

## YOUNG LEADERS PLAN TO TRANSFORM WASTE TO WEALTH IN RURAL FARMING ENTERPRISE



YLP Participants discuss the feasibility of expanding biogas facilities at the Jinlong Agri-business Farming Enterprise in Hebei Province. Photo: Ben Li

**At first glance, a pig farming enterprise in Hebei Province, China,** may not have much in common with corporate finance. But a strong connection exists through using the “money for good” principle to demonstrate how a simple business can be turned into a social enterprise with far reaching economic benefits. This is the goal of the Global Young Leaders Programme, a unique learning programme designed and offered by GIFT, the Global Institute For Tomorrow.

The Global Young Leaders Programme, or YLP for short, is a leadership development programme which takes young executives and schools them in the sciences of social awareness and corporate responsibility followed by immersion in a project setting where the executives work with a community to find solutions to its problems and develop a sustainable, prosperity-creating opportunity.

Applying the YLP to the Hebei-based farming enterprise has been the most ambitious of the projects run so far by the Institute. Chandran Nair, founder and CEO of GIFT is quick to point out, “we live in an interconnected world and in China we can see this real tension between rural communities and urban areas. The farming enterprise was a challenge in every sense of the word. How were twenty young leaders going to come up with a business plan

that was both financially viable and at the same time actually serves the needs of a poor community?” Previous YLP projects have been concerned with poverty alleviation, resource management and local supply chains in China and an eco-tourism cum conservation business opportunity in India.

The location of the pig farming enterprise is in Jingxian County, an impoverished county in rural mainland China. The poverty conditions in Jingxian County are in stark contrast to the wealth that exists just a few hours travelling time away in cities like Tianjin and Beijing. Mass migration from the rural areas to the cities is causing societal problems throughout China and the Central Government is striving to manage this population shift in a way that ensures the well-being of rural migrants as the country continues its urbanisation process.

In October 2007, twenty three young executives went to the Jinlong Agri-Business Farming Enterprise owned by Mr. Jia Lian Hai, a self-made entrepreneur to find out how a social enterprise model could be applied to help Mr. Jia’s business and at the same time create the right economic conditions for the wider community so that other like-minded entrepreneurs could prosper in the County, thereby redressing some of the disparities in opportunities between the rural and urban areas.



YLP Participants join GIFT members in discussions with community leaders. Pictured from left to right: Chandran Nair, GIFT; Shen Guo Xing, Jingxian County Animal Husbandry Bureau; Jia Lian Hai, Jinlong Agri-business; Ben Li, GIFT and Diamond Ho, Cathay Pacific. Photo: Cynthia Chan

Representing the corporate sector in the group of young leaders were **JP Morgan, CLSA, UBS**, as well as **Cathay Pacific, Hewlett-Packard, Meinhardt Engineering** and the **Hong**

**Kong Mass Transit Corporation.** Local interest was also present with major mainland sports apparel company, **Li Ning**, as well as companies from Shenzhen, Shanghai and Beijing. Participants from the academic sector came from **Tsinghua University** and the **National University of Singapore** and overseas young leaders had come from as far away as Switzerland, Japan, Egypt, Australia, India and the United States.



Livestock at the Jinlong Agri-business Farming Enterprise. Photo: Isa Tang

Diamond Ho, a technical manager from Cathay Pacific, explained, “ I thought initially this was a development aid project at first, but after a while I realized that we were here to do a job to show how corporate responsibility involves more than just writing donation cheques but really understanding how community business models operate. This is how leadership truly works.”

Working with the Chinese Association of Non-governmental Organisations (CANGO) and the Jingxian Animal Husbandry Bureau, the young leaders came up with a business plan to harness the vast quantities of waste generated by the 50,000 pigs that are raised every year in the Jinlong Agri-Business Farming Enterprise into a form of methane-based “green energy”, with resulting rich bio-fertiliser residue.

The business plan outlines how a focused investment into extending the existing bio-gas reactor on the farm, together with ambitious, but simple expansion plans for growing organic vegetables, could drive a specialised commodity market – organic pork. The plan is now seeking investment for what could be a highly lucrative return on producing and selling this

pork into the eager markets of the neighbouring big cities, as well as selling the bio-fertiliser to neighbouring farms, which represents another significant investment opportunity. Surrounding smallholdings in the vicinity would furthermore reap the benefit of spare “green energy” as well as participate in the organic pork supply chain to create economic prosperity for the overall community.

Thomas Tang, Executive Director of GIFT, is bullish about the chances of getting investors interested. “There is a lot of private wealth in China and Hong Kong seeking projects with good causes. The success of the Jinlong Agri-Business Farming Enterprise will firstly open up new business models for supporting smaller farms in the vicinity and eventually lead the way for other farming enterprises in this poor part of China. It also addresses a significant environmental problem faced by the county - that of the pollution of natural water courses caused by untreated pig waste – as well as a sustainable approach to food production and providing renewable energy in a meaningful way. This truly is ‘waste to wealth’ in every sense.” The Hebei project is the fourth YLP project run so far.

### **About GIFT**

Based in Hong Kong, GIFT is a non-profit think tank aimed at bringing together technical and commercial expertise with key knowledge on the issues concerning corporate social responsibility and sustainable development, and the influence of the region’s economies. The organisation works with business leaders and government policy makers on the challenges of globalisation and Asia’s development needs to realise the opportunities therein.

For further information, please visit our website at: [www.globalinstitutefortomorrow.org](http://www.globalinstitutefortomorrow.org)

Module One of the YLP Hebei, the classroom component, took place from the 8<sup>th</sup> to 13<sup>th</sup> of October, and Module Two, the field project, from the 14<sup>th</sup> to the 20<sup>th</sup>

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