

## RESEARCH ARTICLE

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# Some Theoretical Considerations on Proximity Models

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Studies with focus on networks, clusters and other forms of organization show that geographical proximity is an important factor of success. Also these studies show that geographical proximity alone, might not enable the creation of a network. François Perroux[13], proposes the recognition of the duality of economic activity, by distinguishing between geographical space and "geonomic" one (science that studies the ownership of land), as an abstract space in which the economic activity: transaction, cooperation, competition could be built. In the interactional approach of coordination, the basic unit is not only the individual, but also the relationship between actors. From the perspective of the contribution of coordination, proximity can be seen as a potential for creation in response to an unsafe situation. Proximity can be considered as a framework and condition that allow interaction, and interaction as a possible vector constitutes coordination (interaction does not necessarily bring coordination). In other words, one should consider the possibility of coordination without interactions, to certain conditions of proximity.

**Keywords:** keyword; keyword; keyword.

**1. Introduction**

Initially geographical proximity plays a facilitating role in coordination, following the placement of agents in a state of institutional proximity are more likely to meet if they are geographically close. Geographical proximity facilitates the transfer of the relationship from an organizational context to another. The diversity of resources in the same geographical area facilitates the combination and recombination dynamics. Geographical proximity facilitates direct interactions through face-to-face relationships. Also, empirical studies on knowledge spread show that inter-sectoral effects are favored by geographical proximity [3] [6]. When geographical proximity and organized proximity intervene jointly, they contribute to the emergence of a territory, setting out and within the definition of a self-process through building common booster resources allocated between actors and favoring their territorial anchoring.

Territory should not be considered as a simple host of economic activity. It must be considered as jobs generator, mixer of productive resources in a dynamic logic based on a combination of endogenous and exogenous development factors. The key of territorial structure consists of contributions creating organizational and institutional proximity in the context of geographical proximity, seeking ways in

which these can play in a sense favorably to the development of the first. The link between the organized proximity reflecting industrial dimension, and geographic proximity reflecting territorial dimension, leads to anchoring of industrial and technological activities [12].

Anchoring arises when territorial organization (geographic proximity) is able to generate effects of organizational and institutional proximity based on the interaction and cooperation between entities in the same geographical vicinity. At the core of this process is the notion of productive meetings [2], understood as the capacity that enables productive solution to some problems, mainly within a territorial frame, taking advantage of the geographical proximity effects.

In order to organize the network study, researchers identify two organizational types. French school of the studies has been included in the proximity approach and proposed an eclectic analysis. Setting the goal of building a bulky literature, its members prompted by disciplines such as economics, geography or sociology, have contributed to different approaches and theories [14]. The following study will focus on typology proposed by [1]. Research in management has resulted in two types of proximity in view of the environment in which organization evolve (inter-organizational proximity), and by the way in which the organization structures the relationship of proximity

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between its members: "intra-organizational proximity" [7].

Different forms of proximity find a special interest in the management sciences. For Gomez et al. [7] "physical concentration of individuals (in organization) or organization (in an area) creates proximity effects that can't be ignored". This issue has been presented in numerous studies: "closeness or distance between the actors causes some effects on the processes and performance of the organization" [7].

Strategic management is concerned about the competitive advantages associated with geographic location that encourages innovation and development of attractiveness [5] [9] [10]. For Marcelpoil end François [11], ie. "the emergence of a tourist atmosphere is based on the formalization of proximity between the actors, the organizational proximity, and also the cognitive proximity".

### **Basics of management of the proximity model**

Taking into account that proximity includes various issues like intellectual or cultural proximity, usage of tools that put in contact stakeholders in physical distance, or further involvement in the network is characterized by strong or weak ties [7]. Also, near or far dialectic plays a different role at distance or closeness that is psychological, cultural, social or physical. In a narrow sense, management research is originally interested in physical distance between actors and focuses on the spatial dimension of proximity. Such consideration is based on two inspirations: social psychology and economic analysis.

### **Psycho-sociological model**

Psycho-sociological approach suggests that physical proximity is a characteristic element of communication between individuals. This approach is based on studies of psychologists, particularly Edward Hall, the author who conceived the term *proximity* [4]. Proximity is an analysis of the physical distance between actors: long distance exchanges materials, the importance of social contacts. All social group members have a "subjective distance" to those around them, what enables maintenance of privacy, thus the opportunity for reflection. Therefore, each individual enters into relations with others, while maintaining a level of distance, subjectively necessary and socially informing as a communication element, characteristic of culture and social rank. Proximity according to Hall

is a communication element, thus cultural. Regarding management, it results in two consequences:

Understanding of stakeholders in the management context should integrate spatial dimension of their relationship, which is the expression and the condition of communication, thus their final behavior.

On the other hand, the spatial distance between actors influences in their communication and mutual understanding.

### **Economic approach**

There are several economic approaches that take into account the physical closeness between the actors, in order to understand the performance of organizations. In the economic literature, Grossett shows three most common reasons advanced by the authors of this discipline: the effects of costs, innovation and social networks [8].

- Effects on economic costs: when actors physically meet, they exchange more complex information and faster, what reduces transaction costs and leads to concluded contracts between them. In the same way, relations between organizations or agreements concluded are modified by information flow among stakeholders: short or long, direct or indirect, many or few. Physical proximity is a variable influencing the calculation of the economic costs.
- Effects on innovation: distance between the actors and the type of contacts that enrich the knowledge they have shared together and especially the communication of silent knowledge. In an intimate space, with a strong close, this knowledge is easily transmitted in an intersubjective way and not codified. Innovation in this case is even more urgent and relevant to individual relationships.
- Effects on the network and the strength of social ties: physical proximity, frequency of visiting the same space, strengthening social ties or limiting their amount, influences on the accumulation of social capital actors, thus their economic relations.

Involvement of stakeholders in the geographical area, respectively the physical proximity between them, is a performance dimension of communication and economic exchange [7].

## 2. Conclusions

Proximity of actors might lead to coordination, based on their interactions, which can be developed partly out of the market, with the ultimate goal of higher productivity. The aim is to put in use the given resources, in order to create new ones. There are different forms of coordination, such as enterprise, networking and territorial forms. Forms of coordination could be described by the combination of affinities. The latter will be taken as a "relative situation of actors", which in this case could be characterized in terms of space and non-space. Without proximity there is no coordination, because it is based on putting stakeholders in multilateral relations. Thus, proximity is a necessary condition prior interaction between actors.

Territorial dynamics might be defined as spatial impact of putting stakeholders into relations. It reveals a collective form of evolution, linking proximity to the construction of collective learning phenomena, and specialization resulting from the cumulative trajectory of development.

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