

# Analysis on the Development Status of Hand-pulled Noodles Economy of Northwest Minority under the Background of Precision Poverty Alleviation

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## Abstract

How to develop the economy and maintain sustained growth has become the primary problem in poor areas. The emergence of the characteristic economic model with Hand-pulled noodles economy as the carrier has greatly promoted the development of minority areas, but there are also many problems in the process of steady development. By analyzing the present situation of Hand-pulled noodles economy, the author tries to find the best solution to solve the problem while summing up the existing problems and shortcomings at this stage.

## Keywords

Precision Poverty Alleviation; Hand-pulled Noodles Economy; Minority.

## 1. Research Background

With the reform and opening up in 1978, the economic development model with Hand-pulled noodles economy as the carrier has gradually become the main development model in so many areas of Northwest China, and Hand-pulled noodles began to spread sporadically in large and medium-sized cities in Northwest China. People engaged in related work in Hand-pulled noodles have blazed a distinctive road to accelerate the development of county economy, and accumulated many successful practices and experiences, which are very valuable and of great practical significance for poverty alleviation in minority areas.

At present, the employees of Hand-pulled noodles economy mainly come from Gansu, Qinghai, Ningxia and other minority areas. Among them, Gansu is mainly Linxia Hui Autonomous Prefecture and Zhangjiachuan Hui Autonomous County. Qinghai is mainly Hualong County, Haidong City. Ningxia is dominated by Guyuan City and Yinchuan City. Qinghai province, as a typical representative of Hand-pulled noodles economy, integrates and promotes precision poverty alleviation. By 2019, Haidong city in Qinghai province has opened more than 27,000 Hand-pulled noodles restaurants, with more than 173,000 employees, covering more than 270 large and medium-sized cities across the country. The operational income of Hand-pulled noodles is 15.4 billion yuan, the wage income of employees is 5.8 billion yuan, and the per capita annual income is over 30,000 yuan. In Linxia City, Gansu Province, as of 2018, There were more than 6,900 Hand-pulled noodles restaurants opened by Linxia County people all over the country, and more than 27,000 employees from Lamian went out in Linxia Prefecture last year, with an annual income of more than 630 million yuan.[1]

At present, Hand-pulled noodles economy continues to become popular, and the development situation is excellent. Studying its current situation is conducive to better tapping local advantages and characteristic resources, driving the development of local related economy, promoting the development of branding, characteristics and chain, and thus helping to get rid of poverty. Studying its future is conducive to a deep understanding of the new ideas for the transformation and development of Hand-pulled noodles economy, promoting the

demonstration and guiding role of employment and entrepreneurship, establishing and promoting the overall image of Hand-pulled noodles brand, and then promoting wealth.

At present, while Hand-pulled noodles economy plays an important role in getting rid of poverty, there are still many problems to be solved urgently in order to make Hand-pulled noodles economy bigger and stronger and boost industrial development. Therefore, the author makes an in-depth analysis of the development status of Hand-pulled noodles economy from various aspects. By describing the current situation and analyzing the problems, the author studies how to make full use of the local superior and characteristic resources to promote the transformation and upgrading of Hand-pulled noodles economy, thus promoting poverty alleviation and becoming rich.

## **2. The Northwest Minority Hand-pulled Noodles Economy Development Status and Problem Analysis**

According to the statistics of Gansu Provincial Department of Commerce, the monthly income of People engaged in Hand-pulled noodles in Gansu Province can reach 3,000-3,500 yuan, and the monthly income of each person outside Gansu Province can reach more than 4,000 yuan. If a person trains for employment, the whole family can basically get rid of poverty in one year. At present, the leading role of Hand-pulled noodles economy in poverty alleviation has been highlighted, but the further development of Hand-pulled noodles industry is still facing many bottlenecks, and how Hand-pulled noodles industry plays a greater role in poverty alleviation is also facing challenges. [1]

### **2.1. Government Support**

In recent years, although many local governments are pushing forward the reform of household registration system, the reform of dual social welfare system is still seriously lagging behind, which brings many inconveniences to the floating population of Hand-pulled noodles economy in economic life, learning to choose jobs and social identity. As far as the current situation of government guidance and enterprise support is concerned, the government's relevant policy support is not enough, and the government needs to further increase its support. The government only considers from the angle of characteristic catering, not paying attention to the overall situation, not paying enough attention to industrialization, socialization and maintaining social stability and development, lacking supporting policies, weak support funds (limited amount of special venture loans in Hand-pulled noodles economy), and lacking effective and concrete promotion measures and methods. [2]

"The government encourages entrepreneurship, but the specific preferential policies are unclear. Before applying for loans, they were never approved, so the policies did not help myself", "I didn't enjoy preferential policies at that time". (Interview arrangement, interview object: Ma Suo Mo Nai, interview time: August 10, 2020)

Although various reforms are constantly deepening at present, the reforms in household registration and welfare system are still not keeping up with the times, which brings troubles to the floating population in many aspects such as work and life. At the same time, the government did not plan and lay out the Hand-pulled noodles economy from the long-term perspectives of industrialization and socialization, which led to the absence of policies and measures, which was not conducive to the sustainable development of the Hand-pulled noodles economy.

### **2.2. The Cost of Capital**

In the development of Hand-pulled noodles economy, many factors have caused most Hand-pulled noodles restaurants operators and rural surplus laborers with entrepreneurial aspirations and capital needs to face financing difficulties: Small secured loans are limited in

amount, short in cycle and complicated in handling procedures, which makes it difficult to meet the capital needs of ramen noodle shop operators. Hand-pulled noodles restaurants operators lack sufficient collateral and insufficient guarantee ability, which limits the issuance of small secured loans. It is difficult for financial institutions to manage the loans of Hand-pulled noodles economy, and it is easy to form non-performing loans. Besides financing, cost is also a problem. In the process of field investigation and interview, we learned that among the numerous expenses for opening Hand-pulled noodles restaurants, the cost of rent is the largest, including storefronts and housing. Many interviewees said that the rent cost accounts for almost 60% of their total income, and the rent cost is a rigid cost that must be paid regardless of whether the Hand-pulled noodles restaurant is open or not. Excluding labor, water and electricity, and raw materials (the cost of ingredients includes Hand-pulled noodles, beef, soup and side dishes, etc., and the cost price is generally 3-4 yuan), the net profit is actually not much. "Renting a house, the rent is 63,000 a year. The rent here is relatively high, and our rent is the highest in these nearby houses. The rent for dry catering is a little more expensive." (Interview, interview object: Lanzhou Hand-pulled noodles restaurant owner, interview time: December 22, 2020)

At present, most Hand-pulled noodles restaurants and Hand-pulled noodles entrepreneurs are facing the problem of insufficient funds. Shopkeepers who want to expand their storefronts or open branches can only go back to their hometown to apply for loans, but all of them are difficult to apply successfully. However, entrepreneurs in Lamian have no store to mortgage, which makes it more difficult for them to apply. The net profit of Hand-pulled noodles restaurant is not high, so it is difficult to save enough money to expand the scale, which leads to many stores in Hand-pulled noodles being limited to one.

### 2.3. Technical Talents

According to on-the-spot investigation and interview, the operators of ramen noodle shops are usually opened by relatives. Due to the lack of educational philosophy, some children have become "People who work in Hand-pulled noodles" only in their teens. Because the knowledge and culture level of the operators is not high, most of them only have the education level of primary schools, which leads to the uneven quality of the operators. Workers in Hand-pulled noodles are the most important technicians in Hand-pulled noodles restaurant. In most cases, the level of workers in Hand-pulled noodles is directly related to the success of Hand-pulled noodles restaurants. In the past two years, with the rapid increase in the number of Hand-pulled noodles restaurants across the country, there has been an increasing shortage of skilled workers in Hand-pulled noodles. Now, with the economic development in ethnic minority areas, the education level of local children has generally improved. Most of them no longer tend to inherit the Hand-pulled noodles economy that relies on physical strength, but choose to engage in knowledge-based jobs.

"I am younger, my language communication is smooth, and the older employees in the store communicate with their hometown and adapt to difficulties." (Interview, interview object: owner of ethnic restaurant of Nanjing Jiaotong University, interview time: July 29, 2020)

"Yes, and now it is quite high to ask a master Hand-pulled noodles. A master Hand-pulled noodles is about 6,000, so they all do it themselves and don't want to do it." (Interview, interview object: Lanzhou Hand-pulled noodles restaurant owner, interview time: December 22, 2020)

At present, the education level of "People who work in Hand-pulled noodles" is generally low, and the development of Hand-pulled noodles economy is faced with the problem of lack of talents in related management and technology. In terms of inheritance, the next generation of national culture of Hand-pulled noodles groups has faults, which is a problem that Hand-pulled noodles operators have to face.

## 2.4. Marketing

Many Hand-pulled noodles restaurants operate in their own way, and the phenomenon of one-to-one operation has not changed. The regional concept and national concept are deeply rooted, and decentralized operation is still the normal state of Hand-pulled noodles industry. The development degree of new business forms such as chain operation and franchise stores is low, and the developed chain stores are difficult to meet the standards. In terms of business content, the phenomenon of single product is common, which makes it difficult to adapt to the increasing consumption demand. In addition, many Hand-pulled noodles restaurants are poor in environment and poor in hygiene, and mainly serve local residents, so the awareness of reception and overall situation is weak, and it is difficult to make a good impression on foreign tourists, students, businessmen and workers. There is a lack of cooperation and communication in the industry, and it is even more difficult to support each other. Even in order to safeguard the interests of the industry, it is only limited to a small part, a small group and a small level, failing to look at the big market and the big industrial pattern, and losing the big because of the small. [2]

"Yes, decorate a cleaner, for a long time. I just came here to install it and I haven't renovated it. I renovated it again last year." (Interview, interview object: a 38-year-old mother in the south gate of yangtze river international, Jiangdu District, Yangzhou City, interview time: July 29, 2020)

Most of the Hand-pulled noodles restaurants are family-owned, with strong regional and national concepts. At the same time, there are few connections among Hand-pulled noodles restaurants, and the degree of industrialization is low, with a single product category. In addition, many restaurants have problems such as poor sanitation and poor service reception. Operators generally do not pay much attention to this aspect, and it is difficult to make a good impression on customers.

## 2.5. Brand Building

Today's beef LHand-pulled noodles brand is eager for success in expansion, only pursuing the unification of store decoration, ignoring the product standards and management concepts, resulting in "variation" in corporate philosophy and brand quality. Although Hand-pulled noodles stores are "overwhelming", they have not formed the development trend of brand stores, which are not "special" in features, "bright" in highlights, and weak in boutique awareness and brand awareness. Some Hand-pulled noodles stores even blindly cater to the profit-driven market and lose their old jobs, let alone build famous brand stores and flagship stores all over the country. [3]

"We can't innovate anything else." (Interview, interview object: Hand-pulled noodles boss of Northwest Beef, interview time: December 22, 2020)

Many Hand-pulled noodles brands are eager for success. Chain stores are only unified in appearance, and their quality control and concept stores are different, resulting in the failure to form a truly famous Hand-pulled noodles brand. What's more, they blindly cater to the market and lose the core of Hand-pulled noodles. At the same time, there is a lack of cooperation and communication among people in Hand-pulled noodles, and they can't develop together, so that the development speed is slow.

## 2.6. Social Integration

For most of the floating population of ethnic minorities who have just entered the city, their income is low, which makes it difficult for them to gain a foothold in the city. The floating population of ethnic minorities is often restricted by the social network, and the business workers often rely on blood or geographical ties to form a rural "community" in cities, which makes it difficult for individuals to break away from this relatively closed social network, and

also makes Hand-pulled noodles entrepreneurs often feel isolated and marginalized when encountering social problems. In addition, the social circle and the range of activities are relatively narrow, and there is little in-depth interaction with people outside the border, which has not really integrated into urban life to a great extent.

"There is no relationship, usually don't contact, is quite far away. I don't know or deal with people nearby, and they won't come here. " (Interview, interview object: Lanzhou Hand-pulled noodles restaurant owner, interview time: December 22, 2020)

At present, the employees from Hand-pulled noodles, a native of Northwest China, do not have a high degree of recognition of their places of inflow, and their economic integration is relatively weak, and their social circle is generally limited to three kinds of relationship networks, namely, geography, kinship and education. Under the condition of generally low education level, they often have many doubts when integrating into urban life, especially some difficulties in language. At the same time, they are also very vague in their self-identity. They don't think they have become "urban people" or "farmers". There is still a long way to go for the practitioners in Hand-pulled noodles to realize their dream of becoming rich and truly integrate into the society that has flowed into the country.

### 3. Summary

2020 is the decisive year for China to achieve a well-off society in an all-round way and win the tough fight against poverty. Due to poor natural conditions, weak economic foundation, backward infrastructure and other reasons, ethnic minority areas have become China's "hard bones" in tackling poverty. Therefore, it is the current difficulty and focus to work out a new way to get rid of poverty in minority areas. Because there are regional differences in characteristics, superior resources and national culture in ethnic minority areas, ethnic minorities should take the road of developing characteristic resources according to the actual situation in economic development. After years of development, Hand-pulled noodles industry has gradually realized industrialization and brand development, and has become an industrial economy with regional characteristics and suitable for economic development in minority areas.

Combining unique resources with characteristic economy to jointly promote the coordinated development of regional economy, this bowl of Hand-pulled noodles has become a "Get rich noodles" for the northwest people to get rid of poverty, a "Noodles that promote harmony" to promote social stability, a "Happy noodles" for national unity and progress, and a "Noodles that drive a well-off society" to improve the quality of life. Through this research, we not only hope to understand the development status of Hand-pulled noodles under the background of poverty alleviation, but also hope to provide some ideas for the development of Hand-pulled noodles economy through research. Hand-pulled noodles industry is a long-term industry. Whether the brand of Hand-pulled noodles economy can be built successfully in the future depends not only on the efforts of ethnic minority areas themselves, but also on the help and support of the government and society. What kind of brand should we build? How to build this brand? These problems deserve further consideration by the government and regions. There is still a long way to go for the future development of Hand-pulled noodles economy.

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