

International Alumni and Students Symposium

"Entrepreneurs, firms and business membership organizations: their role in politics and development"

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Entrepreneurs in Politics: The Case of Kennedy Ohene Agyapong in Ghana

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Outline:

- Political History of Ghana
- Emergence of Entrepreneurs in Ghanaian Politics
- Examples of Entrepreneurs in Politics
- The Case of Kennedy Ohene Agyapong
- Forms of involvement in Politics
- Reasons & Roles played in Politics



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Political History of Ghana



Republic of Ghana

- **Capital city:** Accra
- **Location:** West Africa
- **Population:** 24.6 million (2010 census)
- **Government:** Multi-party Democracy
- **GDP per capita:** US\$1,668 (Sept. 2013 estimate)



Political History of Ghana



- 1957 - Independence, Nkrumah of CPP is PM, 2 key parties
- 1960 - declared republic, one party system, presidential system
- 1966 - Military overthrow of 1st republic
- 1969 - 2nd Republic, Busia of PP is PM, 2 key parties
- 1972 - Military overthrow of 2nd Republic
- 1978 - Palace coup to restructure military government
- 1979 - Junior officer uprising and military housecleaning
- 1979 - Ushered 3rd Republic, Limann of PNP is President, 3 parties

Political History of Ghana



- 1981 - overthrow of the constitutional PNP gov't by the PNDC military junta
- 1983 - Attempted overthrow of the PNDC junta by other junior army men
- **1992 - Rawlings of NDC is Democratically elected as President**
- 1996 - Rawlings of NDC is re-elected
- 2001 - Kuffour (NPP) is President
- 2005 – Kuffour begins second-term in office
- 2009 - John Evans Atta Mills (NDC) is President
- 2012 - John Dramani Mahama (NDC) is sworn in as President following death of President Mills



Emergence of entrepreneurs in Ghanaian politics



- Colonial rule (Gold coast)
 - British aristocrats & businessmen
 - Local business partners of the British (Local politics)
- 1957-1965 (Post Independence)
 - Technocrats
 - Ghanaian Diaspora returns
 - Local entrepreneurs involved (with strict limitation)
- President Nkrumah expressed a concern when he confided in a aide his fear that if he permitted Ghanaian capitalists to succeed, they would rival and threaten his power (Esseks, 1971a)



Emergence of entrepreneurs in Ghanaian politics



1966- 1981 (Military coups :overthrow 1st, 2nd & 3rd Reps)

- Pure harassment & arrest of few businessmen
- Exodus of entrepreneurs abroad

1982-1991 (Pre- democracy era) -PNDC

- Strains in Government-Business relations
- Business closures
- Confiscations and trials of businessmen
- **Continued harassment of Entrepreneurs**

Reason: > To maximize the prospects of political survival
> PNDC justified its actions on the grounds of
fighting corruption



Emergence of entrepreneurs in Ghanaian politics



1992-2000 (Early Democratic era)

- Rise of NDC businessmen
- Start-Ups of Local entrepreneurs (Opposition)

2001- 2014 (Entrepreneurial era) –NPP & NDC

- Private sector development programmes
- Public-Private Partnerships (PPP)
- Return of successful entrepreneurs from the Diaspora
- Entrepreneurs emerge as “Party Financiers”



Examples of Entrepreneurs in Politics



- Dr. Kwame Addo Kuffour
- Worth USD 1.2 billion
 - Former Minister of Defence (NPP)
 - **Into:** luxurious properties



- Mr. Ato Ahwoi
- Worth USD 684 million
 - Former Minister of Energy (NDC)
 - **Into:** Oil field, shipping, Steel plants



- Mr. Koffi Wayo
- Worth USD 30 million
 - Founder URP
 - **Into:** Gun busines



- Dr. Paa Kwasi Nduom
- Worth USD 300 million
 - Founder PPP
 - **Into:** Hotels, banks & real estates



- Mr. Kennedy Ohene Agyapong
- Worth USD 104 million (2009)
 - Member of Parliament (NPP)
 - **Into:** Media, Properties & Shipping

Source: buzzghana.com

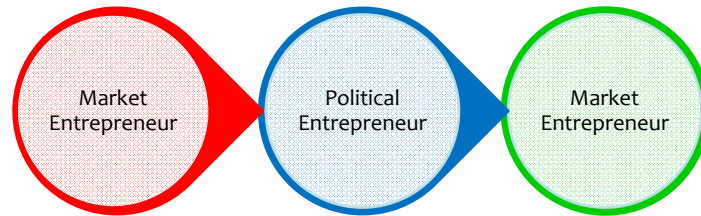


Hon. Kennedy Agyapong

- **Born:** June 16, 1960
- **Marital status:** Married (with six children)
- **Party:** New Patriotic Party (Minority)
- **Education:** GCE 'A' Level, Fordham University (uncompleted)
- Member of Parliament (NPP) since 2001

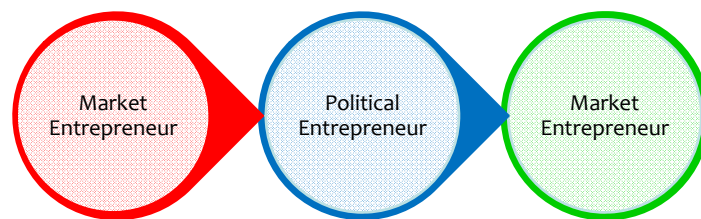


Why Ken Agyapong?



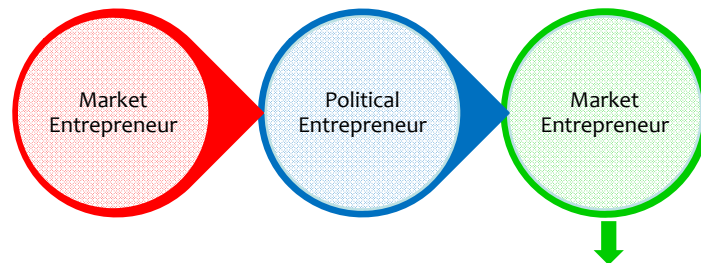
- Young Ken sold P.K (Mint), chocolate bars, blades and buckets in streets of Accra.
- Left for the US in 1984 (24 years)
- He worked two jobs - a bakery and gas station, earned \$400 a week (without a green card).
- He saved \$100 of this small fortune and bought his first taxi.
- Out of a bakery, a gas station and a taxi, he bought 8 taxis in 7 months.
- He used \$ 3,000 he saved from these 11 sources of income to buy auctioned cars at \$1,500 and shipped them to Ghana for sale.
- Made his 1st million dollars @ 36 years

Why Ken Agyapong?



- Return to Ghana prior to Kuffour's Government in 2001
- Financed NPP campaigns
- Tagged as the "President's boy" so he was given anything he wanted.
- Obtained licenses to operate TV station & Radio stations
- He had questionable and juicy government contracts (2001-2008)
- **He openly admitted that he was made rich under Kuffour regime**
- Obtained contracts for **his wife** under special companies

Why Ken Agyapong?



- He managed to insulate his empire from politics
- He owns these:**
- Kenncity Media (NET 2 TV, Oman FM, Ashh FM, Spice FM & National Agenda- newspaper)
 - Supercare Group of Companies;
 - Assin Farms;
 - Hollywood Shopping Centre;
 - Messrs Imperial World Business Ltd (Imports & Exports)
 - Other companies & properties

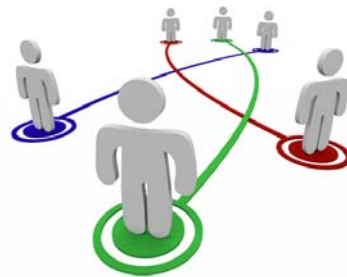
Forms of involvement in Politics

- Take up Ministerial appointments
- Party financiers (remain private entrepreneurs)
- Managers of State Institutions
- **Blend Political post (MP) and Business**
- Board Chairs of Strategic State Agencies



Roles:

- Criticizing the Internal & national political party systems
- Influence Party policy formulation
- Influence election of political party leaders
- Financing political party programs
- Sustained democracy



Reasons:

Entrepreneurs may also actively participate in politics:

- Act as business lobbyists representing their clients' interests
- to overcome the lack of well-functioning markets and market-supporting institutions.
- to lower their contract enforcement costs by depending heavily on relational contracting.
- in order makes it easier for them to cultivate formal and informal ties with important government bureaucrats
- to reduce the costs associated with market, state and legal failures

Summary quote:



“ Indeed, in Ghana the most successful entrepreneurs have almost invariably been insiders, outsiders perish ”

Thank you

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