The Interplay of Community-based Social Capital and Neighbourhood Dynamics in Enhancing SMEs' Resilience During Crises: A Fuzzy-Set Qualitative Comparative Analysis Approach

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Abstract : This study explores the intricate interplay between community-based social capital (CBSC) and neighbourhood dynamics in enhancing resilience of Iranian SMEs, particularly under the strain of international sanctions. Utilising fuzzy-set Qualitative Comparative Analysis (fsQCA), we examine how different dimensions of CBSC—structural, relational, and cognitive—interact with neighbourhood socio-economic and built-environment characteristics to influence SME resilience. Findings reveal four configurations that contribute to the presence of resistance and five configurations associated with the adaptation outcome. Each configuration demonstrates a distinct combination of social capital elements, which vary according to the specific socio-economic and built-environmental characteristics of the neighbourhoods. The first configuration highlights the importance of structural social capital in deprived areas for building resistance, while the second emphasises the role of relational social capital in low-density, minimally deprived areas. Overall, cognitive social capital seems to be less effective in driving economic resilience compared to structural and relational types. This research contributes to the literature by providing a nuanced understanding of the synergistic effects of CBSC dimensions and neighbourhood characteristics on SME resilience. By adopting a configurational approach, we move beyond traditional methodologies, offering a comprehensive view of the complex dynamics of CBSC and neighbourhood characteristics and their impact on SME resilience in varying neighbourhoods.