



Terms of Reference

To undertake A Political Economy Analysis (PEA) of the Micro, Small and Medium Enterprise System in Uganda, Kenya and Tanzania

1. Background and Rationale

East Africa's "youth bulge" represents a critical demographic shift. Yet young people remain trapped in livelihoods that are inadequate, insecure, decent, and unproductive. Existing data show that at least 90% of young people derive their livelihoods from the informal sector, characterised by a lack of formal employment contracts, irregular incomes, inadequate safety measures, and myriad other challenges.

Twaweza East Africa is developing a new strategy focused on improving the lives and well-being of young people in Tanzania, Kenya and Uganda. A major strategic question is how the systems that shape MSMEs and the gig economy can be transformed to generate better, safer, more productive, and more dignified livelihood pathways for millions of young East Africans.

Against this background, Twaweza is seeking the services of three individual consultants. One consultant per country. To produce three contextually grounded, **problem-driven, strategy-oriented political economy analysis** that helps Twaweza identify where reform is possible, where resistance is likely, which actors matter, and what levers could improve outcomes at scale.

2. Objectives of the PEA

The purpose is to generate country-specific PEAs for the MSME and gig-economy sectors in Tanzania, Kenya, and Uganda, with a focus on young people aged 20–29, to inform Twaweza's new strategy. We seek to improve our contextual understanding of MSMEs in Kenya, Tanzania, and Uganda. The core objectives will include:

- i. Map the structure, scale and segmentation of MSMEs and gig work in Tanzania, Kenya and Uganda, especially for youth people.
- ii. Identify the formal and informal institutions governing MSMEs and gig work, including laws, policies, licensing regimes, taxation, labour protections, local government practices, platform rules and social norms.
- iii. Analyse the interests, incentives, power and relationships among key actors: young workers, MSME owners, platform companies, government agencies, local authorities, financial institutions, training providers, private sector associations, trade unions, informal worker groups, donors, civil society and political actors.
- iv. Examine how gender, class, education, location, disability and migration status shape young people's access to opportunities, risks and protection.
- v. Identify binding constraints and reform opportunities resulting from the prevailing and anticipated political and economic trends. Identify and document the potential risks and adaptive learning questions in engaging with this MSME system,

Scope of Work

The study should cover both **MSMEs** and the **gig economy**, while recognising their overlaps.

MSME focus areas. The analysis should examine:

- youth-owned and youth-operated MSMEs;
- informal and semi-formal businesses;
- urban and peri-urban enterprise ecosystems;
- rural non-farm enterprises where relevant;
- sectors with high youth participation, such as retail, food, transport, repair services, creative economy, personal services, agribusiness value chains and digital-enabled services;
- barriers around registration, taxation, licensing, finance, markets, infrastructure, skills, public procurement and harassment/extortion.

Gig-economy focus areas. The analysis should examine:

- ride-hailing and delivery platforms;
- online freelancing and digital labour;
- informal gig work mediated through social media, WhatsApp, agents or local brokers;
- content creation and creative digital work;
- care, domestic, beauty, events and casual service work;
- platform governance, algorithmic control, commissions, dispute resolution, worker voice, occupational safety and social protection.

3. Methodology

- Involves a desk review of the literature: national laws, policies, strategies; labour force surveys; MSME surveys; tax policies; youth employment strategies; platform economy studies; donor programmes; private-sector reports; and civil society analyses.
- Country-level political economy mapping: Actor mapping, institutional mapping, power-interest analysis, reform history and political settlement analysis.
- KIIs to understand perspectives for the actors in the MSMEs system: Government officials, local authorities, platform companies, MSME associations, gig workers, trade unions, financial institutions, donors, researchers and CSOs,
- Production and submission of country-specific PEA Reports
- Summarised PEA brief covering Kenya, Tanzania and Uganda

4. Consultant's profile

- strong experience in political economy analysis;
- knowledge of MSMEs, informality, youth livelihoods, labour markets or digital platforms;
- Grounded in country-specific experience
- qualitative research expertise;
- ability to translate analysis into strategy;
- strong writing and facilitation skills.

5. Evaluation criteria



Proposals will be assessed on: quality of PEA methodology; understanding of MSME/gig-economy dynamics; East Africa experience; youth and gender analysis capability; practical strategy orientation; workplan realism; and value for money.

This should not be a generic labour-market study. It should be a **problem-driven political economy analysis** that explains why the system works as it does, who benefits, who loses, what keeps the current system in place, and where Twaweza could help shift incentives, voice, accountability and institutional behaviour.

Responsibilities:

Each consultant will be responsible for

1. Researching and curating the information on PEA in the chosen country.
2. Conduct Key Informant Interviews with stakeholders to understand their position and role in the system
3. Write a report of the PEA, including a mapping of the stakeholders and how they relate and interact. II
4. Present the outcomes of the study and review the discussion

Twaweza will be responsible for:

1. Providing introduction letters where needed
2. Meeting the cost of undertaking the assignment
3. Reviewing the draft reports and approving the final products.

Timeline

18th – 22nd June – Submission of the Proposal

23rd - 25th June – Review of proposals and contracting

26th June – 15th July – Submission of draft PEA reports for UG, KE and TZ

20th July Submission of the finalized outputs.

Send Applications to:

Email subject: [COUNTRY]- Consultancy Application: Political Economy Analysis of MSMEs and Gig Economy.

Uganda: wnanteza@twaweza.org and cc jobs@twaweza.org

Kenya: mwandia@twaweza.org and cc jobs@twaweza.org

Tanzania: syusuph@twaweza.org and cc jobs@twaweza.org