B8772 Global Immersion: New Growth and Business Opportunities in East Africa

New York, Nairobi, and Kigali
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Contact information
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We will meet in Uris 307 from 2:15-3:45pm on Wednesdays.

Course Description
Parts of Africa are now one of the most exciting regions of the world for business. 10 – 20 African countries have achieved steady, high growth rates during the last few decades. A wide range of sectors in these “lion” economies – commodities, tourism, agribusiness, eCommerce, oil and gas, retail, etc – are buzzing with activity and attention from foreign investors and multinationals.

But how can companies and investors enter and operate efficiently in African countries still characterized by weak institutions? What challenges characterize the private sector in Africa, how do they vary with context, and what strategies can firms and organizations adopt to overcome them? Where can new MBAs interested in Africa add the most value?

East Africa is the perfect region to address and explore these questions. Armed with a framework and analytical tools from economics, we will meet with executives in Kenya and Rwanda that have “cracked the code” of doing profitable business in institutionally weak countries, local industry experts, and African business leaders. We will also meet with policymakers that “make the rules” for the private sector in South Africa. The class will meet weekly in the B term in New York before traveling to Kenya and Rwanda January 12-19, 2019; several short assignments will be required.

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 will 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.

**Course Deliverables**

There are two options for the final project. The final report is a maximum of 20 pages (double spaced with reasonable margins) and written in groups, each with 3 students. Please email the TA with your group names by 10/31/18. You have two broad options for the final project. All groups should email me by 11/16/18 with a short paragraph describing your proposal. If neither of these options interest you, please email me with an alternative proposal. Your final project will be due on 1/27/19 (no extensions).

*Final Report Option 1*

The first option entails analyzing how a particular company, either East African or not, will be affected by the increasing integration of Africa into the global economy. If you pursue this topic, you should discuss what the Africa opportunity means for the company, why is an important part of their overall business strategy, and what challenges/risk they face.

*Final Report Option 2*

The second project option is to focus on one particular *economic* issue facing East Africa today. Some of the issues that are likely to be of interest are East African countries’ political evolution, their macroeconomic policies, potential removal of the U.S. government’s African Growth and Opportunity Act, decreasing aid flows and increasing need to raise tax revenues, the region’s demographic profile, health care, corruption, misallocated capital, natural resources, or the future impact of ICT technologies.

*Class discussion questions*

Each group should pick one of the following questions to discuss in class for 10 minutes. Please don’t use powerpoints, and only one member of the group needs to lead the conversation. If you would like to pursue a different question, please email me. Finally, do not pick a question that is directly related to the topic you pick for your final report.

1. What is mobile money and what future opportunities does it raise for the region?
2. What opportunities and risks do sales, or long-term leasing out, of large land areas to richer countries present for the region?
3. How can Rwanda’s coffee sector further upgrade the quality of its product and reach high-end consumers in the West?
4. Should East African countries stick to their guns in refusing further imports of used clothing from the U.S., despite the American government’s threatened retaliation?
5. How can “ethnic politics” and its impact on Kenya’s economy be curtailed?
6. How can Uganda ensure that profits from new oil & gas fields help develop the country and its technical expertise?
7. Which economic forces influence neighboring countries’ involvement in D.R. Congo?
8. Is East Africa a future destination for BPO from rich countries? Why/why not?
9. What will it take for H&M and other major clothing companies to move production from Asia to East Africa as wages in Asia rise?
10. Which sectors and countries gain/lose the most from participation in the EAEC, and what direction should EAEC take to maximize the benefits for its member countries?
11. To what extent is migration from East Africa to Europe and the U.S. permanent vs circular, what are the costs, benefits, and policy challenges of each?
12. Ethiopia stands out among African countries for its degree of success in industrial development and manufacturing. How was this achieved?
13. You are an advisor to Tanzania’s National Competitiveness council. What specific sectors would you advise them to focus on as they develop their growth strategy?
14. What are the environmental challenges facing East Africa and how can they be addressed?
15. Should East African countries allow increased privatization of their primary and secondary schools, as other developing countries (e.g. Liberia and Pakistan) have recently done?
16. Suppose Paul Kagame had lost the presidential election in Rwanda in 2017. How would this have affected the country’s economy?
17. Explain several specific ways China is influencing East Africa positively or negatively, and how these will evolve going forward.
18. You are a foreign, potential investor in agribusiness in Kenya. What would you choose to produce, where in the country, what challenges would you face, and how would you address these?
19. In which technological areas can East Africa leap-frog in the coming decade?
20. How can the region’s tourism sector improve its performance?
21. Which industry in Rwanda do you think is most attractive for foreign PE/VC investors, and why?
22. As an MNC considering investing in Kenya, how would you view the Shilling’s movements over recent years? How would you think about currency risk in Kenya?
23. What tensions are there between corporate social responsibility obligations and rapid foreign investment in East Africa? How can corporations best manage these?
24. What kind of projects have foreign aid to East Africa traditionally funded? How will the quantity and composition of foreign aid change over time?
25. Should Kenya and Rwanda eliminate the cooperatives model in their tea sectors?
26. Are more sophisticated capital markets in the region a prerequisite for East African businesses to enjoy rapid growth?
27. How competitive is East Africa’s workforce relative to other developing regions? What implications does this have on the country’s prospects for foreign investment?

Course Assessment:
Class participation [40 points]
Final Project [60 points]
**Attendance and Expectations**

Attendance at all meetings and classes is mandatory. If you enroll in the course and miss meetings, this will result in a lower grade. Do not use cell phones or laptops in class.

Please also keep in mind that our guests and companies we meet both in New York and East Africa are doing us a tremendous favor by hosting and speaking to us. Please respect their time—and your classmates’—by arriving to class on time and by asking questions that are appropriate for the entire class. (For example, questions about job openings or stock tips are NOT appropriate).

**ALL REQUIRED READINGS WILL BE POSTED ON THE CANVAS CALENDAR.**

**Class 1 (10/24): Introduction to East Africa**
Readings:

Optional readings:

**Class 2 (10/31): Guest speaker: TBA**

**Class 3 (11/7): Guest speaker: TBA**
+ 3 student-led class discussions (10 minutes each)

**Class 4 (11/14): Lecture+class discussion on the private sector & international development**
+ 3 student-led class discussions (10 minutes each)

**Class 5 (11/28): Guest speaker: TBA**
+ 4 student-led class discussions (10 minutes each)

**Class 6 (12/5): Guest speaker: TBA**

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Information about East Africa trip (45 minutes)

Travel to Kenya and Rwanda: 1/12/19-1/19/19 (details coming)

New York guest speaker bios: TBA