

**Challenges of realizing market entry and rollout targets for telecommunications
licensees in the local loop in Kenya**

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ABSTRACT

Developments in telecommunication and ICT have significant potential in transforming countries' economies into network economies. Network economies provide the foundation for an information society and a knowledge-based economy that enhances the creative potential and knowledge in people and the realization other social goals including ensuring universal service. This thesis says that the national ICT policy objectives of 2006 that sought to ensure universal provision of telecommunication and other enhanced ICT services in support of the social and economic goals had not been adequately realized in Kenya. The purpose of this research thesis was to therefore examine the challenges faced by licensees in the local loop in the realization of market entry and rollout targets. It provides the information and analysis of issues that should assist policy makers, governments, regulators, operators, researchers, the academia and consumer advocates in the design of effective ICT market strategies, effective legal, regulatory and institutional structures that attracts investments in ICT services and the critical infrastructure while protecting consumers from the adverse effects of competition. This research is based on a theoretical concept of identified independent and dependent variables. Questionnaire method was used to get the data from respondents drawn from industry operators and regulators. Descriptive statistical framework using the quantitative approach was used in the analysis and presentation of the data. This thesis finds that independence of operations and decision making processes of the sector regulator is a critical factor in Kenya that needs enhancements through a legal framework. It also finds that internalization of xviii

transparency principles in the institutional operational framework, in line with World Trade Organizations recommendations, should jointly result in positive externalities in terms of new investments, innovative funding instruments and services.