

## REVIEWER'S REPORT

Manuscript No.: IJAR-51649

Date: 16/05/2025

**Title: Barriers to Accessing Bank Loans: An Analysis of Causes and Impacts on Low-Income Citizen in Tanzania.**

### Recommendation:

**Accept after minor revision.**

Rating	Excel.	Good	Fair	Poor
Originality	✓			
Techn. Quality	✓			
Clarity		✓		
Significance		✓		

Reviewer Name: Dr. Bishwajit Rout

Date: 16/05/2025

### Reviewer's Comment for Publication.

*(To be published with the manuscript in the journal)*

*The reviewer is requested to provide a brief comment (3-4 lines) highlighting the significance, strengths, or key insights of the manuscript. This comment will be Displayed in the journal publication alongside with the reviewers name.*

- Significance:** This study highlights critical barriers such as high collateral demands, interest rates, and distrust in banks that prevent low-income Tanzanians from accessing formal credit. It emphasizes the socio-economic consequences of financial exclusion, such as stunted entrepreneurship and persistent poverty, offering evidence-based insights to guide inclusive financial policies, particularly in underbanked urban populations post-COVID-19.
- Strength:** The paper's strength lies in its robust mixed-methods approach, combining survey data from 200 individuals with regression analysis and qualitative insights. It offers a detailed demographic breakdown and quantifiable assessments of key variables influencing loan accessibility. The study's clear structure and localized focus provide actionable data for financial institutions and Tanzanian policymakers.
- Key Insight:** A key insight is that financial exclusion in Tanzania is deeply rooted not only in structural bank practices like collateral and interest rate policies but also in socio-psychological dimensions, especially trust. Enhancing financial inclusion thus requires multi-pronged interventions: improved financial literacy, simplified loan procedures, alternative credit models, and restored trust in formal financial systems.

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### *Reviewer's Comment / Report*

The paper titled “*Barriers to Accessing Bank Loans: An Analysis of Causes and Impacts on Low-Income Citizen in Tanzania.*” presents a timely and well-structured investigation into the multifaceted barriers that prevent low-income individuals in Tanzania from accessing bank loans. Employing a mixed-methods approach, the study identifies key obstacles such as collateral demands, high interest rates, limited financial literacy, and institutional mistrust. With solid data presentation and relevant policy implications, it offers significant contributions to the discourse on financial inclusion in Sub-Saharan Africa. However, minor improvements in structure, writing clarity, and expansion of the literature review are recommended to enhance the study's scholarly impact.

#### **Suggestions for Improvement:**

1. In introduction avoid repetition of terms like “financial exclusion” multiple times in close proximity.
2. In Literature Review include more recent global literature to compare findings outside of Tanzania.
3. Clarify the rationale for selecting Dar es Salaam and specific banks.
4. Consider elaborating on how the qualitative data (if collected) was integrated.
5. Provide examples of how internal consistency was tested (e.g., Cronbach's alpha).
6. Improve table formatting and integrate them more smoothly within the text.
7. Discuss each regression coefficient in more practical terms (e.g., what does a Beta of  $-0.248$  for interest rate mean for policy?).
8. Include a comparative discussion of how these results align or differ from other African contexts.
9. Tie each recommendation to a specific barrier or demographic insight revealed in the study.

This research delivers strong insights into systemic barriers to formal finance in Tanzania. With minor improvements in organization, clarity, and literature breadth, the paper will offer substantial value to policymakers, financial institutions, and development practitioners working on inclusive finance in developing countries. Addressing the identified weaknesses will make it suitable for publication in IJAR.

I recommend this paper for publication after minor revision.