More than 100 subprojects in Fujian Province reunite families separated by distant work, and bridge the income gap by promoting information, cooperation, and infrastructure for a wide range of businesses.

By the numbers

- About 12,000 hectares of land rehabilitated for crops
- 17 number of agro-processing subprojects
- About 201 km rural road rehabilitated
Liancheng County, Fujian Province - Cao Xinmei comes to work every day on a shuttle bus provided by Hangkai Wood Products. She has been working at the company for several years, assembling small pet houses. Like others in the workshop, she is paid by the piece, and that suits her. "I like my job because it's flexible," says Cao. "It gives me time to take care of my family."

Cao used to work in the city, like 220 million other rural migrant workers in the People's Republic of China (PRC). That meant she was separated from her family. The journey home every Chinese New Year was a burden for this 43-year-old mother of two, because it bit into her meager savings.

Now she is back in her home county - around 120 kilometers (km) inland from the southern coast of Fujian Province - and working at Hangkai, earning a monthly income of CNY2,000-CNY3,000 ($320-$480). Her family is reunited and financially more secure.

**Bridging the income gap**

Along with the more than 500 other workers in the company, Cao is benefiting from a $950,000 loan Hangkai received as a subproject of the ADB-supported Fujian Soil Conservation and Agriculture Development Project (phase II). The project was approved by ADB in 2004, for $80 million, following a loan of $65 million in 1995 for the first phase.

The project's goal is to reduce income disparities between urban and rural populations in Fujian Province by improving and diversifying the income opportunities of rural households. Building on the successful experience of the phase I, phase II moved from the province's eastern, coastal counties into its less developed upland areas.

The project covers 38 counties, including 21 government-designated poor counties. It has benefited 730,000 rural households, by financing 103 subprojects, ranging from orchard rehabilitation to water supply infrastructure.

Fujian is a coastal province but more than 80% of its land is mountainous, with a rural population of close to 80% as of 2010. Arable land measures only 0.037 hectares per capita, significantly lower than the minimum risk level of 0.053 hectares set by the United Nations Food and Agriculture Organization. Fujian has also suffered severe soil erosion and environmental degradation. Sustainable rural development hinges on diversifying income opportunities for rural households in environmentally friendly ways. This project helps do just that.

Hangkai specializes in producing wooden houses for pets, mainly for export to Europe, North America, and Japan. With the support of the ADB loan, in 2006, Hangkai constructed 16,000 square meters of workshops. It now has over 500 locally hired employees - 70% of them women.

Hangkai owner Luo Shuning is an ambitious 36-year-old entrepreneur with an environmental conscience. His products are all made from factory off-cuts, waste timber, and locally grown, renewable fir trees. Sawdust from the shop floor is sold to incense companies, resulting in zero waste, says Luo.

**Time for a snack**

Nearby Lianxiangyuan Food Company presents a similar story. Jia Cul'e, 46, has been cycling to work there for more than a year. She dries candy made of sweet potatoes to make a popular Chinese snack.

Jia earns about CNY2,000 ($321) per month, which helps support her two children, who are attending high school. She says she likes the job because it provides a stable income and the factory is not far from her home.

Several years ago, Lianxiangyuan was a small neighborhood workshop called Minlian Sweet Potato Factory. In 2007, with a $400,000 loan and CYN5 million ($800,000) raised privately, the workshop invested in 3,500 mu (233.33 hectares) of cropland, and a production line that can process 2,000 tons of dried potatoes annually.

In 2009, Lianxiangyuan and 23 other county-level food companies jointly formed the Fujian Liancheng Hongxin Sweet Potato Corporation. Together with the Chinese Academy of Sciences, and Sichuan University, the corporation is focusing on food-
processing technology research and development for sweet potatoes. The snack product is already generating around CNY150 million ($24 million) annually for Liancheng County.

Clam soup

Meanwhile, in coastal Zhangpu County, southern Fujian Province, the Zhangzhou Fengsheng Food company for many years had problems with the byproduct waste from its seafood products, according to owner Yang Jianhua.

Blanching clams (soaking them in boiling water for a short period) produces a large amount of wastewater - also known as "clam soup." In the early days, the company simply discharged it into the sea or onto nearby land to keep costs down. This not only contaminated the water and soil, but also polluted the air with foul odors, adversely impacting the lives of nearby residents.

In 2008, Zhangzhou Fengsheng received $1 million from the loan project, and the resulting research and development found a solution.

"We discovered a value-added method to make use of the wastewater and earn a profit," says Yang.

His company has developed a patented technology for extracting a concentrate from the "clam soup" and processing it into a powdered food seasoning that is 18%-29% rich in amino acids. The powder is sold at CNY200,000 ($32,000) per ton, and exported to Japan.

Meanwhile, calcium powders extracted from clam shells are used as livestock feed additives, and are sold for CNY400 ($64) per ton, generating an annual profit of CNY800,000 ($128,000) for Zhangzhou Fengsheng.

All the tea in the People's Republic of China

In inland southern Fujian Province, Anxi County - directly north of the port city of Xiamen - is home to both wulong and tieguanyin teas. Semi-fermented green-leaf teas, both varieties are famous throughout the country, and are gaining recognition in the West for their health benefits. Demand for Anxi tieguanyin, in particular, is growing fast, but production has long been held back by low productivity due to traditional plantation methods.

Five years ago, ADB financed an ecological tea plantation subproject with a $2.13 million loan. As a result, 38-year-old Liu Xianchang and his father, replaced their orange trees with tea plants, doubling their income from their 10 mu (0.67 hectares) plantation to CNY20,000 ($3,200) annually.

Discovering that "going organic" adds value, they use solar-powered lighting to keep insects away, and sprinklers to water the plantation, preventing soil erosion, and saving water.

The father and son team, like many other Anxi County tea farmers, has also benefited from the Anxi Tea Wholesale Market Development Company, which was established in 2008 with a total investment of about CNY28 million ($4.5 million) - $1 million in the form of an ADB loan.

The company also serves as a tea-trade information system, and an inspection and certification body. It provides real-time information about the tea market countrywide, bringing together around 3,000 new trading clients.

Wang Sihai lives 70 km away from the Anxi county-seat market, where he and his four brothers rent a stall. Since the market has been refurbished, they have doubled the extent of their tea plantation to 200 mu (13.6 hectares), and they have annual sales of around CNY600,000 ($96,000) yearly.

"The project has helped reduce the gap between rural and urban populations by significantly raising incomes in rural areas." - Shen Xin, senior project officer, ADB

"The market services are not only a window to the whole country, but also the whole world. They guide us in making the right decisions," says Wang, who adds that inspections and certification make it possible for him and his brothers to guarantee quality.

The burgeoning tea industry in Anxi County will create an estimated additional 5,000 jobs. Some 3,000 households are expected to benefit directly, and another 82,000 households indirectly, 18% of them low-income.

"The project has helped reduce the gap between rural and urban populations by significantly raising incomes in rural areas," said
Shen Xin, ADB senior project officer. "This is an approach for promoting inclusive and sustainable growth that can be applied to all developing regions in Asia."

Related

- Fujian Soil Conservation and Rural Development II
- People's Republic of China and ADB
- ADB's Focus on Agriculture and Food Security
- ADB's Focus on Social Development and Poverty

Sourced from https://www.adb.org/results/peoples-republic-china-jobs-and-employment-fujian-province