vegetables, which commune cadres estimated was enough to feed 400,000 people. Except for private plot and household sideline products, all vegetables, fruit, cotton, rape seed, milk, eggs, poultry, fish, etc. were delivered to nearby state purchasing stations and deposits were made directly into team accounts. Team members earned workpoints, which were redeemed each year before the Spring Festival.

When asked whether the commune signed contracts with the teams to fulfill production quotas, the commune cadres replied no. But then they added that they had been practicing all-inclusive contracting since 1958. It turned out that what they meant by this was that the commune had set a grain quota of 1,200 jin per mu in 1958 when they were planting two cereal crops a year. Since then, they had raised output to 1,500–1,600 jin per mu and were able to sell or retain the above-quota portion as they liked.[30]

When asked about household contracting, commune cadres explained that part of grain production was contracted to households under two different responsibility systems. In one hundred teams, households were still paid workpoints for grain produced on "responsibility plots" (*zeren tian*) allotted for their use. Seeds, fertilizers, and chemicals were purchased and distributed by the team.

There was thus still a significant degree of unified collective management by the teams. In one team, however, land for cereals production was divided up and allotted to households according to the number of "mouths" to be fed. The household would then sell a certain quota directly to the state and keep the rest for its own consumption or for feed for domestic livestock and poultry.

The relative importance of income from household contracts for grain production in this commune was revealed during visits with peasant families. Consider, for example, the following information provided by one couple who described themselves as "poor" if compared with their neighbors because they were a family of seven with only two working adults. They had three children. His retired parents also lived with them.

The wife worked in a brigade-run factory where she earned workpoints. Her earnings in 1982 amounted to 830 yuan. Her husband was an accountant for the brigade and was paid 1,200 yuan. The grandparents received pensions of 20 yuan each month for a total of 480 yuan.[31] In 1982 the wife contracted responsibility for a one-mu plot from her team. After turning over the output of her plot, she earned workpoints valued at 500 yuan, enough to cover the cost of grain rations (*kouliang*) for an entire year for her family of seven.

On top of this income derived from participation in collectively organized production, the family had a private plot of 350 square meters on which they grew garlic, onions, and other vegetables. The grandfather sold in the free market what the family did not eat, and in 1982 he got 200 yuan for his efforts. They also had two pigs, two sheep, four chickens, one goose, and six rabbits. They received 200 yuan for the pigs, but Grandpa pocketed the proceeds from the rest without telling anybody how much it was. Finally, the woman and her mother-in-law crocheted sweaters with materials supplied by the commune and were paid a processing fee on delivery to the receiving and supply station. In 1982, they earned 600 yuan for crocheting 400 sweaters. Thus the family's total income was 3,500 yuan of which one-seventh came from household contracting. This is in sharp contrast with the families in Inner Mongolia and Xishuangbanna already discussed and with other families engaged in specialized production to be discussed in the next chapter.

But a more important difference is the level of unified management of household production in different collectives. In the Shanghai commune, in 100 out of 101 teams, the collective provided seeds from its own harvests and distributed fertilizer free of charge to the households. In the most technically developed collectives, the heavy work of plowing, sowing, harvesting, and threshing, as well as irrigation and sometimes even fertilizer and pesticide application, is done by machines operated by men and women paid by the brigade or commune. Thus household contractors in this context are actually part-time gardeners hoeing and weeding plots and watching for any signs of pests, disease, waterlogging, or dehydration to ensure timely action to prevent crop losses. This is not a full-time occupation as can be seen from the case of the woman who was responsible for a one-mu plot that she was able to handle while holding down a full-time factory job.

Although the highly developed suburban collectives finally relented and introduced household responsibility systems in 1982 and after, the forms they take tend to reinforce unified management. But such collectives represent only a fraction of the millions of villages in China. In 1984, Greg O'Leary and Andrew Watson interviewed Chinese economists in Sichuan, Beijing, and Shandong who estimated the number of collectives practicing such high degrees of unified management and accounting as 10 or at most 20 percent (Watson 1984: 643). They tend to be clustered in the suburbs around large cities and in commercially well-developed districts, such as the Pearl River delta in Guangdong, the Yantai peninsula of Shandong, and the Yangzi River basin in southern Jiangsu.

Contracting of Specialized Tasks

So far responsibility systems have been discussed primarily in the context of grain production and herding. In the Chinese perspective, all other forms of rural labor are considered specialized production or services, somehow supportive or supplementary to the central task of growing grain or, in the grasslands, raising livestock. Thus even in Cai Tang Brigade near Xiamen where 77 percent of the cultivated area was devoted to growing vegetables and the greater part of brigade income came from vegetable sales, those responsible for the vegetable fields were viewed as performing specialized tasks.

Several different responsibility systems have been devised to link remuneration to output or measurable criteria of performance in contracting specialized jobs (*lian chan ji chou, zhuanye chengbao*). For example, in both Cai Tang Brigade in Fujian and the July 1st Commune outside Shanghai, individuals bid for contracts to grow vegetables. Team members decided through discussion to whom to grant these contracts since the total output value affected the value of workpoints earned by all members of the collective. In both collectives, workpoints were awarded not for gross output (kilograms or tons of vegetables) but for output value, that is, so many workpoints for each yuan's worth of vegetables sold. This was done to ensure efforts to deliver vegetables in prime condition so that the selling price would not be reduced because of damage in handling or deterioration due to delays in delivery. The workpoint system was being used in this way to try to solve the problem of the "employee mentality" (*guyong guandian*) of some peasants who would just put in time to earn workpoints, a sure sign of the alienation of producers from both their labor and the product of their labor.

In the July 1st Commune, workpoints were used to solve another problem as well, namely, the gap in profitability between grain and vegetable production in conditions of extremely unfavorable land-labor ratios. To ensure the cultivation of grain and prevent patently unfair income differentiation, workpoints were adjusted so that grain growers received one workpoint for every 0.50 yuan's

worth of grain produced, while vegetable growers received one workpoint for every 1.00 yuan's worth of vegetables delivered daily to purchasing stations on the commune. These figures were adjusted each year by the teams at a meeting of their members. This adjustment through workpoints was developed by the peasants and cadres to deal with the fact that prices did not adequately reflect differences in labor expenditure.

It has already been pointed out that in many collectives where day-to-day management is handled by households, many services are provided through unified management of the collective. Such services include a range of production-related tasks such as tractor plowing, water conservancy and control, plant and animal breeding, veterinary services, prevention and control of disease in plants and animals, seed processing, transport, and storage. There are several ways collectives can organize such services. They can be contracted to specialized households—a method that will be considered shortly. They can also be contracted to individuals or groups who are rewarded on a more or less piecework or other performance-related basis. In January 1983 during an interview, the party secretary of Luxia Brigade in Chengmen Commune in Fujian described one example of a fairly typical arrangement for field preparation and hauling jobs done by tractor drivers under contract to the brigade.

Luxia Brigade is a newly prosperous, rapidly industrializing village about an hour's bus ride from the center of Fuzhou, the capital of Fujian province. The 521 families of Luxia collectively own 690 mu (115 acres) of cultivated land of which 200 mu (33.3 acres) are orange tree groves and the rest are planted with rice, wheat, and rape. Food production in 1983 was handled through specialized contracts to individuals who paid tractor drivers for plowing, seeding, and harvesting on their contracted fields. The drivers paid the brigade 700 yuan each year for the use of the tractors and any expenses exceeding 20 yuan for oil, gas, maintenance, and repairs. At the current value of workpoints in 1982, tractor drivers were earning on average 3.90 yuan for a day's work of plowing. However, when there was no work to be done in the fields, tractor drivers could contract hauling jobs within the collective or outside for which they could earn up to 20 yuan per day. Lest any driver be so lured by such money as to neglect or delay work on the brigade's fields, the contracts were negotiated annually and the collective retained the right to assign responsibility for operating its tractors to somebody else during the next season.[32]

These were prized contracts for which young people bid eagerly. One villager said his eldest son, a tractor driver, earned 5,000 yuan in 1982. I asked whether such high incomes caused feelings of envy or bitterness. The man replied that the drivers were very popular because, by their labor, they added greatly to the brigade's total income. They thereby raised the value of workpoints and the incomes of all brigade members, whether they worked in the fields, brigade factories, the school, the clinic, or whatever. In some collectives, drivers pay a percentage of hauling fees to the brigade as well. In Luxia, the truck drivers received both time wages and 20 percent of hauling fees handed over to the collective, and they, too, actively sought transport jobs outside the collective.

Some intriguing arrangements result from attempts to use workpoints and contracts for specialized tasks to maintain organic links between the work and consciousness of individuals in specialized occupations and their collective. In February 1982, a vice-leader of the Five Cassia Tree Brigade on the outskirts of Chengdu in Sichuan province explained how her brigade had revised its old Dazhai-type workpoint system five years earlier to achieve a closer linking of remuneration with performance while retaining the advantages of workpoints for promoting collective solidarity. She gave an example of one individual who had set up a clock repair shop with the brigade's help. The shop and most of his tools and equipment belonged to the collective. He turned over 40 percent of his gross income to the brigade. The rest covered his expenses and his personal income. However, his contract with the brigade stipulated his purchase of four hundred workpoints each year from the collective for which he paid 480 yuan. Why should he want to buy workpoints? This purchase gave him the right to receive grain rations for which he paid like all other members of the brigade. Peasants are able to get grain rations at special subsidized prices lower than urban consumers using city-issued grain ration coupons. Without purchasing this right of all workpoint earners, the clock repairman would have had to buy grain at free market prices. Second, he paid 1.20 yuan for each workpoint he bought, but the value of the workpoints when reimbursed would be determined by the collective's total net receipts from a diversity of income-generating projects. By investing his 480 yuan he added to the collective's available investment funds and thereby to its capacity to produce more wealth. Thus his material and subjective ties with the welfare of the collective as a whole were reinforced. At the same time, the need to draft a contract for this individual meant that his labor capacity and his needs and those of his family were discussed at an open meeting with his neighbors where the terms of his contract were hammered out and approved. In 1981, he earned 980 yuan, and in 1982, if he or his neighbors felt his income was inappropriate compensation for his contribution or for his needs, they could readjust the terms of the contract. Sometimes contracts for relatively undemanding specialized tasks are awarded to individuals with particular handicaps, physical or mental, or perhaps a large number of dependents that make it difficult or impossible for them to participate in other forms of collective labor. In this way collectives can equalize income-generating opportunities among members and rely less on pure welfare schemes.[33]

It is impossible to judge the significance of contractual agreements in any particular collective without a knowledge of the content and character of communication between team and brigade leaders and members of the collective and of villagers' freedom and ability to analyze and articulate their individual and collective needs. The essence of the problem for social scientists inside and outside China is to determine whether existing contracts represent agreements

hammered out between team members and their collective, or are merely agreements between individual team members and team leaders, or, even worse, are simply the putting on paper of decisions taken and imposed by village tyrants.[34]

It is crucial to uncover the communication processes whereby these agreements are conceived, formulated, and sealed. Recent novels, short stories, and films are invaluable sources for understanding the impact of new policies on social relations, bureaucratic power, and communication in implementation of new management systems in China's countryside. A short story by Jing Fu, a young writer associated with a county town cultural center in Shaanxi province, provides such background with regard to the introduction of specialized contracts signed with individuals. "Crippled Chen and Team Leader Qiu" tells the story of a disabled bachelor who contracts with his team to care for a neglected apple orchard and, contrary to everyone's expectations, reaps a bumper crop. The team leader is a slippery fellow who calls a team meeting to organize village opinion against allowing Chen to derive a personal income many times his neighbors' through this contract. Chen wins his agreed upon reward, but Qiu refuses to allow him to renew the contract, and the old man ends up contracting with another team instead.[35] Not only are such stories and films based on them possible sources of insight for Western social scientists trying to grasp the nature of political communication in China's countryside, they are also forms of communication themselves that can be used as ammunition by villagers attempting to deal with recalcitrant local cadres unresponsive to their needs and demands.

There are many specialized jobs that are too big for a single individual to handle alone. Collectives often use specialized group contracts to achieve a combination of unified and decentralized management of such production and services. Typically, there are two aspects to these arrangements. First, there is the contract between the group or its leader, on the one hand, and the collective, on the other. This contract usually covers targets, such as output or output value, profits, quality, use of materials, energy, or other variables of cost accounting. The contract usually also stipulates the leader's responsibilities, wages, and rewards or penalties for better or worse than anticipated performance.

The second aspect is the agreement between the leader and the group or among the group members if there are only a few. Sometimes the collective will guarantee a certain number of workpoints or amount of money or portion of the product to the contractors, the distribution of which they decide according to their own assessment of their relative contributions to completion of the task. Such arrangements are typical of small-scale operations, such as a few people looking after a collective livestock or poultry operation, or a group of women running a tailor shop, or a handful of young people managing a village restaurant.

All of the systems of decentralized production management discussed in this chapter are collectively designated in China simply as "responsibility systems" (*zeren zhi*). Because in Chinese there is no device like the English "s" to distinguish whether a noun is singular or plural, *zeren zhi* is often translated as "the responsibility system" even by the Chinese themselves. And yet, perhaps the most conspicuous characteristic of rural production management in China in the eighties is its heterogeneity. One can no longer capture the essence of the situation with a description of the three-tiered commune structure and a few variations on the Dazhai workpoint model.[36] This diversity is a product of the greater autonomy of peasant collectives in the present period compared with the "mass campaign" era of the late fifties to late seventies.

The changes wrought since 1978 are profound. And yet, it seems to me to be quite mistaken to interpret the situation as total abandonment of communal ideals and cooperative institutions. Anyone with a little knowledge of the history of the cooperativization process will recognize the evident borrowing from this historical legacy. The group and household contracts have their roots in responsibility systems used in the fifties by mutual aid teams and lower-stage cooperatives or by teams during the period of decentralization and reconsolidation in the aftermath of the Great Leap Forward. Much about the "new" responsibility systems is not new at all. The call for respect for the principles of voluntarism and mutual benefit echoes the slogans of the early cooperativization movement before the Socialist High Tide swept away many of the property and self-management rights of autonomous associated producers that had been the bedrock of these principles.

Even in the case of entirely new forms, such as some of the contracting of specialized production, there is one aspect of the historical legacy that continues to shape the evolution of national and provincial policies as well as local practices. This is the "mass line" ideal of political communication. Official documents, leaders' speeches, and radio and press commentaries on the new rural economic policies all constantly reiterate the importance of preserving this tradition. Attempts are being made, however, to restore the original concept as it was formulated in Yan'an shorn of the distortions wrought by the mass campaign approaches of later years. Consider, for example the following excerpt from the conclusion of a speech on contract systems and the rural cooperative economy by the head of the party's Rural Development Research Center.

> In conducting a reform, it is impossible not to have tentative ideas. However, we must avoid by all means imposing our tentative ideas on the masses as something immune to change. On the contrary, we should learn from the masses, respect their initiative, esteem practical experience, and continuously revise our own opinions.
>
> Mistaken practices such as doing things on a whim, rushing headlong into mass action, and treating everything alike without discrimination are all incompatible with the mass line. In this reform "the party Central Committee is against coercing anyone, criticizing anyone, or putting a label on anyone; on the contrary, it has been the Central Committee's consistent stand to stress study and investigation, proceeding from reality in everything we do, suiting measures to

> local conditions, diversity in form, democratic choice by the masses, gaining experience through pilot projects, and guarding against doing things on a whim and treating everything alike without discrimination.'' (Du 1984a: 39)

The quotation in Du's speech is from a speech by Wan Li. Reformers like Du Runsheng, Wan Li, Zhao Ziyang, and Deng Xiaoping at the national level allied themselves with certain party secretaries in the provinces such as Feng Jixin in Gansu and An Pingshen in Yunnan. These leaders and others urged conservative party and government bureaucrats to go to the villages and see for themselves what the local people were doing and why and with what results in much the same spirit as Mao's attempt to get through to party conservatives with his investigation of the peasant movement in Hunan in 1927. The period since 1978 has been characterized by a massive amount of organized investigation and reporting of observations by leaders in charge of various aspects of rural economic affairs. National conferences one after another issued draft policy documents. These were ratified six to twelve months later at further conferences after mobilization of discussion by leaders at lower levels and feedback to the center on opinions and results of experiments. Radio, television, and press reports and features kept up a constant stream of information and analysis of the rural economic reforms and the changing situation in the villages.

The rural responsibility systems have been controversial. This is as it should be. On the one hand, they have thrown up many new problems. On the other, they have called into question many assumptions about the stage of development of rural relations of production and the appropriate course for viable future development. In this context of experimentation and questioning, the party's return to its original more democratic notions of mass line methods of leadership embodied in the Jiangxi and Yan'an legacies with their greater respect for the autonomy of civil society is a positive step forward. Most important has been the conscious rejection of any attempt to ''politicize'' and engineer the process of change by labeling opinions or practices not initiated or sanctioned by the party as ''bourgeois'' or ''capitalist road'' or ''revisionist.''

Without this conscious reining in of social engineers in the party who would shape social change through movements of ''class struggle,'' the successful emergence of a thoroughly new form of decentralized production management that fundamentally challenges party orthodoxy on the stages and nature of socialist transformation would have been out of the question. This new form of decentralized management is called the ''specialized household'' and is the subject of the next chapter.