

2020

Global Network Week: Political Economy of Doing Business in Africa

Political Economy of Doing Business in Africa

Contents

1. Programme Goals.....	3
2. Course Introduction	3
3. Intended Learning Outcomes	4
4. Assessment.....	4
5. Dates and Times (Course Sessions, Deliverables and Assignments).....	5

1. Programme Goals

The PEDBIA course is designed to contribute to the realisation of the learning goals on the MBA programme, namely:

1. MBA graduates will have the fundamental knowledge, tools, techniques and capabilities that comprise business acumen.
2. MBA graduates will exhibit adaptable personal and organisational leadership competencies, which reflect ethical decision making.
3. MBA graduates will be able to effectively apply their skills in diverse, complex national and international contexts, taking sustainable development issues into account.
4. MBA graduates will be innovators in organisational, entre/intrapreneurial and social contexts.
5. MBA graduates will be critical thinkers, problem solvers, researchers, data analysts, and effective business communicators.

This course is supporting the programme goals one, two and three primarily. A secondary contribution is towards goal four and five.

2. Course Introduction

Africa's enterprise development and growth landscape is undergoing a major transformation. Improved economic reforms and political governance in recent years has set the foundation for a rapidly improving business environment in many African countries. Declining business costs followed by a wave of economic liberalisation have allowed local and international firms to grow. Although these features point to significant growth opportunities for business, they do not alone provide the basis for the type of sustainable development trajectory the regions requires. In many countries, businesses are still experiencing complicated requirements, widespread regulatory obstacles, inefficiency, poor infrastructure, high degree of uncertainty and risks that reduce their ability to make long term investment decisions. The improving economic growth prospects and existing risks point to a complex environment that business has to navigate.

The business environment in Africa is also intrinsically linked to the continent's changing debt landscape. The most concerning trend in recent years is the debt composition, with much of it being external debt denominated in foreign currency, increasing the potential of exchange rate risks that countries are not well equipped to manage. More so, many African countries are not using the debt efficiently, mostly borrowing for consumption instead of investment.

Lastly, with a lot of African countries diversifying their economies from traditional sources of income, entrepreneurship is increasingly seen as a key to economic growth. Entrepreneurship is now considered as a key solution to the economic and social problems in many parts of Africa particularly, youth unemployment that is growing at an exponential rate. However, the level of success of African entrepreneurs has been lower compared to other parts of the world given the complex political economy and socio-economic risks on the continent. Therefore, enterprise development in Africa has to navigate these complexities and associated risks.

The purpose of this course is to deepen students' understanding of the African business and policy environment and to explore strategies and approaches that could be implemented by businesses/entrepreneurs to exploit Africa's vast economic opportunities.

3. Intended Learning Outcomes

After completing this course, students are able to:

- Analyse the political, social and cultural contexts in which businesses operate in Africa.
- Describe and explain the business strategies of firms in Africa.
- Analyse the problems and challenges of industrialisation in Africa, as well as potential solutions.
- Explore and discuss the changing modalities of doing business, as well as the broad business environment following over a decade of economic and political reforms.
- Evaluate the factors that are critical to building successful enterprises in Africa

4. Assessment

Assessment summary

Assessment Component	Group or Individual (G or I)	Weighting	Date & Time to be held
Group Presentation	G	100	13 March 2019 (in class from 08h30)

Assessment details

Group Assignment:

During the 'Township Field trip' on Wednesday, you will be randomly assigned into groups. Each group is to spend the next 2 days outside of lecture hours preparing for a 20-minute presentation on the topic "Becoming Change makers". The goal is to use the insights from the tours as well as course learnings to tell us what is it that you could do differently if you had the opportunity to come back and uplift some of the community members that you had an opportunity to visit.

5. Dates and Times

	Date	Time
Course / Module		
Session 1	Monday, 9 March	8:30-16:00
Session 2	Tuesday, 10 March	8:30-16:00
Session 3	Wednesday, 11 March	8:30-18:00
Session 4	Thursday, 12 March	8:30-16:00
Session 5	Friday, 13 March	8:30-14:30
Assessment Dates		
Group Presentation	13 March 2019	in class from 08h30

Distribution of learning effort

Activity	Approximate time to be spent (hours)
Lecture sessions including field trips	35
Preparation for lectures (e.g. reading)	35
Group Work	10
TOTAL	80 hours

Day & Date	Time	Topic	Readings	Notes/Preparation guide
1 Monday 9 March	08h30 to 09h00	Course overview		
	09h00 to 10h30	Trade and the Changing Business Climate in Africa This lecture will first, discussing the historical, political, social and cultural dynamics and factors that have shaped the development of commercial markets in Africa. This will be followed by an analysis of the changing trade and investment climate on the continent. The lecture will conclude by discussing prospects for sustained growth in the African region and the remaining barriers to international competitiveness.	<ul style="list-style-type: none"> Walker R, 'Why Africa is much richer than you think,' <i>African Business</i> March 2014 Soko M and Lehmann J, 'The state of development in Africa: concepts, challenges and opportunities,' <i>Journal of International Relations and Development</i> 14, 1 (2011). Ayittey G, <i>Africa Unchained: The Blueprint for Africa's Future</i> (Basingstoke: Palgrave, 2005), Chapter 3. Games, D, <i>Business in Africa – Corporate Insights</i> (Parktown: Penguin, 2012), Chapter 1. 	Questions to be addressed: <ul style="list-style-type: none"> How have historical factors impacted on contemporary African development? What are the drivers of African growth? What are the patterns of trade and investment in Africa? Is the 'Africa Rising' narrative a reality or a myth?
	10h30 to 11h00	Break		
	11h00 to 13h00	Can Africa Industrialize? There is now a growing realization that the current levels of industrialization on the African continent are too low to drive self-sustaining growth. Consequently, an intellectual debate has arisen between those who are optimistic about the continent's prospects for industrialization and those who are more pessimistic. This lecture will consider both sides of the argument with the hope of drawing out some sort of a consensus for the way forward.	<ul style="list-style-type: none"> Sun IY, 'Africa will take China's place as the next factory of the world,' <i>Quartz Africa</i> November 2017. Adegoke Y, 'Even Africa's poorest countries are too expensive to be the world's next manufacturing hub,' <i>Quartz Africa</i> October 2017 African Development Bank, "Industrialize Africa: Strategies, Policies, Institutions, and Financing," Abidjan: 2018. Gelb A et al., 'Can Africa Be a Manufacturing Destination? Labor Costs in Comparative Perspective', <i>Center for Global Development Working Paper 466</i> (2017) 	Questions to be addressed: <ul style="list-style-type: none"> What are the theoretical arguments for industrialization as a strategy for growth and development? What are some of the current barriers to achieving industrialization on the African continent? Can Industrial Policy be an effective tool for overcoming some of the barriers? What can Business do to aid Africa's industrialization?
	13h00 to 14h00	Lunch		
14h00 to 15h30	Guest Lectures: Doing Business in Africa – Lessons from petroleum and mining and A start-up example			

Day & Date	Time	Topic	Readings	Notes/Preparation guide
	15h30 to 16h00	Group work in syndicate rooms: meet and greet		
2 Tues 10 March	08h30 to 09h00	Recap and Overview of today		
	09h00 to 10h30	Business Strategies in Africa This lecture will critically reflect on the business strategies employed by South African and foreign firms as they expand their operations into the African continent.	<ul style="list-style-type: none"> Boston Consulting Group, "The African Challengers – Global Competitors Emerge from Overlooked Continent," Boston: 2010. 	<ul style="list-style-type: none"> What entry/exit strategies do firms implement in African markets? What factors do firms consider in choosing entry/exit strategies? What factors do firms consider in choosing local partners?
	10h30 to 11h15	Break (Group photo: weather dependent)		
	11h15 to 13h00	Enterprise Development in Africa	<ul style="list-style-type: none"> Adusei M 'Does Entrepreneurship Promote Economic Growth in Africa' <i>African Development Review</i>, 28, 2 (2016), 201-214. Atiase V Y 'Developing Entrepreneurship in Africa: Investigating Critical Resource Challenges' <i>Journal of Small Business & Enterprise Development</i>, 25, 4 (2018) Ekekwe N 'Why Africa Entrepreneurship in Booming' Harvard Business Review, 2016 	Questions to be addressed: <ul style="list-style-type: none"> What environment are entrepreneurs operating in Africa? How can entrepreneurship contribute to Africa's sustainable industrialization? What strategies are entrepreneurs adopting in Africa?
	13h00 to 14h00	Lunch		
	14h00 to 15h00	Guest Lectures: Mobile Network Operators and Mobile financial services		
	15h15 to 16h00	Township Research Field Trip briefing (for tomorrow)		
3 Wed 11 March		Township Research Field Trip (whole day)		
	08h30-09h00	Meet with Team Leaders and Navigators.	<ul style="list-style-type: none"> Prahalad, CK (2004) <i>The Fortune at the Bottom of the Pyramid: Eradicating Poverty Through Profits</i>. New York, Wharton School Publishing. 	An appreciation for the unique characteristics, requirements and contributions of emerging enterprises and the historically disadvantaged entrepreneur.
09h00 -13h00	Travel by bus to townships outside of Cape Town, and meet with local entrepreneurs.			

Day & Date	Time	Topic	Readings	Notes/Preparation guide
	13h00-14h30	Lunch		
	14h30-16h30	Travel back to the GSB for Debriefing on campus.		
	16h30 to 18h00	Group work in syndicate rooms		
4 Thursday 12 March	08h30 to 09h00	Recap and Overview of today		
	09h00 to 10h30	Guest Lecture: Internet of Things		
	10h30 to 11h00	Break		
	11h00 to 12h00	Guest Lectures: Contract Manufacturing and Wellness Retail		
	12h00 to 13h00	Guest Lectures: Innovative finance		
	13h00 to 14h00	Lunch		
	14h00 to 16h00	Group work in syndicate rooms		
5 Friday 13 March	08h30 to 13h00	Group presentations		
	13h00 to 14h30	Certificate handover, Light lunch and closing		