

Entrepreneurship, Government & Development in Africa

Guest Speaker: John Kufuor, Former President of Ghana

Class Outline for September 21, 2009:

- Presentation by John Kufuor

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[Please Note: The opinions expressed here are the views of the guest speaker and do not necessarily reflect the views and opinions of D-Lab.]

President John Agyekum Kufuor served as President of the Republic of Ghana from 2001 to 2009, and Chairperson of the African Union from 2007 to 2008. Under President Kufuor's leadership, Ghana experienced its first peaceful democratic transition, and made important advancements in modernizing agriculture, improving infrastructure, and increasing Ghana's attractiveness for foreign direct investment. The President's policy initiatives focused particularly on leveraging indigenous capital by encouraging entrepreneurship, promoting good governance, and combating corruption. A testament to his commitment to aid Ghana's poor, the President secured a \$547 million grant from the U.S. Millennium Challenge Account for poverty alleviation programs, and was an active partner of the President's Malaria Initiative sponsored by the Bush Administration. However, President Kufuor made his most important impact through his work as the Chairman of the Economic Community of West African States. He helped integrate the economies of the 17 member organizations, and successfully mediated civil strife in the Ivory Coast, Sierra Leone and Liberia. As Chairman of the African Union, the continental body of 54 countries, President Kufuor led a structural reformation of the organization and set up a preventive war mechanism with the help of the European Union, the United States and others. Since his retirement from the Presidency, President Kufuor has been appointed by the World Bank as a Commissioner to help with the reformation of the Bank, and by the World Food Program of the United Nations as an Ambassador against Hunger. President Kufuor is a graduate of Oxford University, where he studied politics, philosophy and economics.

President Kufuor began by exploring the question of why Africa is considered behind in social and economic development. He argues that self-confidence, which is integral to development, has been damaged by the long history of colonialism which brought outside trade routes and slavery, borders drawn without respect to existing tribes and social networks, and years of oppression where people were basically reduced to subjects. Governments left over after colonial rule had little experience and may have felt the need to establish power by shutting

down business and asserting state ownership. The entrepreneurial class became suspect as it began occupying some of the space left by colonial businesses.

The business sector in Ghana today is populated by micro- and small-scale enterprises, but many are not registered. There is a large and important informal sector where people are self-employed with a lot of initiative and there is self-reliant risk taking. For example, high quality cocoa beans for export are produced by small farmers with little support from government, and these producers are engaging in banking activities such as borrowing loans. Ghana has been recognized as a model for African continent development. For future growth, President Kufuor advocated measures such as whistle blower protection to help fight corruption and public-private partnerships to support development projects.

A recording of this lecture is available at <http://legatum.mit.edu/KufuorLecture>. The event was part of the Pericles Lecture Series hosted by the Legatum Center for Development and Entrepreneurship at MIT.

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