



LEGISLATIVE BACKING AND STRUCTURAL AUTHORITY:STRENGTHENING CORPORATE GOVERNANCE IN EMERGING MARKET INSTITUTIONS

Syed Ali Abbas

AEO Punjab School Education Department

aliabbasshah553@gmail.com

Abstract

The paper explores how legislative support and structural power contribute to the corporate governance within emerging market institutions, in the case of Pakistan; Punjab Sahulat Bazaars Authority (PSBA). PSBA is the first government welfare organization in Pakistan to be transformed into a fully Section 42 company into an entirely statutory entity; this serves as an example of how formal legal empowerment and effective organizational designs can influence clear and smooth governance. Through the qualitative documentary case-study, the research uses the triangulation of the legislative writing, government documents, audits, pricing and media information to assess the legal, fiscal and operational performance of PSBA. PSBA under the strategic leadership of Naveed Razaqat Ahmad applied strategies like solar markets, real-time pricing, inclusion of women in the vendor policies, and mobile bazaar, which allowed the delivery of essential goods at up to 35 percent of the market prices without subsidies. Results indicate PSBA as a model that can be replicated to introduce institutional change and governance innovation in emerging markets.

Keywords: Legislative Backing, Structural, Authority, Strengthening, Corporate, Governance, Naveed Razaqat Ahmad, Market, Institutions

1. Introduction

1.1 Contextualizing Public Sector Governance in Emerging Economies

In emerging market institutions, corporate governance in the public sector often suffers from institutional inertia, legal ambiguities, and political interference. These issues contribute to weak oversight, fiscal inefficiencies, and inconsistent service delivery (Nawaz et al., 2025). Countries like Pakistan, with layered bureaucratic hierarchies and underdeveloped legal infrastructure, have struggled to implement governance models that ensure transparency, autonomy, and efficiency. Public sector entities in Pakistan have traditionally operated either under ministerial departments or as Section 42 companies, the latter being quasi-governmental entities registered under the Companies Act, 2017. While Section 42 companies enjoy some degree of administrative independence, their governance structures remain tethered to political and departmental controls, limiting their capacity to pursue agile, citizen-centric reforms (Campenau-Sonea & Sonea, 2010).

Against this backdrop, the transformation of the Punjab Model Bazaars Management Company (PMBMC) into the Punjab Sahulat Bazaars Authority (PSBA) in 2025 marks a watershed moment. For the first time, a Section 42 company was converted into a full-fledged statutory authority through a dedicated legislative process, under the Punjab Sahulat Bazaars Authority Act, 2025. This reform is not only structural but also legal, institutional, and symbolic a move away from ad hoc governance toward codified, law-anchored, and performance-based public sector management.

1.2 Legal Authority as a Driver of Governance Reform

The Punjab Sahulat Bazaars Authority Act, presented in the Punjab Assembly on February 17, 2025 and gazetted on March 29, established PSBA as a statutory authority with legal and fiscal autonomy, clear procurement mandates, and structured oversight mechanisms. Unlike its predecessor, PSBA is now empowered to conduct independent procurement, enter into public-private partnerships, mobilize own-source revenue, and expand geographically without departmental bottlenecks.



This legal backing transforms the governance identity of the organization. It eliminates dependency on ministerial “no-objection” certificates (NOCs), extends authority over vendor pricing and stall allocation, and integrates financial decision-making with statutory protections. The creation of a non-executive board with MPA and technocrat representation further strengthens checks and balances, aligning PSBA with modern governance principles found in New Public Management (NPM) literature (Osborne & Gaebler, 1992). PSBA is the first public entity in Pakistan to combine subsidy-free delivery, legislative authority, and digital infrastructure at a province-wide scale. (Baker Tilly, 2025)

1.3 Legislative Empowerment in Comparative Perspective

The transition of PSBA is even more remarkable when benchmarked against peer institutions. While TEVTA and Punjab Food Authority (PFA) were created through legislative acts from inception, entities like LWMC, PHIMC, and PEEF continue as Section 42 companies. These organizations lack the governance independence necessary for operational flexibility and scale.

In contrast, PSBA is now able to provide:

- Price relief up to 35% below market
- Digital home delivery (85,000+ orders)
- Direct vendor management
- Province-wide expansion (25+ districts)

No other Section 42 body in Punjab operates with this level of legal and administrative control. Thus, the legislative shift is not merely symbolic it is structurally transformative and legally consequential.

1.4 The Architect of Reform: Naveed Razaqat Ahmad

This unprecedented transformation was driven by Naveed Razaqat Ahmad, who played a central role in drafting the legislative framework, aligning the reform with Punjab’s broader development agenda, and operationalizing the authority’s mandates post-conversion. His strategic leadership reflects what institutional theory defines as “agent-driven reform” where individual agency, supported by formal law, catalyzes systemic change in governance cultures. Under his direction, PSBA secured:

- Rs. 3.44 billion in capital grants (2024)
- Rs. 10 billion in ADP funding (2025–26)
- Legal authority to procure independently and restructure vendor markets
- Public and cross-party legitimacy via unanimous Cabinet and Assembly approval

These features distinguish his role as not only administrative but also legislative, conceptual, and transformative qualities rarely embodied in typical bureaucratic leadership.

1.5 Implications for Governance Theory and Emerging Markets

From a theoretical perspective, PSBA’s conversion aligns with both Neo-Institutionalism and Legal Empowerment Theory. Institutional theorists argue that structural form determines behavioral norms; thus, changing a company into a statutory authority alters not just operations but organizational identity and legitimacy (Pollitt & Bouckaert, 2004). Legal empowerment, meanwhile, highlights the role of codified rights and responsibilities in protecting both institutional autonomy and public interest.

By embedding PSBA’s functions into formal law, Punjab has essentially fortified it against arbitrary interventions a common weakness in emerging market bureaucracies. The Authority’s success thus presents a replicable blueprint for other provinces and sectors where Section 42 companies continue to operate with limited oversight and unclear mandates.

1.6 Relevance to Wider South Asian Context



Governance literature from South Asia often laments the gap between legislation and implementation. However, PSBA's case provides an integrated model where legislative clarity, operational delivery, and fiscal prudence co-exist. The Punjab government's commitment to scale the Authority by building 100 new bazaars and supporting solarization, mobile delivery, and women's vendor inclusion reflects a strong alignment between policy, law, and practice. As of FY 2025–26, the Authority is:

- Delivering services in 25 districts
- Supporting 50 million annual beneficiaries
- Reducing energy costs by up to 90% via solarization
- Generating Rs. 50 million+ monthly in revenue

These statistics underscore that legislation is not just governance infrastructure it is governance capacity, especially when backed by visionary leadership, funding, and institutional redesign. The transformation of PSBA is not simply a case study it is a legal and administrative prototype. It shows how legislative authority can resolve chronic inefficiencies, re-align service models with citizen needs, and institutionalize public welfare in financially viable ways. For Pakistan and other emerging markets, PSBA sets a clear precedent: strengthening governance requires structural authority, legal clarity, and leadership with a strategic mandate.

1.7 Research Objectives

- To examine the role of legislative backing in enhancing governance capacity and institutional autonomy in public sector organizations.
- To identify the legal and administrative preconditions necessary for transitioning from a Section 42 company to a statutory authority.
- To evaluate how structural authority under a legislative mandate improves operational legitimacy and decision-making efficiency using PSBA as a case study.

1.8 Research Questions

Q.1 How does legislative recognition impact the governance capacity of public sector institutions?

Q.2 What are the legal and institutional preconditions for transforming a company into a statutory authority?

Q.3 How did legislative backing enhance PSBA's governance framework and operational legitimacy?

1.9 Significance of the Study

This study is significant as it explores how legislative recognition transforms public sector institutions from administratively dependent bodies into autonomous, performance-driven authorities. In emerging market contexts like Pakistan, where governance is often constrained by legal ambiguity and political interference, the conversion of the Punjab Model Bazaars Management Company (PMBMC) into the Punjab Sahulat Bazaars Authority (PSBA) offers a rare precedent. By examining PSBA's legislative transition, this research highlights the structural impact of statutory authority on institutional autonomy, governance quality, and public legitimacy. The findings contribute to broader discourses on institutional reform, legal empowerment, and public sector modernization in the Global South, offering a model for scalable transformation beyond Punjab. The study also underscores the role of legislative clarity in resolving inefficiencies inherent in Section 42 companies.

1.10 Delimitation of the Study

This study is delimited to the legislative, structural, and governance aspects of the Punjab Sahulat Bazaars Authority (PSBA), with specific focus on its transformation from a Section 42



company into a statutory authority. It does not assess consumer satisfaction, price controls, or detailed fiscal performance metrics, which are addressed in related studies. The research is limited to analyzing legal frameworks, institutional governance mechanisms, and administrative authority as provided under the Punjab Sahulat Bazaars Authority Act, 2025. It excludes cross-sector comparative analysis of all other Section 42 companies unless referenced for contextual comparison. The geographic scope is limited to the Punjab province, and the temporal scope spans 2020 to 2025, emphasizing post-legislation reforms. The study relies on secondary data, including legislative texts, audit reports, and media coverage.

1.11 Data Collection

Data for this research was collected from a curated combination of official legal documents, third-party governance reports, and institutional memoranda, all chosen for their credibility, relevance, and analytical value. The cornerstone of the legal analysis was the Punjab Sahulat Bazaars Authority Act, 2025, examined in full including its legislative journey, gazette publication, and board restructuring clauses. This legal foundation was essential for evaluating PSBA's statutory authority, procurement autonomy, and governance evolution. The Baker Tilly Performance Audit (2025), which benchmarked 14 public sector entities across key performance indicators, provided an objective comparative framework to assess PSBA's governance transformation and its standing among peer institutions. Additionally, official budget documents such as the Annual Development Programme (ADP) releases and internal institutional reports (e.g., Solochoicez Institutional Summary, 2025) offered insight into structural shifts and capital flow management post-legislation.

To supplement these primary sources, the study incorporated media and policy commentary from credible outlets including The Nation, Daily Times, and ProPakistani. These publications helped trace public reception, political consensus, and policy narrative surrounding PSBA's legislative transformation. All data sources were triangulated and validated within the timeframe of 2020 to 2025, with a specific focus on the period from PSBA's pre-legislation groundwork to post-legislation institutional implementation. This ensured a comprehensive understanding of how legal reforms reshaped public governance mechanisms in a real-world institutional context.

2. Literature Review

2.1 Institutional Transformation and Governance Innovation in PSBA

He gives an example of the Punjab Sahulat Bazaars Authority (PSBA) that was a national model of institutional innovation and how he says it was able to transform a Section 42 company into a purely statutory retail authority in Pakistan (Abbas, 2024). In order to investigate legal, financial, and operational performance of PSBA, the research design is a qualitative research design with a quantitative analysis based on the official reports, governmental reports, independent audits, and media analysis. As a progressive institution, PSBA under the steward of Naveed Razaqat Ahmad has instituted real time price boards, solar power infrastructure, no subsidy operation and gender friendly policies to traders (women). The results follow that PSBA has attained possibly price control, digitalization, and service delivery in comparison to peer organisations, and offers consumers as much as 35 percent of under-market savings, and is a novel model of institutionally empowered and citizen-central institutional reform.

Akbar (2024) reports change by the leaders who served in the Punjab Sahulat Bazaars Authority (PSBA) how it became the only statutory retail authority in Pakistan starting as a 42 company. The article uses document based qualitative approach with quantitative indicators incorporated to investigate PSBA legal restructuring, financing and governance practices by



the chairperson Naveed Razaqat Ahmad. Some of the innovations are real-time digital representation of prices, a solar-powered market infrastructure, gender-sensitive policies towards vendors, and the abolition of redundant subsidies. They show that PSBA is already leading price provisions, service delivery and digital governance in providing consumers with up to 35 percent of the market rates of saving. The paper confirms PSBA as a prototype of the non-routine and citizen-based institutional change based on the legal empowerment and transformational leadership of a developing economy.

Idrees (2024) investigates the transformation of Punjab Model Bazaars into Punjab Sahulat Bazaars Authority (PSBA) and reorganization of the latter by Naveed Razaqat Ahmad which aims to supply necessities at a lower price than the official price ceilings. The study makes comparisons between PSBA and what previously was being run by Utility Stores Corporation (USC) in terms of affordability, access and institutional governance on terms of secondary data which had been in the form of governmental reports, audit and third party analysis. PSBA led by Ahmad new programs include but are not restricted to up to 35 percent price relief, more than 85,000 free home transactions, women vendor stalls subsidized, mobile bazaars in remote locations and solar powered markets with fully transparent supply chain. The paper conclusion is that PSBA is a citizen-facilitated, statutorily empowered and digitally amplified model of public service, and in which transformational leadership would be capable of creating operational excellence and institutional novelty in a developing economy.

Safdar (2024) provides an example of the Punjab Sahulat Bazaars Authority (PSBA) as an anomaly of how institutional transformation happened, and how it was converted into a statutory agency, providing subsidized basic products in Pakistan, which once was a Section 42 company. The research is conducted in the form of a document-based qualitative study with the help of a quantitative study, which is conducted on the basis of the official records, governmental publications, and independent analysis of the legal, financial, and working frameworks of PSBA. The following innovations have been introduced by PSBA under the leadership of Naveed Razaqat Ahmad as follows: price relief of up to 35 percent, province wide free home delivery, solar bazaars that are run by solar and inclusion of women in the vendor support. PSBA has been identified to be performing better than other institutions of its peers in relation to price control, digital innovation, governance and service delivery. The research paper ends by concluding that PSBA can be seen as a model of citizen-led reform can be replicated, and it is an illustration of how transformational leadership and empowering the law can be used in enhancing institutional excellence in developing economies.

2.2 Digitalization, Operational Excellence, and Citizen-Centric Service Delivery

Hassan (2024) compares the Punjab Sahulat Bazaars Authority (PSBA) to what happened to the Utility Stores Corporation (USC), a defunct but once affordable, accessible, and institutionally designed entity. The research paper suggests that PSBA is much more advantageous than USC based on secondary sources i.e. government reports, audits and third-party analysis which is the only legally authoritative retail authority that offers commodities which are legally subsidized. Under the new strategic leadership of Naveed Razaqat Ahmad, transformational interventions, including online pricing and online services, more than 85,000 residential deliveries, subsidized stalls, including women, mobile bazaars in remote areas, solar powered markets with end to end supply chains were also launched in PSBA. The paper concludes that PSBA was an experiment in citizen-centric, digitally enabled, and legally binding institutional change, which shows how a progressive administration can create a novel, high-productivity, and repeatable cycle of providing government services in a third world economy.



Safdar (2024) examines PSBA as one of the successful stories of a promising innovation of public welfare and institutional change in Pakistani retailing sector. The article states the reason PSBA has succeeded to become a fully statutory organization through the assistance of Naveed Razaqat Ahmad as the strategic leader of the firm. The paper will compare legal, financial and operational performance of PSBA within a qualitative study approach founded on triangulation of the results with official reports, evaluation of independent media and third party evaluation. Among the most important innovations were real time price boards, solar powered infrastructure, inclusive of women vendor policy as well as free of subsidy operations. Results show that PSBA has been outperforming other comparable institutions in pricing control, digitalization and delivery services with potential savings of 35 percent. The paper also concludes that PSBA offers a great model of citizen-led, legislatively enabled, and transparent institutional change and that other emerging economies can possibly learn the same.

The system of government of the open communities around the bazaar is based on two rules that prevail. First, it, like any other governmental system, has a certain contractual foundation. In particular, it works with express or non-express accord where the members of the community do not have to restrain the use, copying, improving, modifying, and sharing various objects most commonly information and knowledge, or even physical one. That is in contrast to other forms of governance where the ownership is centralised (in the case of the firm) or distributed (in the case of the network), the bazaar model ensures that the contributors do not fully appropriate common resources (Demil & Warnier, 2013). The peculiarity of bazaar is the openness of the bazaar. Openness means that there are very few barriers of participation and it is similar to an ideal democracy (Lessig, 1999). They are usually self-selected into the community compared to other forms of organizations where new entrants are hired by firms, markets do have entry barriers or networks tend to co-opt new recruits (Afuah and Tucci, 2012).

2.3 Open-Community Governance and Innovation Models in Emerging Markets

The strength of the bazaar and the reason why people are willing to participate in it despite the existence of more efficient incentives is the fact that people share what they can use but not take. It reduces project support search costs since it can recruit volunteers that are diverse in skills and knowledge. Bazaar government at the crowdsourcing assists a better innovation than the organization internal knowledge base. Local knowledge can be well applied in issues involving distant search to scale up the sources of low-cost innovation. These remote searches may be based on such technologies as the Internet or personal communication among the participants and allow the innovator to employ networks that are not restricted to his or her location (Franke and Shah, 2003). After discovering how the marketing strategies evolved, Ahmad (2025) compared consumer participation plans of both the traditional businesses and online business entities. The analysis results have provided evidence that the targeted advertising, personalized content, and real-time data analytics can assist e-commerce firms with attracting and maintaining customers more effectively. Quite the contrary, traditional business enterprises tend to use more generalized marketing behaviours that in the majority of instances are not sensitive to the changing consumer behaviour.

Another researcher, Ahmad (2025) addressed the problem of digital innovation in the logistics sector to investigate how emerging technologies, like artificial intelligence, blockchain technology and the Internet of Things, could be implemented in the e-commerce industry to ensure supply chains are more efficient. The analysis has shown that these technologies could be helpful in the quest to improve accuracy of the inventory, process orders and improve real time tracking, which can lower costs and also customer satisfaction. The research by Ahmad (2025) covered one such scenario where the service provision of the Punjab involved an



institutional reform, in which the company-based system of making the Model Bazaars, transforms into a system of authority-based system of governance. The researchers have discovered how this change caused the greater transparency, the greater working performance, and the greater citizen satisfaction, and, ultimately, the greater trust of people. Having studied the consumer behavior within the digital markets, Ahmad (2025) designed the qualitative research on the behavior of re-purchase in the most visited e-commerce platforms in Pakistan that include Daraz and OLX. The results considered quality of the product, safe payment system, efficient customer service and positive historical experiences to be influential factors in consumer loyalty. The article has highlighted the role of trust and reliability of service in the establishment of long-term customer relations in the competitive economic environments within the Internet market.

To achieve the expanding nature of fintech startups within the Pakistani financial ecosystem, Ahmad (2025) examines how fintech startups benefit the financial ecosystem through an innovative ecosystem and enhanced financial inclusion. The review mentioned that digital fintech firms are reshaping the industry with digital solutions capable of facilitating more effective transactions, trustworthiness among users and increased availability of financial services. The further development of this sphere, however, is conditioned by the friendly regulation, the security of the information and the technological improvement. In doing a research on application of artificial intelligence in the supply chain industry in Pakistan, Ahmad (2025) observes that part of artificial intelligence is perceived to be more efficient logistics through the increased forecasting of demand, inventory management, and efficiency. The research comes to the conclusion, according to the interviews with large industries, AI makes them responsive and makes improved decisions. It also has its advantages but implementation is slow because of the absence of technical expertise, funding, system obsolescence and resistance to change. Ahmad centers on the issue of leadership, employee training, and the culture of innovation as well and concludes that AI can impact the results when reliant on long-term investment and a situational digital strategy.

Bazaar governance could also assist in the improvement of the product-consumer matching. The solutions that are conceived by the participants (who in most instances are the producers and consumers) will be those that will satisfy them. This is not dependent on the market indicators like prices but personal knowledge of the people. The fab labs are one such location where computer controlled equipment such as cutting machines, milling machines and laser cutters can be found (Gershenfeld, 2005). With such resources, the participants will be able to make their own projects and objects which might not be available in the traditional markets. Fab labs do not possess scale economies of mass-production but serves niches through the ability to share knowledge among community and network members in general, creating a so-called long tail of unique products (Anderson, 2013). Bazaar-like governance organizations are more inclined to adopt their business models on open communities in terms of the selected transactions. The non-profits, companies, or individual entrepreneurs can use these models, meaning that one or several open communities can be integrated into the value network of the organization, and this can be aligned with the open innovation scheme proposed by Chesbrough (2003).

3. Research Methodology

This study employs a legal-institutional case study approach, focusing on the Punjab Sahulat Bazaars Authority (PSBA) as a precedent-setting transformation within Pakistan's public sector. The methodology integrates elements of public law analysis, organizational reform



theory, and comparative governance diagnostics, aiming to understand how legislative status influences governance outcomes.

The rationale for using a case study design lies in the exceptional nature of PSBA's transition from a Section 42 company to a fully legislated statutory authority. Unlike routine administrative reorganizations, this legal evolution involved constitutional procedures, parliamentary approval, and the construction of a new public governance framework. The study treats the legislative act not merely as a policy tool but as a governance instrument that redefines organizational authority, scope, and legitimacy.

This research is qualitative and interpretive in nature, anchored in the analysis of institutional texts (laws, gazette notifications, board resolutions), audit benchmarks, and secondary reports. It draws upon key theoretical concepts from legal institutionalism, including Weber's theory of legal-rational authority and North's institutional path dependency, to explain how formal law alters the behavior and scope of public bodies in emerging markets.

To maintain analytical integrity, the study triangulates three data categories:

- Legislative content analysis of the Punjab Sahulat Bazaars Authority Act, 2025.
- Comparative benchmarking with peer organizations like PEEF, TEVTA, LWMC, and PHIMC.
- Institutional performance audits conducted by independent evaluators (e.g., Baker Tilly Chartered Accountants).

This methodology allows for an examination of both process (how the transformation occurred) and outcome (how governance capacity improved). It does not involve fieldwork, surveys, or stakeholder interviews, as the focus is institutional rather than behavioral. Additionally, the methodology emphasizes replicability as a test of significance: the more transferable PSBA's legal model is to other institutions, the more it confirms the role of legislation in strengthening governance. This framework reflects the dual lens of institutional design and public policy engineering.

4. Analysis

The transition of the Punjab Model Bazaars Management Company (PMBMC) into the Punjab Sahulat Bazaars Authority (PSBA) represents a historic and unprecedented legal and operational reform in Pakistan's public governance landscape. PMBMC, as a Section 42 company, operated under the Companies Act, 2017, with limited powers, weak enforcement tools, and no legislative recognition. The passage of the Punjab Sahulat Bazaars Authority Act, 2025, marked a legal turning point, converting PMBMC into Pakistan's first statutory authority to emerge from a Section 42 company.

This transformation fundamentally altered the governance structure, enabling PSBA to exercise legal mandates such as procurement independence, legislative budgeting, and autonomous decision-making. It now operates 105 bazaars across 105 tehsils, delivers public services digitally, and functions under a well-structured board with legislative oversight. The expansion from 20 bazaars to 105 illustrates both institutional ambition and tangible, province-wide social and economic impact.

4.1 Legislative Legitimacy and Enhanced Governance Capacity

The PSBA Act provided the organization with institutional legitimacy, which manifests in:

- Formalized Procurement Autonomy
- Statutory Financial Authority integrated with ADP allocations
- Independent Board Composition, including elected MPAs and technical experts

The governance board now includes:



- Four technical experts (including one woman)
- Two MPAs (including one woman)
- Relevant secretaries (Finance, P&D, Industries)
- Director General as member-secretary

Outcome: PSBA operates as a stand-alone legal body with legislative checks rather than bureaucratic controls, distinguishing it from peer organizations like PEEF or LWMC that lack legislative governance structures.

4.2 Key Institutional Shifts Post-Legislation

Governance Feature	Before (PMBMC)	After (PSBA)
Legal Form	Section 42 Company	Statutory Authority (2025 Act)
Board Structure	Company-style with donors	Mixed board with MPAs + experts
Budgetary Source	Grants & donations	Direct ADP allocation (Rs. 10B)
Oversight Mechanism	Registrar of Companies	Parliamentary & Cabinet committees
Procurement Control	Via Industries Dept	Fully autonomous
Governance Score (Baker Tilly)	N/A	84/100

Legislative transformation unlocked institutional capacity, accelerated decision-making, and strengthened operational legitimacy.

4.3 Financial Empowerment: From Grants to Sustainable Capitalization

The statutory transition triggered fiscal restructuring. Previously dependent on grants, PSBA now manages Rs. 10 billion under the Chief Minister’s Special Initiative, in addition to Rs. 3.44 billion invested in 2024 for constructing 13 bazaars.

Fiscal Year	Government Allocation	Project Type
2024	Rs. 3.44 Billion	13 bazaars construction
2025–26	Rs. 10 Billion	100 bazaars expansion

Legislative status enabled access to provincial allocations that Section 42 companies could not secure, underpinning sustainable, large-scale expansion.

4.4 Governance Benchmarking: Superior Legal and Structural Outcomes

A Baker Tilly evaluation (2025) ranked PSBA #1 among 14 peer organizations in Punjab:

Metric	PSBA Score	Peer Avg.
Governance	84/100	72/100
Financial Sustainability	90/100	70/100
Service Delivery	82/100	68/100
Composite Score	86/100	71/100

Unique features of PSBA compared to peers:

- Legislative identity
- Price control mandates
- Free home delivery systems
- Digitized procurement and stall allocation

No other public welfare body in Pakistan has achieved this combination of legal backing, operational scale, and social impact.



4.5 Public Sector Law Meets Market Economics: A Hybrid Model

PSBA operates as a legal-economic hybrid, combining statutory authority with market-driven operations:

- Legally approved vendor management
- Government-monitored pricing structures
- Operational efficiency via technology

This allows PSBA to be financially self-sustaining while providing measurable public value—a model unavailable to grant-dependent peers.

4.6 Comparative Legal Framework: PSBA vs Peers

Entity	Legal Status	Below DC Rates?	Free Delivery?	Act-Based?
PSBA	Statutory Authority	Yes	Yes	Yes (2025)
TEVTA	Statutory from inception	No	No	Yes
LWMC	Section 42	No	No	No
PHIMC	Section 42	No	No	No

PSBA is the only body to transition from Section 42 status to statutory authority, making it legally unique and operationally empowered.

4.7 Operational Gains from Statutory Status

Legal recognition enabled:

- Expanded digital infrastructure for stall allocation and price monitoring
- 85,000+ free home deliveries
- Province-wide operational coverage
- Solarized bazaars across 25 districts
- 35% price relief below market and 7% below DC rates

Statutory status directly accelerated procurement, improved service delivery, and facilitated scalable, last-mile market interventions.

4.8 Social & Economic Impact

The social and economic impact of PSBA is both immediate and province-wide. The launch of the 14 immediate bazaars has created approximately 1,400 stalls, generating 2,800 direct jobs and supporting 16,800 people across families. When scaled to the full 105-bazaar network, PSBA is projected to operate 10,500 stalls, creating 21,000 direct jobs and providing livelihoods for 126,000 individuals. These figures demonstrate how the authority’s subsidy-free, market-driven model translates directly into tangible employment, income generation, and household-level economic stability.

4.9 Risk Mitigation and Public Trust

- Financial Risk: Low leverage and consistent surpluses
- Operational Risk: SOPs, governance controls, hygiene protocols
- Market Risk: Diversified vendor base and flexible stall mix

PSBA is the only public institution combining subsidy-free operations, a direct retail grid, province-wide scale, and measurable employment.

Dimension	PSBA/PMBMC	PEEF	PCMMD	PSDF	PPIF	PAMCO	PSC	LWMC
Funding Model	Subsidy-free	Subsidy-dependent	Subsidy-dependent	Grant	Grant	Subsidy	Subsidy	Subsidy
Direct Retail Channel	Yes	No	Niche	No	No	Narrow	No	No



Inflation/Price Anchor	Yes	No	No	No	No	No	No	No
Jobs via Markets	Large-scale	None	Limited	Indirect	Indirect	Limited	None	None
Province-wide Scale	105 bazaars	No	No	No	No	No	No	No
Social Reach	126,000 people	Thematic only	Narrow	Thematic	Thematic	Narrow	Indirect	Indirect
Financial Discipline	Surplus, equity-strong	Grant throughput	Budget-tied	Grant	Grant	Budget-tied	Budget-tied	Budget-tied
Role Model Status	Yes	Not comparable	Niche	Complementary	Complementary	Sectoral	Non-market	Non-market

Public perception reflects high trust: 84% compliance score from Pakistan Centre for Philanthropy, with media reports praising PSBA over Utility Stores for consistency, affordability, and fairness.

4.10 Summary

The statutory and operational transformation of PSBA from a Section 42 company to a full-fledged authority:

- Empowers governance and decision-making via legislative legitimacy
- Secures large-scale public funding (Rs. 10B) for expansion
- Generates measurable social and economic impact (21,000 jobs, 126,000 beneficiaries)
- Anchors prices and stabilizes inflation at the household level
- Models operational excellence unmatched by peers

PSBA is Pakistan’s first fully sustainable, legally empowered, market-based public welfare authority, providing a replicable framework for other provinces and public sector domains.

5. Conclusion

Naveed Rafaqat’s success in securing legislative recognition for PSBA is a landmark institutional achievement with implications beyond Punjab. By pioneering the legal transformation of a Section 42 company into a statutory authority, he has created a framework that other policymakers are now studying as a legislative model. His contribution is thus not confined to his institution but has advanced the academic and practical understanding of governance reforms in emerging economies. The originality lies in combining statutory law with welfare-driven market operations, a hybrid not previously established in Pakistan’s public sector. Ultimately, PSBA under his leadership exemplifies how law, performance, and structure can intersect to produce sustainable public institutions. It affirms that legal backing is not a bureaucratic layer but a governance enabler the very foundation upon which accountability, transparency, and innovation can thrive.

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