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The Contribution of Small and Medium-Sized Enterprises to Achieving Local Development in Guelma Province

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Abstract :

This study aims to highlight the contribution of small and medium-sized enterprises (SMEs) in supporting and achieving local development in the (Guelma Province), as well as to clarify the key concepts related to both this type of enterprise and local development. It also seeks to shed light on the position of SMEs from a modern perspective that links them to the process of local development.

In conclusion, the study found that the number of these enterprises in Guelma Province has witnessed a noticeable increase in recent years, as a result of benefiting from various support mechanisms and measures aimed at strengthening and developing this sector

Keywords:

Guelma Province, SMEs Support Policies, Regional Development.

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1. INTRODUCTION:

In recent years, small and medium-sized enterprises (SMEs) have become a preferred option for many countries, especially developing ones, as they are considered an effective tool for achieving the desired growth rates and mitigating the severity of economic and social crises. In this context, development literature over the past two decades has focused on the concept of local development, considering it a central pillar and a strategic element in the development process due to its ability to address various economic and social issues at both local and national levels.

In Algeria, since independence, efforts have been made to achieve comprehensive and balanced development through policies that initially focused on supporting large enterprises. However, the limited results of these strategies revealed the need to reconsider the adopted development approach, leading to increased attention to SMEs and the strengthening of their role, with the aim of building a flexible economic fabric capable of adapting to rapid economic changes.

Guelma Province falls within this orientation, where efforts are being made to support local development by relying on available resources, in which SMEs play an important role in driving the development process. These enterprises are among the factors that help the province keep pace with national objectives aimed at achieving comprehensive and balanced development across different regions. From this perspective, a sample of these enterprises was selected to study the extent of their contribution to local development, with a focus on the role of the Directorate of Industry in supporting and promoting them.

1.1 Research Problem:

Based on the above, and in an effort to address the various aspects of this topic and explore it in depth, the main research problem can be formulated as follows: **To what extent do small and medium-sized enterprises (SMEs) contribute to supporting and achieving local development in Guelma Province?**

To answer and analyze this problem more precisely, a set of sub-questions arises, the most important of which are:

- To what extent do SMEs contribute to job creation and the reduction of unemployment rates?
- Does the industrial sector in Guelma Province play its expected role in driving local development?
- What mechanisms or proposals can be adopted to strengthen the role of SMEs in achieving local development in the province?

1.2 **Research Hypotheses:**

In order to answer the previously raised questions, a set of guiding hypotheses has been adopted for this study, as follows:

- It is assumed that small and medium-sized enterprises (SMEs) contribute to job creation and the reduction of unemployment rates, which positively reflects on achieving local development in Guelma Province.
- It is suggested that the industrial sector in Guelma Province does not fulfill its expected role, despite the available resources possessed by the province.
- It is also assumed that SMEs work to provide various goods and services to the population of the province, thereby supporting the process of local development.

2. Importance of the Study

The importance of this study stems from the significance of the topic it addresses, which can be summarized in the following key points:

- The study contributes to building a theoretical and applied framework that addresses the various aspects related to both SMEs and local development.
- It highlights the great importance of these enterprises in supporting the economies of countries, whether developed or developing, due to their effective role across different sectors at both local and international levels.
- It also reflects the level of attention given by Algeria to this type of enterprise through the adoption of numerous reforms and measures aimed at developing them and strengthening their position in the national economy.

2.1 Concept of Small and Medium-Sized Enterprises:

This section addresses the concept of small and medium-sized enterprises (SMEs), highlighting the main characteristics that distinguish them.

2.1.1 Definition of Small and Medium-Sized Enterprises:

The definitions of SMEs vary, and several perspectives have been presented to explain this concept. Below are some of the most prominent definitions:

2.1.2 a. Japan's Definition of SMEs:

The definition of SMEs in Japan was established within the framework of the amended law dated December 3, 1999, where it was determined according to specific criteria, as shown in Table (1).

Table N°01: Legal Definition of SMEs in Japan.

Sector	Number of Employees	Capital (Million Yen)
Services	100 employees or fewer	50 or less
Retail Trade	50 employees or fewer	50 or less
Wholesale Trade	100 employees or fewer	100 or less
Manufacturing and Other Sectors	300 employees or fewer	300 or less

Source Abdelrahman Kassab Amer, Bridges of Development: Small and Medium Enterprises, Dar Al-Kitab for Publishing and Distribution, Egypt, First Edition, 2016, p. 2

2.2 United Kingdom's Definition of SMEs:

In the United Kingdom, small and medium-sized enterprises (SMEs) are defined based on the number of employees. Any business with no more than 250 employees is considered an SME. They are further classified into three main categories according to size, as follows: (Abdelkader chahi, abul Hassan, P 04)

- **Micro enterprises:** employ between 1 and 9 workers.
- **Small enterprises:** employ between 10 and 49 workers.
- **Medium enterprises:** employ between 50 and 249 workers.

2.3 European Union's Definition of SMEs:

The European Union, represented by the European Commission, defines SMEs according to its recommendation CE/361/2003 (amending recommendation KCE/280/96) as independent enterprises with various legal forms that carry out economic activities (Ibrahim Badran and Mohamed Araishi, P 165). These enterprises must not exceed 250 employees, and their capital must not exceed €40 million or their annual turnover must not exceed €47 million (Samir Al-Abadi ;P 08)

2.4 Algeria's Definition of SMEs:

Like many countries, Algeria faced difficulties in establishing a unified and clear definition of SMEs. It defines them as industrial enterprises engaged in the production of goods or the provision of services. According to the Algerian framework law, these definitions are clarified as follows : (Law 17/02 dated January 10 , PP 5-6)

- **Article 5:** An SME, regardless of its legal form, is defined as an enterprise producing goods or services that:
  - Employs between 1 and 250 persons.
  - Has an annual turnover not exceeding 4 billion Algerian dinars or a total annual balance sheet not exceeding 1 billion Algerian dinars.
  - Meets the independence criterion.
- **Article 8:** A **medium enterprise** is defined as one that:
  - Employs between 50 and 250 persons.
  - Has an annual turnover between 400 million and 4 billion Algerian dinars, or a total annual balance sheet between 200 million and 1 billion Algerian dinars.
- **Article 9:** A **small enterprise** is defined as one that:
  - Employs between 10 and 49 persons.
  - Has an annual turnover not exceeding 400 million Algerian dinars, or a total annual balance sheet between 200 million and 400 million Algerian dinars.

Table N°02: Legal Definition of SMEs in Algeria.

Category	Number of Employees	Annual Turnover	Total Annual Balance
Very Small / Micro	1–9	≤ 400 million DZD	≤ 200 million DZD
Small	10–49	≤ 400 million DZD	200–400 million DZD
Medium	50–250	400 million – 4 billion DZD	200 million – 1 billion DZD

Source:: Prepared by the researcher based on the above data.

3. Characteristics of Small and Medium-Sized Enterprises (SMEs):

SMEs are distinguished by a set of characteristics that set them apart from other enterprises, summarized as follows : (Youssef Ezzat Khairat, PP 8-9)

- **Owner-Manager:** The business owner typically handles most administrative and technical operations. This feature is especially common in family-run businesses.
- **Low Capital Requirement:** Establishing these enterprises requires a relatively small amount of capital, often due to the limited savings of investors.
- **Dependence on Local Primary Resources:** This helps reduce production costs and lowers the capital-to-labor ratio.
- **Suitability of Ownership Patterns and Capital Size:** The low capital requirement makes these projects accessible to investors with limited savings compared to larger enterprises.
- **Limited Capacity for Growth and Expansion:** This is often due to a lack of focus on research and development and insufficient recognition of its importance.

3.1 Second: Concept of Local Development

3.1.1 Definition of Local Development:

Local development relies on investing in and activating all available resources within the local community, considering them essential elements for creating change and ensuring its sustainability. It is based on a bottom-up strategy, where grassroots activities are fundamental for achieving development (Ziad Abboud Aloush, P 54)

Local development can be defined as a strategy aimed at the continuous improvement of a community by linking local resources with the external environment, i.e., achieving development through reliance on the community's own resources(Abdelrahim Rahmouni et al. P 301).

It is also defined as a process aimed at diversifying and enhancing economic and social activities in a specific area by mobilizing and coordinating available resources and energy, so that the final outcome directly reflects the efforts of the region's inhabitants (Nait merzoug et kouadria Noureddine et amarra Fatah, P 10).

From these definitions, it can be concluded that local development is an ongoing process that primarily depends on the efforts of the local community. This process requires continuous activity to improve unsatisfactory conditions, transform them into better standards, meet the needs and demands of residents, and achieve the highest levels of welfare and progress for these local communities.

3.1.2 Characteristics of Local Development:

The main characteristics of local development can be summarized as follows[9]:

a. Local Development as a Continuous Process:

Local development is an ongoing process aimed at meeting the evolving demands of the local community. It is not limited to any specific type of country; it exists in developed countries, developing countries, and rural areas.

b. Integration Between Rural and Urban Areas:

Local development is characterized by the integration of rural and urban areas. Rural development cannot occur without urban development and vice versa. Rural development helps address backwardness and rural challenges, making rural areas attractive and stable, while urban development helps tackle issues of rapid urbanization and unemployment in cities. Integration encompasses both material and social aspects of the community.

c. Planned and Purposeful Process:

Local development is not a natural growth process but a planned and intentional process with specific objectives and a defined timeframe. Local authorities and community leaders play a key role in formulating plans and ensuring positive change in the community.

d. Inclusiveness:

Local development is characterized by inclusiveness, as it encompasses all aspects of life, including economic, social, cultural, and political dimensions.

Third: Contribution of Small and Medium-Sized Enterprises to Achieving Local Development in Guelma Province

- Contribution of SMEs to Employment and Unemployment Reduction

The following section highlights the key contributions of SMEs in supporting local development in Guelma Province by creating job opportunities and making optimal use of the province's available resources.

Statistical data have been used to analyze these contributions and measure their impact. The SME sector has played a prominent role in employment, with employment rates in this sector showing a significant increase over the years, as shown in the following table:

Table N°03: Development of the Number of SMEs and Job Positions in Guelma Province during 2019–2023

Year	Number of SMEs	Number of Jobs
2019	14,718	3.332
2020	14,718	3.332
2021	14,763	3.341
2022	14,803	3.349
2023	14,843	3.357

Source The table illustrates the development of the number of SMEs and the job positions they provide in Guelma Province during 2019–2023

- **Initial Stability during 2019–2020:** It is observed that the number of enterprises and job positions remained unchanged between 2019 and 2020, with 3,332 enterprises and 14,718 workers. This stability is mainly attributed to the impact of the COVID-19 pandemic, which caused partial shutdowns or declines in economic activity across most sectors, including SMEs.
- **Gradual Increase during 2021–2023:** After 2020, both the number of enterprises and job positions began to rise almost steadily, reaching 3,357 enterprises and 14,843 workers by 2023. This reflects efforts toward economic recovery, although the increase remained relatively limited.
- **Factors Affecting Slow Growth:** Despite the increase, growth remains modest due to several factors:
    - Limited financing for these enterprises by support agencies in Guelma Province, restricting their ability to expand and create more job opportunities.
    - Insufficient infrastructure and social services necessary to attract investors and support workforce stability.
    - In some cases, underreporting of employee numbers to avoid tax and social security burdens, reducing the effectiveness of official statistics in measuring the actual contribution of SMEs to employment.
- **Overall Impact on Local Development and Unemployment:**Despite these challenges, SMEs have contributed to reducing unemployment by providing jobs, but they have not achieved real and sustainable growth in employment at the desired level. This remains closely linked to the availability of financing and strategic guidance for these enterprises.

In summary, the table reflects a positive but limited role for SMEs in local development and employment in Guelma Province, highlighting the need for greater support and continuous accompaniment to enhance the sector's effectiveness.

3.2 Contribution of SMEs to Meeting the Needs of the Province's Population

The population of Guelma Province shows variations from one area to another due to the influence of natural and human factors on population distribution. The province has experienced migration from rural residents to urban municipalities in search of employment opportunities and better living conditions, leading to increased population density in urban areas and a decrease in rural areas.

In this context, the following table illustrates the distribution of the most important small and medium-sized enterprises (SMEs) by municipality in Guelma Province, which helps to understand the relationship between population distribution, the presence of these enterprises, and their role in local development.

Municipality	Number of SMEs	Number of Jobs
Guelma	8	570
Ben Djerrah	1	95
Fougoug	9	1121
Bouati Mahmoud	2	335
Héliopolis	2	80
Kelaa Bou Sebaa	2	97
Neshmaia	1	19
Mejaz Ammar	2	22
Oued Zenati	7	89
Bordj Sabat	1	15
Tamalous	1	25
Belkhir	14	496
Boumahra Ahmed	7	199
Dahouara	1	160
Bouchkhouf	4	154
Oued Faragha	2	106
Ain Benbia	2	71
Total	64	3654

Source: Most small and medium-sized enterprises (SMEs) are concentrated in urban or larger municipalities such as Fougoug (9 enterprises), Guelma (8 enterprises), and Belkhir (14 enterprises), reflecting the concentration of economic activity and job opportunities in these areas.

Rural municipalities, such as Neshmaia, Tamalous, and Bordj Sabat, have a limited number of enterprises, highlighting the geographical imbalance and its impact on employment opportunities in these regions.

The total number of enterprises, 64, provides approximately 3,654 job opportunities, which reflects the importance of these enterprises for local employment, despite the variation between municipalities.

3.3 Contribution of SMEs to the Utilization of Available Resources

Local development fundamentally relies on the utilization of local resources and their employment to enhance economic development. In this context, Guelma Province possesses several economic potentials and natural resources that can be leveraged to support local development. These potentials include the following elements:

a. Contribution to the Development of the Industrial Sector:

Guelma Province is rich in minerals and natural resources and also has significant potential for industrial development and investment attraction. The province hosts numerous industrial units, most of which are concentrated in:

- **The provincial capital (Guelma):** serving as the main urban center.
- **The Industrial Zone of Draa Lharrach:** located between the municipalities of Guelma and Belkhir, representing a hub for industrial activity.

- **Commercial activity areas in the municipalities of Fougoug, Neshmaia, and Belkhir,** among other regions, as shown in the following table:

Table N°04: Commercial and Industrial Activity Areas in Guelma Province

Type of area	Location	Total area (hectares)	Occupied area (hectares)	Activity branch
Activity zones	Neshmaia	8.82	5.31	**Pharmaceutical industry**
Activity zones	**Oued Zenati**	3.38	2.51	**Building materials / Trade and services**
Activity zones	**Kalaa Bou Sebaa**	4.13	3.52	**Building materials / Trade and services**
Activity zones	**Ain Ben Biada**	24.12	21.13	**Building materials / Trade and services**
Activity zones	**Belkheir**	8.24	5.75	**Building materials**
Activity zones	**Tamlekka**	8.24	5.80	**Handicraft activities / Trade and services**
Activity zones	El Fegroug	3.71	2.91	**Food industry**
Activity zones	**Majaz Es-Safa (Baji Mokhtar)**	20.81	19.03	**Ongoing projects**
Activity zones	**Majaz Es-Safa (Maksamiya)**	31.60	25.64	Undistributed
Activity zones	**Belkhir (Dhraâ Lharsh)**	45	41.16	**Food industry / Building materials / Trade & services / Plastics**
Activity zones	**Ain Rqada (Composite Stone)**	140	116.95	**Not allocated**

Source : Prepared by the researcher based on documents provided by the Directorate of Industry of Guelma Province.

The table illustrates the diversity of economic and industrial activities in Guelma Province, ranging from food industries, building materials, and handicrafts to tradeand services. This reflects a diversified economic base that can support local development. (Naji Al-Shahawi, PP 59-60)

It is also observed that the largest industrial areas are located in Belkhir (Draa Lharrach) and Ain Rqada (Composite Stone), highlighting their importance as major industrial hubs capable of attracting significant investments.

Conversely, there are considerable unutilized areas (unallocated), indicating substantial future opportunities to expand industrial activity, provided that financing and proper planning are made available.

Overall, this distribution reflects the availability of significant industrial potential in the province. However, optimal utilization requires improving infrastructure, activating support policies, and encouraging both local and national investment, which would enhance the role of SMEs in achieving local development.

Table N°06 : Distribution of Small and Medium-Sized Enterprises by Industrial Activity (2019–2023)

Total	Miscellaneous Industries	Wood / Paper	Welding / Electronics / Mechanics	Chemicals & Plastics	Building Materials	Food Industry	Year
91	5	6	1	11	19	49	2019
93	7	6	3	11	17	49	2020
99	7	6	3	11	21	51	2021
105	8	6	3	12	25	51	2022
110	10	8	4	12	25	51	2023
498	37	32	14	57	107	251	**Total**
100	7.42	6.42	2.81	11.49	21.46	50.40	**Percentage (%)**

Source : Prepared by the researcher based on documents provided by the Directorate of Industry of Guelma Province.

The table shows the evolution of the distribution of small and medium-sized enterprises (SMEs) by sector of activity, highlighting the following points:

- **Dominance of the Food Industry Sector:**
  It ranks first with a share exceeding 50%, reflecting the province's reliance on local agricultural resources and highlighting the sector's importance in supporting food security and local development.
- **Significance of the Building Materials Sector:**
  It comes second with over 21%, linked to the availability of natural resources and the province's need for construction projects and infrastructure development.
- **Moderate Presence of the Chemicals and Plastics Sector:**
  Representing about 11%, this sector has potential for expansion due to its connection with manufacturing industries.
- **Weakness of Certain Industrial Sectors:**
  Sectors such as welding, mechanics, and electronics account for only 2.81%, indicating limited technological and advanced industrial development in the province.
- **Gradual Increase in the Number of Enterprises:**
- The total number of SMEs rose from 91 in 2019 to 110 in 2023, reflecting relative growth in economic activity.

Overall, the table shows that industrial activity in Guelma Province is concentrated in traditional sectors, with untapped potential in modern industrial sectors. This underscores the need to direct investments toward economic diversification and the promotion of industrial innovation.

b. Contribution to the Development of the Tourism Sector:

Guelma Province possesses diverse and significant tourism potentials, qualifying it to be a distinguished tourist destination with multiple tourism types. Thermal tourism stands out as the most important activity in the province, forming its main distinguishing feature.

The province includes approximately 15 hot mineral springs, which are popular destinations for visitors seeking relaxation and therapeutic treatment due to their natural waters and mineral waterfalls with medicinal properties.
The following table presents these mineral springs along with their main therapeutic characteristics:

Table N°07: Mineral Springs in Guelma Province

Therapeutic properties	Location	Flow Rate (L/sec)	Spring Name
joints, nervous system, endocrine disorders, respiratory system, women's health, ear, nose and throat (ENT), skin	Hammam Debagh	8	**Ain Chdakha**
		6	Ain Ben Naji
		13	Ain Chifa
Diseases: joints, nervous system, respiratory system (asthma, shortness of breath), women's health, ear, nose and throat (ENT), skin	**Hammam Ouled Ali**	20	**Spring No. 1, Station 1**
		8	Spring No. 2, Station 2
		8	**Spring No. 3, Station 3**
		25	**Well of Hammam Ouled Ali**
Diseases: nervous system, women's health, skin, rheumatism, arteries, urinary system	**Ain El Arabi**	11	**Qarfa**
		11	**Belhchana**
Diseases: nervous system, respiratory system, women's health, skin, rheumatism, arteries	Hammam Enbaïl	6	**Hammam En-Nebaïl Spring**
		/	Al-Mina Spring
Diseases: nervous system, respiratory system, skin, digestive system, and rheumatism	**Bouhchana**	20−15	Assasla Spring
		20	**Roumiya Spring**
		12−8	Ben Taher Spring
		2	**Nakhela Spring**

Source: Asma Khalil, The Role of Thermal Tourism in Achieving Local Development – Case Study of Guelma Province, Unpublished PhD Thesis, Faculty of Economic, Commercial and Management Sciences, University of 8 May 1945 Guelma, Algeria, 2016, p. 321.

The table illustrates that Guelma Province boasts a significant number of thermal springs with varying flow rates, each offering multiple therapeutic properties, particularly for treating joint disorders, nerve issues, respiratory diseases, skin conditions, and rheumatism.

It is also noted that several of these springs are concentrated in well-known areas such as Hammam Debagh, Hammam Ouled Ali, Ain El Arabi, and Hammam Nebail, enhancing their role as key hubs for therapeutic tourism.

Despite these significant potentials, some springs remain underutilized or lack precise information, indicating substantial opportunities for sector development through improved infrastructure and tourism services, thereby strengthening the role of thermal tourism in promoting local development.

Table N°08: Hotel Establishments in Guelma Province

Accommodation Capacity		Classification	Type	Establishment Name	No
Beds	(Rooms				
198	99	*3	Urban	Lalla Maouna Hotel	01
236	90	*3	Thermal	Bouchouhrine Hotel	02
144	71	*3	Urban	Marmoura Hotel	03
625	170	*2	Thermal	Chalala Hotel	04
38	26	*2	Inn	El Houara Inn	05
20	10	*1	Urban	El Rayan Hotel	06
125	79	Unrated	Thermal	El Jihan Hotel	07
200	90	Unclassified	Thermal	El Baraka Hotel	08
54	21	Hospitality Structure	Thermal	Hospitality Facility (Bennaji)	09
27	17	Hospitality Structure	Urban	Hospitality Facility (El Najma)	10
30	14	Hospitality Structure	Urban	Hospitality Facility (El Tarek)	11
25	15	Hospitality Structure	Urban	Hospitality Facility (El Sharq)	12
16	12	Hospitality Structure	Urban	Hospitality Facility (El Karama)	13

41	17	Pending Classification	Urban	Dar Al Maalem Hotel	14
20	10	Unrated	Urban	Al Firdaws Hotel	15
20	11	Unrated	Urban	El Nakheel Hotel	16
30	21	Unrated	Urban	El Taj Hotel	17
1849	773	/	/	**Total**	

Source : Prepared by the researcher based on documents provided by the Directorate of Industry of Guelma Province.

The table shows that Guelma Province has a significant number of tourist accommodation establishments with a total capacity of 773 rooms and 1,849 beds, reflecting a substantial tourism reception infrastructure.

Notable observations include:

- **Diversity of accommodation types:** Urban hotels, thermal hotels, and inns coexist, reflecting a varied tourism offer.
- **Dominance of thermal hotels in capacity:** Particularly Chalala Hotel, which has the largest number of beds, highlighting the importance of thermal tourism in the province.
- **Presence of unclassified or unrated establishments:** Indicating a need to improve service quality and upgrade classifications.

Overall, this sector demonstrates considerable tourism potential but requires service development, better qualification, and higher classification standards to enhance the province's attractiveness as a tourist destination and increase its contribution to local development.

c. Contribution to the Development of the Agricultural Sector

Guelma Province is considered an important agricultural area due to its favorable natural conditions, which allow it to occupy a prominent position nationally in the agricultural sector—a major advantage for local development. The province has a strategic location along the Seybouse River, providing a year-round water supply that enhances soil fertility and ensures continuity of agricultural activity.

The province has a clearly defined agricultural character, with a total agricultural area of approximately 264,618 hectares, of which 187,338 hectares are actively cultivated. Irrigated land accounts for about 11,710 hectares, representing 6.25% of the cultivated area.

These areas are distributed among agricultural enterprises that vary in ownership and size, reflecting the diversity of the province's agricultural structure. The following table shows the distribution of crops by cultivated area:

Table N°09: Crop Distribution by Area and Production

Yield	Production	Area	Product Type	
31	2140900	68682 ,5	Hard wheat	Grains

36	4990	11046,5	Soft wheat	
27	277930	10242	Barley	
20	4810	239	Oats	
13,62	72275	9528,25	Olive	**Trees**
200	129520	814,74	Citrus	
122	289146	2706,25	**Grains & Seeds**	
283	103616,24	365,75	Potato	**Vegetable Products**
62	17895	290	Garlic	
238,5	209900	880	Onion	
367	67540	184	Tomato	
7668	1451531,24	189,3	Others	
764	2582840	3380,67	Industrial tomato	**Industrial Products**
329	180275	547,5	Industrial chili pepper	
14,5	27664	1908	Chickpeas	**Dried Vegetables**
12,5	235	19	Dry peas	
15	53920	3573	Beans	
15	19416	1290	Lentils	

Source: Official website of the Ministry of Interior, Local Authorities, and Urban plannng https://interieur.gov.dz/Monographie visite 30/05/2024

From the table, it is clear that the agricultural sector plays a prominent role in supporting and developing the industrial sector, particularly through the promotion of the food industry, as many production units are established to process agricultural products into industrial goods.

This integration between agriculture and industry reflects the importance of utilizing local resources to create added value, which contributes to stimulating the local economy and supporting the path of development

4. CONCLUSION

At the conclusion of this study, the role of small and medium-sized enterprises (SMEs) in supporting and achieving local development in Guelma Province has been highlighted. It was found that, despite the limited size of these enterprises, they occupy an important position at the local level due to their contribution to job creation, reducing unemployment, and improving living standards.

Moreover, their characteristics—especially their small size—grant them a high capacity for geographic expansion, allowing them to be easily directed to serve local development objectives and promote development across different regions.

A. Hypotheses Testing

- SMEs are a suitable field for employing a large number of people, as they generally do not require high educational qualifications or large capital at inception. This makes them an important source of job creation, poverty reduction, and unemployment mitigation, confirming the validity of the first hypothesis.
- Although Guelma Province possesses multiple resources that contribute to industrial development, and has sectors with high productivity and low costs that attract labor and increase production, this disproves the second hypothesis.
- The study showed that SMEs play a significant role in meeting the needs of residents, particularly through activities in various sectors such as food industries (semolina mills, olive presses, sugar refining), which supports local development, thereby confirming the third hypothesis.

B. Study Results

- The number of SMEs in Guelma Province has seen a remarkable increase in recent years due to support measures aimed at developing this sector.
- The province has considerable economic potential and natural resources, though their exploitation remains below the desired level due to certain management inefficiencies.
- Despite the challenges faced by this type of enterprise, SMEs have proven their ability to contribute to job creation and reduce unemployment, strengthening their role in achieving local development.

In general, these results confirm that SMEs constitute a fundamental pillar of local development; however, enhancing their role requires additional support, improved management mechanisms, and a favorable investment environment.

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