

# Ecology, water and enterprise development in selected rural South African towns

DF Toerien\* and MT Seaman

*Centre for Environmental Management, University of the Free State, PO Box 339, Bloemfontein 9300, South Africa*

## Abstract

South Africa's imperatives for rural development and job creation raise the question whether water abundance in a region results in improved enterprise development in rural towns. The enterprise assemblages of 2 groups of towns, a river group from water-abundant areas and a Great Karoo group from the arid heartland of South Africa, were examined using a variety of different methods based on approaches used frequently in ecology. The comparisons included factors such as the ages of towns, clusters of towns and enterprise diversity. Although some hints were obtained that water abundance favoured enterprise development positively, the null hypothesis that water abundance would not influence enterprise development positively could not be rejected.

Several lessons were learnt: there are regularities in enterprise development whether in water-abundant or water-scarce areas; these regularities are understandable in terms of recent economic thinking as well as old concepts such as 'threshold populations'; money is the basic driver of enterprise success and more enterprises in one town than another reflects differences in the amount of money entering and/or circulating in towns; 'entrepreneurial space' in certain business sectors is used very effectively by 'run-of-the-mill entrepreneurs'; towns will give rise to different types of businesses and in proportion to the needs of the customers present in the towns; the degree of utilisation of certain business sectors differs statistically significantly between clusters of towns; and approaches and tools used effectively in the study of ecology offer many advantages for the study of enterprise development dynamics in towns, which are 'enterprise ecosystems'.

The mere presence of abundant water in a region does not automatically translate into enterprise development in towns. Entrepreneurial development should focus on ways and means to increase the flow of money into towns and not merely on its circulation within communities.

**Keywords:** South African towns; enterprise development; enterprise ecology; entrepreneurial space; water-abundant areas; water-scarce areas