

Nico Kotze

Changing economic bases: Orania as a case study of small-town development in South Africa

The economic base is the most fundamental factor controlling the growth of a town. Orania's economic base has changed three times. The town came into existence as a result of the development of the Orange River Project. After completing the project, the Department of Water Affairs withdrew from the town in 1989, with the result that it lost its economic base. The town was sold to the Afrikanervryheidstigting (AVSTIG), which saw it as the first town in an envisaged Afrikaner homeland. This provided the impetus for the second, political economic base. The farm Vluytjeskraal, adjacent to Orania, was bought in 1991 and subdivided into smallholdings, which provided the stimulus for the third, agricultural economic base.

'n Verandering in ekonomiese grondslag: Orania as gevallestudie vir kleindorpse ontwikkeling in Suid-Afrika

Die ekonomiese grondslag is die mees fundamentele faktor wat die groei van dorpe en stede beheer. In die geval van Orania het die ekonomiese grondslag drie keer verander. Die dorp het sy ontstaan te danke aan die ontwikkeling van die Oranjerivierprojek. Die Departement van Waterwese het in 1989 na voltooiing van die projek aan die dorp onttrek, met die gevolg dat die dorp sy ekonomiese grondslag verloor het. Die dorp is in Januarie 1991 aan die Afrikanervryheidstigting (AVSTIG) verkoop wat dit beskou het as 'n eerste dorp in 'n moontlike Afrikanertuisland; die impetus vir die tweede, politieke-ekonomiese tuisland. In Augustus 1991 is die plaas, Vluytjeskraal, naasliggend aan Orania gekoop en later onderverdeel in kleinhoues wat die stimulus gebied het vir die derde, landbou-ekonomiese grondslag.

Dr N J Kotze, Dept of Geography, University of the Free State, P O Box 339, Bloemfontein 9300; E-mail: kotzenj@sci.uovs.ac.za

As urbanisation accelerated and the planning profession emerged in the post-World War I era, there was increasing interest in predicting urban growth and in explaining the mechanism propelling this expansion. Urban growth was typically measured in relation to the strength of the industrial sector of the urban economy and the level of services. According to the economic base approach, the foundation of support for a city comes initially from the sale of goods or services outside the community. Revenue produced by such sales, in this scenario, assists local expansion by funding service activities (Hartshorn 1992). Underlying this economic interpretation of urban formation is a set of relationships, which are best explained by economic theory. At its simplest level, the urban economy may be viewed as being comprised of two interdependent sectors, the basic and the non-basic. Cities can only exist at the expense of rural areas by obtaining raw material to make city development possible, and thus to sustain the urban population. The basic sector comprises all activities and employment producing goods which are sold outside the city and provide the finance to enable basic requirements to be imported into the city (Clark 1996). Hence while urban growth was attributed to the basic portion of total employment, services were relegated to a subsidiary role and it was consequently argued that they developed after the expansion of the basic activity (Hartshorn 1992).

Thompson (1965) describes five stages in the development of a city. The first stage is called export specialisation, which occurs when a local economy emerges under the aegis of a single manufacturing venture and starts to export outside the community. The second stage, the export complex, unfolds as additional firms begin production to supply inputs to or purchase outputs from the original firm. During this stage, the focus is still on the sale of goods to the outside world. The third stage, economic maturation, signifies the growth of the local services sector. Cities reaching the fourth stage, that of the regional metropolis, will supply various services to the regional hinterland. A fifth stage, technical-professional virtuosity, signals national or international pre-eminence for the city.

It goes without saying that economic development and urbanisation are intimately associated; the development process necessarily involves urban increase (Carter 1995) and the economic base is the

most fundamental factor controlling the growth of a town. The basic driving force for the growth of a town or city is contained in the economic activities that provide job opportunities, capital, buildings, infrastructure and services, and thus attract people to the town or city (Van der Merwe 1983). The economic base also provides the reason for the town's existence, and the town's fortune is tied to that of this base. Some small towns are established around limited, specialised functions such as the exploitation of local mineral resources, transport, tourism, defence or administration. Although the town will inevitably perform some functions for its hinterland, its fortune is inextricably linked to the specialist function that called it into being. If the function prospers, the town prospers; if the need for the function disappears, the town will normally die. Most commonly, however, small towns are established to perform functions for their hinterland (Dewar 1996).

International evidence suggests that there is usually an identifiable process of agricultural development over a long period of time before settlements develop (Haggblade *et al* 1989). A growth in population and specialisation in certain areas will lead to a demand for non-agricultural goods and services in settlements. Notwithstanding this development, certain agriculture-related activities and services will remain centralised in these urban areas. Although other functions may be added at a later stage to satisfy the demands of the growing population, the character of the settlement will be based on the agricultural function that initiated its development. Later, agro-industries such as food processing and the packaging of agricultural products will develop (Dewar 1996).

Two points need to be stressed with regard to small-town development. First, town development and increased agricultural productivity are fundamentally interrelated: neither can occur in a sustained way without the other. Secondly, the dynamics that underpin the process of settlement formation are specialisation and diversification: the mechanics thereof hinge on the linkages between town and countryside. The town provides economic, social, cultural, religious and often also administrative services for the hinterland and creates a demand for its products; the hinterland in turn supports these functions and produces food and raw materials for the town. The fortunes

of the town, therefore, are closely linked to those of its rural hinterland (Dewar 1996).

Without a viable economic base, small towns in South Africa or the rest of the world will decline. According to media reports, many small towns in South Africa are on the decline, resulting in financial problems for their management. One of the exceptions seems to be the small town of Orania on the banks of the Gariep River in the Northern Cape Province of South Africa. First, this paper will examine the initial reason for the development of Orania as well as the changes in the economic base of the town. Secondly, the population profile and town development will be scrutinised. Finally, the reasons for the growth of this small town will be investigated.

1. The development of Orania

Orania came into existence as a result of the development of the Orange River Water Project. The project planned the development of three dams, the H F Verwoerd (now the Gariep), the P K le Roux (now the Vanderkloof) and the Torquy Dam (which was never constructed). A further development of this project was to supply water from the Gariep, via the Orange-Fish River Tunnel, to the Fish River and the Eastern Cape Province. Finally, a system of canals from the Vanderkloof Dam was to be built to supply water to the Upper Karoo.

Before commencing the project it was decided to house the builders of the canals separately from the people constructing the dams. Submissions were established by Petrusville and Hopetown to house the workers, although the inhabitants of Hopetown were against the idea. Mr P K le Roux, the Minister of Agriculture and Water Affairs, decided to house the workers in a newly developed Water Affairs town on the farm Vluytjeskraal on the main road halfway between the Vanderkloof Dam and Petrusville (Du Plessis 1998: 9). The development of the nameless town began in 1963 and in the same year the first workers and administrative personnel moved in (see Figure 1). Because of this political decision a town came into existence with construction as its economic base. Initially it was referred to as Vluytjeskraal, but after a competition to name the town, it was called Orania. The Coloured workers on the project were

housed in a separate township called Grootgewaagd (Du Plessis 1998: 12). Recreational facilities such as a rugby field, a swimming pool, and tennis and squash courts were developed for the inhabitants of Orania. A school, post office, guesthouse and government shop were also built for their convenience (Du Plessis 1998: 14).

Figure 1: The Northern Cape Province



On completion of the project, the Department of Water Affairs withdrew from Orania. During 1989 the workers were transferred to other projects. Except for a number of Coloured people who were not transferred and remained in Grootgewaagd, the whole population of the town left. Because of this, the town lost its economic base and became a ghost town. In August 1990 it was set up for sale by tender and initially bought by Jacques Pretorius. Just before 31 January 1991 when the purchase price of R1 million was due, his attorney

contacted the Afrikanervryheidstigting (AVSTIG), which had also shown an interest in the town. It was resold to AVSTIG for R1.5 million. An ideological motive initiated this transaction, because Orania was seen as the first town in an envisaged Afrikaner homeland including an area stretching from this town to the Atlantic coast (Boshoff 1998: 59). In the early 1990s it was clear to South Africans that the apartheid ideology was coming to an end; this transaction may thus be regarded as an attempt to create an area of self-rule for white Afrikaans-speaking citizens of the country. On 11 April 1991 the town was reopened and its second, ideological, economic base was created. In the same month the last of the Coloured people were removed from Grootgewaagd and the township was renamed Kleingeluk. At this stage the main town, Orania, comprised 90 housing units and Kleingeluk 60 (Du Plessis 1998: 18). In August 1991 the farm Vluytjeskraal 272, 2300 hectares in extent and adjacent to Orania, was sold at auction. The Orania Management Services bought the farm for R480 000 and obtained permission in 1994 to subdivide it into smallholdings (Du Plessis 1998: 18). This purchase was the point of departure for the third and very successful agricultural economic base for Orania.

In order to establish the reasons for Orania's success and the development taking place there, the profile of the town's inhabitants, as well as their perceptions of their way of life and their attitudes towards the town's facilities need to be examined.

2. Population profile of Orania

During a social welfare survey commenced during 1997, the following population profile for adult respondents in Orania was determined (Winterbach & Botha 1999). Ninety-four out of the town's total population of just over 600 responded to the questionnaire. The age curve of respondents differs from the traditional population pyramid (see Table 1), a phenomenon which can be attributed to the fact that the total population has resettled in the town over only ten years.

Table 1: Socio-economic profile of adult respondents in Orania

Variables	Percentage
Sex:	
Male	59
Female	41
Age:	
≤ 20	4
21-30	13
31-40	15
41-50	21
51-60	16
61-70	17
>70	14
Marital status:	
Married	75
Widow/widower	7
Divorced	4
Separated	1
Never married	13
Academic qualification:	
≤ Gr 10	17
Gr 10-12	25
Tertiary qualifications	57
Tertiary qualification:	
BA	27
BA (Hons)	6
MA	9
PhD/MBChB	9
Diplomas & Certificates	49
Occupations:	
Services/technical/agriculture	29
Housewife	16
Professional/political	17
Pensioner	17
Administration	7
Business	14

Seventy-five percent of the respondents were married persons, 13% unmarried and only 7% widowers or widows. Divorced and separated people account for only 4% and 1%, respectively. When one considers the academic qualifications of the respondents, it is clear that most of them are well educated. Only 17% have a school qualification lower than grade ten, 57% have tertiary qualifications. In the latter group 49% have a diploma or certificate, 27% a BA and 9% either a doctorate or a medical degree (see Table 1).

As far as the occupations of the respondents are concerned, 29% indicated that they were active in the services, technical or agricul-

tural sector. Seventeen percent classified their occupations as professional or political. Entrepreneurial activities represented 14% and administrative jobs 7%. Thirty-two percent indicated that they were economically inactive; of these, 16% were housewives and 17% pensioners (see Table 1).

The residential data showed that the majority of the respondents had been living in the town for less than two years at the time of the survey. Another 40% had been living there for periods ranging from two to six years and only 20% had lived in Orania for over six years. In terms of the time taken to plan for relocation to Orania, it is obvious that most respondents (45%) carried out their planning within six months while 30% took over a year (see Table 2).

Forty percent of the respondents living in Orania originally lived in the Gauteng Province. From the Northern Cape, Mpumalanga, the Free State and the Western Cape, respectively, 17%, 1%, 11% and 7% of respondents relocated to the town. KwaZulu-Natal, the Limpopo Province and the North-west Province had produced 4% of respondents, while nobody had relocated from the Eastern Cape. More significant is the fact that 49% of the respondents came from cities, 40% from towns and only 11% from farms (see Table 2). The move to Orania, a very small town with limited services, may have been difficult for city dwellers and even for people from larger towns who were used to all the services and conveniences of bigger residential settlements.

The disposition or attitude of residents towards Orania and their way of life in the town seemed relatively positive. Forty-seven percent perceived their lifestyle as better than in the past, while only 15% considered themselves worse off than in the past. However, this does not seem to correlate with their perceptions of the services and facilities available in the town. This question required respondents to classify services and facilities into four categories, ranging from very good to poor. There was also a fifth category for those who had no opinion. The majority of respondents classified facilities and activities such as recreation on weekends, video shows, dances, folk-dances, Bible study, cultural and musical evenings, and the library as poor. Medical services were classified as acceptable by 48% of the respondents. Orania has a doctor as well as a dentist, but these two medical

Kotze/Changing economic bases

practitioners also have consulting rooms in Vanderkloof and are consequently available in Orania only on certain days. There is also a surgical theatre available in the hospital, but until now no licence has been granted for the performance of operations there.

Table 2: Residential characteristics and attitude towards Orania

Variables	Percentage
Time living in Orania:	
≤ 2 years	40
2-4 years	25
4-6 years	15
> 6 years	20
Planning relocation:	
< 6 months	45
6-12 months	25
> 1 year	30
Area of origin:	
Gauteng	40
Northern Cape	17
Mpumalanga	13
Free State	11
Western Cape	7
KwaZulu-Natal	4
Limpopo Province	4
North-West Province	4
Eastern Cape	0
Location of previous residence:	
City	49
Town	40
Farm	11
Quality of life at present:	
Better	47
Same	38
Poorer	15
Evaluation of facilities:	
Recreation	Poor (46 %)
Sport facilities	No opinion (45 %)
Video shows	Poor (41 %)
Dances	Poor (42 %)
Folk-dances	Poor (28 %)
Gymnasium	No opinion (57 %)
Library	Poor (40 %)
Bible study	Poor (34 %)
Culture/music evenings	Poor (41 %)
Swimming pool	Good (48 %)
Health facilities	Fair (48 %)

The majority of respondents did not express an opinion on sport facilities or the gymnasium. This is rather strange, because the town has a rugby field as well as tennis and badminton courts. On the other hand, most respondents classified the swimming pool as good.

The generally negative perception of the services and facilities available in Orania is understandable if it is taken into consideration that 49% of respondents had previously lived in cities.

3. Development initiatives in Orania

Since 1991 a number of development projects have been launched in Orania. These include agricultural, industrial and electronic developments as well as computer-based educational programmes.

3.1 Agricultural development

The cultivation of Israeli long-life tomatoes under shade netting and in greenhouses with computer-aided irrigation was successfully started during 1995 (Du Plessis 1998). In 1997 green peppers and sweet melons for the export market were produced for the first time in this area with the aid of a drip irrigation system (*Frontnuus* 1997a). In 1994 the farm Vluytjeskraal, adjacent to Orania, was subdivided into 48 smallholdings that were earmarked for agricultural development (*Rapport* 1999). The first 50 hectares were planted with pecan nut trees during 1997, with another 25 hectares planned for the following year (*Frontnuus* 1997b). By 1999 a total area of 130 hectares had been planted with pecan nut trees, three hectares with organically cultivated grapes and five hectares with olives (*Rapport* 1999).

Orania also has one of the most modern dairies in South Africa. At present thirteen workers handle all the work. Five hundred cows are milked three times per day and the organisation plans to double this number. The dairy is totally computerised. Each cow is monitored by means of a computer disk on the left front hoof. During the milking process the disk registers changes in the cow's temperature and the amount of milk produced. This facilitates the early detection of problems as well as daily fluctuations (*Rapport* 1999). The water that is used to clean the dairy is piped to reservoirs and used for the organic agriculture of the area. A business plan for a cheese factory was

developed during 2000. The aim is to build a R12-million factory on vacant land next to the dairy. This factory will specialise in a particular type of cheese currently imported into South Africa, and will distribute its product throughout the country (*Sake Volksblad* 2000). To date the proposed factory has not been developed. A pivot irrigation system has been developed next to the dairy to produce lucerne and to make the town self-reliant in respect of this commodity. Due to rising production costs for dairy farmers in South Africa the dairy developed financial problems during 2002, but with the support of a financial institution it was placed under new management and is still producing milk.

3.2 Industrial development

When the town was still under the management of the Department of Water Affairs a number of workshops and sheds were erected. This infrastructure is now used for industrial development. All the enterprises in the town are small family-driven businesses and the majority have only a few employees. An electro-technical industry in the town is producing a system for monitoring the movement of vehicles in mines, as well as a device for the alleviation of pain by means of electrical impulses.

Other industries include a small shoe factory, and a plant for developing and producing agricultural implements. A jeweller has also moved to Orania, and her jewellery is sold and distributed throughout South Africa. One person is producing panpipes and another wooden furniture for the leisure and outdoor market. Finally, an upholsterer also conducts business in one of the workshops.

3.3 Educational development

One of the more important original products of Orania is the computer-aided educational system, KENWEB, which has attracted widespread interest. Thirty-five schools have already bought it, of which only five are BCVO schools (whites-only private schools). Many people who have withdrawn their children from public schools and are educating them at home also use the system. Each year four week-long training sessions are conducted for teachers. During 1999, 114

Acta Academica Supplementum 2003(1)

teachers attended such sessions. Two-hour training sessions are also presented on demand and were attended by 350 teachers in 1999.

Reasons for the successful development of Orania may include the following:

- the community's determination to succeed but also their initiative and heartfelt dedication;
- the technology used in agriculture in an area previously perceived as unsuitable for agricultural output;
- good communication systems facilitating contact among individuals and organisations;
- the safe environment created by the topography of the area;
- a committed culture of self-help;
- a youthful population, with approximately 25% of the population being children or young people (*Frontnuus* 1997b).

4. Conclusion

Although Orania's urban growth cannot be explained on the basis of the strength of the industrial sector or the level of services provided, the development that has taken place can only be regarded as remarkable. The Dept of Water Affairs' withdrawal lost the town its economic base, turning it into a ghost town. Only a few Coloured people remained in Grootgewaagd after the other inhabitants were transferred. Although the infrastructure, such as roads, housing units, recreational facilities, workshops and other buildings, remained, everything was in a relatively dilapidated state. On a national scale the development and reconstruction that has taken place in Orania may seem very limited, but it has to be seen as outstanding, if the aridity of the region and the short time-span of nine years are taken into account.

The redevelopment of Orania has its roots in ideological and political conviction. The town was seen as the first in an envisaged Afrikaner homeland, which was the motivation for its second economic base. Although provision was made for self-government in the new South African Constitution of 1994, the ANC government later made it clear that they would not allow the creation of such self-governing entities. At present the idea of an Afrikaner homeland

Kotze/Changing economic bases

seems to have lost momentum. A third and very effective and sustainable agricultural economic base succeeded the ideological one. At present, agriculture and small-scale industrial activities provide subsistence for the inhabitants, but to what extent Orania will be able to sustain its growth remains to be seen.

Currently, the majority of the small towns in South Africa are in decline. They are experiencing problems in respect of payment for services, such as electricity, to the national supplier, the Electrical Supply Commission (ESCOM). Orania is one of only a few urban areas in the Northern Cape that does not have economic problems. At this stage the government wants to incorporate Orania into a larger municipal unit also including Hopetown and Strydenburg. Orania is opposed to this. How this incorporation will affect Orania, only time will tell.

Bibliography

- BOSHOF C V H
1998. Die Volkstaat... 'n toekomsvisie. Du Plessis (ed) 1998: 50-60.
- CARTER H
1995. *The study of urban geography*. London: Arnold.
- CLARK D
1996. *Urban world/global city*. London: Routledge.
- DEWAR D
1996. *Small town in development: a South African perspective*. Development Paper 12. Halfway House: Development Bank of South Africa.
- DU PLESSIS A (ed)
1998. *Orania: eerste Volkstaatsdorp*. Bloemfontein: NG Sendingpers.
- FRONTNIUS
1997a. Orania spog met nuwe ontwikkeling. Orania, 30 September 1997.
1997b. Tien redes waarom Orania kan werk. Orania, 28 Februarie 1997.
- HAARTSHORN T A
1992. *Interpreting the city: an urban geography*. New York: John Wiley.
- HAGGBLADE S, P HAZELL & J BROWN
1989. Farm-nonfarm linkages in rural sub-Saharan Africa. *World Development* 17(8): 1173-201.
- RAPPORT
1999. Orania se mense boer vooruit. Johannesburg, 2 Mei 1999.
- SAKE VOLKSBLAD
2000. Orania se melkery beplan kaasfabriek. Johannesburg, 7 April 2000.
- THOMPSON W
1965. *A preface to urban economics*. Baltimore: Johns Hopkins University Press.
- VAN DER MERWE I J
1983. *Die stad en sy omgewing*. Stellenbosch: Universiteitsuitgewers en -boekhandelaars.
- WINTERBACH M M & D BOTHA
1999. 'n Sosio-maatskaplike ondersoek insake vestiging in 'n Afrikaner-Volkstaat met verwysing na die voorgestelde Volkstaat in die Noordwes-Kaap. Ongepubl rapport.