

Young executives on GIFT's 11th YLP experience rural China and support the country's first registered Farmers Association



YLP participant, Lin Hui-Yi from Tsinghua University, meets with a member of the Shanxi Pohan Farmers Association to learn about the structure of the organisation and the challenges facing farmers in rural China. *Photo: GIFT*

Against a backdrop of increasing health concerns in food and agriculture and dramatic changes in migration patterns in rural China, a group of young corporate managers have developed a plan to support Shanxi farmers in accessing markets for their organic cotton.

In July 2009, working in partnership with the Pohan Farmers Association (PFA) in Yongji City, Shanxi province, China, the Global Institute for Tomorrow (GIFT) conducted its eleventh Global Young Leaders Programme (YLP) with twenty high potential participants from around the region. They came from companies such as Nike, IMC, Meinhardt Engineering, Turner Broadcasting, and Lever Style, among others, and from countries as diverse as Japan, Hong Kong, Australia, Taiwan, Germany, China, India and Singapore.

After an intensive week on-site, working directly with farmers, community leaders and local government officials, participants put forward to the community a proposal to create a joint-venture company providing greater management capacity and critical access to global markets for their cotton products. The young leaders worked closely with Zheng Bin, Co-Founder of the Pohan Farmers Association and an inspirational community leader who became a champion of organic farming once it became apparent that excessive pesticide use was harming the health of the community.



Robert Zhou from Nike Inc is introduced to the growing cycle of organic cotton. *Photo: GIFT.*

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Global Young Leaders Programme (YLP)
Shanxi, China
20th July to 1st Aug, 2009

Having begun the conversion process in 2008, Madame Zheng is determined to push forward the organic agenda for the benefit of local Shanxi farmers and others in China. She said, “Of course the process is not easy – but human beings have sent a rocket to the moon and therefore we know we will be successful in making the important change to organic farming.”

Although the Shanxi farmers have expertise in farming, their understanding of how to maximize returns for their efforts is limited and this is an area where the group of young corporate managers were able to add value. Within a few short days, working far outside their comfort zones, they found themselves engaged in substantial dialogue with the community heads on topics such as international organic certification, crop rotation procedures, product and supply chain issues and training plans for the Youth Farmers Association, among others.

For many participants this was not only the first time seeing the process of cotton production but indeed their first experience in rural China. GIFT Founder and CEO Chandran Nair said, “The work with the farming community here in Shanxi has been tremendously eye-opening for participants. The fact that future leaders within business were able to observe first-hand and uncensored, the realities of cotton production and processing gives them a real insight into the true cost of externalities – both social and environmental – of the pervasive garment industry. I believe we achieved the aim of the programme which is to spark some new ideas and fresh thinking about such global issues.”



Mr. Chandran Nair, Founder and CEO of GIFT encourages farmer members of PFA and local government officials to work together at the community conference which concluded the programme. *Photo: GIFT*

Participants learned, for example, that a full 22% of global pesticides are currently used in cotton production, which occurs on nearly 31 million hectares or 2.4% of all the arable land in the world. However, according to Organic Exchange, consumer awareness of the dangers to the environment and farmers’ health from pesticides will drive growth in demand for organic cotton by nearly 50% per year for the next 5 years, by some estimates. The participants identified this as a true opportunity for the PFA.

The purpose of the Global Young Leaders Programme (YLP) is to give future corporate leaders a greater perspective on important issues shaping the role of business in society and the far-reaching impacts that their decisions as managers have on the world. Through their immersion into local communities and ongoing discussions with diverse stakeholders – such as farmers, local officials, competitive businesses, etc – the participants rapidly expand their knowledge horizon, cultivate a greater degree of empathy and begin to understand what it takes to make informed and effective decisions.

Furthermore, due to the cultural diversity of the YLP team and the challenges associated with researching and writing a business plan in an unfamiliar region, the young leaders are able to develop and refine their communication skills in ways which will positively impact their ability to lead teams back in their home offices. Throughout the week-long site visit, the group of twenty worked in four discrete teams focused on developing plans for Governance & HR, Sales & Marketing, Finance and Community Benefits. Each team was responsible for delivering their section of the business plan as well as reviewing and offering feedback on the others, based on their respective understanding of the market opportunities and community needs.



Sherin Goh (left), HR Business Partner at IMC, evaluates the risk and mitigation factors of the business model that YLP participants have proposed. *Photo: Amanda Chiu.*

Sherin Goh (pictured above), HR Business Partner at IMC said, “I have learnt the importance of communication both in terms of substance and delivery, particularly in interacting with farmers who speak only Mandarin and in local accents that are difficult to understand. Also, when communicating with participants from various countries I cannot simply assume that they always understand what I am trying to say.”



Local government officials from Yongji City listen attentively to the plan presented by YLP participants. *Photo: GIFT.*

Toward the end of the eight days in Shanxi, the long hours of field research and internal debates had crystallized into a cohesive plan outlining a proposed business model, investment strategy and marketing direction for ramping up the scale of land conversion and production of organic cotton. To conclude the programme, the plan was presented at a community briefing attended by senior members of the Farmers Association, heads of the community, representative farmers, local government officials and importantly, members of the Youth Farmers Association – many of whom have chosen to return from the cities to the countryside and who will ultimately carry the plan forward. In traditional Shanxi fashion, the farmers responded enthusiastically, sharing their acceptance and gratitude in song.

The Chinese central government has recognized the importance of rebalancing the country’s urban-rural disparities through rural development initiatives. What is more, given the recent financial crisis there is a greater need to provide economic opportunities in the rural sector for underemployed migrant workers.

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For local communities such as the cotton farmers in Shanxi, there are many untapped opportunities that can improve livelihoods and have far-reaching positive impacts on society.

The organic cotton production and trading project in China has demonstrated that by thinking differently about global issues and applying diverse perspectives to tough challenges, breakthrough solutions can and do occur.

About the Global Institute for Tomorrow

GIFT is a social venture think tank that prepares future leaders of corporations, government and civil society to think differently about the role of business in society and in so doing creates new investment opportunities for dynamic social enterprises in the region.

The YLP has been designed to initiate a fundamental shift in the understanding of business, its influence and impacts by engaging participants in a life-changing field project. Previous YLP projects have been based in other parts of China, India, Laos and Cambodia dealing with issues such as setting up rural supply chains, marketing sustainably produced forest products and scaling up of renewable energy distribution.

Note: If you are interested in the business plan and the opportunity to invest in this unique project, please contact GIFT on enquiry@global-inst.com. For further information, please visit our website at: www.globalinstitutefortomorrow.com

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