

Difficulties and Countermeasures of Headquarters Economy Development Under the Impact of Covid-19—Take Ningbo for Example

Zhuo Zhi *

Business School, Zhejiang Wanli University, Zhejiang, China

*Corresponding author: 2020010814@zwu.edu.cn

Abstract. Regional economies characterized by clusters of headquarters from diverse industries stand out as influential dynamic economies. However, there is little discussion about these “headquarters economies”. Why do some metropolitan areas develop vibrant headquarters economies whereas others do not? The answer lies in understanding the essence of headquarters—the managerial talent pool that guides and governs these companies. Therefore, the headquarters economy plays an important role in driving economic development and managing the regional economy. According to the analysis, the development of Ningbo's headquarters economy is not fast enough. The impact of the epidemic on industrial agglomeration, talent agglomeration, and building vacancy rate are all important factors restricting the development of the Ningbo headquarters economy. This makes the development of the headquarters economy of Ningbo even worse. Therefore, how to develop Ningbo's headquarters economy is the most important part of Ningbo's economic development. This article puts forward suggestions from four aspects: business environment, industrial ecology, housing use, and the interaction between financial support and headquarters economy.

Keywords: COVID-19 epidemic; Headquarters economy; Difficulties; Countermeasures.

1. Introduction

All the time, the Ningbo government attaches great importance to the development of the headquarters economy and adopts a variety of measures to develop the headquarters economy. However, compared with neighboring cities, Ningbo's headquarters economy lags relatively. In the "35 major cities in China Headquarters Economic Development Ability ranking (2010)" released on the Sixth China Headquarters Economy List, Ningbo headquarters' economic comprehensive development ability scored 50.89, ranking the 11th [1]. Besides, the "China Headquarters Economic Development Report (2009-2010)" shows that Ningbo has entered the second level of headquarters economic development of 35 major cities in China, ranking the 11th, compared with 2008, the energy level jumped one level, ranking 2 places ahead. However, compared with the surrounding cities, it is dwarfed (Hangzhou and Nanjing, although both belong to the second energy level, rank 5th, and 6th respectively, far ahead of Ningbo) [2]. Especially in recent years, the Ningbo headquarters economy faces greater challenges due to the impact of the COVID-19 epidemic, so both how to make an accurate strategic position and take corresponding strategic countermeasures in the process of the development of the headquarters economy during the epidemic will be very crucial.

With the spread of the COVID-19 epidemic, the development of the Ningbo headquarters economy has suffered a great impact. The vacancy rate of the eastern new building is increasing and the employment rate is decreasing. At the same time, the supplement of all kinds of key raw materials has been influenced seriously, and the industrial supply chain is facing the risk of disruption, leading to the slowing development of many leading enterprises, which has a serious impact on the high-quality development of the Ningbo headquarters economy.

To deal with the serious difficulties faced by the headquarters economy under the inference of the COVID-19 epidemic, this article attempts to follow the method of rising questions, analyzing questions, and solving questions, starting from the current situation of Ningbo's headquarters economy, and taking the development of the headquarters economy to drive the city

economy as the guidance. Combined with the analysis of the current environment of the COVID-19 epidemic, this article systematically analyzes and summarizes some experiences that help to come up with some suggestions and provide scientific references for other places that also develop headquarters economies under the COVID-19 epidemic.

2. Literature Review

The research on the headquarters economy started a long time ago, and from the very beginning, they tried to build the headquarters economy power. Zhao Hong (2004) published the first monograph on the theory of the headquarters economy in China. Since then, there has been a systematic research theory on the headquarters economy [3]. Later, Shi Zhongliang and Shen Hongbing (2005) studied the formation mechanism of the headquarters economy, analyzed the effect of the headquarters economy, put forward the conditions for the formation of the headquarters economy city, and finally gave policy suggestions on the development of the headquarters economy in China [4]. Since the emergence of the headquarters economy, the development of the headquarters economy has been mentioned in many kinds of literature: Shanghai Waigaoqiao Tax Zone Administrative Committee (2008) mentioned that "international trade should be taken as the cornerstone of the economic development of the Waigaoqiao Free Trade Zone. The development of the headquarters economy based on the operation center is an important starting point to build the international trade of Waigaoqiao and accelerate the development of the headquarters economy [5]. At the same time, Zhang Lili (2011) stated that "the economic development degree of a country or regional headquarters has become a symbol of global competitive advantage and global trade gains, as well as an important factor affecting the development level among countries. With the expansion of market demand in developing countries, many multinational companies begin to set up headquarters in developing countries to get closer to the local market for R&D and management. Especially in the automobile industry, to better understand the market demand and reduce transportation costs, the headquarters are generally established in the local area. "The central role of headquarters in the economic process was once again emphasized [6]. In addition, Zhang Juan and Liao Xuan (2020) also talked about the great impact of the epidemic on the global economy, especially the foreign-funded economy in Shanghai, among which there was no lack of huge impact on the headquarters economy, but they all reflected the important role of the headquarters economy in Shanghai [7]. In Beijing at the same time, while also being greatly affected by the outbreak of the new champions league, also showed good capricious, and Chen Xilin (2020) pointed out that the headquarters economy five years in the construction of the national center for science and technology innovation, build the "advanced" economic structure, promote the capital's economic and social developing high quality plays an important supporting role [8]. It can be seen that the headquarters economy needs to play a mainstay role in economic development at any time and in any region.

Based on previous literature, this paper puts forward relevant suggestions for the subsequent development of the headquarters economy in Ningbo to fully promote it. And all parties and regions fully interact to achieve the joint development of the headquarters economy. Although the existing literature has played a good reference, with the deepening of research, scholars gradually find that in the development process of the headquarters economy: although the government plays the role of the main force, sometimes the government is not very timely in the provision of public goods, and the efficiency needs to be improved; The complexity of enterprises leads to the failure of the government and information asymmetry in many cases. Therefore, it is necessary to improve some defects of the government in the development of the headquarters economy. In many foreign theories, although the headquarters economy has the characteristics described above, these theories can't fully explain the core of the headquarters economy.

3. Purpose of Research

Since the 21st century, Ningbo City attaches great importance to the development of the headquarters economy and has formulated and issued a series of supporting policy documents to expand the number of headquarters enterprises with the best resources and high standards, which promotes the upgrading of the level of headquarters enterprises.

On the one hand, compared with the surrounding advanced cities, Ningbo lacks competitive advantages in both institutional innovation and industrial clusters and does not make full use of Ningbo's location conditions and advantages of port resources to accomplish the regional characteristic positioning and rational planning of headquarters enterprises. Although Ningbo district government in the development of headquarters economy has made a lot of exploration and efforts, the development of headquarters economy also has obtained certain results, development to further improve the quality and level, but there are still many problems, the relatively small size enterprises headquarters, in the international market is not very well-known enterprise, the market share is insufficient, It has not yet produced a strong pulling effect on the industry and even the economy of Ningbo district. [9] On the other hand, the current epidemic has caused a serious impact on the economy at Ningbo headquarters economy.

Based on this, this article studied the difficulties and countermeasures of economic development faced by the Ningbo headquarters economy under the impact of the epidemic from theoretical and empirical perspectives. The following three key issues are mainly studied:

- (1) Why does Ningbo attach importance to the development and the situation of the headquarters economy;
- (2) The impact of the current epidemic on the economic development of Ningbo headquarters;
- (3) The research about countermeasures on the development of the headquarters economy in Ningbo under the impact of the epidemic.

This article aims to provide suggestions and references for the high-quality development of the headquarters economy in Ningbo in theory and practice through the analysis and research of these three issues.

4. Theoretical Analysis

4.1 The Definition and Overview of Ningbo Headquarters Economy

4.1.1 The Definition and Significance of Headquarters Economy

“A building is better than a street” means the advantages of headquarters economy and building economy in resource clustering and unit of output.

A headquarters economy is an economy that forms a highly integrated industrial chain, supply chain, innovation chain, and value chain, which can bring obvious beneficial effects such as tax supply, industrial cluster, consumption increase, and increased employment opportunities.

In the case of Ningbo, the headquarters economy plays an important role in adjusting the industrial structure, attracting global high-quality innovative resources, improving the comprehensive competitive strength, and deeply integrating into the overall situation of the development of the Yangtze River Delta.

4.1.2 Ningbo headquarters economic development overview

The following Table 1 is the general development of the headquarters economy in recent years. It can be seen from Table 1 that Ningbo headquarters economy has been paid more and more attention by the government and has achieved rapid development in adjusting the industrial structure, attracting global high-quality innovative resources, improving the comprehensive competitive strength etc.

Table1. Four stages of development

Stage of development	Specific development content
In 1995	The concept of headquarters economy is gradually formed and the connotation of headquarters economy is constantly improved. headquarters
2005-2010	Ningbo headquarters economy has formed a certain scale. The government policy guidance makes the Ningbo headquarters economy quickly on the right track, the local governments make full use of regional resources and their regional economy characteristics positioning to achieve the dislocation of regional development. "Government guidance " has become the biggest characteristic of Ningbo headquarters' economic development[1]. Ningbo will focus on the headquarters' economic strategy to vigorously cultivate and actively introduce the headquarters enterprises simultaneously. By carrying out policies and measures such as the evaluation and incentive of advantageous headquarters enterprises, it will cultivate and support local headquarters enterprises to become bigger and stronger, and provide strong support for industrial transformation and upgrading.
2012-2016	Ningbo gradually set up a more perfect policy support system. The headquarters enterprises increase the number, structure optimization, ascending simultaneously headquarters economic agglomeration and radiation effects. The headquarters economy has a significantly higher contribution to economic and social development, the preliminary development becomes the Yangtze river delta-based enterprise agglomeration place and an important regional headquarters center city in China[10].
2020-2022	Since 2020, Ningbo has introduced several policies. Ningbo points out that by 2022, focus on building the modern industrial system to gather a group of fit Ningbo development strategy. Besides, Ningbo will also occupy the leading type of chain headquarters as the key point with a high standard introduction, nurturing and expanding the optimal resources headquarters of a batch of enterprises, to promote enterprise headquarters level to increase the development of headquarters economy. Also, Ningbo strives to have more than 1000 headquarters which will achieve doubled in three years, and build the Yangtze River Delta and even the national headquarters economy benchmark city and the headquarters ecological optimal city. Establish and improve the policy system and service system for the economic development of the headquarters in our province, strive to improve the economic development level and agglomeration radiation ability of the headquarters in our province by 2025, and increase the number of enterprise (institution) headquarters by 20% in total.

4.2 The Impact of the Epidemic on the Economic Development of Ningbo Headquarters

With the global spread of COVID-19, the economic development of Ningbo (especially the economic development of the headquarters) has suffered a great impact. The impact is mainly explained by the following three aspects:

4.2.1 Influence of industrial cluster

There are many enterprises in Ningbo, and the level of economic development is improving day by day. However, due to the huge impact of the epidemic, all aspects of enterprises are seriously affected, leading to the bankruptcy crisis of many enterprises. In this case, the industrial cluster is more difficult. At the same time, most small and medium enterprises are also affected by the epidemic, which leads to the suspension of production and the divestment of some key enterprises, which further leads to a weaker industrial cluster. Under this influence, the number of buildings settled by enterprises in this area has been greatly influenced and the headquarters economy has undoubtedly suffered a heavy blow, which leads to a bad impact on the economy of Ningbo.

4.2.2 Influence talent agglomeration

Under the influence of the normalization of the epidemic, talent gathering is affected by transportation, policies, personal safety, and other factors, which has severely affected the employment of workers and led to the worsening employment problem. At the same time, the government's isolation approach, coupled with the serious impact of industrial agglomeration, has reduced the number of jobs and weakened the attraction of talent, which has slowed down the development of pillar-leading enterprises and affected the economic development of the headquarters economy.

4.2.3 The vacancy rate rises

Due to the serious impact of the epidemic, industrial conditions have been continuously affected, and many industries have been hit seriously. Enterprises are facing bankruptcy, and also the situation of shutdown and suspension of production has gradually increased. All this has led to a rise in vacancy rates. In addition, the unstable economic situation further affects the gathering of talent, leading to a gradual reduction in the number of people renting houses, and then the development of the building economy plummets, which has a direct and obvious impact on the headquarters economy.

5. Countermeasures for Ningbo Headquarters Economy

5.1 Improve the Business Environment

Ningbo needs to create a business environment that is beneficial to the development of corporate headquarters, actively organize human resources agency docking service enterprise headquarters, improve the level of effective market-based HR service, headquarters of the enterprise senior management executive, social insurance, health care, talent to provide convenience, the guarantee that children go to school and so on. Ningbo government and relevant departments should provide convenient services for the approval of major construction projects of the headquarters enterprises through "running at most once" and streamlining work procedures, and actively support and make overall arrangements for public facilities such as water, electricity, gas, heat, and communication required.

5.2 Building an Industrial Ecology

Ningbo needs to focus on the province's "six billion" industry investment project, "ten thousand mu, billions of money" future industry as the main direction, which combines with the local industrial base and actively builds the industry ecosystem. Besides, Ningbo also needs to guide the headquarters enterprises to cluster in high-end industrial platforms such as urban functional zones, industrial clusters, and characteristic towns, and strive to enhance the economic carrying capacity of the headquarters.

5.3 Relevant Policy Support

To increase the financial support to the headquarters, and improve the headquarters of the financial comprehensive service level. Ningbo will support eligible corporate headquarters in interbank market debt financing instruments and corporate bonds, improve the debt structure, and increase their capacity for outbound investment. Support headquarters enterprise to apply for all kinds of government guidance funds and industrial funds, encourage headquarters enterprise to cooperate with well-known domestic and foreign equity investment fund management companies and initiate and establish industry investment funds in line with the direction of industrial planning.

6. Conclusion

This article finds that although the existing literature has played a good reference, with further study of the research, scholars gradually find that in the process of the development of the

headquarters economy: First, although the government plays the main role of it, sometimes the government is not very timely in the provision of public goods, so the efficiency of this needs to be improved. Then, the complexity among enterprises leads the government to the failure of information asymmetry in many cases. Therefore, it is necessary to improve some defects of the government in the development of the headquarters economy. Second, in many foreign theories, although the headquarters economy has the characteristics described above, these theories can't completely explain the core of the headquarters economy. This article aims to put forward reasonable countermeasures for the high-quality development of the Ningbo headquarters economy by analyzing the current situation of the Ningbo headquarters economy and the difficulties faced by the epidemic. Third, most of the previous studies on the headquarters economy were conducted earlier, so most of them did not involve the impact factors of the COVID-19 epidemic on domestic and foreign economic industries. This article is about the impact of the COVID-19 epidemic on domestic industrial agglomeration and talent. By summarizing and analyzing the rising vacancy rate of buildings, it has played a good role as a guide for the Ningbo government to further develop the headquarters economy during the epidemic. Fourth, the current majority of academic papers are mostly around a line of advanced domestic cities. However, a year earlier, in the study of a new line of the city is relatively small and the analysis of it is not practical. This article focuses on the analysis of Ningbo's local h economic development problems and the aim of the new development of the new line of Ningbo operability is much stronger.

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