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Impact of the Kamyab Jawan Microfinance Program - Youth Entrepreneurship Scheme on Poverty Alleviation in Pakistan

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ABSTRACT

This study intends to evaluate the effect of the microcredit program with special reference to the Prime Minister's Kamyab Jawan Program – Youth Entrepreneurship Scheme (YES) on enhancing economic prosperity and reducing poverty among loan beneficiaries in Pakistan. Microfinance is considered a substantial tool that facilitates poverty alleviation. A sample of 100 beneficiaries was selected from each of the experimental and control groups using convenience sampling, for 200 beneficiaries. In this study, the key variable included was microfinance as an independent variable. Basic needs, living standards, occupation (assessed by microfinance usage), and program satisfaction were the dependent variables. The linear regression analysis was employed to evaluate the impact of the youth entrepreneurship scheme on meeting necessities and raising living standards, along with microfinance usage to improve income levels. The key findings revealed that microfinance provided under the Kamyab Jawan Program-YES had a strong, positive correlation with poverty alleviation. This study may demonstrate more potent strategies for alleviating poverty. The findings of this study can be implemented by policymakers to develop comprehensive microfinance initiatives.

Introduction

Poverty remains one of the most persistent and complex challenges in developing economies like Pakistan, where a substantial segment of the population lacks access to basic financial services, stable income sources, and opportunities for upward mobility (Khan et al., 2021). According to the World Bank, recent estimates reveal that approximately 42.4 percent of Pakistan's entire population is below the lower-middle-income poverty line of $3.65 per day. Traditional banking systems often exclude low-income individuals due to stringent collateral requirements, leaving them trapped in cycles

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of debt and informality. In this context, microfinance has emerged as a transformative mechanism for poverty alleviation, offering small-scale credit, savings, and insurance services to those who would otherwise remain financially marginalized (Farooq et al., 2024). However, despite its widespread adoption, the actual effectiveness of microfinance in lifting people out of poverty remains a subject of debate, necessitating a deeper examination of its role, mechanisms, and real-world impact.

A substantial body of literature has examined the individual impacts of microcredit on poverty reduction, highlighting the need for research that integrates these thematic areas into a unified framework (Khan et al., 2024). Currently, there is limited scholarly work offering a comprehensive analysis of how microcredit programs influence poverty alleviation. This gap is particularly evident in Pakistan, where microfinance plays a crucial role in poverty reduction (Maeenuddin et al., 2024). Microfinance initiatives have remarkably tackled economic instability and empowered the youth. There is unanimous agreement that when young individuals in a nation like Pakistan engage actively in business-related activities, it creates new opportunities for their fellow citizens, ultimately enhancing their quality of life. Microfinance is rooted in the idea that access to capital enables entrepreneurship, income generation, and financial independence. However, empirical evidence on its impact remains mixed. Some studies suggest that microcredit helps households stabilize incomes, invest in education, and build assets, while others argue that it can lead to over-indebtedness without substantial poverty reduction (Rizwan et al., 2023). This research aims to fill a gap in the literature by thoroughly examining the impact of microcredit programs on poverty reduction in Pakistan.

The current study critically evaluates the effect of microfinance on poverty alleviation in Pakistan, with special reference to the Prime Minister's Kamyab Jawan Program – Youth Entrepreneurship Scheme (YES). The purpose is to assess the impact of this microcredit initiative on improving the economic flourishing and alleviating the poverty of loan beneficiaries in Pakistan. This study highlights a gap in the current literature on the overall effects of microcredit programs on poverty alleviation (Ahmad et al., 2023; Iram et al., 2023; Ullah et al., 2020). The research seeks to bridge this gap by analyzing whether YES loans have tangibly improved beneficiaries' wellbeing, measured through income levels, health access, educational attainment, asset accumulation, and overall living standards. This study intends to explore the impacts of the Prime Minister's Kamyab Jawan Program – Youth Entrepreneurship Scheme (YES) on the poverty alleviation of beneficiaries.

As a preliminary step towards closing this gap, this study aims to offer policymakers, microfinance practitioners, and scholars a window to better understand the interplay between microcredit and poverty alleviation. The significance of this study lies in its capacity to inform the design of effective solutions aimed at improving the financial well-being and economic growth of Pakistan. The stated purpose of the findings is to recommend actionable insights for policymakers, financial institutions, and development agencies to further sustainable development efforts and make contributions to the academic discourse on microfinance and poverty alleviation.

Literature Review

The existing literature is extensive in its discussion of the positive effects of microfinance on poverty alleviation, youth empowerment, and entrepreneurship; however, research gaps have been identified in past studies (Arif et al., 2022; Javed & Khan, 2023; Khan et al., 2020). Microcredit is particularly important for youth, as they

often lack the resources needed to meet the requirements of traditional credit schemes and programs available in Pakistan. A stream of research has examined microfinance's economic impacts more broadly, showing that microfinance projects improve income levels and rates of asset accumulation, while also expanding access to healthcare and education (Latif et al., 2020; Hussain et al., 2019). However, few empirical analyses exist on the exact links between microfinance programs and youth employability and entrepreneurship, particularly in developing economies such as Pakistan (Shaheen et al., 2025). Despite the widespread support for microfinance, its effectiveness in reducing poverty remains debated. Critics contend that microfinance can sometimes result in excessive debt, with borrowers caught in debt cycles due to high interest rates and insufficient income from microenterprises to repay loans (Farooq et al., 2024). Various theoretical perspectives support the role of microcredit in enhancing the socio-economic landscape. The first perspective is the "development serving people" argument, which suggests that microcredit places youth at the center of the development process. The second perspective is the "youth right defenders" argument, which posits that microfinance empowers youth and fosters development by reducing the disparity between well-off individuals and underdeveloped skilled labor. The third perspective is a poverty reduction approach, which argues that any measures that can boost household earnings will ultimately enhance the country's economic well-being in the long run.

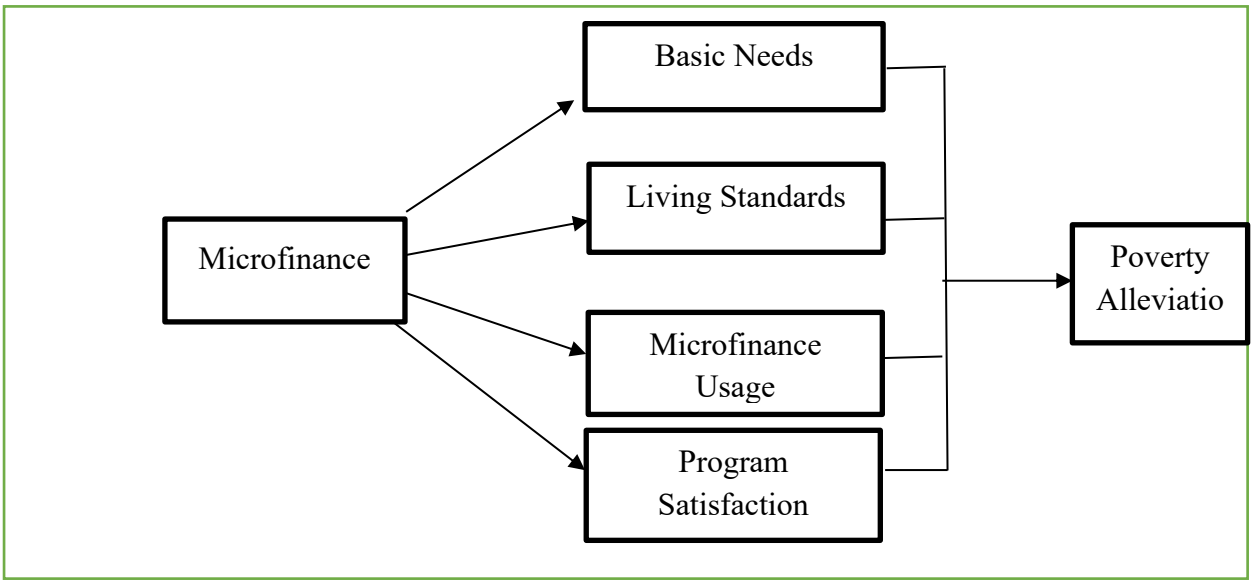
Microfinance is associated with fostering entrepreneurship; little is known about whether and how it directly targets and benefits young people (Amjad et al., 2022). Secondly, while much of the research addresses the role of microfinance in the empowerment of women, studies on microfinance and youth as distinct demographics are scarce (Farooq et al., 2024; Malki et al., 2024). Additionally, while there is a fair bit of how microfinance contributes to financial inclusion and resilience, no research has been made to understand how the integration of financial literacy and training components in microfinance programs is linked to long-term entrepreneur success and employment generation among youth (Abro et al., 2021). This has been the case, as the existing studies have focused more on microfinance's economic impact but have limited the socio-psychological elements, such as the satisfaction of beneficiaries and their perception of microfinance programs (Rovidad, 2020; Zeb et al., 2021). Previous literature has systematically reviewed microcredit, aiming to compile all empirical evidence to address specific research questions (García-Pérez et al., 2017; Hermes & Hudon, 2019; Pinz & Helmig, 2015; Rasel & Win, 2020). Meta-analyses, employing statistical methods to aggregate and synthesize results from independent studies, have also been conducted (Fall et al., 2018; Reichert, 2018). Additionally, the scientometric approach has been utilized, albeit with differing objectives (Gutiérrez-Nieto & Serrano-Cinca, 2019; Roy & Goswami, 2013). Roy and Goswami (2013) conducted a scientometric study on 71 research articles, evaluating the overall performance of microfinance institutions. the role of microfinance in alleviating poverty has sparked significant debate among experts, scholars, and policymakers about its true effectiveness.

Numerous investigations have explored how microfinance institutions can improve the living conditions of impoverished communities. Some studies have reported positive impacts on consumption and income levels (Berhane, 2009; Berhane & Gardebroek, 2012; Collins et al., 2009; Imai & Azam, 2012; Khandker, 2005; Kondo et al., 2008), housing enhancements (Berhane, 2009; Berhane & Gardebroek, 2011), community-level wages and agricultural investments (Kaboski & Townsend, 2012),

savings (Dupas & Robinson, 2013a; Kondo et al., 2008), and health and food security (Stewart et al., 2010). However, some, like Chowdhury (2009), have raised doubts about its effectiveness as a poverty reduction tool, especially given concerns about the industry's commercialization. Chowdhury (2009) argues that borrowers need business acumen and marketing knowledge to effectively use loans for business growth and job creation; otherwise, microfinance merely acts as a tool for smoothing consumption. To fill these gaps, this study examines the impact of microfinance, especially within the youth-focused Youth Entrepreneurship Scheme, on employability, entrepreneurship, and poverty reduction in Pakistan. Hence, this study investigates the magnitude to which microfinance alleviates household poverty by exploring basic needs, standards of living, and microfinance usage in terms of self-employability and satisfaction of beneficiaries with microfinance programs.

Based on the literature review, the effect of microfinance (an independent variable) on various variables that contribute to poverty alleviation (a dependent variable) has been demonstrated through the theoretical framework presented in Figure 1 below. Microfinance affects program satisfaction, living standards, microfinance usage, and basic needs (all intermediate dependent variables). In turn, all intermediary variables contribute to the eventual goal of reducing poverty. According to the framework presented, by offering financial services, microfinance substantially improves living standards and basic needs, affects beneficiaries' utilization of financial resources, and increases their level of satisfaction with the microfinance program, all of which are critical for poverty alleviation. The theoretical framework is aligned with the research objectives of the current study. The primary objective is to conduct an impact analysis of the Prime Minister's Kamyab Jawan Program - Youth Entrepreneurship Scheme (YES) in addressing the poverty alleviation of its beneficiaries. Another key objective is to explore and identify ways and means that can be deployed to improve the YES program's effectiveness.

Figure 1. Theoretical Framework of the Study



Methodology

Research Design

This study employs the 'Quantitative Impact Evaluation' approach that involves a comparison of control and experimental groups (Ullah et al., 2020). The experimental group comprised those Tier 1 beneficiaries of the Kamyab Jawan Program – Youth Entrepreneurship scheme (YES) who had taken microfinancing, and at least one year had passed since they had availed this financing. The control group comprised those beneficiaries of Tier 1 who had just taken microfinancing, that is, who had received the microfinance loan a few months ago or were notified to receive the amount in a few weeks.

Data Collection

The population comprised the beneficiaries of the loan under the YES. There were 497 beneficiaries in each of the experimental and control groups who extended the loan under Tier 1, as represented in Table 1 below. The population statistics were as follows:

Table 1. Population Statistics of Experimental Group and Control Group

Number of Beneficiaries		
Provinces	**Experimental Group**	**Control Group**
Federal	71	71
Punjab	71	138
KPK	71	71
Gilgit-Baltistan	71	4
Sindh	71	71
AJK	71	71
Baluchistan	71	71
Total	**497**	**497**

Using convenience sampling, a sample of 100 beneficiaries was drawn from each phase, making a total of 200 beneficiaries (100 beneficiaries as part of the experimental group and 100 beneficiaries as part of the control group). Using Cochran's formula, a sample size of 100 is considered a suitable sample size from a population of 497 respondents from each phase (Cochran, 1977). Table 2 presents the sample statistics.

Table 2. Sample Statistics of Experimental Group and Control Group

Number of Beneficiaries		
Provinces	**Experimental Group**	**Control Group**
Federal	20	20
Punjab	20	23
KPK	20	20
Gilgit-Baltistan	10	2
Sindh	20	25
AJK	5	5
Baluchistan	5	5
Total	**100**	**100**

Both the experimental and control groups were compared based on six themes, including demographics, socioeconomic factors, basic needs, living standards, microfinance usage, and program satisfaction. Data regarding each theme were collected via a survey-based questionnaire that was adopted from Ullah et al (2020). The questionnaire consisted of two parts. Part 1 included questions related to demographic and socioeconomic factors. Part 2 included questions related to microfinancing, basic needs, living standards, microfinance use, and program satisfaction. These questions were closed-ended, and data were obtained using a 5-point Likert scale. The scale ranged from 1 to 5, where 1 corresponded to "Strongly Disagree," 2 to "Disagree," 3 to "Neutral," 4 to "Agree," and 5 to "Strongly Agree." More than 400 questionnaires were sent to each of the experimental and control groups; however, approximately 180–200 questionnaires were returned to us. Of these, 100 usable questionnaires were used in each group.

Pretesting Questions

The Pretesting Questions phase was a significant step in refining the survey instrument to a robust, relevant, and comprehensive evaluation of the YES Loan Scheme. The questionnaire was designed through a comprehensive literature review, which enabled the identification of the key variables, formulation of research questions, and pilot testing. The reliability statistics provided in Table 3 demonstrate the robustness of the questionnaire used in this study. All Cronbach's alpha values exceeded the acceptable threshold of 0.70, indicating the high internal consistency and reliability of the measurement scales used for microfinance, living standards, microfinance usage, and program satisfaction. This statistical measure confirmed that the questions were well constructed and effective in capturing the necessary data, thereby validating the survey design and enhancing the credibility of the subsequent analysis.

Table 3. Reliability Analysis

Sr. No	Description	Cronbach's Alpha
1	Microfinance (MF)	0.853
2	Living Standards (LS)	0.922
3.	Basic Need (BN)	0.756
3	Microfinance Usage (MU)	0.862
4	Program Satisfaction (PS)	0.937

Econometric Model

The key variables identified by Ullah et al (2020) have been adopted in the current study to determine the effect of microfinance on poverty alleviation. The independent variable was microfinance, and the key dependent variables that were used to measure the effect of microfinance on the issue of poverty alleviation were basic needs, living standards, microfinance utilization, and program satisfaction.

Based on Ullah et al. (2020) study, four basic models were framed to conduct the linear regression analysis, as explained by the following equations:

Model 1:

$BN = \gamma_0 + \gamma_1 (MF) + \mu t$ [1a]

This was further extended for analysis based on the following questions.

$Basic\ Needs = \gamma_0 + \gamma_1 (MF1) + \gamma_2 (MF2) + \gamma_3 (MF3) + \gamma_4 (MF4) + \gamma_5 (MF5) + \gamma_6 (MF6) + \gamma_7 (MF7) + \mu t$ [1b]

Model 2:

$LS = \gamma_0 + \gamma_1 (MF) + \mu t$ [2a]

This was further extended for analysis based on the following questions.
$Living\ Standards = \gamma_0 + \gamma_1 (MF1) + \gamma_2 (MF2) + \gamma_3 (MF3) + \gamma_4 (MF4) + \gamma_5 (MF5) + \gamma_6 (MF6) + \gamma_7 (MF7) + \mu t$ [2b]

Model 3:
$MU = \gamma_0 + \gamma_1 (MF) + \mu t$ [3a]
This was further extended for analysis based on the following questions.
$Microfinance\ Usage = \gamma_0 + \gamma_1 (MF1) + \gamma_2 (MF2) + \gamma_3 (MF3) + \gamma_4 (MF4) + \gamma_5 (MF5) + \gamma_6 (MF6) + \gamma_7 (MF7) + \mu t$ [3b]

Model 4:
$PS = \gamma_0 + \gamma_1 (MF) + \mu t$ [4a]
This was further extended for analysis based on the following questions.
$Program\ Satisfaction = \gamma_0 + \gamma_1 (MF1) + \gamma_2 (MF2) + \gamma_3 (MF3) + \gamma_4 (MF4) + \gamma_5 (MF5) + \gamma_6 (MF6) + \gamma_7 (MF7) + \mu t$ [4b]

Where:
BN denotes Basic Needs (Poverty Alleviation-Theme 1)
LS denotes Living Standards (Poverty Alleviation-Theme 2)
MU denotes Microfinance Usage (Poverty Alleviation-Theme 3)
PS denotes Program Satisfaction (Poverty Alleviation-Theme 4)
MF1 represents question 1 related to microfinancing (Annex X).
MF2 represents question 2 related to microfinancing (Annex X).
MF3 represents question 3, related to microfinancing (Annex X).
MF4 represents question 4 related to microfinancing (Annex X).
MF5 represents question 5 related to microfinancing (Annex X).
MF6 represents question 6, related to microfinancing (Annex X).
MF7 represents question 7 related to microfinancing (Annex X).
where β indicates the intercept.
μt denotes the error term.

Results and Discussion

Descriptive Analysis

Table 4. Descriptive Statistics of Experimental and Control Group

	Experimental Group				Control Group			
	Min	**Max**	**Mean**	**Std. Dev**	**Min**	**Max**	**Mean**	**Std. Dev**
Gender	1.00	2.00	1.05	0.22	1.00	2.00	1.08	0.27
Age	1.00	5.00	3.08	1.25	1.00	5.00	3.12	1.12
Education	1.00	6.00	3.91	1.61	1.00	6.00	3.21	1.54
Monthly Income	1.00	5.00	2.96	1.52	1.00	5.00	2.35	1.37
Occupation	1.00	4.00	1.92	0.44	1.00	4.00	1.97	0.36
MF	1.14	4.43	3.53	0.77	1.14	4.57	3.33	0.84
BN	1.33	3.33	2.04	0.48	1.00	5.00	2.98	1.13
LS	1.00	5.00	3.82	1.13	1.00	5.00	3.62	1.11
MU	1.00	5.00	3.52	1.25	1.00	5.00	3.52	1.13
PS	1.00	5.00	3.81	1.08	1.00	5.00	3.64	1.08

Descriptive statistics revealed significant differences between the experimental and control groups concerning demographic profiles and innovative perceptions of the

Youth Entrepreneurship Scheme (YES). Both groups displayed male predominance in terms of gender (1 = male, 2 = female), with the experimental group (mean = 1.05) and the control group (mean = 1.08). Age is coded from 1 to 5, represented as (1 = 20–25, 2 = 26–30, 3 = 31-35, 4 = 36-40, 5 = more than 40). The means for the two age groups were similar, and both groups were predominantly clustered in the 31-35 age bracket; the experimental group appeared slightly more spread.

In education level, (1 = not educated, 2 = primary education, 3 = matric, 4 = intermediate, 5 = graduate, 5 = postgraduate). The mean education level was slightly the same between the experimental (mean = 3.91) and control (mean = 3.21) groups, suggesting that education levels for both group participants were closer to the matric level.

The monthly income in PKR is coded as (1 = below 25,000, 2 = 26,000-50,000, 3 = 51,000-75,000, 4 = 76,000-100,000, 5 = above 100,000). The disparity is reflected in the monthly income of the two groups, as the average in the experimental group (mean = 2.96, equivalent to 51,000 – 75,000 PKR) was higher than that of the control group (mean = 2.35, or 25,000 – 50,000 PKR). MF_Mean is perceived to be higher in the experimental group (Mean = 3.5257) than the control group (Mean = 3.3271) when considering perceptions of microfinance. Microfinance usage is measured through occupation coded as (1 = salaried, 2 = self-employed, 3 = unemployed). Microfinance usage (OCC_Mean) is identical in both groups, which shows uniform engagement or occupational activities. Correspondingly, outcomes for basic needs (BN_Mean), living standards (LS_Mean), and program satisfaction (PS_Mean) are slightly more favorable in the experimental group (BN_Mean = 2.04, LS_Mean = 3.8150, PS_Mean = 3.8100) than in the control group (BN_Mean = 2.9767, LS_Mean = 3.6200, PS_Mean = 3.6350). However, these comparisons highlight the experimental group's generally higher socioeconomic status and more positive views on microfinance interventions, partly because they had stronger direct ties to microfinance. Comparative analysis of descriptive statistics shows evidence of the positive economic effect of microfinance under the YES program in general, and in particular, the percentage of education level, income, perceptions of the effectiveness of the YES program in the coverage of basic needs, and in raising living standards and satisfaction.

Regression Analysis

Model 1: Basic Needs

Table 5. Regression Results of Model 1(a)

Predictor	β	Standard Error	p-value
Constant	0.820	0.313	0.009
Group	0.088	0.473	0.852
MF	0.648	0.091	0.000
Group*MF	-0.327	0.134	0.016

The results for Model 1(a) from the regression analysis show that microfinance significantly positively affects basic needs (B) ($\beta = 0.648$, $p = 0.000$). The results are aligned with the findings of (Berhane & Gardebroek, 2012; Collins et al., 2009; Imai & Azam, 2012; Kondo et al., 2008). Nevertheless, the interaction term was significant and negative ($\beta = -0.327$, $p = 0.016$), suggesting that microfinance was more beneficial for the experimental group than for the control group. Both microfinance and basic needs (MT1 and MT2) were significant variables ($p < 0.05$); however, the group variable was not significant ($\beta = 0.088$, $p = 0.852$), revealing that there was no fundamental difference in

basic needs between the experimental and control groups without embedding the impact of microfinance.

Table 6. Regression Results of Model 1(b)

Predictor	B	Standard Error	p-value
Constant	0.792	0.312	0.012
Group	0.495	0.457	0.280
MF1	0.207	0.073	0.005
MF2	0.122	0.059	0.038
MF3	0.179	0.074	0.016
MF4	-0.007	0.056	0.900
MF5	0.212	0.086	0.015
MF6	-0.075	0.056	0.188
MF7	-0.063	0.060	0.297
Group*MF	-0.431	0.130	0.001

Accordingly, the regression analysis for Model 1(b) shows that microfinance under the YES program significantly increases basic needs (B) through productivity (M1), affordability (M2), provision of adequate capital (M3), and tackling poverty (M5). The interaction term was significant ($p = 0.001$), meaning that the experimental group got more out of the program than the control group. Nevertheless, some aspects, including ease of loan application (MF4), perceptions of sustainable poverty alleviation (MF6), and entrepreneurial support (MF7), did not influence basic needs.

The basic needs regression analysis result shows a significant positive relationship between microfinance and basic needs enhanced with basic needs ($\beta= 0.648$, $p= 0.000$). This finding not only underlines the indispensable role of microfinance in forestalling deprivation by catering to the simplest necessities of food, shelter, and healthcare but also demonstrates the stark consequences of excluding the poor from the mainstream economy. Microfinance loans appeared to provide substantial benefits to the experimental group beneficiaries, allowing them to meet their essential needs more efficiently than beneficiaries in the control group. However, the interaction term shows a negative coefficient ($\beta = -0.327$, $p = 0.016$), indicating that the additional effect of microfinance on basic needs is larger in the experimental group than in the control group. This suggests that while microfinance is beneficial overall, the marginal benefits of microfinance start to vanish, as beneficiaries within the experimental group also gain access to other resources. This finding may be because the baseline economic conditions of the two groups are different, or because of the saturation effect of financial support on the satisfaction of basic needs. Instead of simply increasing transfers to beneficiaries, policymakers should diversify the types of support they offer to sustain improvements in living conditions.

Model 2: Living Standards

Table 7. Regression Results of Model 2(a)

Predictor	B	Standard Error	p-value
Constant	-0.091	0.266	0.733
Group	-0.183	0.403	0.650
MF_Mean	1.115	0.078	0.000
Group*MF	0.044	0.114	0.698

The results for Model 2(a) reveal that microfinance under the Youth Entrepreneurship Scheme (YES) yields a large positive impact on the standard of living of beneficiaries (β = 1.115, p = 0.000). Despite this, no significant difference was found between the experimental and control groups with respect to living standards, which was not statistically significant (p = 0.650, p = 0.698 for the group variable (G) and interaction term (G*M)). This implies that the effect of microfinance on living standards was similar in both groups.

Table 8. Regression Results of Model 2(b)

Predictor	β	Standard Error	p-value
Constant	0.226	0.241	0.350
Group	0.280	0.354	0.431
MF1	0.512	0.057	0.000
MF2	0.201	0.045	0.000
MF3	0.194	0.057	0.001
MF4	0.057	0.044	0.191
MF5	-0.032	0.067	0.632
MF6	0.037	0.044	0.393
MF7	-0.044	0.046	0.348
Group*MF	-0.064	0.101	0.523

The results for Model 2(b) show a significant positive effect of microfinance on the living standards of beneficiaries captured through MF1, MF2, and MF3. On the other hand, there is a negligible association between living standards and other aspects such as the application process, poverty tackling, and sustainable poverty alleviation. Moreover, there were no substantial differences in the effects of microfinance on living standards between the experimental and control groups, as evidenced by the insignificant interaction term coefficients (β = -0.064, p = 0.523).

The results demonstrate the robust positive effect of microfinance indicators on living standards. Aggregated microfinance has a strong and significant impact (β = 1.115; p = 0.000). This supports the view that microfinance is a powerful tool to raise the overall standard of living of beneficiaries, including access to education, health care, and even to improve housing conditions. These findings confirm the crucial role of microfinance as a prime enabler of socio-economic development. The individual indicators, which emerge as the most important individual indicators, are perceptions about the affordability of loans (MF2), and the ability of microfinance to attain capital requirements (MF3), with coefficients of 0.201 (p = 0.000) and 0.194 (p = 0.001), respectively. The second is derived from the dimensions of YES loans' financial accessibility and adequacy in responding to the special needs of its beneficiaries. However, the dimensions of the effectiveness of

microfinance in poverty stratification (MF5) and sustainable poverty alleviation (MF6) are not critical. This finding suggests that the program did not always work to the best of its abilities. There was no significant interaction term (p = 0.523); microfinance had no significant effect on living standards within the experimental vs. control groups. The uniformity here also suggests that the impact of the YES program is robust across demographic and socioeconomic contexts.

Model 3: Microfinance Usage

Table 9. Regression Results of Model 3(a)

Predictor	B	Standard Error	p-value
Constant	-0.066	0.318	0.836
Group	-0.604	0.481	0.211
MF_Mean	1.076	0.093	0.000
Group*MF	0.111	0.136	0.418

The findings for Model 3(a) state that the availability of microfinance under the YES program has strong positive effects on microfinance usage for beneficiaries. For each 1-unit increase in microfinance, holding everything else equal, the usage of microfinance improves by 1.076 units. Nevertheless, the non-significance of the group variable (β = -0.604, p = 0.211) and the interaction term (β = 0.111, p = 0.418) shows that the improvement is consistent for both the experimental and control groups, with little difference in impact between groups.

Table 10. Regression Results of Model 3(b)

Predictor	B	Standard Error	p-value
Constant	0.283	0.286	0.323
Group	-0.135	0.419	0.747
MF1	0.442	0.067	0.000
MF2	0.043	0.054	0.422
MF3	0.379	0.068	0.000
MF4	0.192	0.052	0.000
MF5	-0.103	0.079	0.197
MF6	-0.099	0.052	0.056
MF7	-0.012	0.055	0.827
Group*MF	-0.015	0.119	0.898

The results for Model 3(b) show that specific dimensions of microfinance, such as MF1, MF3, and MF4, consistently increase the usage of microfinance among beneficiaries. Nevertheless, there is no significant association between usage and other dimensions, such as affordability (MF2) and perceptions of poverty alleviation (MF5, MF6, and MF7). As observed, the group variable and the interaction term (G*M) are non-significant, implying that the effects of the microfinance dimensions are not different across the experimental and control groups.

The use of microfinance, captured on the basis of its usage as a proxy, is significantly related to key microfinance dimensions. We find that the average microfinance variable positively correlates with usage (β = 1.076, p = 0.000). This means that microfinance is associated with entrepreneurial activities or helps make the current

occupation more meaningful. Individual important predictors are the ease of loan application (M4, β = 0.192, p = 0.000) and adequacy of loans to cover capital requirements (M3, β = 0.379, p = 0.000). The findings indicate the importance of streamlining administrative processes and making the effective use of microfinance possible through adequate funding. However, affecting (M2) the affordability of interest rates, (M5) the program's poverty alleviation role was not a significant predictor, implying that these sectors may need to be modified to make them more relevant for beneficiaries. The interaction between money and microfinance (G*M) was not significant (p = 0.418), suggesting that no significant difference in microfinance usage patterns exists across both groups. This means that the mechanisms driving occupational engagement promotion through YES are equally effective in the experimental and control group participants.

Model 4: Program Satisfaction

Table 11. Regression Results of Model 4(a)

Predictor	B	Standard Error	p-value
Constant	-0.020	0.234	0.932
Group	-0.401	0.354	0.258
MF_Mean	1.098	0.068	0.000
Group*MF	0.102	0.100	0.312

The results of the regression for Model 4a demonstrate that the coefficient of 1.098 for the microfinance index has a p-value of 0.000 and a linear positive impact on program satisfaction. This implies that the more exposure to the microfinance program, the better the program satisfaction. However, the coefficient of the group variable is negative at 0.401 and p = 0.258, implying that there is no statistical difference in program satisfaction between the experimental and control groups. Furthermore, the coefficient of the interaction term is 0.102, and its p-value is 0.312, implying that this interaction variable does not have a significant impact on program satisfaction. Overall, we find a clear positive effect of microfinance exposure on program satisfaction, but neither the group effect nor the microfinance exposure group interaction has a statistically significant effect on program satisfaction.

Table 12. Regression Results of Model 4(b)

Predictor	B	Standard Error	p-value
Constant	0.279	0.174	0.111
Group	-0.009	0.256	0.972
MF1	0.388	0.041	0.000
MF2	0.006	0.033	0.857
MF3	0.472	0.041	0.000
MF4	0.192	0.031	0.000
MF5	-0.108	0.048	0.026
MF6	0.024	0.032	0.454
MF7	-0.078	0.034	0.020
Group*MF	0.017	0.073	0.817

Various dimensions of microfinance under the Youth Entrepreneurship Scheme (YES) were scrutinized through a regression analysis for Model 4(b) to explore the relationship between these dimensions and program satisfaction. A positive baseline level

of satisfaction (β = 0.279, p = 0.111) was observed; however, the constant term was not statistically significant. The results showed that the group variable (differentiating between the experimental and control groups) had no significant effect on program satisfaction (β = -0.009, p = 0.972). Several microfinance-related variables have been shown to significantly affect satisfaction. The impact of this perception by beneficiaries of microfinancing as productive for poverty alleviation (M1) was found to be very positive and significant (β = 0.388, p = 0.000). Furthermore, the application for loans (MF4) and easy loans on the offering (M3) also promoted satisfaction significantly, with β values of 0.472 (p = 0.000) for MF4 and 0.192 (p = 0.000) for M3. Similarly, the interest rate (M2, p = 0.857), effectiveness in sustainable poverty alleviation (MF6, p = 0.454), and interaction term (Group*MF, p = 0.817) were not statistically significant. These results reinforce that, besides some positive aspects of the YES microfinance scheme, significant improvements are required to boost loan beneficiaries' experiences of program satisfaction (Rovidad, 2020).

The critical outcome of the YES Microfinance Initiative is program satisfaction. The regression results suggest that the dimensions of microfinance significantly affect beneficiary satisfaction levels. The results highlight a strong positive predictor of perceptions of microfinancing as productive poverty alleviation (MF1, β = 0.388, p = 0.000) and the adequacy of loans to meet capital requirements (MF3, β = 0.472, p = 0.000). Furthermore, the application of MF4 (β = 0.192, p = 0.000) also contributed significantly to satisfaction, particularly due to the lack of a burdensome application process. In contrast, some dimensions hindered satisfaction (MF5, β = -0.108, p = 0.026; MF7, β = -0.078, p = 0.020) in perceptions about this program's role in alleviating poverty (M5) and in supporting entrepreneurial endeavors (MF7). They may reflect unmet expectations or dissatisfaction with some part of the program's implementation. Other predictors include affordability of interest rates (MF2) with p = 0.857, which indicates that beneficiaries either feel neutral or indifferent in those areas.

None of the group variables or interaction terms were significant, indicating that the satisfaction levels were consistent between the experimental and control groups. This uniformity means that regardless of how they are grouped, the YES program equips all participants with a consistent experience.

Conclusion

This study evaluated the impact of microfinance under the Youth Entrepreneurship Scheme (YES) on four key dependent variables: Living Standards (LS), Microfinance Usage (OCC), Program Satisfaction (PS), and Basic Needs (BN). The results demonstrated different impacts between the experimental and control groups. Microfinance appears to have a stronger, though weaker, positive effect on basic needs, which may be due to the different baseline conditions and the use of funds between groups. The results show that the interaction term highlights that these effects are moderated by group affiliation, with diminishing returns in the experimental group. Microfinance under the YES program substantially increases the living standards of beneficiaries in both groups, particularly for the experimental group, which suggests that microfinance has great potential to facilitate economic stability. Considering microfinance usage, the control group seems to get more, a possible sign of differences in employment or entrepreneurial outcomes between groups. Finally, the findings from satisfaction with the program are slightly subtle, as beneficiaries are mostly satisfied with some of those elements, such as capital sufficiency and ease of application, but dissatisfied with others,

such as poverty reduction and entrepreneurial support. This undermines the call for a more bespoke response to beneficiaries' specific concerns. This research indicates that the YES microfinance initiative shows considerable potential for empowering young business owners, encouraging income diversification, and stabilizing earnings among participants. The program's effectiveness in addressing economic challenges is evident through positive results, especially in the areas of financial self-sufficiency and efficient resource use.

Nevertheless, this study identifies key areas requiring enhancement, including loan sufficiency, adaptable repayment plans, and skill development programs. This research emphasizes that while the initiative has achieved notable success, realizing its full impact necessitates addressing concerns related to affordability and providing targeted assistance to dissatisfied beneficiaries.

The current study underscores the necessity for additional exploration of tailored microfinance solutions that address specific socioeconomic challenges. This study can provide more effective strategies for poverty reduction. The results of this study can be used by policymakers to create encompassing microfinance programs. To boost the efficacy of the YES program and comparable initiatives, emphasis should be placed on customized financial offerings, adaptable repayment schedules, and focused interventions. However, the current study is limited to Pakistan through the Youth Entrepreneurship Scheme (YES), a Kamyab Jawan Program initiative with limited geographic coverage. Future research may be diversified to compare and evaluate the impacts of various microfinance schemes using a mixed-method approach. The impact of digital tools can also be evaluated to enhance the microfinance program outcomes.

Policy Implications

The policy implications must focus on the inclusion of digital literacy and fintech-based solutions in the microfinance initiatives such as the Kamyab Jawan Program – Youth Entrepreneurship Scheme to make microloans more accessible, efficient, and transparent. By encouraging digital financial literacy among the marginalized youth and women, they might effectively use fintech platforms, diminishing credit barriers.

Considering SDG 1 – No Poverty, policy implications of the Kamyab Jawan program must focus on promoting digital literacy as a crucial enabler of inclusive microfinance. Promoting digital literacy would mean that youth are empowered to use fintech systems and tools, get credit, and control their finances, which would make them less reliant on informal and predatory lending. Digital financial inclusion can lead to poverty alleviation in the long term, mapped within SDG 1 goals through the elimination of geographical and socio-economic distances, economic expansion, and the creation of sustainable livelihoods. The attention of policymakers should also be directed to the creation of a safe digital ecosystem, consumer protection, and confidence, which are key to the large-scale adoption of digital financial services by vulnerable groups. Capacity building and digital innovation will be important in ensuring that microfinance has optimum effects on poverty reduction in Pakistan.

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Annex X

Dear Sir/Ma'am,

A group of researchers from FAST-National University Islamabad is conducting a survey on the HEC NRPU Project **'Impact of Prime Minister's Kamyab Jawan – Youth Entrepreneurship Scheme (YES) on Poverty Alleviation in Pakistan'**. You can help us in pursuing this research by completing the attached questionnaire, which I think you will find quite interesting. Let me assure you that, strictly following the research ethics, your replies will be kept strictly confidential, and the data acquired will only be used for research purposes. Please note that your participation in this study is completely voluntary. Please feel free to decline if you do not want to participate for any reason.

Please read the instructions carefully and answer all the questions. There are no "trick" questions, so please answer each item as frankly and as honestly as possible. It is important that **all** the questions be answered. I once again thank you for your assistance and cooperation in this noble cause.

Sincerely,

SECTION A

Gender: Male ☐ Female ☐

Age group:

i. 20-25
ii. 26-30
iii. 31-35
iv. 36-40
v. More than 40

Education Level:

i. Not educated
ii. Primary Education
iii. Matric
iv. Intermediate
v. Graduate
vi. Postgraduate

Household monthly income:

i. Below 25,000
ii. 26,000-50,000
iii. 51,000-75,000
iv. 76,000-100,000
v. Above 100,000

Occupation:

i. Salaried
ii. Self-employed
iii. Unemployed

What is the value of microcredit offered to you?

i. 0.5 million

ii. 0.5 million – 1 million
iii. 1 million – 1.5 million
iv. 1.5 million – 2.5 million
v. More than 2.5 million

SECTION B

The following statements concern your perception about yourself in a variety of situations. Please encircle the appropriate box against each statement to indicate the extent to which you agree or disagree with that statement by using the following scale.				
1.Strongly Disagree	**2. Disagree**	**3. Neutral**	**4. Agree**	**5. Strongly Agree**

Sr.	**Statement**					
	Microfinance					
1.	Do you think that microfinance scheme played a vital role in tackling the rapid rise in poverty?	1	2	3	4	5
2.	Do you think the interest rate charged by YES loan is appropriate and affordable?	1	2	3	4	5
3.	Do you think loan under YES can fulfill the minimum capital requirements of urban and rural young people?	1	2	3	4	5
4.	Do you think the application process for loans is easier from YES than conventional banks?	1	2	3	4	5
5.	Do you think microfinancing under YES is productive to alleviate poverty of beneficiary in Pakistan?	1	2	3	4	5
6.	Do you think microfinancing under YES is effective in achieving sustainable poverty alleviation?	1	2	3	4	5
7.	Do you think that microfinance loans under YES support and nurture entrepreneurial ventures to uplift individuals and communities out of poverty?	1	2	3	4	5
	Basic needs					
8.	Do you think the loan provided by YES enables you to access better health care?	1	2	3	4	5
9.	Do you think the loan provided by YES enables you to access a quality education?	1	2	3	4	5
10.	Do you think a loan provided by YES leads to better accommodation?	1	2	3	4	5
11.	Do you think the microfinance loan enabled you to purchase better food and maintain a balanced diet?	1	2	3	4	5
	Living Standards					
12.	Do you think the amount of a loan enables you to uplift your livelihood?	1	2	3	4	5
13.	Do you think the amount of a loan enables you to improve your health and wellbeing?	1	2	3	4	5

14.	Do you think that YES really made a positive impact on your standard of living?	1	2	3	4	5
15.	Do you think your monthly income has increased since receiving the microfinance loan?	1	2	3	4	5
16.	Do you think that microfinancing created an overall positive impact to satisfy specific aspects of your living standards?	1	2	3	4	5
	Occupation					
17.	Do you think the loan provided by YES is sufficient to set up a new or expand a current business?	1	2	3	4	5
18.	Do you believe that access to microfinance stimulated entrepreneurship?	1	2	3	4	5
19.	Do you think that YES encouraged innovation and creativity among you as an entrepreneur, leading to sustainable economic growth?	1	2	3	4	5
	Satisfaction with the Program					
20.	The program was specifically designed to favor the poor.	1	2	3	4	5
21.	Most of the citizens of the state benefited from the YES.	1	2	3	4	5
22.	Do you think that using this loan enabled you to achieve your objectives?	1	2	3	4	5
23.	Are you satisfied with the repayment procedures?	1	2	3	4	5
24.	Do you think that the loan amount offered was enough to meet specific financial needs?	1	2	3	4	5