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

Speaker: Leonard Hasu, SEPT Alumnus

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
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 an aide his fear that if he permitted Ghanaian capitalists to succeed, they would rival and threaten his power (Essék, 1971a)
Emergence of entrepreneurs in Ghanaian politics

- 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

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. Kofi 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?

Market Entrepreneur  
Political Entrepreneur  
Market Entrepreneur

- 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?

Market Entrepreneur  
Political Entrepreneur  
Market Entrepreneur

- 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”
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Contact:
Office
Beethovenstrasse 15,
D-04107 Leipzig
Germany
E-Mail
sept@uni-leipzig.de
Web
www.sept.uni-leipzig.de