

Analysis of the effects of proximity on the performance of very small businesses in Algeria

Analyse des effets de la proximité sur la performance des très petites entreprises en Algérie

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Abstract:

The object of this article is to highlight the weight of geographical, relational, institutional and cognitive proximities on the management of very small enterprises in Algeria and, consequently, to verify the link between the management of these proximities and the performance of Algerian very small enterprises. This study, carried out on a sample of 12 very small enterprises, indicates the existence of a very strong link between the management of proximities and the performance of these enterprises.

Keywords: Management; Performance; Proximity; Very small enterprises; Growth.

Le résumé :

L'objectif de cet article est de mettre en évidence le poids des proximités géographique, relationnelle, institutionnelle et cognitive sur la gestion des très petites entreprises en Algérie et, par conséquent, de vérifier le lien entre la gestion de ces proximités et les

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performances des très petites entreprises algériennes. L'étude, menée sur un échantillon de 12 très petites entreprises, indique l'existence d'un lien très fort entre la gestion des proximités et la performance de ces entreprises.

Mots- Clés : Management ; performance ; proximité ; Très petites entreprises ; croissance.

1. INTRODUCTION

The performance of very small enterprises is influenced by various factors, among which proximity plays a prominent role. Proximity can take on different aspects: geographical, relational, cognitive, or even institutional.

The fundamental premise is that proximity fosters exchanges and synergies between economic actors, thereby facilitating cooperation, innovation, and competitiveness. Nevertheless, despite this pervasive assumption, there remain ambiguous areas and discrepancies in the academic literature concerning the precise impact of these various forms of proximity on the performance of very small enterprises.

The performance of very small enterprises is impacted by various elements, among which proximity holds a prominent place. Proximity can take different forms: geographical, relational, cognitive, and even intellectual.

For example, geographical proximity is often seen as an advantage for companies that have a local network of actors who share common resources and nearby markets. However, with the rise of digital technologies and telecommunications, has geographical proximity become less important than other forms of proximity, such as relational or cognitive proximity? Furthermore, does institutional proximity, associated with local regulatory and cultural frameworks, promote or hinder the development of small and medium-sized

enterprises? These inquiries highlight the importance of analysing the complexity of interactions between various aspects of proximity and their consequences on business performance, particularly in the context of small and medium-sized enterprises that often have limited resources and structures.

2. Literature review:

1.2 Proximity, concepts and dimensions:

Studies in economic geography and innovation have developed the concept of proximity to describe interactions between economic actors, particularly within a territorial framework. Different forms of proximity have been identified, each playing a particular role in business relationships, especially for small and medium-sized enterprises.

Geographical proximity refers to the physical distance between economic actors. Geographical proximity can make exchanges and collaborations easier, as it reduces transportation costs, facilitates more direct interaction, and promotes the flow of tacit information⁽¹⁾. (Boschma, 2005). According to Filippi & Torre⁽²⁾ (2003), companies that are geographically close are more likely to work together, innovate together, and share common resources.

Relational proximity refers to the quality of interactions between people or organizations. It's a relationship based on trust, reciprocity, and longevity.

According to Gilly and Torre⁽³⁾ (2000), relational proximity plays an essential role in economic exchanges, particularly for small

(1) Boschma, R. A. (2005). Proximity and Innovation: A Critical Assessment. *Regional Studies*, Volume 39, Number 1, Pages 62.

(2) Filippi, M., & Torre, A. (2003). Local organizations and institutions. How can geographical proximity be activated by collective projects? *International Journal of Technology Management*, Volume 26, Number 2, Page 388

(3) Gilly, J.-P., & Torre, A. (2000). Proximités et enjeux territoriaux. *Économie Rurale*, Volume 258, page 35.

and medium-sized enterprises, as it fosters the creation of strong networks on which they can rely for future collaborations.

The notion of institutional proximity refers to the rules and norms within which companies operate. According to Torre & Rallet ⁽¹⁾(2005), actors who share a similar institutional environment (legal framework, professional standards, corporate culture) are more likely to collaborate, as they share the same codes and expectations. Proximity to institutions is essential for small businesses, which often need support and resources from local institutions.

Cognitive proximity refers to the ability of individuals or organizations to share the same frame of reference, similar knowledge, and skills. The role of cognitive proximity in innovation processes is essential, as it encourages communication and mutual understanding ⁽²⁾. (Nooteboom, 2000). This form of proximity is particularly advantageous for small and medium-sized enterprises, which often need quick information and creativity to innovate.

These various forms of proximity are not autonomous and can interact to impact business outcomes. For example, geographical proximity can foster relational proximity, while a common institutional framework can facilitate cognitive proximity. According to Boschma ⁽³⁾ (2005), it is essential to consider the different proximities in order to fully understand the dynamics of innovation and performance within companies, particularly in small and medium-sized enterprises where resources are often limited and trust relationships are crucial.

2.2 Performance of Very Small Enterprises:

Very Small Enterprises stand out from large companies due to their smaller size, less formal organizational structure, and

(1) Torre, A., & Gilly, J.-P. (2000). Proximity and localization. *Regional Studies*, Volume 34, Number 2, 179.

(2) Nooteboom, B. (2000). *Learning and Innovation in Organizations and Economies*. Oxford University Press. Page 36

(3) Boschma, R. A. (2005). Proximity and Innovation: A Critical Assessment. *Regional Studies*, Op.cit., page 64.

management often entirely entrusted to the owner-manager. Their results are based on specific elements, related to their limited resources and their ability to adapt to their organization.

2.2.1. Limited resources and capabilities:

Compared to large companies, small and medium-sized enterprises have more limited financial, human, and technological resources. According to Julien⁽¹⁾ (1997), their small size makes them more exposed to external shocks, but their agility also allows them to adapt more quickly to environmental changes. In this situation, local relationships can alleviate these constraints by providing quick access to external resources, such as business partners, suppliers, or local institutions.

2.2.2. Organizational structure:

In general, small businesses are less hierarchical, with more concentrated and flexible decision-making processes. Their organizational flexibility enables them to react swiftly to possibilities and customize their goods and services to fit regional requirements. According to Filippi and Torre⁽²⁾ (2003), small and medium-sized enterprises particularly benefit from relational and geographical proximity in this area, as it facilitates access to local networks and promotes collaboration with other economic actors.

2.2.3. Relationship management:

Very Small Enterprises also stand out for their increased reliance on trust networks, often informal, to overcome the limitations associated with their micro-size. It is essential that the leaders of

(1) Julien, P.-A. (1997). Les petites entreprises : Force ou faiblesse de l'économie ? Paris: Economica. Page 130

(2) Filippi, M., & Torre, A. (2003). Local organizations and institutions. How can geographical proximity be activated by collective projects? International Journal of Technology Management, Op.cit., Page.390.

small and medium-sized enterprises play a crucial role in establishing strong connections with their partners, clients, and suppliers. These networks, based on trust and regular exchanges, offer small and medium-sized enterprises the opportunity to access essential information and resources for their survival and development.

2.2.4. Impact of proximity on performance:

Numerous studies demonstrate that proximity, in all its forms, plays an essential role in the success of small and medium-sized enterprises. For example, Julien⁽¹⁾ (1997) demonstrates that Small and medium-sized enterprises that maintain close ties with their local environment have a better ability to seize opportunities and meet challenges. Small and medium-sized enterprises often need geographical and relational proximity, as it encourages the creation of support networks that compensate for limited internal resources. Indeed, companies located in close geographical proximity benefit not only from direct access to their economic partners but also from a dynamic local environment that can help enhance their profitability.

In summary, proximity in all its aspects plays an essential role in the development and outcomes of very small enterprises. Thanks to networks of trust, access to local resources, and their organizational agility, very small enterprises can benefit from the advantages of proximity to enhance their competitiveness and innovation strength.

3. Theoretical Framework:

3.1. Proximity Theories:

Proximity in all its facets plays an essential role in the development and performance of very small enterprises. Thanks to networks of trust, access to local resources and their organisational agility, very small enterprises can exploit the benefits of proximity to strengthen their competitiveness and innovative capacity.

(1) Julien, P.-A. (1997). Les petites entreprises : Force ou faiblesse de l'économie ? Op.cit., page 135.

Theories of geographical and relational proximity: Boschma⁽¹⁾ (2005) differentiates between various forms of proximity, with a particular focus on geographical and relational proximity. Geographical proximity denotes the physical distance between economic actors, enabling direct interaction, knowledge exchange, and collaboration. It has historically been regarded as a pivotal factor in innovation dynamics, particularly for small businesses that benefit from the concentration of economic actors in a limited area.

However, Boschma⁽²⁾ (2005) cautions against a reductionist understanding of geographical proximity, emphasising that while it is a crucial factor, it is not a sufficient condition for cooperation and improvement. In this context, relational proximity, defined as the quality of social relationships between individuals and organisations, becomes a pivotal consideration. Trust, which is contingent upon mutual confidence and the frequency of interactions, assumes particular significance in small and medium-sized enterprises, where personal relationships can offset the limitations of official resources.

Relational proximity thus serves to facilitate the formation of cooperation networks where small and medium-sized enterprises can exchange strategic information and innovate more easily. It should be noted that these connections are not necessarily tied to geographical proximity; indeed, thanks to the advent of new technologies, remote collaborations can develop based on interpersonal relationships of trust. As Boschma ⁽³⁾(2005) has observed, it is crucial to maintain a complementarity between the different forms of proximity in order to optimise the performance of companies.

(1) Boschma, R. A. (2005). Proximity and Innovation: A Critical Assessment. Regional Studies Op.cit page 67

(2) Boschma, R. A. (2005). Proximity and Innovation: A Critical Assessment. Regional Studies, Op.cit page 68

(3) Boschma, R. A. (2005). Op.cit page 68

The model of multiple proximities posits that proximity can be conceptualised in a number of different ways. Torre and Rallet⁽¹⁾ (2005) put forth a model that integrates various dimensions of proximity. In addition to geographical and relational proximity, the model incorporates forms of institutional and cognitive proximity.

The concept of institutional proximity can be defined as the coexistence of regulations and standards among a number of companies operating within the same institutional framework. This facilitates comprehension of the regulations, standards, and procedures, which in turn encourages collaboration among economic actors.

Cognitive proximity, in contrast, denotes the capacity of actors to engage in a shared understanding of knowledge and expertise, a crucial factor in fostering innovation and performance, particularly in intricate contexts where the exchange of technical or tacit information is prevalent.

3.2 Theories of very small enterprises Performance:

According to the model of multiple proximities, it is the combination of these various forms of proximity that allows companies, particularly small and medium-sized enterprises, to collaborate, obtain external resources, and improve their results. This articulation can be critical for small and medium-sized enterprises, as they often have limited resources to access innovation or extensive markets on their own, and therefore must rely on collaborative networks where several forms of proximity play an essential role.

The evaluation of the performance of small and medium-sized enterprises relies on a series of internal and external factors, which are influenced by the particularities of small structures and the constraints they face. Different theories on entrepreneurship and small business

(1) Torre, A., & Rallet, A. (2005). Proximity and Localization. Regional Studies, Op.cit., Page 50.

management offer an analytical framework to understand these dynamics.

3.2.1. Theories of entrepreneurship:

The entrepreneurial characteristics of leaders are one of the earliest theories on small businesses and their performance. According to Storey⁽¹⁾ (1994), the success of small and medium-sized enterprises primarily depends on the skills, motivations, and experience of the owner-managers. Entrepreneurs of small and medium-sized enterprises frequently occupy a central role in daily management, strategic decision-making, and the creation of business networks. In this way, it can be essential to have relational and cognitive proximity with other local economic actors, as these relationships allow access to complementary resources and business opportunities that small businesses do not have internally.

3.2.2. Resources and skills:

The resource-based theory (Barney, 1991)⁽²⁾ is frequently used to explain how small and medium-sized enterprises can utilize and develop limited internal resources to improve their performance. By definition, small and medium-sized enterprises have more limited financial, human, and technological resources than large companies. However, they have the ability to compensate for this lack thanks to their organizational flexibility and their ability to leverage close relationships to access external resources. Small and medium-sized enterprises can improve their performance through local networks and institutional partnerships, which are strengthened by geographical, relational, and institutional proximities.

(1) Storey, D. J. (1994). Understanding the Small Business Sector. London: Thomson. Page 142.

(2) Barney, J. (1991). Firm Resources and Sustained Competitive Advantage. Journal of Management, Volume 17 Numéro 1, Page 102.

3.2.3. Theory of small business growth:

According to Julien (1997)⁽¹⁾, the growth of small and medium-sized enterprises is frequently chaotic and non-linear. Unlike large corporations, small and medium-sized enterprises go through periods of rapid growth followed by periods of stagnation or recession. In these situations, having a close relationship with essential actors such as suppliers, customers, or financial institutions can help overcome difficult periods. Moreover, cognitive proximity offers small and medium-sized enterprises the opportunity to innovate more agilely by collaborating with partners who share similar knowledge, which facilitates the development of new products or services.

3.2.4. Institutional environment and performance:

The performance of small and medium-sized enterprises is also influenced by the institutional environment. According to North (1990)⁽²⁾, the development of businesses is strongly influenced by institutions, whether through regulations, standards, or public policies. For small and medium-sized enterprises, access to local institutions, with institutional proximity, can significantly influence their performance. Small and medium-sized enterprises that are well integrated into their local environment are often supported by specific aids, such as grants, innovation support, or tax benefits, which can greatly enhance their competitiveness.

In summary, theories of the performance of small and medium-sized enterprises emphasize the importance of proximity, whether relational, institutional, or cognitive, in how these businesses develop their activities and overcome their structural constraints. very small enterprises can compensate for their lack of internal resources through

(1) Julien, P.-A. (1997). Les petites entreprises : Force ou faiblesse de l'économie ? Op.cit Page 141.

(2) North, D. C. (1990). Institutions, Institutional Change and Economic Performance. Cambridge University Press. Page 91.

more frequent and enriching interactions with their immediate economic environment thanks to proximity relationships.

4. Methodology:

4.1.Choice of the case method:

The case study method was chosen due to the exploratory nature of this study, which seeks to understand the impact of different forms of proximity on the performance of very small enterprises in Algeria. The case method offers the opportunity to analyse in-depth and contextualized the internal and external dynamics that influence these companies. According to Yin ⁽¹⁾(2009), the case study method is particularly suitable for the study of complex phenomena in their real context, especially when the boundaries between the phenomenon being studied and the context are not clearly established.

The use of the case study method in this research allows for an in-depth examination of the perceptions and practices of small and medium-sized enterprise leaders regarding proximity, while considering the Algerian geographical and cultural particularities. Moreover, this approach offers a flexibility that allows for grasping the subtleties of social and economic interactions, essential for understanding the impact of proximity on collaboration, innovation, and performance.

The selection criteria for the very small enterprises studied will be based on several factors:

- *Industry sector:* The selected companies will come from various sectors, including commerce, services, and crafts, in order to provide a holistic view of the impact of proximity in different economic contexts.

(1) Yin, R. K. (2009). Case Study Research: Design and Methods. Sage Publications. Page 113.

- *Geographical location:* The study will focus on micro-enterprises located in several regions of Algeria, considering both urban areas and rural areas. This will allow for the comparison of proximity effects in different environments.
- *Size:* Only companies with fewer than 10 employees, in accordance with the definition of microenterprises, will be selected.
- *Seniority:* Companies with at least 3 years of activity will be chosen to ensure that the analysis is based on companies that have already gained some market experience.

4.2. Interview Guide:

The interview guide will be organized around various topics to collect qualitative information on how small and medium-sized enterprise leaders perceive and experience different forms of proximity in their daily lives.

Perception of proximity: The questions in this section will aim to understand how leaders define and perceive geographical, relational, institutional, and cognitive proximity in their business relationships.

Impact on collaboration and innovation: These questions will explore how proximity influences the ability of very small enterprises to collaborate with other economic actors and innovate.

Competitiveness and performance: This section will focus on the relationship between proximity and competitiveness.

The data collection process will be based on semi-structured interviews conducted face-to-face or online depending on the participants' availability. The interviews will be recorded and transcribed for analysis. In order to obtain representative data, a sample of approximately 10 to 15 very small enterprises will be selected, ensuring diversity in terms of industry sector.

5. Case study of 12 very small enterprises in Algeria:

5.1. Context of the study:

This research focuses on a group of 12 very small enterprises in Algeria, selected to represent a variety of economic sectors (commerce, crafts, services, technology) and geographical areas (urban and rural). The aim is to see how the various forms of proximity (geographical, relational, cognitive, institutional) influence the results of these companies.

5.1. Methodology:

The data was collected through semi-structured interviews with the managers of the VSEs selected. The interviews focused on four main areas: perception of proximity, impact on collaboration and innovation, competitiveness and performance, and the relationship between proximity and business survival in a competitive environment.

The data was analysed using a qualitative thematic analysis. Interview transcripts were encoded using NVivo software to identify trends and recurring themes.

Interview transcripts were encoded using NVivo software to identify trends and recurring themes.

6. Search results:

6.1. Geographical proximity and very small enterprises performance:

Impact on customers: 7 of the 12 companies (mainly in the retail and services sector) highlighted the importance of geographical proximity to their customers. The strategic location of these businesses in densely populated areas has helped them to attract regular customers and guarantee a steady flow of sales. This is particularly true of very small enterprises located in Algiers and Oran, where urban concentration has played a key role.

Cost reduction: Geographical proximity to suppliers has been beneficial for companies located in rural areas, particularly for craft production activities.

6.2. Relational proximity and collaboration:

Development of networks: Relational proximity plays an essential role in the 12 very small enterprises. The managers highlighted the importance of the bonds of trust they have established with their suppliers, business partners and customers. These connections simplify exchanges, encourage long-term partnerships and strengthen the competitiveness of the companies. There were many examples of the use of relationship networks in times of economic difficulty, offering informal loans or extended payment terms.

6.3. Cognitive proximity and innovation:

Knowledge sharing: In the technology and craft sectors, five companies highlighted the importance of cognitive proximity. Companies were able to accelerate innovation by sharing their knowledge with other actors in the sector, in particular through workshops, networking events or online platforms.

6.4. Institutional proximity and support for very small enterprises:

Access to institutional resources: 4 of the companies, especially those located in large cities, have benefited from institutional support programmes such as incubators, subsidies or training organised by the state or local institutions. These programmes have enabled these enterprises to access resources that they would not otherwise have been able to obtain.

7. Analysis and implications:

7.1. Geographic vs. digital proximity:

The results show that while geographical proximity remains an important factor for some MSEs (especially in direct selling sectors),

other businesses, particularly in technology or online services, can compensate for geographical distance through digital technologies. This reflects the development of the literature, in particular the work of Boschma⁽¹⁾ (2005), which shows that geographical proximity is no longer an absolute criterion for performance, especially in an increasingly digitalised world.

7.2.The strength of relational networks:

Relational proximity remains a central factor in the performance of very small enterprises in Algeria. The ability of firms to build solid networks based on trust is an essential asset, as confirmed by the research of Gilly and Torre⁽²⁾ (2000). In an economic environment that is often uncertain, these relationships enable firms to navigate more effectively through periods of turbulence.

7.3.Institutional proximity as a limiting factor:

Although some companies benefited from institutional support, several managers expressed frustration about limited access to institutional resources, particularly in rural areas. These results highlight the limitations of institutional proximity, particularly with regard to the unequal distribution of resources between large cities and more remote areas, which is in line with the criticisms made by Torre and Rallet⁽³⁾ (2005).

7.4.Innovation through cognitive proximity:

Companies that have invested in cognitive proximity, for example by participating in networking events or training, have seen their capacity for innovation increase. This is in line with the work of

(1) Boschma, R. A. (2005). Op.cit page 60

(2) Gilly, J.-P., & Torre, A. (2000). Proximités et enjeux territoriaux. Économie Rurale, Page 31.

(3) Torre, A., & Rallet, A. (2005). Proximity and Localization. Regional Studies, Op.cit., Page 51.

Nooteboom⁽¹⁾ (2000), who stresses the importance of cognitive proximity in the innovation process, particularly for small companies in search of new ideas and creative solutions.

By analysing 12 very small enterprises in Algeria, this case study demonstrates that the various forms of proximity (geographical, relational, cognitive and institutional) interact in a complex way to have an impact on the results of the enterprises. Companies in traditional sectors, such as retail and craft, need geographical proximity, while cognitive and relational proximity is essential for innovation and coping with shocks. However, there are still inequalities in access to institutional resources, particularly between urban and rural areas. This highlights the importance of more inclusive public policies to support the development of small and medium-sized enterprises across the country.

8. Conclusion:

The objective of this study was to investigate the influence of diverse forms of proximity (geographical, relational, cognitive and institutional) on the performance of very small enterprises in Algeria. The results, derived from case studies and in-depth qualitative analysis, indicate that proximity is a critical factor in the success of very small enterprises, although its impact varies according to the type of proximity. Geographical proximity remains a significant determinant, particularly for businesses operating in sectors where local customers are a primary consideration, such as retail trade and crafts. Relational proximity, based on trust and robust networks, appears to be a crucial factor in bolstering commercial relations and business resilience in the context of economic challenges. Cognitive proximity encourages innovation and collaboration between players with similar knowledge and skills, particularly in the craft and technology sectors. The exchange of ideas in shared environments has

(1) Nooteboom, B. (2000). Learning and Innovation in Organizations and Economies. Op.cit., Page 267.

been shown to accelerate the process of creating and improving products. Finally, the results of this research indicate that institutional proximity has yielded mixed outcomes. Some businesses have benefited from local support, while others, particularly in rural areas, have expressed frustration due to unequal access to institutional resources. Overall, the findings of this study confirm that proximity, in all its forms, is a significant driver of the performance of very small enterprises. Nevertheless, it is imperative that public policies facilitate more equitable access to resources, particularly in rural areas, in order to guarantee that all VSEs are able to capitalise on the advantages afforded by proximity. This will reinforce the competitiveness of small businesses and encourage their growth, thereby contributing to the country's overall economic development.

9. Bibliography:

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- (2) Boschma, R. A. (2005). Proximity and Innovation: A Critical Assessment. *Regional Studies*, Volume 39, Number 1, 61-74.
- (3) Filippi, M., & Torre, A. (2003). Local organizations and institutions. How can geographical proximity be activated by collective projects? *International Journal of Technology Management*, Volume 26, Number 4, 386-397.
- (4) Gilly, J.-P., & Torre, A. (2000). Proximités et enjeux territoriaux. *Économie Rurale*, 24-36.
- (5) Julien, P.-A. (1997). Les petites entreprises : Force ou faiblesse de l'économie ? Paris : Economica.
- (6) Nooteboom, B. (2000). *Learning and Innovation in Organizations and Economies*. Oxford University Press.
- (7) North, D. C. (1990). *Institutions, Institutional Change and Economic Performance*. Cambridge University Press.
- (8) Storey, D. J. (1994). *Understanding the Small Business Sector*. London: Thomson.
- (9) Torre, A., & Gilly, J.-P. (2000). Proximity and localization. *Regional Studies*, Volume 34, Number 2, 169-180.

(10) Torre, A., & Rallet, A. (2005). Proximity and Localization. Regional Studies, Volume 39 Number 1, 47-59.

(11) Yin, R. K. (2009). Case Study Research: Design and Methods. Sage Publications.

10. Annexe: NVivo project, analysis of the results of the survey on VSEs and proximity

1. Geographical proximity and VSE performance

1.1. Sub-theme: Access to local customers

- 7 VSEs (sectors: retail and services) emphasise that their strategic location in densely populated urban areas helps to attract regular customers.
- Notable case: A VSE located in Algiers benefits from a location close to shopping centres, which increases its sales flow.

1.2. Sub-theme: Reducing logistics costs

- MSEs in rural areas report that proximity to their suppliers reduces transport times and costs, particularly in the craft sector.
- Example: A rural VSE reduces its raw materials costs by using short distribution channels.

2. Relational proximity and collaboration

2.1. Sub-theme: Developing networks of trust

- All the participants (12 VSEs) stressed the importance of trust-based relationships with suppliers and customers to ensure the stability of operations.
- Highlight: A service MSE was able to maintain its activities during a period of economic crisis thanks to informal credit granted by its local partners.

2.2. Sub-theme: Mutual support in critical times

- Examples of mutual support: staggered payment of debts, exchanges of services between partners.

- Managers emphasise that close relationships strengthen resilience in the face of the unexpected.

3. Cognitive proximity and innovation

3.1. Sub-theme: Knowledge sharing

- 5 VSEs (sectors: technology and crafts) report that exchanging ideas with other players in their vicinity (e.g. workshops, local events) has helped speed up their innovation processes.
- Example: A craft company takes part in local training courses on new manufacturing techniques.

3.2. Sub-theme: Rapid adoption of new technologies

- Companies connected to networks of local players sharing similar skills innovate more quickly.

4. Institutional proximity and support for VSEs

4.1. Sub-theme: Access to institutional resources

- 4 companies in urban areas accessed grants, training or incubation programmes provided by local institutions.
- Example: A VSE in Oran increased its production capacity thanks to a government support programme.

4.2. Sub-theme: Frustrations linked to unequal access

- Businesses in rural areas report a lack of access to institutional resources, limited to large cities.
- Testimony: We have to go to the capital to get support, which is expensive and inconvenient.

5. Analysis and implications

5.1. Geographical proximity versus digital proximity

- Technologies can compensate for geographical distance, particularly for technology companies.
- Resilience through relational proximity: Relational proximity remains essential to get through crises.

- Institutional proximity: a limiting factor in rural areas, the disparities between urban and rural areas call for better adapted public policies.

Figure 01: Illustration the relationships and structure of the main themes and sub-themes in NVivo.

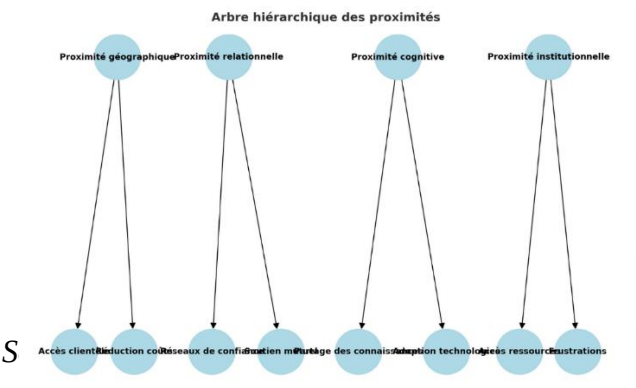
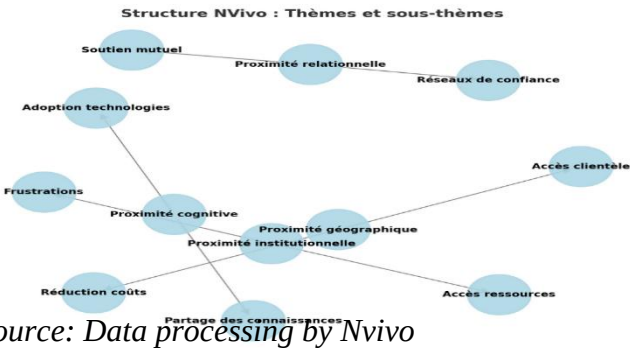


Figure 02: Graphical representation of the NVivo structure. Each main node is connected to its sub-nodes, clearly illustrating the hierarchy between themes and sub-themes.



Source: Data processing by Nvivo