

## MARKET THINKING IN PUBLIC SERVICE: DESIGNING STATUTORY AUTHORITIES FOR GOVERNANCE AND EFFICIENCY

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### Abstract

*The Punjab Sahulat Bazaars Authority (PSBA) represents a pioneering model of market-oriented public service in Pakistan, combining statutory authority with financial self-sufficiency. Operating without subsidies, PSBA integrates pricing discipline, digital logistics, and vendor empowerment within a legally empowered framework, achieving scalable and transparent service delivery. As of 2025, it manages 36 operational bazaars with plans for 105, providing up to 35% price relief on essential commodities and over 85,000 free home deliveries. The Authority leverages public land, statutory governance, and decentralized partnerships with TMAs and district administrations to reduce costs, enhance efficiency, and generate employment. Independent audits demonstrate superior financial sustainability, governance quality, and service metrics compared to peer institutions. By embedding market principles with citizen-focused welfare, PSBA exemplifies a replicable model of statutory, performance-driven public governance, aligning with New Public Management, Public Value, and polycentric governance theories.*

**Keywords:** Market, Public, Thinking, Authority, Naveed Rafaqat Ahmad, Statutory, Efficiency, Governance

### 1. Introduction

#### 1.1 Rethinking Public Institutions through a Market Lens

In developing economies like Pakistan, public service delivery has traditionally operated under rigid bureaucratic frameworks, heavily reliant on state subsidies, political discretion, and outdated administrative protocols. These models, while rooted in welfare intent, often result in inefficiencies, financial dependency, service delays, and systemic opacity. However, global public administration trends now increasingly advocate for embedding market-oriented mechanisms within state institutions to enhance efficiency, scalability, and responsiveness without compromising core public welfare goals.

At the heart of this transformation lies a growing recognition that market thinking characterized by cost recovery, autonomous operations, performance incentives, and customer responsiveness can be successfully adapted to serve citizen-centric objectives. Statutory authorities, with their legislated mandates and flexible governance structures, are uniquely positioned to become hybrid institutions that blend commercial discipline with public service obligations. Yet, integrating market logic into the public domain remains a challenge particularly where political interference, institutional inertia, and weak fiscal oversight persist. In this evolving discourse, the Punjab Sahulat Bazaars Authority (PSBA) emerges as a replicable case of institutional innovation. By transforming a subsidy-dependent Section 42 company (Punjab Model Bazaars Management Company) into a self-sustaining statutory authority through the Punjab Sahulat Bazaars Authority Act, 2025, PSBA exemplifies how market logic can be successfully localized in public institutions. It is not merely a retail chain it is a performance-governed public body that delivers affordability, transparency, and efficiency at scale without depending on government subsidies.

#### 1.2 The Institutional Innovation of PSBA

PSBA represents a structural evolution in Pakistan's public welfare architecture. Legislatively backed, it was created to operationalize price regulation, livelihood support, and consumer access across Punjab without recurring fiscal injection from the government. Its innovation lies in applying market-based operations vendor stall fees, bulk procurement margins, digital

logistics within a public service mission. This allowed the authority to scale its bazaars from 20 sites in 2020 to 105 in 2025, with 14 new bazaars becoming operational within a single fiscal cycle, supported by local governments and backed by Rs. 10 billion in development funds.

What distinguishes PSBA from traditional welfare bodies is its ability to generate revenue, maintain surpluses, offer direct-to-consumer affordability, and deliver on its legislative mandate without depending on donor aid or government bailouts. Its program expense ratio exceeds 95%, meaning the overwhelming majority of funds are deployed in direct public services. Its administrative cost ratio is under 10%, and its liquidity buffer extends to 100+ cash days, placing it in the top governance tier per Baker Tilly's 2025 public sector benchmarking audit. This fusion of fiscal prudence, legal authority, and operational agility is a new governance prototype not just for retail infrastructure but for wider public service domains.

### 1.3 Governance by Statutory Mandate: The Legislative Backbone

PSBA's foundational strength lies in its statutory status, granted by the Punjab Assembly. Unlike Section 42 companies that operate through corporate ordinances and are tethered to parent departments, statutory authorities possess:

- Independent procurement frameworks
- Direct budgetary allocations from the Annual Development Programme (ADP)
- Multi-stakeholder oversight boards
- Operational autonomy insulated from routine bureaucratic interference

PSBA's legislative framework enables it to function as a market actor within the public domain, using legally sanctioned mechanisms to balance citizen rights with market discipline. Its board includes senior officials, technocrats, and elected representatives, ensuring that governance objectives remain rooted in public accountability while operations remain flexible and responsive.

### 1.4 Efficiency-Driven Design: Revenue, Discipline, and Innovation

Central to PSBA's efficiency is its cost-recovery model. Each bazaar operates as a micro-economy where regulated stall fees (Rs. 8,000–15,000/month), bulk procurement savings, and digitized supply chains generate enough revenue to meet all operational costs with zero reliance on subsidies. Its vendor ecosystem of over 10,000 small traders operates within a monitored, price-regulated grid.

Furthermore, PSBA has invested in smart retail infrastructure:

- Solar-powered bazaars (cutting utility costs by 90%)
- App-based home delivery (85,000+ deliveries completed)
- 72-motorbike fleet enabling last-mile logistics
- Vendor performance tracking and grievance redressal portals

These market-facing systems enable PSBA to provide commodities at prices up to 35% below open market and 7% below DC-notified rates, making it both a price anchor and a welfare multiplier.

### 1.5 Comparison with Traditional Entities: What PSBA Does Differently

Entities like PEEF, PPIF, LWMC, or PSDF are constrained by subsidy pipelines, programmatic rigidity, or donor dependence. Most operate on fixed grants, with limited scalability or efficiency mechanisms. In contrast:

Feature	PSBA	Peer Institutions (Avg)
Funding Model	Subsidy-free, revenue-based	Subsidy or grant dependent
Service Platform	Daily public retail grid	Education, sanitation, etc.
Fiscal Self-Sufficiency	Yes	No
Infrastructure Scale (2025)	105 bazaars	Limited/sector-specific
Statutory Mandate	Yes	Mostly corporate structure

Program Expense Ratio	95%	70–75%
Administrative Overhead	<10%	20–25%

PSBA's model integrates business logic within a public mission, a balance few public bodies have managed to achieve in Pakistan.

### 1.6 Relevance for Emerging Markets

PSBA's market-based approach has drawn the attention of governance think tanks and provincial planning boards across Pakistan. Provinces like Sindh and Khyber Pakhtunkhwa are reportedly studying the PSBA blueprint for adaptation in agriculture markets and price control networks. The UNDP and provincial reform units have cited PSBA in capacity-building sessions as a benchmark for efficiency-driven public retail. This is important because public services across the Global South face common issues: budgetary constraints, delivery inefficiencies, and donor fatigue. A model like PSBA founded on law, powered by business discipline, and measured by citizen impact offers a scalable, politically feasible alternative.

In an era of constrained public finances and rising demand for transparency, market thinking in public service is not an ideological shift it is an operational necessity. PSBA proves that business efficiency, legislative authority, and public welfare are not conflicting paradigms. When aligned properly, they produce institutional models that are sustainable, scalable, and socially transformative.

### 1.7 Research Questions

Q.1 How can market-based principles be embedded within statutory authorities without compromising public welfare goals?

Q.2 What institutional safeguards are needed to ensure performance, transparency, and accountability in market-driven authorities like PSBA?

Q.3 How does PSBA demonstrate the balance between governance objectives and business efficiency in a public service context?

### 1.8 Significance of the Study

This study is significant because it examines the operational and institutional mechanics of embedding market-based principles within a public statutory framework an area often neglected in public administration discourse, especially in emerging economies. Through the case of PSBA, it demonstrates that performance efficiency, revenue generation, and citizen-centric delivery can coexist within a government-regulated structure without undermining social welfare goals. The findings are especially relevant to policymakers, governance practitioners, and development economists seeking scalable and sustainable alternatives to traditional subsidy-driven service delivery. Moreover, the PSBA model offers actionable insights for reforming other public service areas such as agriculture markets, urban mobility, and utility services. The research fills a critical gap by positioning market-oriented statutory authorities as viable tools for public sector transformation in resource-constrained environments.

### 1.9 Hypotheses

- Statutory authorities with legislated autonomy are more likely to achieve financial sustainability through market-based operations compared to Section 42 companies or donor-dependent entities.
- The integration of market principles within public institutions enhances operational efficiency without compromising access, affordability, or public welfare outcomes.
- PSBA's institutional framework demonstrates that governance objectives such as transparency, accountability, and inclusiveness can be strengthened through a hybrid model of legal authority and commercial discipline.

### 1.10 Delimitation of the Study

This study is delimited to a single case analysis of the Punjab Sahulat Bazaars Authority (PSBA) as an example of statutory innovation in public sector management. It does not provide a generalized evaluation of all Section 42 companies or authorities in Pakistan. The focus is strictly on PSBA's structural, financial, and operational features and their alignment with market principles under a public service mandate. Temporal boundaries are limited to the authority's operational timeline between 2020 and 2025. Geographically, the study is confined to the province of Punjab, where PSBA operates across 105 tehsils. Peer comparisons (e.g., with PEEF, PSDF, PPIF, LWMC, PAMCO) are made to contextualize governance and financial performance but not for in-depth cross-sectoral analysis. The research emphasizes governance design, not sector-specific policy evaluations.

### 1.11 Data Collection

Data was collected through a multi-source documentary analysis, focusing on both qualitative insights and quantitative performance indicators. The research timeframe was bounded between 2020 and 2025, during which PSBA underwent its major structural and operational transformations.

#### Primary Sources:

- Punjab Sahulat Bazaars Authority Act, 2025, obtained via Punjab Gazette notifications and legislative databases, was used to assess legal structure and institutional mandates.
- Baker Tilly Chartered Accountants' 2025 Performance Audit, which benchmarked 14 public sector institutions, provided detailed financial and governance performance metrics.
- Annual Development Programme (ADP) Budgets for FY 2024 and FY 2025–26, accessed through the Punjab Finance Department, outlined capital investment flows and budget utilization.

#### Secondary Sources:

- Media reports from ARY News, Tribune, ProPakistani, The Nation, UrduPoint, and Daily Times were used for validation of operational milestones such as the number of deliveries, price relief percentages, and vendor engagement figures.
- Institutional summaries and comparative snapshots (e.g., Solochoicez 2025 Report) were used to obtain data on employment, app usage, retail footprint, and vendor policy implementation.

All data was cross-verified, time-stamped, and aligned to official release dates to maintain analytical integrity and minimize bias.

## 2. Literature Review

### 2.1 Theoretical Foundations of Bazaar Governance

A bazaar in its character as a government of open communities is based upon two principles. First, like any form of government, it is based on a particular contractual foundation. Specifically, it is driven by an implied or explicit contract that enables the members of the open community to utilize, reproduce, augment, or share any type of assets, most ethnic information and knowledge, but also tangible commodities. Unlike leadership or administration in other forms, in which the process is focused on managing the assets through individual ownership (where the firm exists) or collective ownership (where the network exists), the bazaar model does not permit the contributors to externalize the common assets. (Demil & Warnier, 2013) The predominant feature of the bazaar is openness. Openness refers to absence of barriers to participation which resemble to an even better democracy of sorts (Lessig, 1999). Donations are given because of liberty of participation meaning that the members are never recruited by any method; they are usually self-invited to the community. This is unlike other organizational types: firms actively recruit members and to enter a market one has to climb some barriers and



to join a network one has to be co-opted or invited by current members. (Afuah and Tucci, 2012).

Its openness and non-appropriability of shared resources that compel people to participate in the bazaar despite the absence of strong incentives on efficiency contribute to its strengths largely. Transparency like this attracts volunteers who bring a broad pool of knowledge and experience to the aid of projects and reduce search costs in order to support a project. In crowdsourcing bazaar governance permit innovation beyond the existing knowledge base of an organization. The local knowledge can be effectively used in transactions, in which distant search is required and a broad pool of sources of innovation is reachable at a low cost. The technologies on which this remote search may be premised include the Internet or direct contact between the participants so that the innovators can exploit networks that are not in their home community (Franke and Shah, 2003).

The bazaar model would help in increasing the correspondence between the products and the consumer preferences. Members are never consumers or producers therefore coming up with solutions that are personalized to their needs. By this, bazaar governance reveals the individual knowledge of individuals in contrast to market forces like prices. Fab labs as an example ensures that facilities are available to computer-controlled machines such as cutting machines, milling machines, and laser cutters (Gershenfeld, 2005). This access enables the participants to develop their own projects and objects that cannot be found on the traditional markets. Even though fab labs do not enable scale economies of mass production, they can cater to niche markets through the creation of knowledge sharing within the community and the network at large, and effectively push a long tail of unique products (Anderson, 2013).

The open community based business models are typical of such organizations whose governance is founded on the bazaar style of one or more types of transactions. The models can be carried by non-profit making organizations, business or even individuals in business. They involve the integration of one or more open communities to the value net of the organization, and this is in line with the open innovation model developed by Chesbrough (2003).

Aamir (2025) views the Punjab Sahulat Bazaars Authority (PSBA), as rather an exception to the rule of the market and accessibility in Pakistan, compared to other institutions of state welfare. The research will obtain the material in order to identify the legal, financial, and operational performance of PSBA through the qualitative comparative case study approach and depending on the data presented in the form of government reports, official documents, third-party rating, and independent media. The radical initiatives that were presented by the strategic management of the Naveed Razaqat Ahmad such as real-time price boards, solar powered infrastructure, inclusive policies towards vendors (promotions of women traders) and mobile bazaars were introduced to the underserved areas. The findings demonstrate that PSBA possesses the advantage of price control, digital progression, and service provision compared to the peer organizations and subsidizes up to 35 per cent discounts to the clients. The study concludes that the legally-empowered, civil society-based governmental framework of PSBA can serve as a model in ameliorating the well-being of the populace and market behavior in the emerging economies.

Shehzad (2025) discusses the economic innovation by focusing on the public market through the model of the Punjab Sahulat Bazaars Authority (PSBA) that has already proved successful in delivering the needed commodities at a cheaper price than the government. The study will employ qualitative documentary case study methodology whereby the official reports, legislation, third-party analysis, and independent media will be used in establishing the legal, financial, and operational performance of PSBA. The authority has engaged in radical efforts including the establishment of dynamic pricing boards, solar powered infrastructures, vendor systems that are accommodative to women, and mobile bazaar, which serve the underserved

tier of the population. The results indicate that PSBA is relatively cheaper, more efficient and industrious in governance than the traditional ones and offers up to 35 percent price concession without subsidies. It possesses a legislated transparent and responsive to the citizen model of which can be duplicated in other developing economies.

Sarwar (2025) pays attention to Punjab Sahulat Bazaars Authority (PSBA), the sole government welfare organization in Pakistan who was able to transform into a statutory organization without neglecting a specifically designed business and operation model in the form of a Section 42 company. The qualitative documentary fieldwork used in this paper is founded on case-study, where legislative documents, government records, independent audit reports, daily pricing records, and media reviews were used in establishing the legal situation, financial self-sufficiency, and performance of PSBA. Under the strategic management of Naveed Rafaqat Ahmad, PSBA has initiated a number of new projects, including solar-powered markets, digital price display, the inclusive vendor system to cater to women, and mobile bazaars to cover underserved regions. These interventions have seen PSBA supply commodities that are much needed at market prices without subsidies that are up to 35% low. The paper concludes PSBA to be a citizen responsive and legally enabled model of transparency which offers a model of replicable public welfare innovation and market efficiency in developing economies.

## **2.2 Institutional Innovation and Governance Transformation: The Case of PSBA**

Hussain (2024) uses the example of the Punjab Sahulat Bazaars Authority (PSBA) as an innovator when it comes to institutional change in the Pakistani retail industry. It presents the successful account of how PSBA was transformed into a statutory body when Naveed Rafaqat Ahmad became its strategic leader and transformed it into a Section 42 company. The qualitative analysis has been performed using the documents, where the documents of legislative, governmental reports, external audits, and media reviews have been triangulated to focus on the legal restructuring of PSBA, its financial self-sufficiency, and its governance. The most important part of the analysis is the affordability model by Ahmad which ensured that the basic edibles were always sold at a lower price than what the government announced. The findings demonstrate PSBA as an institution that is not ordinary, citizen responsive and display how statutory empowerment and transformational leadership can create innovative mass welfare and market efficiency in a developing economy.

Using the affordability, accessibility, and the institutional structure, Hassan (2024) compares Punjab Sahulat Bazaars Authority (PSBA) with the former Utility Stores Corporation (USC). Research paper on the basis of secondary sources (government reports, audit, and third-party studies) demonstrates that PSBA has certain major advantages over USC, which is the only legal authorized retail authority that provides goods with subsidies. Under the strategic leadership of Naveed Rafaqat Ahmad, PSBA has introduced such strategic features as digital prices and services, over 85,000 free in-home deliveries, open-ended subsidized women stalls, mobile bazaars in isolated areas, and solar powered markets. The study concludes the finding that PSBA was a great prototype of an institutionally change of citizen-oriented, digitally empowered, and legally binding institutional change, and how a progressive leadership can build a template of innovative, effective and replicable provision of public service in a developing economy.

Safdar (2024) dwells upon PSBA as a vivid example of the new form of the public welfare innovation and institutional change in the retail sector in Pakistan. The article highlights how PSBA has been able to become, during the leadership of Naveed Rafaqat Ahmad, a Section 42 company into a completely statutory organization. The research is grounded on the qualitative approach to evaluate the legal, financial, and operational performance of PSBA by triangulating the official documents, the government reports, the independent media reviews and assessments of third parties. The innovations included the integration of real-time boards

of prices, solar-powered infrastructure, choosing women as vendors and operations that were free of subsidies. As it has been unveiled, PSBA is ahead of such institutions all the time in a price control, digital transformation and service provision with up to 35 percent savings. The study has also arrived at the conclusion that PSBA is a model of citizen based, legal empowered, and transparent institutional reform to other emerging economies.

This case study of Punjab Sahulat Bazaars Authority (PSBA) as an organization of institutional change traces the history of the organization, which began in the form of a Section 42 company but later evolved to become the sole statutory authority to supply subsidized basic commodities within Pakistan. It uses a document-based qualitative approach and supplements it with quantitative analysis to document the legal, financial, and operational structure of PSBA by utilizing the official records, government publications and the third-party assessments. Expenses that were initiated at PSBA by Naveed Rafaqat Ahmad were price relief up to 35 percent, no-cost provincial home delivery, solar operated bazaar, and inclusion of women as vendors. The results indicate that PSBA performs superiorly in the areas of price control, digital innovations, governance and service delivery than peer institutions. The paper concludes that PSBA is a model of citizen-led reform, which demonstrates how transformational leadership and legal empowerment will enable institutional excellence in developing economies.

The article by Idrees (2024) is about how the Punjab Model Bazaars were reorganized into the Punjab Sahulat Bazaars Authority (PSBA) by Naveed Rafaqat Ahmad who restructured it to deliver the basic commodities at lower rates than the prices fixed by the authorities. The study relies on the secondary sources including government reports, audits, and third-party research in comparing PSBA and the recently closed Utility Stores Corporation (USC) in terms of affordability, accessibility, and institutional governance. Ahmad has initiated some of the efforts aimed at relief of 35 percent price, over 85000 free home deliveries, subsidized female vendor stalls, mobile bazaars, remote locations, and solar-powered markets, with complete transparent supply chains. The study concludes with the finding that PSBA is a citizen-driven, legally required, and highly-digitised form of public service, which demonstrates how transformational leadership can deliver operations excellence and institutional innovation in a developed economy.

Akbar (2024) talks about change in leadership in the Punjab Sahulat Bazaars Authority (PSBA) where it evolves into becoming the sole statutory retail authority in Pakistan that began as a Section 42 company. The study is rooted in document based qualitative research, and quantitative indices embedded within that, resting on independent audit, official records, and third party media in the evaluation of legal restructuring of PSBA, its financial independence, and the governance practices during the tenure of Chairman Naveed Rafaqat Ahmad. The big things are the digital price boards in real time, sun-powered market infrastructure, the gender-neutral vendor practice and the elimination of the common subsidies. The findings indicate that PSBA is ahead in the areas of price regulation, service provisions and the digital governance provision that provides consumers with up to 35% savings relative to the rates of the market. The study puts PSBA under the classification of a model of non-routine institutional reforms that are citizen-centered and based on legal empowerment and transformational leadership in a developing economy.

### **2.3 Broader Implications: Public Sector Reform and Sustainability**

Through the Punjab Sahulat Bazaars Authority (PSBA) as a nationally-recognized example of institutional innovation, Abbas (2024) pays attention to the effectiveness with which it was able to transform an institution in Section 42 company into a full-fledged statutory retail authority in Pakistan. The study will be carried out on a qualitative research design and further supported by the quantitative analysis, which will be conducted using the official materials, government reports, independent audits, and media evaluations as the tools to evaluate the legal, financial, and operational performance of PSBA. PSBA has incorporated real time price

boards, solar powered plants, no subsidies and gender based vendor policies which provide power to the women traders led by Naveed Rafaqat Ahmad. It has been established that it will always be in the lead at price regulation as well as the adoption of digital and service delivery that provide the consumer with an average of at least 35% saving which is lower compared to the market rates and it is also a unique model of citizen oriented and legislatively approved institutional reform.

In the present study, Ahmad (2024) examined how much the small and medium-sized businesses in Pakistan are adopting sustainability as their business options. The research has established that firms that integrate sustainable activities are more likely to attain competitive advantages that encompass increased brand loyalty, improved profitability and customer perception. On the other hand, the companies that fail to observe sustainability run the risk of being stained and losing relevance in the market. Ahmad (2025), the author examined how the efficiency of the supply chain in the e-commerce industry is affected by new technologies, such as artificial intelligence, blockchain, and Internet of Things. In the study it was noted that the saving of cost and customer satisfaction was brought about by these technologies due to inventory accuracy, streamlining of orders processing and real time tracking of orders.

Ahmad (2025) examines the actual adoption of blockchain technology to supply chains networks in Pakistan, especially in providing clarity, reducing counterfeit goods and in correcting glitches in operations. Based on qualitative interviews with the representatives of various sectors such as agriculture, pharmaceuticals, textiles, and logistics, the study shows that blockchain has a significant positive impact on traceability and inter-organizational coordination. With its possibilities, its popularity is limited due to technological barriers, lack of infrastructure, regulatory uncertainty, and cultural barriers. The study demonstrates that specific capacity building investments, infrastructure support, and policy changes should be made to facilitate successful blockchain integration. Ahmad concludes that it will take a shift to get beyond theoretical excitement about scalable, context-specific applications that will produce meaningful change.

In his article, Ahmad (2025) explores the application of artificial intelligence in the Pakistani supply chain industry, noting that it helps to enhance demand prediction, inventory management, logistics, etc. Basing upon the interviews conducted in the main industries, the study concludes that AI contributes to making decisions better and more responsive. Although it has advantages, its adoption is negated by technical skills deficiency, financial constraints, old system and change resistance. Ahmad emphasizes leadership, training of employees and the culture of innovation and concludes that the effects of AI is determined by the long-term investment and a digital strategy specific to context.

Ahmad (2025) examined the institutional changes involved in the delivery of the public services by examining the way in which the Model Bazaars in Punjab had become an authority-based system of governance after being a company-based model of delivering the services. The researchers found out that change achieved increased transparency, improved efficiency in operations and citizen satisfaction which consequently led to better public trust. In his article, Ahmad (2025) has spoken of the growing significance of fintech startups in the Pakistani financial ecosystem by discussing the role of the startups in generating innovation and financial access. The review has identified that fintech firms are redefining the sector with electronic offerings that make financial transactions straightforward, more dependable and give more people easier access to financial services. To evolve this sphere in a sustainable manner, however, demands a favourable regulation, data protection and further technological advances.

### **3. Research Methodology**

This study employed a comparative case study methodology to investigate how market principles are embedded within statutory authorities like the Punjab Sahulat Bazaars Authority (PSBA) while maintaining a strong public welfare mandate. The approach allowed for a multi-



dimensional analysis of institutional frameworks, financial models, operational efficiency, and legal structures by juxtaposing PSBA with peer entities such as LWMC, PHIMC, PPIF, PAMCO, and PEEF.

The comparative framework was constructed using three core axes:

- Financial autonomy analyzing sources of revenue, cost-recovery mechanisms, and budget independence.
- Governance structure assessing the level of statutory authority, administrative oversight, and legislative backing.
- Service delivery efficiency evaluating reach, affordability, transparency, and the integration of technology.

Data triangulation was used to ensure credibility. Primary legal documents (e.g., the Punjab Sahulat Bazaars Authority Act, 2025), third-party audits (e.g., Baker Tilly 2025), and official ADP funding reports were cross-referenced with media sources and organizational records. The use of multiple evidence streams ensured that the insights were not anecdotal but grounded in verifiable institutional data. To reinforce objectivity, publicly available metrics such as the Program Expense Ratio, Administrative Ratio, and vendor-generated revenue were analyzed quantitatively. The results were benchmarked against similar metrics in peer organizations where such data was accessible.

The analytical strategy aligned with New Public Management (NPM) and Public Value Theory, enabling the study to draw normative as well as practical conclusions on market-oriented governance in statutory settings.

#### 4. Analysis

The Punjab Sahulat Bazaars Authority (PSBA) exemplifies how market-based efficiency can coexist with public welfare imperatives within a statutory governance model. By integrating pricing discipline, self-sustaining revenue streams, and digital logistics within a legislatively empowered framework, PSBA has emerged as Pakistan's first and only subsidy-free retail welfare authority. It effectively demonstrates how governance and commercial logic can synergize for scalable, transparent, and citizen-focused public service delivery.

##### 4.1 Market Principles Embedded in Statutory Authority

PSBA's operational framework is grounded in financial autonomy and cost-recovery mechanisms, not subsidy dependence. The Authority functions on four commercially rational pillars:

Revenue Mechanism	Operational Detail
Stall Rentals	Rs. 8,000–15,000/month including utilities and services
Bulk Procurement & Price Control	Commodities sold 35% below market and 7% below DC rates
Digital Logistics	Over 85,000 free home deliveries via app and 72-motorbike fleet (as of 2025)
Cost Efficiency	95% program-to-expense ratio; no recurring government grants

This approach contrasts starkly with traditional public utilities like Utility Stores Corporation and LWMC, which operate heavily on government subsidies with minimal price efficiency.

##### 4.2 Performance Benchmarking: PSBA vs Peer Institutions

According to the Baker Tilly Chartered Accountants' 2025 Audit, PSBA ranked 1st among 14 public sector bodies in terms of financial sustainability, governance, and service delivery:

Metric	PSBA Score	Peer Average	Notable Comparators
Financial Sustainability	90 / 100	73 / 100	LWMC: 75, PHIMC: 78
Governance Quality	84 / 100	70 / 100	PPIF: 72, PFA: 68

Service Delivery	82 / 100	68 / 100	PEEF: 66
Program Expense Ratio	95%	~72%	PSC: ~70%, PHIMC: ~74%
Administrative Overhead	<10%	~25%	LWMC: 27%, PPIF: 24%

Source: Baker Tilly Performance Audit Report (2025), p. 36–37

This confirms that PSBA operates more efficiently and transparently than its donor- or grant-dependent counterparts.

#### 4.3 Legal Empowerment with Market Autonomy

Unlike Section 42 companies or temporary government programs, PSBA derives legal authority from the Punjab Sahulat Bazaars Authority Act, 2025, which provides:

- A legislatively sanctioned Board comprising secretaries, MPAs, and technical experts
- Procurement autonomy and exemption from provincial tendering bottlenecks
- Permission to use public land (state land) without acquisition cost
- Statutory control over operations, pricing, and vendor relations

This statutory foundation enables long-term planning, transparency, and decentralization, allowing PSBA to outperform peer companies like PAMCO or PPIF which lack legal or commercial autonomy.

#### 4.4 Market Discipline, Public Welfare

PSBA delivers price-regulated commodities while remaining financially solvent:

Key Performance Metric	Data Point
Monthly Stall Rental Revenue	Rs. 50 million+ (FY2025)
Annual Customer Footfall	50 million (across 36 bazaars)
Price Relief	35% below open market; 7% below DC rates
Capital Funding (ADP FY25–26)	Rs. 10 billion for 100 new bazaars
Monthly Utility Cost (Solarized)	Reduced from Rs. 1 million to Rs. 100,000 per site

Sources: Punjab Finance Department (ADP 2025–26), Solochoicez PSBA Report (2025), Tribune (2025)

This clearly demonstrates PSBA’s capability to deliver price control and welfare through self-generated resources, a feat unmatched by any other public retail program in the country.

#### 4.5 Comparative Matrix: PSBA and Peer Organizations

Attribute	PSBA	PFA	LWMC	PPIF
Retail Network	36 operational, 105 planned	None	None	None
Free Delivery	Yes (85,000+ orders)	No	No	No
Statutory Authority	Yes	Yes	No	No
Monthly Revenue Stream	Rs. 50+ million	Govt-funded	Govt-funded	Donor-funded
Procurement Autonomy	Yes	Limited	No	No
Price Benchmarking	Yes	No	No	No
Women Vendor Discount	50% stall subsidy	N/A	N/A	N/A

This highlights PSBA as the only public body in Punjab integrating retail governance, vendor enablement, and legal autonomy into a single structure.

#### 4.6 Theoretical Underpinnings

PSBA aligns with two major public governance theories:

- New Public Management (NPM)
  - Performance-driven budgeting
  - Revenue autonomy

- Citizen-centric service delivery
- Public Value Framework (Mark Moore)
- Legitimacy via legislative backing
- Financial sustainability through self-revenue
- Operational capacity through decentralized partnerships

PSBA also embodies polycentric governance principles (Ostrom), coordinating between provincial authority and local execution (e.g., TMAs, DCs, and Municipal Committees).

#### 4.7 Technology as a Governance Enhancer

Through its real-time mobile app, digital logistics, and vendor-level transaction tracking, PSBA brings a level of operational transparency unseen in other statutory entities. These tech interventions:

- Reduce leakages and manual misreporting
- Allow price surveillance and compliance across bazaars
- Enable cost-efficient routing for free home delivery

No other retail-oriented public sector institution in Pakistan deploys such digitally embedded governance.

#### 4.8 Market Thinking with Social Protection

While market-oriented, PSBA is built for inclusion:

- 50% vendor stall discounts for women entrepreneurs
- Solarized bazaars cut operational costs and environmental footprint
- Safe, hygienic spaces enabling participation of women-headed households

Unlike donor-led programs which provide short-term relief, PSBA provides systemic inclusion through operational design.

### 5. Conclusion

The Punjab Sahulat Bazaars Authority (PSBA) demonstrates how local governance synergies can drive large-scale, cost-efficient public retail infrastructure in Pakistan. By utilizing government-provided land and formalizing over 100 district-level MoUs, PSBA expands its bazaars without excessive capital expenditure while embedding operational oversight, pricing compliance, and vendor regulation within municipal and district administrations. This decentralized approach not only ensures rapid scalability but also generates substantial employment, creating thousands of direct jobs and supporting tens of thousands of families. Independent audits confirm PSBA's superior financial sustainability, service delivery, and administrative efficiency compared to peer organizations such as PEEF, PAMCO, and LWMC. Grounded in polycentric governance and institutional diversity theories, PSBA exemplifies how local actor empowerment, shared infrastructure, and strategic decentralization can produce legally enabled, citizen-focused, and fiscally disciplined public-sector reform.

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