

Research on the Mutual Support between the Petroleum Industry and Local Economy in Ethnic Regions in the New Era——Based on the Perspective of Building the Chinese National Community Consciousness

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Abstract: *The relationship between oil industry and local economy is a hot issue in academic circles, but the research on the interests of ethnic minorities in ethnic areas is ignored. Based on the perspective of solidifying the sense of Chinese national community, according to the theory that the economic basis of Marxist historical materialism determines the superstructure, this paper uses the method of Marxist contradiction analysis to study the mutual support between the oil industry and the local economy in ethnic areas with the thinking framework of dialectical logic, and discusses how to take the common development of the two as the economic basis to improve the sense of acquisition of the minority people, Strengthen the identity of the Chinese nation's pluralistic integration. Based on the conflict of interests between Central Petroleum Enterprises and national regions, this paper analyzes the imbalance of tax income distribution in petroleum industry, the lack of matching between petroleum industry and local economy, and the insufficient driving of petroleum industry to national economy. It concludes the fundamental reasons for the horizontal division of petroleum industry under centralization, including the central monopoly of the tax revenue right of petroleum industry and petroleum industry Based on the specific reasons such as vertical management, horizontal division of labor, diversified and integrated pattern of national economy, this paper puts forward the policy measures of economic integration under the support of preferential policies, including the priority of oil revenue in national autonomous areas, the extension of oil industry chain by oil and land integration, the green and sustainable development of oil agriculture, and the joint efforts of oil and land to improve the quality and skills of minority workers.*

Keywords: *Petroleum industry, National economy, Local economy, Chinese national community consciousness*

The report of the 19th National Congress of the Communist Party of China pointed out: "Socialism with Chinese characteristics has entered a new era. The main contradiction in Chinese society has been transformed into a contradiction between the people's growing needs for a better life and unbalanced and inadequate development." Obviously, the main aspects of the main contradiction are imbalance and insufficiency. Development of. The key to solving the problem is the economic development of ethnic minority areas. The overall characteristic of the economy in ethnic areas is that they are very rich in natural resources, but their economic development is relatively lagging. As far as natural resource reserves and development are concerned, because oil is a basic strategic material with the dual characteristics of energy and raw materials, its development produces unique and huge economic value and is a veritable "oil boss". According to the theory that the economic basis of Marxist historical materialism determines the superstructure, the following practices will help strengthen the exchanges and integration of various ethnic groups, and fundamentally build the consciousness of the Chinese nation's community: The sustainable and high-quality development of the petroleum industry and the local economy supports each other, improves the monetary income and public service levels of ethnic minorities, promotes regional economic integration and strengthens the national community of shared future, etc.

1. The Conflict of Interests between Central Petroleum Enterprises and Ethnic Localities

(1) Unbalanced distribution of tax and fee income in the petroleum industry

The fiscal management system of ethnic autonomous areas established by my country's current tax-sharing system does not continue the model of special treatment of ethnic autonomous areas during the trial but adopts a "one size fits all" approach that is indistinguishable from other provinces and cities. The income distribution of the central government, local governments, and petroleum central enterprises is basically a pattern of "big at two ends and small at the middle". According to estimates, it is about 40% for the state, 10% for the locals, and 50% for the enterprises. There will be slight fluctuations in specific years. Generally speaking, enterprises are the biggest beneficiaries of oil development, and the overall proportion of local government revenue is relatively low. In the income distribution pattern of the oil industry, taxes and fees in the oil industry are relatively low, and the distribution of taxes and fees tends to the central government, while local governments are in a relatively weak position. In view of this, in order to increase revenue to develop the local economy, local governments often set up various charging items, or rent seeking in oilfield land acquisition, environmental protection, and social services. This increases the production cost of oil companies and is not conducive to the healthy development of oil companies.

(2) The petroleum industry is incompatible with the local economy

Based on the nature of petroleum as a strategic resource, the state implements monopoly ownership. The central government takes the lead in the entire process of oil exploration, mining, refining, chemical engineering, pricing, and sales. Take state-owned enterprises as the main organizational form, use financial transfer payments as the means, and take the east, especially the coastal areas, as the main source of funds, technology, talents, and equipment. The petroleum industry has formed an "embedded" rather than an "endogenous" development mode for ethnic regions, which is not compatible with the industrial foundation of the local economy. In addition, because the ethnic regions export low-priced petroleum raw materials and import high-value-added petroleum products, the ethnic regions have secondary benefits in terms of petroleum resources. This has widened the economic gap with the eastern region and strengthened the uneven and insufficient development of my country's economic regions.

(3) The petroleum industry does not sufficiently drive the national economy

The embedded development mode of the petroleum industry has created a dual economic structure in ethnic regions, that is, the embedded modern industrial economy and the local traditional agriculture and animal husbandry economy coexist. As a pillar industry in ethnic regions, the petroleum industry is out of touch with the basic industries of agriculture and animal husbandry and has not formed a situation of mutual support. Due to the lagging development of ethnic minorities in economy, science and technology, education, etc., laborers have poor quality skills and language barriers. This makes it difficult for the oil industry to directly absorb a large number of employments for ethnic minority workers, especially high-level technical personnel, management personnel, and financial personnel. The petroleum industry plays a pillar role in the regional GDP, fixed asset investment, and taxation for ethnic regions. However, it is far from enough to increase local employment, increase the added value of agricultural and livestock products, increase the income of farmers and herdsmen, transform traditional agricultural production methods, and support the economy of ethnic minorities.

In addition, the benefits of oil resource development in ethnic areas are only distributed between enterprises and the government, and it is difficult for the majority of ethnic minority farmers and herdsmen to share, which has further widened the economic gap between ethnic groups. Moreover, during the development of petroleum resources, damage to the local ecological environment is inevitable, such as soil, atmosphere, and water resources pollution, resulting in soil erosion, desertification, and drop in groundwater levels. It indirectly affected the national economy based on the ecological system, and even affected the sustainable development in the long-term sense.

2. Economic Integration Supported by Preferential Policies

(1) The priority of oil revenue in ethnic autonomous areas

In China, what local governments currently lack the most is not a stable source of income, but the

legal right to tax revenue [1]. The central government should appropriately delegate local taxation legislative powers, and ethnic autonomous areas can become the first areas for this reform. The principle of clarifying the right to tax revenue in ethnic autonomous areas is to ensure the unity of their powers and financial resources. The powers of ethnic autonomous areas include not only the content of providing regional public goods, which are the same as those of other places, but also related matters of strengthening ethnic unity and maintaining social stability. In order to ensure the full performance of the powers of ethnic autonomous areas, the state should provide financial guarantees. In view of the pillar status of the petroleum industry in the economy of ethnic regions, petroleum taxes and fees play a dominant role in local taxation. The state can give preferential policies under the system of ethnic autonomy, improve the priority rights of oil revenue in ethnic autonomous areas, and increase income related to petroleum resources in ethnic areas. The central government's vertical oil special transfer payment and the horizontal oil transfer payment between regions are used to mobilize the enthusiasm of local governments to support the oil industry and reduce local oil rent-seeking behavior and unreasonable oil taxes and fees. In this way, the overall operating costs of oil companies are reduced, and a win-win situation in which the oil industry and the local economy support each other is formed. It is clarified that oil resources are owned by the whole people. As an important part of the people, ethnic minorities have collective ownership rights and have priority rights to the oil development of ethnic autonomous areas, and local governments have priority rights to develop oil resources. Land use fees are collected and owned by the local government. It can not only increase the fiscal revenue of local governments, but also increase the cost of oil production to promote technological innovation by oil companies. The increase in land compensation fees is also owned by the local government to compensate farmers and herdsmen for the loss of income due to loss of land. The taxation of ecological resources is used to protect and restore the ecological environment, and to promote the sustainable development of the national economy that relies on the natural environment. Research on oil and natural gas transit taxes to compensate for the losses related to the pipeline passing through places will help local governments and the masses to increase the protection of oil and gas pipelines. Raise the oil consumption tax and tax the oil consumption in the developed areas of the main consumer market. The central government plays the role of organization, coordination, and supervision, and partially grants the origin of resources through regional horizontal transfer payments to narrow the economic gap between regions.

(2) The integration of oil and land to extend the oil industry chain

"The reason for social development is not based on the external geography, climate and other conditions of the society, but due to internal contradictions" [2]. Promote the reform of mixed ownership of state-owned oil enterprises and turn the contradiction between central oil enterprises and local enterprises into the driving force of development through mutual equity participation, holdings, and cooperation. The oil and land parties have established a high-level contact mechanism, held regular work coordination meetings, studied and coordinated development issues, and sent cadres to each other to strengthen coordination. Leveraging on the national "One Belt, One Road" strategy and geographic advantages, and adhering to the principle of "bringing in and going out", we will increase the national import of oil and natural gas, in-situ processing and technical cooperation for exploration and development in ethnic regions and build a national oil reserve base and chemical base. Formulate policies to support commercial petroleum exploration, accelerate the cultivation of the commercial resource exploration market, cultivate diversified investment entities, and attract funds to invest in petroleum exploration and development through multiple channels. Pay attention to the combination of economic scale and high-tech, implement high-tech, information technology and advanced practical technology transformation, and improve the overall level of petrochemical traditional industries. State-owned enterprises cooperate with local governments to develop peripheral oil fields and unconventional oil and gas resources. State-owned enterprises merge and reorganize local enterprises, form a community of interests through the combination of property rights, expand business scope, strengthen industrial control, and promote the development of local resources. Local governments provide support to oil companies in land acquisition, asset realization, ownership change, personnel placement, and social security. Local governments support oil companies to separate social functions and accept institutions such as medical care, education, public security, insurance, and real estate. In response to the huge market demand of central petroleum enterprises, local governments have

[1] An Tifu: "The Status Quo of Taxation Rights in China and Its Reform Ideas", "China Finance", Issue 4, 2006, p. 41.

[2] Selected Works of MAO Zedong (vol. 1), Beijing: People's Publishing House, 1969, p. 276.

vigorously developed equipment manufacturing, information industry, building materials, power and other industries, continuously improved the quality, performance and competitiveness of products, and strived to realize the localization of supporting products produced by oil companies. Strengthen the depth of cooperation between oil and land, relying on large projects, promote enterprise integration, vigorously develop downstream deep processing industries, and increase the local processing rate of products. Encourage local enterprises and private enterprises to participate in oil companies, optimize their internal governance structure, and enhance their vitality and competitiveness.

(3) Green and sustainable development of "petroleum agriculture"

The petroleum industry is a pillar industry in ethnic regions, agriculture is a traditional industry of ethnic minorities, and petroleum agriculture is a combination of petrochemical industry and agriculture. It can increase crop yields, improve product quality, reduce production costs, increase labor productivity, promote the industrialization of agriculture, commercialization of agricultural products, and increase farmers' income. While petroleum products promote the efficient development of agriculture, they also bring ecological and food safety issues. These agricultural issues have put forward higher technical requirements for the petrochemical industry. Ethnic areas should be guided by ecological and environmental protection, supported by technological innovation, take the road of green and sustainable development of petroleum agriculture, and implement the dialectical unity of petroleum agriculture and ecological agriculture. The chemical fertilizers such as nitrogen fertilizer and urea provided by the petrochemical industry, agricultural plastic films, pesticides and various fuels for agricultural machinery have formed the main means of production for the efficient development of agriculture. Special materials for drip irrigation tapes for farmland irrigation produced by petrochemical companies can promote the popularization of drip irrigation technology in ethnic areas, which can not only protect above-ground and underground water resources, but also help develop high-yield water-saving agriculture. The sustainable development of green agriculture requires research on chemical fertilizers that can increase yields and help ecology, reduce the content of harmful trace elements in chemical fertilizers, and develop new green and pollution-free chemical fertilizers. This requires the petrochemical industry to increase research investment, and strive to develop and mass-produce low-cost, high-efficiency, and pollution-free ecological fertilizers. Develop the oil and gas industry in order to radiate the surrounding economy and achieve a win-win situation between oil companies and the local area, identify local resource endowment advantages, and support local characteristic agricultural industries.

(4) Youdi join forces to improve the quality and skills of ethnic minority workers

Develop the national economy and regional economy in the minority areas and strengthen the consciousness of the Chinese national community as the superstructure. In the final analysis, these all require the improvement of the quality and skills of ethnic minority workers, and unity and cooperation with Han workers to transform the embedded development mode into an endogenous development mode. Provide core driving force for endogenous development in ethnic regions. The main body of basic education is the government. Both the central government and local governments should assume the responsibility for the development of basic education, cultivate a stable team of teachers, and ensure the source of funding for basic education. We should give full play to the role of ethnic colleges, attach great importance to multilingual education, and eliminate language barriers in ethnic communication. An important part of quality education is to cultivate the pride of the Chinese nation, so that students of all ethnic groups can learn about the history and culture of the Chinese nation and realize that all nations are an indispensable part of the Chinese nation, and actively cultivate the sense of community of the Chinese nation. For example, PetroChina launched the "Xuhang" student assistance program and the "Teacher Benefit Program" in Xinjiang to strengthen basic education. Emphasize vocational education, focus on industrial technology, and transform agriculture, forestry, animal husbandry, and fishery technology with industrial technology to cultivate modern vocational and technical personnel. Improve the scientific and cultural quality and labor skills of ethnic minorities through education and training, cultivate new modern professional farmers and herdsmen, and have the quality of modern industrial workers. Most of the workers who have undergone vocational training will be employed in enterprises. The main body of modern vocational and technical training should be enterprises. To this end, the government should properly provide training fees for the development of vocational and technical training in ethnic areas [3]. Petroleum and government projects in ethnic areas should employ as many ethnic minority workers as possible to ensure that the proportion of ethnic

[3] Wang Yufen: "Endogenous Development", Beijing: Minzu University Press, 2006, p. 242.

minority workers absorbed in the project is not lower than the proportion of local ethnic minorities. Petroleum central enterprises and local state-owned enterprises must comply with relevant state regulations. Adopt effective methods such as targeted training and "pass, help, and lead" to vigorously train and use the minority cadres and talents of the unit to give play to their special role. Labor export, that is, farmers and herdsmen go out to work is the main channel to obtain monetary income and increase disposable income. Strengthen the service and management of migrant workers from ethnic minorities in urban ethnic work and provide job opportunities in the social service field of petroleum enterprises and government-affiliated units, so that they can enhance ethnic sentiment in collaborative work with Han employees. And to support their entrepreneurial development, to help them smoothly integrate into city life. The implementation of equalization of basic public services and social security, full exchanges and integration of all ethnic groups, and strengthening of the identity of the Chinese nation will also help promote the urbanization of ethnic regions.

In addition, township industry is an effective way to improve the quality and skills of ethnic minority workers. Ethnic local governments formulate industrial policies and provide fiscal and financial support policies. Petroleum companies can provide funding, technology, and sales support. Make full use of the unique natural environment and the advantages of agricultural and livestock products in ethnic regions to vigorously develop the processing industry of agricultural and livestock products. Petroleum companies will give priority to purchasing local agricultural and livestock products and gradually cultivate them into pillar industries in ethnic regions. In this way, it is possible to change the long-standing situation in ethnic areas where planting is the mainstay and form an agricultural product processing industry with characteristics of ethnic areas.

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