Global Immersion Program South Africa:
Business and Culture in the Rainbow Nation
Spring 2019

Contact Information
Wouter Dessein
Eli Ginzberg Professor of Finance and Economics
Office: Uris Hall 625
Phone: 212-851-1805 (office)
Email: wd2179@columbia.edu

Teaching Assistant
Neethling McGrath
NMcgrath19@gsb.columbia.edu

A. Course Description
South Africa is a beautiful and fascinating country. But twenty years after the end of Apartheid, its economy faces a host of challenges. The economy suffers high unemployment, low productivity growth, and labor strives. Cronyism under the Zuma administration has sunk the stock market and the currency, causing a political crisis. With the recent resignation of Zuma and the instatement of Cyril Ramaphosa as President, the country appears to be at a crossroads. Will a change in leadership be enough to improve the country's economic and social situation? Can the country regain its competitiveness?

In this course, we will study the opportunities and challenges of doing business in South Africa. An understanding of South Africa's extraordinary history, its politics and institutions (its labor markets, the powerful unions, the broad-based black economic empowerment, the role of the ruling political party ANC) is a pre-requisite for this. With this background knowledge in place, the main focus of the class will be on how individual firms “do business” in a developing economy such as South Africa. How do firms succeed in Africa? How do they overcome the structural and institutional challenges? Our aim is to cover a wide slice of the South African economy and industry sectors, from tourism and the wine industry, to banking, mining, services and its budding entrepreneurs.
**About the Global Immersion Program.** Global Immersion Program classes bridge classroom lessons and business practices in another country. These three credit classes meet for half a term in New York prior to a one week visit to the country of focus where students will meet with business executives and government officials while working on team projects. Upon return from the travel portion of the class, students may have one wrap up meeting at Columbia Business School. The 2018-2019 Global Immersion Program fee for most classes is $1850 and provides students with double occupancy lodging, ground transportation and some meals; unless an increased fee is otherwise specified in the course description. It does not cover roundtrip international airfare. Attendance both in New York and in-country and regular participation are a crucial part of the learning experience and as such attendance is mandatory. Students who miss the first class meeting may be removed from the course. No program fee refunds will be given after the add/drop period has closed. Please visit the Chazen Institute website to learn more about the Global Immersion Program, and visit the Global Immersion Policies page to review policies affecting these courses.

**B. Program**

During our trip to Johannesburg and Cape Town, March 16-23, 2019, we will be visiting leading firms and be meeting with business executives across a range of industries. This will allow us to hear directly from managers to help us understand the challenges and opportunities of doing business in South Africa.

Prior to our trip we will spend half a semester in the classroom (6 session of 90 minutes) exploring issues related to doing business in South Africa. These class room sessions will involve a mixtures of lectures (e.g. on the history and current political situation of South Africa), case studies (e.g. on the recent entry of Walmart in South Africa, or on leading change in the Mining Industry) and guest speakers (e.g. the head of South Africa Tourism will give us an overview of the tourism industry).

**C. Schedule**

Schedule and guest speakers are subject to change. Please consult Canvas for up to date schedule.
January 29: Introduction (mandatory attendance)

- Course overview
- Introduction to South Africa

February 5: Current economic and political environment in South Africa

- **Case Study 1: South Africa: A Fractured Rainbow?**
- **Guest Speakers:**


- **Guest Speakers:**
  - Sean Riskowitz; CEO of Conduit Capital [https://www.conduitcapital.co.za/]; Founder and Managing Member of Riskowitz Capital Management LLC and the Managing Member of Protea Asset Management LLC.
  - Bangu Missi. Head of South African Tourism, USA & Canada.

February 19: Doing business in South Africa (service industries).

- **Guest Speaker**
  - Wayne Hempe; Director of Finance at TBWA Worldwide
- **Student Presentations.**

February 26: Doing business in South Africa (Mining)

- **Case Study 2: Cynthia Carroll at Anglo American (A)**
- **Student Presentations.**

March 4: Pre-trip briefing.

- **Chazen Pre-trip briefing.**
- **Student Presentations.**
D. Course Deliverables and Grading

Grading will be based on

(1) Final group project (40%)

(2) Case write-ups and in-class presentation (20%).

(3) Class Participation (40%)

(1) Final Group Project (40%)

Write a report about an industry/company in South Africa. The final report is a maximum of 15 pages (double spaced with reasonable margins, not including graphs, pictures and references) and written in groups with a maximum 3 students. Please email the TA with your group names by 1/29/19.

Teams will be allocated among 10 industries provided during the first class (e.g. Mining, Banking, Retail, Telecom, IT, Healthcare, Real Estate, Insurance, Agriculture, Manufacturing). All groups should email me by 2/9/19 with a short paragraph describing their proposal. In addition to the final paper, each team will give a 5-10 minute presentation about their industry during the last three class sessions (see below).

(2) Case Write-ups and In-Class Presentation (20%)

You will be asked to submit a case write-up for the two cases discussed in class (write-up questions will be provided), and prepare one 10 min class presentation about your final project. You are allowed to work in groups of maximum 3 students.

- Write-ups: Due date is the day before the case is discussed in class, submitted online on CANVAS. The write-up should be no longer than 2 pages and consist of 3 parts: Your write-up has to start with a one paragraph summary that states your basic position. The paragraph should be as concise as possible. Shorter is better. This is an exercise in synthesis. The rest of the write up essentially argues why that position is correct. At the end, you should list concisely 2 or 3 issues or potential problems with your position.

- Class Presentation: Each group should present their final project in class for 5-10 minutes, during one of the last three class sessions.
(3) Attendance and Class Participation (40%)

Attendance at all meetings and classes is mandatory. If you enroll in the course and miss meetings, this will result in a lower grade. No exceptions will be made. Please consider this carefully before adding the course.

Please also keep in mind that our guests and companies we meet are doing us a tremendous favor by hosting and speaking to us about their experiences in South Africa. Please respect their time—and your classmates’—by arriving to class on time.

E. Suggested Readings:

• “Long Walk to Freedom” (Nelson Mandela)
• “Good Morning, Mr. Mandela” (Zelda la Grange)
• Movie: Invictus (2009 American-South African biographical sports drama film directed by Clint Eastwood and starring Morgan Freeman and Matt Damon)