

# A Study on Multi-Ethnic Economic Collaboration in the Development of Local Specialty Industries: A Case Study of the Sheep Industry in Jingyuan County

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**Abstract:** Taking the sheep industry in Jingyuan County as a case study, this research focuses on the practice of division of labor and collaboration between the Hui and Han ethnic groups within the sheep industry chain. It reveals the underlying virtuous cycle mechanism of "division of labor—integration—mutual trust." Based on differences in resource endowments, the Hui and Han ethnic groups form a complementary division of labor in improved breed breeding, breeding and disease prevention, and slaughtering and sales. Through resource recycling and technology sharing, they achieve deep economic integration, which in turn promotes the escalation of cultural mutual trust from basic tolerance and shared rule-making to emotional identification. This not only demonstrates the practical vitality of Fei Xiaotong's theory of "the pattern of diversity in unity of the Chinese nation" but also provides a reference sample with both theoretical and practical value for implementing rural revitalization and building the Chinese national community in multi-ethnic regions.

**Keywords:** Local Specialty Industries; Multi-Ethnic Economic Collaboration; Economic Integration; Cultural Mutual Trust

## Introduction

Against the dual backdrop of the in-depth implementation of the rural revitalization strategy and the continuous promotion of extensive interactions, exchanges, and integration among all ethnic groups, strengthening the integrated economic development and prosperity of ethnic regions is a key measure in building the Chinese national community. Multi-ethnic economic collaboration is precisely an important starting point for achieving this goal. Fei Xiaotong's theory of "the pattern of diversity in unity of the Chinese nation" posits that the Chinese nation is a dialectical unity of "diversity" and "unity." "Diversity" refers to the unique ethnic characteristics of various groups in terms of culture, livelihood methods, and resource endowments. These ethnic characteristics are not a source of opposition but a prerequisite for collaboration. "Unity" refers to the economically complementary and socially symbiotic relationships formed among different ethnic groups through long-term historical interactions, as well as the sense of shared destiny arising from these relationships.<sup>[1]</sup> This theory provides a crucial perspective for analyzing multi-ethnic economic collaboration within the development of local specialty industries.

In academia, research on ethnic economic collaboration primarily falls into several categories: first, analyses of the impact of policies on ethnic economic integration;<sup>[2, 3]</sup> second, explanations of the significance of ethnic economic integration, with a particular focus on its role in promoting socio-cultural development and fostering inter-ethnic cultural exchange and inclusion;<sup>[4, 5]</sup> and third, studies concentrating on cross-ethnic business operations among different ethnic groups, analyzing their characteristics, principles, and significance within the context of a market economy system.<sup>[6]</sup> It is evident that existing research tends to emphasize a macro-level perspective while overlooking micro-level dynamics, lacking a panoramic, in-depth description of multi-ethnic economic interactions within the development of specialty industries in the northwestern region. Jingyuan County, an area where Hui and Han peoples live together, has the sheep industry as its pillar industry. Based on differences in resource endowments, the Hui and Han ethnic groups have naturally formed a complementary division of labor across the upstream, midstream, and downstream segments of the sheep industry chain, confirming the driving role of "diversity" in promoting "unity." This article, based on fieldwork on the multi-dimensional collaboration between the Hui and Han ethnic groups in Jingyuan County's sheep industry, reveals the characteristics of two-way empowerment in resources,

technology, markets, and culture. It moves the study of multi-ethnic economic collaboration from policy description towards practical application, providing a reference basis for promoting rural revitalization and the construction of the Chinese national community in multi-ethnic regions.

## **1. The Upstream, Midstream, and Downstream Division of Labor System within the Sheep Industry Chain under the Economic Collaboration of the Hui and Han Ethnic Groups**

The collaboration between the Hui and Han ethnic groups in Jingyuan County's sheep industry revolves around the entire chain of "breeding-processing-circulation-sales." Relying on the complementary livelihoods of the Hui and Han peoples, this collaboration has formed a structure characterized by complementary roles across the upstream, midstream, and downstream sectors, linkage collaboration among different segments, and shared risks.

### ***1.1 Upstream: Practices of Improved Breed Breeding and Fodder Supply under the Economic Collaboration of the Hui and Han Ethnic Groups***

The upstream segments of improved breed breeding and fodder supply represent the initial practice of mutual respect for each other's cultures between the Hui and Han ethnic groups. By relying on their respective advantages, the two groups form a collaborative division of labor. This not only establishes the cost advantages and quality foundation within the sheep industry but also fosters the initial establishment of cultural mutual trust through their shared interests. This lays the groundwork for subsequent coordination and the further escalation of economic integration and cultural mutual trust throughout the entire industry chain.

In the improved breed breeding segment, the Hui and Han ethnic groups collaborate based on shared economic interests. Through a clear division of labor within the industry chain and complementary resources, they enhance breed value and establish a mutually beneficial and win-win pattern of economic collaboration. Hui farmers ensure breed quality through a dual approach of "experience + introduction," breeding varieties suited to Jingyuan's climate. They rely on family farms to select healthy ewes and high-quality rams to guarantee breed purity, and they also attempt to purchase breeding sheep from other regions to crossbreed with local varieties. This process has formed a standardized procedure of introduction, trial breeding, and selection. By improving the quality of breeding sheep, they enhance market competitiveness and establish a solid breed foundation for increasing economic returns at the farming end. Han farmers focus primarily on fattening. Although they do not directly participate in purebred breeding, they choose sheep with good roughage tolerance suited to the local climate for breeding, forming a farming model centered on fattening sheep, where they purchase thin lambs, raise them to maturity, and then sell them. In this process, Han farmers provide feedback on lamb growth conditions and disease resistance performance to Hui purchasers. This feedback helps the Hui optimize their breeding direction, creating a linkage of economic benefits between the breeding end and the fattening end. This economic collaboration closed loop, characterized by breeding improving quality, fattening increasing efficiency, and both parties increasing income, not only brings stable economic returns to both sides but also builds a solid foundation of trust. It lays a firm foundation of shared interests for resource recycling and coordinated economic activity across the entire industry chain.

In the forage supply segment, the Hui and Han ethnic groups engage in economic collaboration based on their respective resource endowments. By employing market-oriented methods such as price concessions, resource recycling, and demand-driven improvements, they reduce each other's production and operating costs, thereby constructing an economic partnership characterized by deeply intertwined interests and stable, coordinated development. Han farmers convert corn and wheat straw into core feed resources, forming a complete chain of forage planting, processing, and supply. Simultaneously, they supply their surplus silage corn to the Hui at a price 10% lower than the market rate for silage production. This practice not only solves the raw material shortage problem for large-scale Hui sheep farmers but also reduces the procurement costs for Hui fattening households through bulk supply. Hui farmers, in turn, use demand as a driving force to push for upgrades in fodder supply. Together with purchasers, they propose specific feed quality requirements to their cooperating Han farming counterparts. This indirectly promotes the standardization of Han fodder supply, compelling Han farmers to strictly control raw materials during silage processing and improve fodder quality. Through ongoing cooperation, the Hui and Han ethnic groups continuously exchange ideas, learning to respect and understand each other's production methods and business philosophies, which provides a safeguard

for their economic integration.

### ***1.2 Midstream: Livestock Farming Practices and Disease Prevention and Control Networks Driven by Hui-Han Economic Collaboration***

The midstream segments of livestock farming and disease prevention and control constitute the core arena where the economic integration and cultural mutual trust between the Hui and Han ethnic groups are deeply realized. Leveraging their respective resource endowments and production experience, Hui and Han farmers have developed complementary models of development. This deep-seated collaboration, rooted in production needs, not only enhances the efficiency of resource allocation and makes farming risks more manageable but also solidifies the foundation of their mutual cultural trust through long-term interaction.

In the livestock farming segment, leveraging their respective resource endowments and technical advantages, the Hui and Han ethnic groups have formed a model characterized by Hui pastoral management and Han captive breeding and fattening. Many Hui farmers have historical experience with cross-provincial migration and pasturing in the wild. The unique natural resources in the wild provide excellent growth conditions for meat sheep and also help reduce feed costs. Han farmers, on the other hand, base their operations on agricultural area conditions and meticulous management. They specialize in captive breeding and fattening, achieving localized adaptation and maximizing the benefits of the captive breeding model. Relying on their farmland resources, they implement a fattening model that combines captive breeding with self-sufficient forage supply. For example, Han farmers use their own corn and alfalfa to produce silage, feeding lambs a diet of corn silage and concentrated feed to achieve rapid weight gain, thereby increasing their profits. The large-scale farming of the Hui and the intensive captive breeding of the Han each leverage their own strengths. Through lamb transactions and cost complementarity, these two groups achieve deep-level economic interaction.

In the disease prevention and control segment, the Hui and Han ethnic groups build a strong epidemic prevention barrier through shared experience and complementary techniques. This approach effectively reduces the risk of disease in lamb farming, ensures the stable development of the livestock economy, and deepens mutual trust between the groups through their collaborative prevention efforts. Relying on practical experience and hands-on skills, the Hui have developed unique disease prevention habits that incorporate their distinctive ethnic culture. For example, farmers regularly disinfect their sheep farms and clean the sheep sheds according to established hygiene standards. Purchasers, during the acquisition process, prioritize healthy and disease-free sheep and also pay attention to the cleanliness of the farming environment. This screening method, in turn, motivates farmers to strengthen their disease prevention management for the lambs. Han farmers, on the other hand, supplement these prevention efforts through practical experience and the adaptation of techniques. Although Han farmers may lack formal veterinary knowledge, they have developed localized disease prevention skills through long-term practice and by learning from the Hui. For instance, one Han farmer, through bold experimentation and a growing reputation, has become a "veterinarian" in the surrounding villages, skilled in treating difficult lamb births and bloating. His services are utilized by both Hui and Han farmers. It is evident that the Hui and Han ethnic groups advance their economic integration through shared experience and technical complementarity, strengthening their mutual trust and collaboration amidst this technical exchange and mutual assistance.

### ***1.3 Downstream: The Slaughtering, Processing, and Market Circulation Structure Supported by Hui-Han Economic Collaboration***

The downstream segments of slaughtering, processing, and market sales vividly demonstrate the industrial coordination and cultural mutual trust between the Hui and Han ethnic groups. Leveraging their distinct cultural endowments and differences in market demand, the two groups have formed a clear division of labor. This division of labor and collaboration not only achieves precise resource alignment and benefit sharing but also deepens cultural mutual trust by respecting customs and adhering to the fundamental principles of cooperation.

In the slaughtering and processing segment, the Hui and Han ethnic groups have established an industrial collaboration system based on differences in consumer groups, forming a division of labor pattern where the Hui dominate core processing and the Han provide supporting basic services. Relying on specific qualifications, the Hui control core processing techniques. By ensuring quality and accessing high-end market channels, they have achieved standardization in lamb slaughtering. The Han,

in contrast, focus on basic processing needs, catering to the demand of the mass consumer market in areas such as primary butchery and initial processing. With a selling point of freshness and low prices, they supply products to their own and surrounding Han communities. This division of labor achieves a precise alignment of resources and demand, promoting deep economic integration between the Hui and Han through shared benefits. Furthermore, this collaboration, rooted in respect for different cultures, strengthens the bonds of trust between the two groups.

In the market sales and circulation segment, the Hui and Han ethnic groups form a collaboration based on their market positioning. Through a division of labor where the Hui control high-end market channels and the Han expand into the mass retail market, they achieve deep alignment of market coverage and interests. The Hui dominate the high-end market and bulk circulation, facilitating the cross-regional flow of lambs. This advantage stems from the Hui's kinship and occupational relationships. The Han, on the other hand, expand into retail and local channels, supplementing emerging circulation pathways such as e-commerce. This fills the gap left by the Hui in the local mass consumer market, and they are gradually exploring sales channels targeting a national market. Both parties leverage their respective strengths and complement each other in the circulation process. They not only achieve shared economic benefits through sales channel integration and market complementarity but also consolidate their foundation of mutual trust through long-term purchasing cooperation and market collaboration.

It is evident that the collaboration between the Hui and Han ethnic groups in Jingyuan County across the upstream, midstream, and downstream segments of the sheep industry chain is rooted in their ethnic livelihoods. This collaboration has constructed a virtuous cycle mechanism characterized by a complementary division of labor, resource recycling, and risk sharing. Cultural mutual trust, meanwhile, has gradually sprouted and deepened through collaboration in each segment, becoming the core bond ensuring the stable operation of the industry chain. Overall, this collaboration across the entire industry chain is not a simple concatenation of different segments; rather, it represents an active adaptation by the Hui and Han ethnic groups based on practical needs. The cultural traditions and technical expertise of the Hui, and the production resources and practical wisdom of the Han, mutually empower and complement each other's strengths. This not only demonstrates the tangible effectiveness of multi-ethnic economic integration but also provides solid support for enhancing cultural mutual trust.

## **2. Economic Integration: A Community of Shared Interests Evolving from Sporadic Transactions to Coordinated Industry Chains**

"Economic integration among different ethnic groups is the essential path to eliminating structural economic disparities and achieving common prosperity for all."<sup>[2]</sup> The structural division of labor between the Hui and Han ethnic groups across the upstream, midstream, and downstream segments of the industry chain is not a sporadic activity. Rather, it is jointly supported by three key mechanisms—"division of labor, shared interests, and culture"—which together form a community of shared interests. This community serves as a vital economic bridge promoting the implementation of rural revitalization and facilitating extensive interactions, exchanges, and integration among all ethnic groups in Jingyuan County.

In the upstream segments of improved breed breeding and forage supply, the Hui and Han ethnic groups, based on the three-dimensional mechanism of "division of labor, shared interests, and culture," achieve resource integration and cost sharing. This breaks the pattern of each group acting alone and builds a solid cost advantage for the integration of the entire industry chain. In improved breed breeding, the Hui lead in purebred breeding and the introduction of external breeds, while the Han provide adaptive information based on their local farming experience. This precise division of labor in technology and practice not only optimizes breeding standards, improves the adaptability rate of improved breeds, and reduces the risks associated with breed introduction but also deepens mutual trust through shared benefits, forming a foundation for cultural identity. In forage supply, the Han establish a resource recycling model by exchanging straw for Hui sheep manure. This precisely matches the core needs of both parties to reduce costs for fertilizers and forage. This resource exchange based on division of labor transforms idle resources into a shared cost advantage. It not only maximizes resource utilization but also strengthens the consensus for collaboration through the binding of interests, thereby promoting cultural inter-embedding.

In the midstream segments of livestock farming and epidemic prevention, the Hui and Han ethnic groups, centered on the three-dimensional mechanism of "division of labor, shared interests, and

culture," address the traditional pain points of long breeding cycles and high loss rates through complementary models and technology sharing. In livestock farming, a precise division of labor exists between the Hui's pastoral management and the Han's captive breeding and fattening. Through their interaction, they develop shared health standards for lambs and common farming norms. This not only achieves an efficient alignment of natural endowments with production needs but also binds their interests through process coordination, fostering cultural consensus. In epidemic prevention, the Hui's experience-based methods and the Han's localized practices complement and are shared between the groups. This gives rise to cross-ethnic "grassroots veterinarians," embedding techniques through two-way transmission. This approach not only reduces the lamb disease loss rate, enabling shared risks and mutual benefits, but also deepens cultural mutual trust through mutual technical learning.

In the downstream segments of slaughtering, processing, and sales, supported by the three-dimensional mechanism of "division of labor, shared interests, and culture," the Hui and Han ethnic groups achieve full market coverage and avoid the risks of a single channel through differentiated positioning and channel complementarity. Relying on their ethnic culture and trade networks, the Hui master slaughtering and processing techniques and control cross-regional sales channels, building a competitive advantage that is difficult for the Han to replicate. The Han focus on the mass consumer market, serving local residents through self-slaughtering and self-sales, while simultaneously exploring remote retail models to meet the needs of a broader consumer base. This division of labor not only secures stable returns for both parties in their respective markets, achieving mutual benefits, but also aligns with different consumer demands through cultural adaptation, deepening cultural mutual trust and identity via market collaboration.

"Generally speaking, the initial economic interactions between different ethnic groups involve commodity exchanges for the mutual supply of each other's needs and the adjustment of surpluses and shortages. These exchanges are based on the differences in natural resources in the respective concentrated residential areas of different ethnic groups and are further developed with the specialization of production resulting from the formation of their respective industrial advantages."<sup>[7]</sup> As inter-ethnic interactions, exchanges, and integration advance, along with the development of specialized divisions of labor, the frequency and depth of economic interactions between ethnic groups continue to increase, forming a normalized and universal trend. This further promotes the long-term and sustainable development of all ethnic groups. In Jingyuan County, the Hui and Han ethnic groups establish interactive connections through the sheep industry chain. Based on complementary advantages and mutual respect for each other's customs and beliefs, they have upgraded from simple cooperative partners to a close-knit community of shared interests. This also makes economic integration a solid material foundation for ethnic mutual trust. With their interests highly intertwined, this provides sustainable impetus for the deepening of cultural mutual trust.

### **3. Cultural Mutual Trust: The Upgrading of Identity from Coexistence in Difference to Symbiosis and Co-prosperity**

Economic integration serves as the tangible bond for the collaboration between the Hui and Han ethnic groups, while cultural mutual trust acts as the soft support stabilizing their collaborative network. The deep interactions across the entire chain of Jingyuan County's sheep industry have propelled the Hui and Han from passive cultural respect towards active mutual integration, achieving a three-tiered upgrade in cultural mutual trust: from basic tolerance, to shared rule-making, and finally to emotional identification. This provides a vivid case study for advancing the construction of the Chinese national community.

Cultural mutual trust originates from cultural tolerance within the economic division of labor and gradually transforms into active adaptation as collaboration deepens. For instance, in the upstream forage supply segment, Han farmers strictly control raw materials and processing procedures. In the downstream lamb slaughtering segment, the Hui, leveraging their traditional expertise, dominate the slaughtering and processing market, while the Han proactively accommodate Hui traditional culture and dietary norms to align with Hui external sales channels. This cultural tolerance is essentially a form of cultural respect rooted in shared interests. It enables the Hui and Han to move from cautious interaction aimed at avoiding conflict to initial trust characterized by active adaptation, thereby laying the foundation for the upgrading of cultural mutual trust.

As economic integration progresses towards full-chain coordination, the Hui and Han ethnic groups develop a mechanism for co-creating rules through technology sharing, and cultural mutual trust

upgrades from informal tacit understanding to institutionalized trust. This advancement stems from the common interests generated by economic collaboration, which enhances efficiency through rules and deepens identification through technology. For instance, in the midstream epidemic prevention collaboration, the Hui developed experience-based disease prevention methods, while the Han summarized localized practices. Through exchanges and learning, both groups taught each other their disease prevention knowledge, giving rise to "veterinarians" recognized and trusted by both Hui and Han communities. In the improved breed breeding segment, both parties jointly establish important standards such as lamb marketing specifications and minimum price ranges, replacing previous loose oral agreements with standardized negotiations. Cultural mutual trust has thus evolved from tacit cooperation to rule-based trust.

The economic community ultimately fosters emotional identification and the blending of daily lives, transforming the Hui and Han from industrial partners into members of a shared community. When economic integration advances to the point where both parties form a community of shared interests, cultural mutual trust is no longer confined to the industrial level but extends into everyday life. In production activities, the Hui participate in Han agricultural cultivation, while the Han visit Hui farms to learn lamb domestication techniques. In terms of life customs, this interaction demonstrates even greater depth: Han families are invited to Hui weddings and even take the initiative to learn how to make youxiang and sanzhi as wedding gifts; the Hui participate in Han weddings and funerals, offering gifts according to Han customs, and also visit Han families during the Spring Festival, presenting mutton as gifts. Such interactions are not merely ceremonial participation but represent deep integration into each other's lives. Cross-ethnic marriage represents the ultimate manifestation of emotional identification between the two groups. The long-term interaction fostered by trade collaboration provides young Hui and Han people with more opportunities to meet and fall in love. In these intermarried families, a cultural atmosphere of "harmony in diversity" takes shape. This cultural fusion at the family level transforms cultural mutual trust between Hui and Han from a byproduct of industrial collaboration into an inherent need of the life community, completely realizing the leap from coexistence in difference to symbiosis and co-prosperity.

In summary, the upgrading of cultural mutual trust between the Hui and Han ethnic groups in Jingyuan County is essentially a progressive process of "economic integration—shared interests—emotional identification." The tensions and demands arising from the full-chain coordination of the sheep industry propelled both parties to form institutionalized trust through the co-creation of rules and mutual learning of techniques. The binding together as a community of shared interests further extended this cultural mutual trust into everyday life scenarios, ultimately crystallizing into a stable emotional identification.

#### **4. Conclusion**

The collaboration between the Hui and Han ethnic groups in Jingyuan County's sheep industry has constructed a virtuous cycle of "division of labor—integration—mutual trust." Division of labor provides the foundation for integration, integration generates the need for mutual trust, and mutual trust, in turn, stabilizes the division of labor and collaboration, forming a bidirectional mechanism where the economy empowers culture and culture, in turn, nourishes the economy. This mechanism offers a reference for industrial revitalization in multi-ethnic regions: there is no need to deliberately eliminate ethnic differences; instead, differences should be transformed into comparative advantages through industry chain division of labor, achieving pluralistic symbiosis and co-prosperity. It also validates the practical vitality of Fei Xiaotong's theory of "the pattern of diversity in unity of the Chinese nation" in the context of industrial collaboration practice. Specifically, "diversity" is manifested in the ethnic characteristics of the Hui and Han in terms of resources, technology, and culture, while "unity" is embodied in the economic and cultural community formed through their collaboration. The Hui-Han collaboration in Jingyuan County's sheep industry not only provides a micro-level sample of industrial practice for advancing the construction of the Chinese national community but also offers a reference path with both theoretical value and practical significance for rural revitalization in multi-ethnic regions of Northwest China relying on specialty industries.

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