

Political Economy of Doing Business in Africa (PEDBIA)

Master of Business Administration 2022 | Global Network Week, 14 – 18 March 2022

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 & Objectives

The 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 continent requires. In many countries, businesses are still experiencing complicated requirements, widespread regulatory obstacles, inefficiencies, poor infrastructure, high degrees 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 any business has to navigate.

This complex but improving business environment 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

On successful completion of the course the student will be 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 African countries.