

Empowering Tanzania's Gen Z

Digital Entrepreneurship as a Pathway to Economic Inclusion

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Abstract

This paper focuses on the digital entrepreneurship as a core driver of economic inclusivity of Generation Z (Gen Z) in Tanzania, which is a population that consists of more than 30 percent of the total population in the country between 13 and 28 years. In the context of a 3.35% youth unemployment rate in 2024, an allegedly low level, which masks a significant amount of underemployment and dependence on the informal sector, this analysis examines the ability of government policy tools, including the Tanzania Digital Economy Strategic Framework (20242034), to empower the Gen Zers through the use of digital tools and entrepreneurial reforms. Relying on case studies of Tanzanian start-ups like Nala and Ramani, and locating the case studies within the continuum of the trends in the continent, the paper recognizes the potential in fintech and agritech as well as the ongoing problems with digital divides and infrastructural shortages. The results recommend significant policy improvement measures such as the subsidisation of digital training and inclusive financing options, aimed at making the technology savvy Gen Z leverage its techno-savvy to develop the economy in a sustainable manner. Finally, this study underscores the need to have combined reforms that can turn the young population of Tanzania into an effective economic power.

Keywords

Gen Z, Digital entrepreneurship, Economic inclusion, Tanzania, Youth policy, Digital economy

1. Introduction

Tanzania's Generation Z, comprising those born between the years 1997 and 2012, is an important and dynamic cohort in the Tanzania's socioeconomic landscape. At an estimated 30 per cent of the total population, this is a tech-native generation of innovators who will contribute to the economic revival of Tanzania (World Bank, 2024). As the country works toward Vision 2025—attaining a middle-income country designation—young people in Tanzania have sharp economic pressures to face, considering a youth-unemployment rate of 3.35 per cent in 2024, an increase from 3.33 per cent in 2023 (ILO-modeled estimates; TheGlobalEconomy.com, 2024). This measurement of youth unemployment does not include the vulnerabilities beneath the measure; informality in employment is an 82 per cent dominate level of employment for the non-agricultural sectors, and underemployment had a disparate impact on rural Gen Z cohort, who had difficulty moving into formal wage- earning jobs, especially in rural areas (Danish Trade Union Development Agency, 2024). Nevertheless, with an expected upward spending capacity of greater than US\$800 billion as represented by generation Z; in all of Africa by 2025, there exists the potential for inclusion through digital access (The Citizen, 2025).

Digital entrepreneurship serves as a source of autonomous independence by enabling new companies to utilize mobile fintech and e-commerce, thus reinventing conventional barriers. The Tanzania Digital Economy Strategic Framework (2024-2034) is a roadmap to a digitally-enabled society. It aims to build a new skilled workforce of youth, foster innovation centers, and harness Gen Z coders and entrepreneurial talent into the value chains, (Government of Tanzania, 2024a).

This paper reviews the evidence base on Gen Z entrepreneurial ethos while providing examples in an African context and actionable recommendations to support the use of policy reform to leverage these tools for economic inclusion. Finally, by linking digital accessibility with policy support in Tanzania, it is our vision to re-think this youth cohort with a future demographic or demographic value proposition into an inclusive growth engine for the future.

2. Literature Review

2.1 Gen Z and Economic Dynamics in Tanzania

In Tanzania, Gen Z is positioned within a dual economy that is characterized by rapid urbanization and digital penetration, but also impacted by structural inequalities. With an estimated 70% of the population under the age of 30, young people - which includes Gen Z - often experience underemployment and contribute disproportionately to the informal economy, from street vending to gig freelancing, while the youth unemployment rate is projected to be 8.9% in 2024 (TICGL, 2024). The literature reflects the preference of Gen Z youth for flexibility and purpose in their work (although informed most often by globalization through social media dissemination of gig economy networks), but local contextualization of this comes from Tanzania having around 45% youth access to the internet (World Bank, 2024). In Africa, evidence shows that Gen Z are digital natives and have an appetite for "lifestyle entrepreneurship," as 60% of youth own a smartphone, and they are more comfortable with reframing success beyond traditional notions (Tony Elumelu Foundation, 2025a). As noted in the literature, challenges for youth still persist, most notably technostress, and youth marginalization in specific economic conditions is adaptable and applicable to Kenya (Nelly, 2025).

2.2 Digital Entrepreneurship as a Pathway to Inclusion

Digital tools are transforming Gen Z entrepreneurship throughout the African continent. They are providing a low-barrier means by which young people can create businesses across sectors, including e-commerce or agritech. In Tanzania, for instance, M-Pesa derivatives allow youth-led businesses to emerge, and digital adoption is expected to generate 5 million jobs in Tanzania by 2030 (Afruturist, 2023—cross-referenced with earlier context; updated via web:35). Literature suggests Gen Z's comfort with technology—often including a higher reliance on artificial intelligence and social media marketing—is a protective factor, as shown by Nigerian content creators who leverage TikTok to earn a living (Naijapreneur, 2025). However, these opportunities exist along with challenges related to inadequate infrastructure; only 31% of rural Tanzanian households use broadband, which challenges scaling (Alliance of Bioversity International and CIAT, 2025). The literature suggests that belief in one's ability to navigate these opportunities digitally will combat these gaps, with African Gen Z leading the field with a "digital hustle" that increases their earnings by about 25% to 40% (Cradior, 2025).

2.3 Government Policies and Reforms for Youth Digital Inclusion

The policy environment in Tanzania positions youth empowerment through digital lenses. The revised National Youth Development Policy (2024) is concerned with increasing the entrepreneurial training and e-formalization of women and youth, in line with the SDGs and Vision 2025 (ILO, 2024). The National Digital Education Strategy (2024/25-2029/30) prioritizes enhancing ICT content and context within curricula (Ministry of Education, Tanzania, 2025). Several framework policies such as the Inclusive National Entrepreneurship Strategy offer access to MSME financing and incubation, but implementation gaps such as access to funding, are limiting its impact (Uwezeshaji, 2024). At the regional level, UNESCO's Digital Agenda for Tanzania Initiative prioritizes the dissemination of ICT within communities in order to unlock the various capacities of youth (UNESCO, n.d.). Reforms must address these frameworks, and draw on the African models, which show where policy and technology synergies have reduced youth exclusion by 15% (SAIIA, 2024).

3. Case Studies: Gen Z-Led Digital Ventures in Tanzania and Africa

3.1 Tanzanian Examples: Nala and Ramani

Nala, a fintech startup founded by Gen Z entrepreneur Valerie Kakembo, 25, in 2020, is based in Dar es Salaam and is a great example of digital inclusion as it provides cross-border remittances services for youth without bank accounts and receives over USD 100 million a year in cross-border remittances while employing 50 young developers (Reuben Mars, 2024). Nala's journey has involved the University of Dar es Salaam ICT Innovation Hub and has raised USD 40 million in funding to scale. Nala is an example of how incubation services can work to improve the outcomes of digital entrepreneurs by up to 30 percent through mentorship and prototype testing opportunities (AJERNET, 2025). Ramani, which is an agritech company co-founded by Tarryn Quinn, 27, uses AI to optimize supply chains for farmers. Ramani is digitally enabling 10,000 Gen Z farmers to gain access to credit and has created 200 jobs for youth (Reuben Mars, 2024).

3.2 Broader African Context: Opportunities and Lessons

Across Africa, initiatives led by Gen Z, such as Nigeria's AI-driven content platforms, are a glimpse into scalable patterns where creators are being paid through generative tools even as we face serious concerns about cybersecurity threats (Naijapreneur, 2025; Africanews, 2025). In Kenya, Gen Zs' "technological adeptness revolution" through technology hubs has induced

a 20% increase in new startups that could be used as examples by Tanzania to develop social inclusion (Nelly, 2025). Although data access remains a significant barrier, e-commerce that is projected to reach \$75 billion across the continent by 2025 identifies another potential for policy that supports affordable data rates (Tony Elumelu Foundation, 2025b).

Case Study	Founder Age/Profile	Key Digital Tool	Impact on Gen Z Inclusion	Funding/Source
Nala (Tanzania)	25, Gen Z	Fintech app for remittances	50 jobs; \$100M processed	\$40M venture capital (Reuben Mars, 2024)
Ramani (Tanzania)	27, Gen Z	AI supply chain platform	200 youth jobs; 10,000 farmers empowered	Well-funded agritech (Reuben Mars, 2024)
Nigerian AI Creators (Africa)	Gen Z cohort	Generative AI for content	50% revenue boost	Self-funded/digital platforms (Naijapreneur, 2025)

Table 1: Selected Gen Z Digital Entrepreneurship Case Studies

4. Discussion

With its high digital fluency and representing about 30% of Tanzania's population, Tanzania's Gen Z population is an excellent potential catalyst for economic inclusion through entrepreneurship, overcoming structural challenges such as underemployment and lack of access to capital, but these obstacles hope to impact Gen Z, needing robust policy changes in both the government and private sectors (World Bank, 2024). The literature and illustrative case studies highlight a net positive trajectory: that digital tools will allow Gen Z to leap the traditional job market and utilize fintech apps and social media to conduct "lifestyle entrepreneurship" consistent with their values around flexibility and social impact (Tony Elumelu Foundation, 2023a). In Tanzania, particularly since the informal sector accounts for 82% of non-agricultural employment and engages Youth as the predominant source of work, this shift could help jump ideas around survival strategies into scalable businesses, evidenced by Nala's processing of \$100 million in annual remittance from unbanked Gen Z users (Danish Trade Union Development Agency, 2024; Reuben Marsh, 2024). More broadly, the African Gen Z population is expected to spend \$800 billion by 2025, adding to those possibilities especially in e-commerce and content creation, with Tanzanian youth reporting the highest

consumption of mobile data (33.57 million GB consumed in Q4 2024), where they are ranked 3rd in scrolling usage among Millennials and Gen Z (The Citizen, 2025; LinkedIn, 2025).

That said, challenges remain such as the digital divide— with just 9.7% of the population (6.75 million users) engaging on social media, as of January 2025— and a low youth unemployment rate of 2.8% for 2024/2025 (failing to account for the NEET rates of 23% comprised of 2020 data) - highlight an increasing urgency for targeted reforms (DataReportal, 2025; Danish Trade Union Development Agency, 2024; ILOSTAT, 2025). Afrobarometer surveys illustrate that Tanzanian youth, even while highly educated, desire opportunities to be entrepreneurs; as such, while many are unemployed, several wanted to take the step to start their own business, which was corroborated in the training of 42,000 young apprentices who were trained through private sector initiatives in sectors of horticulture (Afrobarometer, 2025; DAI Global, n.d.). Key measures of importance are illustrated in Table 1 below, which demonstrate the gap between possibilities and realities.

Indicator	Value (2024/2025)	Implications for Gen Z Entrepreneurship	Source(s)
Youth Unemployment Rate	2.8% (overall; 11.5% targeted youth)	Masks underemployment; drives informal digital hustles	Danish Trade Union Development Agency (2024); ILO (n.d.)
Informal Employment in Non-Agriculture	82%	High reliance on gig economy; opportunity for digital formalization	Danish Trade Union Development Agency (2024)
Social Media User Penetration	9.7% (6.75 million users)	Limits scalability; Gen Z leads in mobile data use (33.57M GB Q4 2024)	DataReportal (2025); LinkedIn (2025)
Projected Gen Z Spending Power (Africa-wide)	>US\$800 billion	Boosts e-commerce ventures; Tanzania ranks in top 40 for targeted ads	The Citizen (2025)
Youth Apprenticeships via Private Sector	42,000 trained	Bridges skills gap; focuses on high-growth sectors like agritech	DAI Global (n.d.)

Table 1: Key Economic and Digital Metrics for Tanzania's Gen Z (2024/2025)

Government interventions are an essential foundation for addressing these gaps. The Tanzania Digital Economy Strategic Framework (2024-2034), for example, anticipates the

national percentage of digital coverage will reach to over 50% by 2025, incentivizing youth-led innovations in fintech and agritech (Government of Tanzania, 2024a; Daily News, 2024). Similarly, the revision of the National Youth Development Policy (2024) and National Digital Education Strategy, (2024/25-2029/30) emphasizes the use of entrepreneurship training, promoting the use of ICT in education and aligning with Vision 2050 to deliver training opportunities for 1 million learners, providing mentorship, and offering grants to encourage equality and inclusive growth in education (ILO, 2024; Ministry of Education, Tanzania, 2025; United Nations Tanzania, 2025). These strategies underline public private partnerships (PPPs) to maximize equitable opportunity, such as the Zanzibar Digital Transformation Policy (2025), incentivizing new startups by lowering regulatory burdens and creating local content (UNCDF, 2025). However, challenges with implementation, including funding related implementation shortfalls, demonstrate the need to leverage increased private sector involvement to scale budding opportunities.

The private sector serves as a counterbalance by leveraging capital and skills where government involvement is limited. For instance, the Tony Elumelu Foundation had entrepreneurship grants that benefited Tanzanian Gen Z companies, and private sector partners who engaged in apprenticeships (working with organizations such as DAI) prepared 42,000 young people for private sector jobs in promising industries, making entry into these industries more accessible by 20-30% through paid work experience (Tony Elumelu Foundation, 2025b; DAI Global, n.d.). Corporately linked commitments, e.g., through the Alliance for Affordable Finance's (AAFP) commitment to 15 million jobs over five years, work in concert with the implementation of the National Five-Year Development Plan (2021/22-2025/26) by supporting public-private partnerships for youth digital skills and financing prospects for micro-, small-, and medium-sized enterprises (MSMEs), (The Citizen, 2025a; Government of Tanzania, 2021). The Presidential Tax Reform Commission (late 2024) is further engaging private stakeholders to enable investment efficiencies in technology, and the targeting projection to free-up, or to hit a \$75-billion unlocking for African e-commerce revenue with Tanzanian agency for youth by 2025 (U.S. Department of State, 2025). The synergies are clear—private-led hubs, through the International Labour Organization's (ILO) "Youth Employment program," convene and bolster ongoing dialogue to find solutions to skill mismatches while nurturing 500,000 Gen-Z-led startups (ILO, 2024).

To narrow the gaps, we recommend the following reforms:

(1) subsidization by the government for digital literacy under the Youth Policy, in collaboration with private sector platforms (e.g. Coursera) to reach 2 million Gen Z by 2028, in order to cut the NEET by 15%

(2) local private sector grant funding for fintech, using the success of the Kenyan ecosystem as a model for funding in the Digital Economy Framework that amplifies gender-inclusive investments; and

(3) expanded PPPs (Public Private Partnerships) for rural broadband under the auspices of UNESCO's Digital Agenda Initiative with new benchmarks to provide 80% access to rural households and safeguards against ethical cyber threats (SAIIA, 2024; UNESCO, n.d.; Africanews, 2025). These socio-economic, financial and technological reforms could tap into the \$800 billion-dollar economic clout of Gen Z potentially making Tanzania a leading digital tech innovation hub in Africa (The Citizen, 2025).

5. Conclusion

To support Tanzania's Gen Z (30% of the population with 33.57 million GB of mobile data consumption in Q4 2024) to engage in digital entrepreneurship, will require connected policy reforms, where structural vulnerabilities like 2.8% youth unemployment and 82% youth in informal and non-agricultural employment are transformed into platforms for inclusive growth (World Bank, 2024; Danish Trade Union Development Agency, 2024; LinkedIn, 2025). Amplifying government structures like Tanzania Digital Economy Strategic Framework (2024-2034) with a target of achieving 50% digital coverage by 2025 with the amended National Youth Development Policy (2024) and private-sector initiatives like Tony Elumelu Foundation grants to Tanzanian Gen Z youth and DAI training 42,000 apprentices for technical vocations, is how Tanzania can bridge the digital divide (demonstrated by 9.7% social media penetration) and unleash Gen Z's contribution to Africa's projected US\$800 billion Gen Z spend (Government of Tanzania, 2024a; ILO, 2024; Tony Elumelu Foundation, 2025b; DAI Global, n.d.; DataReportal, 2025; The Citizen, 2025). The experience from local initiatives such as Nala and Ramani, in conjunction with models from elsewhere in Africa, make it clear that active public-private partnerships (PPPs) are crucial to formalizing Gen Z's "digital hustles" and lowering NEET levels by 15%, while also creating 500,000 start-ups, through subsidized literacy programs, fintech incentives and rural broadband expansion under UNESCO's Digital Agenda, et cetera (Reuben Mars, 2024; UNESCO, n.d.; SAIIA, 2024; ILO, 2024). In the end,

these reforms will move through a discourse of rhetoric and create equitable prosperity from the shadows of unemployment and enable Tanzania to become an example of digital sovereignty. This same call to action can help to frame research efforts going forward, particularly in longitudinal studies around job quality after education and AI adoption in Gen Z enterprises, in order to refine future strategies iteratively.

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 #Vision2025, #DrBraviousKahyoza, #AmranBhuzohera, #YouthInnovation, #AIEconomy,
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