

# **Thimphu's Growing Pains**

Challenges of Implementing the City Plan

**Manka Bajaj**



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**The Centre for Bhutan Studies & GNH Research**

**Thimphu's Growing Pains:**  
Challenges of Implementing the City Plan

By *Manka Bajaj*

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Research

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## **GLOSSARY**

ADB	Asian Development Bank
BAF	Bhutan Archery Foundation
BBR	Bhutan Building Rules
DCD	Development Control Division
DCR	Development Control Regulation
DUDH	Department of Urban Development and
GNHC	Gross National Happiness Commission
I&MS	Implementing and Monitoring Section
MoC	Ministry of Communication
MoF	Ministry of Finance
MoHCA	Ministry of Home and Cultural Affairs
MoWHS	Ministry of Works and Human Settlements
NEC	National Environment Commission
NLCS	National Land Commission Secretariat
NHDCL	National Housing Development Corporation Ltd.
PAVA	Property Assessment and Valuation Agency
RBA	Royal Bhutan Army
RBG	Royal Body Guard
RBP	Royal Bhutan Policy
RGoB	Royal Government of Bhutan
TCC	Thimphu City Corporation
TSP	Thimphu Structure Plan
UNCHS	United Nations Centre for Human Settlements
UPD	Urban Planning Division









## ABSTRACT

This study analyses the urban planning efforts of the government for an explanation of some unintended outcomes. A popular perception is that development in Thimphu city could do with better planning. On the contrary, there have been extensive efforts from both the Thimphu Thromde and MoWHS to control land use and regulate building design through policies like the *Thimphu Structure Plan 2003-27* and its attached *Development Control Regulations 2004*. The question driving the research is to explain why despite the rules in place, planning goals are not achieved. The study identifies why and how actors avoid compliance to the original planning codes.

It is observed that the implementation process has been extremely slow and even after ten years, only six (of the first set of twelve) *Local Area Plans* (LAPs) have been implemented. This is mainly due to a lengthy process of land readjustment prolonged by limited organizational capacity, faulty cadastral information and some resistant landowners. In areas where the LAPs have been implemented, deviations are already evident by reduced share of planned public spaces (e.g. neighbourhood servicing node in Babesa). Authorization of deviations on a case by case basis accumulated towards an overall level of denser development.

Although the plan wanted to balance development with nature, traditional architecture and affordable housing, it has aggravated imbalances on all three parameters. Plan implementation proceeded in a way that community & green spaces diminished and private buildings came up in areas not reserved for development. To explain these rule deviation, it is argued that implementation was a highly individualized process of negotiation between the municipality and property

owners. The predominant mechanism for non-compliance is legal authorization of deviations either by a government order/letter or by rule revision.

The study is relevant for governments and international development partners for understanding policy implementation failures. It provides real illustrations of organizational issues in a rapidly growing bureaucracy and how multiplicity of authorities weakened the authority of the plan, which was frequently overruled.

# I. Introduction

Last year in June, the flash floods of north India swept over entire towns like Kedarnath, endangering the life of over 100,000 residents and pilgrims (Sati 2013). The immediate cause was attributed to a cloud burst but precipitation excess of 400 mm isn't unprecedented in the Himalayan region; in 1965, Uttarakhand received as much as 900mm rainfall in a single day (Bidwai 2013). Environmentalists have argued that the 2013 cloudburst would not have become a disaster of such magnitude had the state government complied with India's Environment and Forest Ministry to ban construction in the river banks (The Guardian). To quote Dr. Sunita Narain, Director General of the Centre for Science and Environment

This is very much a man-made disaster... exacerbated by the reckless construction of buildings, dams and roads in a fragile environment. Many of the settlements have been built right next to the rivers in blatant violation of environmental laws. There is a strong need to evolve a holistic Himalayan policy which will deal with all these issues (Sehgal 2013).

Unlike Himalayan countries like India and Nepal which have been complacent to regulate urban sprawl in their ecologically sensitive hill towns, the tiny kingdom of Bhutan has paid strong policy attention to temper the speed of development. Bhutan is famous for its "High Value Low Impact"<sup>1</sup> tourism policy which regulates the inflow of tourists through a daily tariff of up to \$250/day. While regulation of the tourism industry is presently sustained by the economic interests of a

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<sup>1</sup> Tourism Council of Bhutan <http://www.tourism.gov.bt/about-tcb/about-tcb>

lobby of tour operators<sup>2</sup>, the policy was initially proposed to restrict the volume of visitors in Bhutan. For a country with a population of not even a million, this was probably seen as a measure to check both environmental and “cultural pollution”<sup>3</sup>. Bhutan’s tourism policy is an expression of its “happiness” ideology which emphasizes that economic growth should not be pursued at the expense of Bhutan’s environment and culture. The origins of this ideology go back to a UN conference in the 1970s when His Majesty, the fourth king, surprised the world by saying that *Gross National Happiness* is more important for Bhutan than the pursuit of Gross Domestic Product (Ahmad 2013). Over the years, the meaning and form of GNH has evolved and today it has been institutionalized by Bhutan’s planning commission in the form of a policy screening tool to ensure all new policies are GNH compatible. Given this context, it is not surprising that the Bhutanese government has been concerned about the ecological and cultural impacts of urbanization such as the disappearance of traditional forms of architecture. These concerns are quite aptly reflected in the plan for the capital city, the *Thimphu Structure Plan* (TSP) 2003-2027.

## **1.1 Thimphu 2027: A Dream City**

The *Thimphu Structure Plan* is a 25 year plan for Thimphu. It envisages Thimphu as a “dream city” by 2027 which would provide residents adequate space to work, drive, jog, cycle, picnic, relax and be close to nature (Gyeltshen 2002b). In its preamble, the plan cites the alarming examples of Indian hill towns like Darjeeling, Gangtok and Srinagar which have transformed from “serene hill station resorts” into “chaotic bazaar towns” (MoWHS 2004:2). It argues that Thimphu would meet the same fate unless efforts are made to plan its

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<sup>2</sup> Discussions in Better Business Summit, Thimphu: Workshop 1: Making Business Easy, March 27, 2014

<sup>3</sup> Reinfeld 2003

urbanization. It finds that with a population of 43,479<sup>4</sup> in 2000, Thimphu was already home to a third of Bhutan's urban population. As early as 2003, the plan complained that

The city is already facing housing shortages, traffic congestion, air pollution and chaotic building patterns. The forests, which preside over the city, are being encroached upon. Orchards in the ecologically fragile areas are being irrationally sub-divided, without reference to the carrying capacity of the land (MoWHS 2004: 2).

As a solution, the plan proposes to guide Thimphu's planning by a set of principles which it calls "Intelligent Urbanism" (MoWHS 2004: 3)

...What is essential to allay this disaster is a common set of principles, which all agree upon and all act by.

Intelligent Urbanism, the plan's guiding philosophy, is proposed by Harvard-trained and Pune-based Christopher Charles Benninger whose firm was contracted to prepare the plan in June 2001. Mr. Benninger had worked in Bhutan as a consultant on UN projects in 1979 and was well known to royal government officials. The plan acknowledges the influence of architects such as Lewis Mumford, Jose Luis Sert, Constantine Doxiadis, Team Ten, and the expansions of their concepts by the New Urbanist and Smart Growth groups in America (MoWHS 2004: 3). Due to this influence, the plan places great emphasis on making Thimphu a walkable city. The New Urbanism school of planning, which inspires the

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<sup>4</sup> This figure excludes the floating population in the city as well as Institutions like Embassies, IMTRAT, DANTAK, RBA, RBG (MoWHS 2004: 2).

## *Thimphu's Growing Pains*

TSP, incorporates elements of mixed-used space as opposed to orthodox planning which advocates zoning<sup>5</sup>. The TSP divides the city into dense compact neighbourhoods or 16 “*Urban Villages*” which serve as the basic unit of planning rather than the typical administrative ward (See Annex). Each Urban Village is primarily residential but is serviced by its own “*Neighbourhood Node*” which offers all facilities at walking distance like shopping stores, ATMs and also a business centre with offices (MoWHS 2004: 90). The Neighbourhood Node also doubles up as a nodal point in the city transport network as the bus stop is planned here. Moreover, it forms the linkage between apartments and the city-wide footpath which crosses through green areas and is intertwined with heritage walks and river promenades.

The plan, which is based on several months of data collection on the city's topography, land use and density, estimates that Thimphu would have a population of 1,62,327 by 2027. This is appearing to be an underestimate as Thimphu's population is already reaching 1,30,000. To accommodate the growing numbers, TSP proposes a strategy of densification through both vertical and horizontal infilling (MoWHS 2004: 214) while retaining a significant area of the city as green land (MoWHS 2004: 13). In 1999, the boundaries of Thimphu municipality were extended from an area of 8 sq km to 26 sq km (Dorji 1999). One of the main purposes of the TSP was to bring municipal services to extended areas in a planned manner. This was to be achieved through the “*Precinct Plan*” which is based on land use and guides building regulations. For example, ecologically sensitive areas like steep slopes and river banks which are prone to erosion are categorized under “*Environmental Conservation Precinct*” where no building

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<sup>5</sup> Although critics of orthodox planning like Jane Jacobs would argue that New Urbanism retains the principle of zoning at the neighbourhood scale.



activity is allowed. Based on the “Forest and Conservation Act, 1995”, the plan does not allow construction within 30 metres on either side of the Wang Chhu river and major streams (MoWHS 2004: 96). This 30 metre river buffer is thus as a zero-density precinct. The “Development Control Regulations” (DCR) 2004, which is an addendum to the TSP, coordinates permissible building activity with the Precinct Plan in a way that zero or low density precincts have lower building heights compared to higher density precincts. As the Precinct Plan serves to protect the environment, it also serves to protect national heritage. For example, land around the Tashichho Dzong is categorized as a low density precinct to maintain a sanctity buffer around the Dzong. The plan compiled a comprehensive inventory of heritage structures and sites of religious importance that should be preserved. Similarly, old settlements in Zilukha, Dechencholing, Chang Jiji, and Babesa were categorized under the “Traditional Village Precinct” so that structures in traditional architecture form would not be replaced by modern buildings. When a building permit application is submitted to the Thimphu City Corporation, the municipal authorities refer to the area’s Precinct category in order to determine permissible building construction. In this way, the Precinct Plan serves as a guide for the DCR as building heights vary with precinct densities.

The TSP is thus a clear articulation of Bhutan’s GNH principles into policy. To get a sense of plan outcomes, we now fast forward by a decade from planning for Thimphu in 2003 to what Thimphu looks today in 2014. The next section shows that despite so much foresight, instituting the plan could not guarantee outcomes.

## **1.2 Thimphu today: Paradoxes of planning**

The present status of planning in the extended areas is that most LAPs have been approved but infrastructure provision

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has not kicked off everywhere, especially where infrastructure funding is not readily available. While slow implementation with some success has been one result, there have also been some unintended outcomes, three of which are presented below.

### ***Loss of green areas***

The plan accelerated development in the peripheries both outside and inside the municipal area. Outside, it activated incentives for development without taking any preventive measures. It did not institute any mechanism (e.g. urban growth boundary) to keep developments outside the municipal area in check. Inside, it legitimized construction on paddy fields through the tool of *Local Area Planning*. We see that the pressure to build on spaces allocated for open and green areas in the extended areas continues to grow. The result is urbanization of paddy fields from Babesa in the south to Kabesa in the north.

#### Inside the boundary: Babesa

According to the Director General of the *Department of Urban Development and Housing* (DUDH), 70% of the new municipal areas would be kept as open and green areas (Gyeltshen 2002b). If we look at Babesa today, the numbers don't quite. Less than 7% of the Neighbourhood Node precinct remains (MoWHS 2008), the rest has been allocated to private plots.



Urbanization of Babesa village

Outside the boundary: Kabesa

The concept of urban boundary holds little meaning in Thimphu. In fact, building regulations only get more lax as one gets out of the municipal boundary. The following picture captures real estate housing projects in the north outgrowth of Thimphu, beyond the municipal boundary which ends at Pangri Zampa monastery.

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Urbanization spreads outside Thimphu's northern boundary

### ***Disappearance of traditional architecture***

In 2002, when the Kuensel started to report on the TSP and its grand vision for the city, it was said that the city's traditional and cultural heritage would be kept intact. A Senior Planner in DUDH went on the record to say that

All new buildings will be required to incorporate the elements of traditional architecture. We will now be more vigorous and firm in implementing this rule which was often violated in the past (Gyeltsen 2002b).

It is true that places like Changangkha, Tashichhodzong and Dechenphodrang have been protected as Heritage precincts. It is also true that monitoring of the building permit has become more stringent. Despite this effort, it could be argued that rather than preserving traditional architecture of residential buildings, the plan has diluted it. This is because alongside the building rules, the plan also promoted a densification strategy and increased permissible building heights up to six floors. Traditional architecture guidelines have therefore been adapted from the rural to the urban context. In this process of translation, many of the traditional features have been diluted. As a result, the urban form retains symbolic but not functional aspects of Bhutan's traditional architectural practices.

Traditionally in Bhutan, a community would pool in their labour and a master carpenter would perform the role of the architect. Because building was a craft, every house had a unique form and shape. However, the new buildings in Thimphu are all standardized and look the same, as evident by the "Babesa Boxes". They lack the character of a traditional Bhutanese house precisely because of processes of "state simplification"<sup>6</sup> which have heavily institutionalized the building permit application process. Although with good intentions, the plan has created a regimented routine for each application to go through a series of approvals (architectural, structural, electrical, sewage, site plan and so on). The master carpenter who was a wealth of experience and knowledge has

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<sup>6</sup>Scott 1998: 3

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been replaced by young architects in the municipality. Their concern is not to handcraft each structure but to meet the checklist in the 40 page document on Traditional Architecture Guidelines. Because the state was so worried about losing traditional architecture, it tightened its hold over building regulations and in the process standardized the process as well as form of buildings.



Traditional structure in a background of new buildings



Babesa Boxes: New residential buildings displaying one design across Babesa

### ***Lack of affordable housing***

Last year in June, a World Bank sponsored conference was hosted in Thimphu on “*Promoting Access to Affordable Land and Housing*” (The World Bank 2013) where policy makers discussed this challenge for South Asia including Thimphu. Compared to its giant counterparts across the Chinese and Indian borders, Thimphu is hardly a megalopolis; so how hard could it be to accommodate a population of 130,000 people? Moreover the boundary extension in 1999 extended the urban zone from 8 km<sup>2</sup> to 26 km<sup>2</sup>. Despite these advantages of a “governable”<sup>7</sup> population size and fresh supply of land, the city has familiar big city symptoms of shortage of affordable housing. In 2002, more than 10% of the population of Thimphu was living in hutments and squatter settlements without proper basic services (Mayerhofer et al ADB 2002: 1). In a recent survey, shortage of affordable housing was identified as the priority issue by the urban poor (ADB-NSB 2013). According to a study conducted in 1999, there was an annual requirement of about 780 dwelling units in Thimphu (MoWHS 2006).

The plan document makes repeated references to the issue of shelter for low income groups and even proposes to land for low income housing.

Where we are proposing land pooling and Local Area Plans we must designate plots for lower middle class group units, by providing for them in the layouts... There is a hidden population in the city of Thimphu, which we must bring out into the open, and address as a public policy and planning issue... In every Local Area Plan of the city a small high-density village of low-income units should be constructed for domestic servants who will work in the area. Another

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<sup>7</sup>Yates 1977

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strategy.... this is a policy area that cannot wait!"  
(MoWHS 2004: 38).

Although the plan made this proposition, in practice, housing provision was left to the market and virtually no new stock has been built for the low income groups. The National Housing Development Corporation Ltd (NHDCL) which has the mandate to provide affordable housing has not invested in Thimphu since the Changjiji Complex proposed in the late 1990s. Consequently, low income groups are coping by living in shared accommodation. In 2007, 16% of Bhutan's urban population was neither homeowner nor tenant but living with family and friends (National Council of Bhutan 2010: 82).

On the other hand, because of the fresh supply of land in extended areas, housing supply has shot up and many new homes are going empty. However, as it is priced for a different set of clients, the low income housing group cannot afford it. Although many government officials claim that affordable housing is not a problem for Thimphu because some houses are going vacant (Rai 2013), it may be argued that there is instead a gross mismatch between supply and demand for housing, with too much supply of highly priced stock and too little stock of affordable housing. Not only is this an issue for the low income group but also for the landlords who built by borrowing from the bank as they are unable to pay back their loans (Dema 2013).

Despite the foresight of the Bhutanese government and plan for development control, the outcomes in the aftermath of plan execution have been the opposite. So what went wrong? The Thimphu Structure Plan made one small assumption that didn't hold true. Although it calculated many technical details to perfection, it miscalculated one tiny detail - that once rules are codified in a plan or a rule book, it will be



implemented. Why is that not so? This is what the study has set sail to discover.

### **1.3 This study: Why do rules not work?**

This study is about the challenges of institutionalizing a new policy, illustrated by the case of urban planning in Thimphu, the capital city of Bhutan. It shows that the implementation of the *Thimphu Structure Plan 2003-27* was full of gaps, which led to paradoxical outcomes including imbalances in the housing stock, construction on green areas allocated for open spaces and dilution of traditional architecture – the very features that the plan was designed to regulate.

#### ***Question & Hypothesis***

The question driving the research is to explain why there is a lack of compliance to the city plan and identify the mechanisms through which the planning rules codified in the *Thimphu Structure Plan* are being deviated.

The hypothesis is derived from the literature on the ‘Sociology of Compliance’ which is dominated by two main hypotheses a) misfit and b) veto players (Falkner 2006). The misfit argument has been used often to explain the difficulties of transferring policies of the European Union to EU nations. According to his hypothesis, the higher is the misfit between a policy (e.g. EU norms) and national norms, lower is the policy compliance. The veto hypothesis is less grounded in institutions and more about the role of actors in policy co-production. It predicts that the higher the number of veto players (or veto power) in opposition to a given policy, the lower is the level of policy compliance. To explain the lack of compliance to the TSP, we assume that both hypotheses may turn out to be valid (or not) and the study aims to identify potential misfits as well as veto players that may be slowing down plan implementation.

***Limiting the scope of study***

Many of these issues (loss of traditional architecture, shortage of affordable housing) are not new for Bhutan. The 1986-2000 Plan for Thimphu, which preceded the TSP, also expressed concern about acute housing shortages. If we go back to the 1980s, it seems that some things never change. The *United Nations Centre for Human Settlements* (UNCHS) was assisting the *Royal Government of Bhutan* (RGOB) to preserve traditional architecture in urban areas which was a new scenario for Bhutan. Even then over 60% of total building cost was expended on imported materials and labour (UNDP 1987) and even today dependence on India for construction labour and materials continues to trouble Bhutan as manifested by the 2012 currency crisis. In that sense, these issues predate the plan and cannot be solely attributed as outcomes of the plan. However, the plan with its deep ambitions has not been able to correct them. In order to not build up the reader's expectations, it must be stated outright that this study does not dissect the full anatomy of the three outcomes mentioned above. For that, one would have to study many inter-related factors including housing finance, imported labour policy, timber restriction policy, traditional architecture policy and markets like housing and the construction industry. Instead, this study is about one policy - the TSP - to examine why, despite the rules in place, the plan does not work. Therefore, this study explains only a fraction of the issue but zooms into the details from one policy angle.

It should also be pointed out that while zooming into the TSP, the focus is on the experience of the Local Area Plans (LAP). Of the 26 sq km within the municipal boundary, only about 12.1 sq km fall under the first set of Local Area Plans (LAP). Ten of the twelve LAPs are in extended areas to the north and south incorporated in Thimphu municipality after 1999.

Therefore, even within the planning story of Thimphu, the focus is on implementation within LAPs, which is a story about transformation of peri-urban areas.

Finally, it should also be mentioned that just because this study is focussing on implementation gaps of the plan, the reader should not be misled to think that the TSP has failed. In fact, it is still in a process of implementation. Moreover, had the TSP not been in place, the extended areas may not have had access to municipal services like water and roads; in the worst case scenario, residents would have had to make their own private arrangements as is the case in many parts of Asian cities.

To be very clear, the agenda of this research is not to blame anyone but bring to light the complexity of the issue in a simplified form. A common perception is that not enough is being done to guide the development of Thimphu city. This study aims to provide an informed perspective on what is being done. Hopefully, the reader will be able to see how much time and energy is being invested by the City Corporation on a day-to-day basis even if results are not as apparent. By seeing how the city's affairs are managed from an outsider's perspective, readers can evaluate for themselves where the wall between individual interests and collective goals should break for a better city of their future.

### ***Relevance of the study***

Although this study will explain only a small part of Thimphu's story, it remains highly relevant because Thimphu's planning is becoming the role model for other towns in Bhutan. The same modality of "Structure Plan" is being replicated to develop Structure Plans for other towns like Phuentsholing. As Thimphu was the first experiment, turning back to look at what type of unforeseen issues came up and how they were resolved will be very useful to draw

lessons for Bhutan which is rapidly urbanizing like other Asian cities.

This study will also be relevant for governments and planners outside Bhutan. Unlike in Indian and Chinese cities, where planning is the guise behind which the state acquires land from farmers in peri-urban areas, ultimately to hand over to the market; planning in Thimphu is based on the technique of land pooling, which is similar to land readjustment methods in Nepal, Japan, Thailand and Germany (Dorji 2003b). Instead of land acquisition, the state asks landowners to contribute up to a third of their land. In exchange, the state does not provide monetary compensation but infrastructure and services. This means that when urban peripheries or extended areas are developed, instead of displacement induced by development, landowners get to stay on their land, on a smaller parcel but with higher property values. Therefore, the study is relevant for anyone interested in an experiment of urban planning in an inclusive manner.

The study is also useful for research on institutions to know why codifying laws do not necessarily guarantee expected results. Despite contradictory evidence, the faith in institutional design to steer policy outcomes remains dominant, as evident from the financing agenda of large multilateral institutions like The World Bank and recent decentralization reforms of many national governments. This study will explain which institutional reform is not a sufficient condition for effective social change.

#### **1.4 Argument and logic of chapters**

The main argument is that rules do not work because they create a conflict of interest for some actors and these veto players find a way to subvert the rules. The dominant reason identified for lack of compliance to the plan is authorization of

deviations on a gradual case by case basis. In the slow but steady process of exception-making, the shape of the city evolved and spilled out of the mould of the urban plan. The main mechanism for plan deviations was not corruption through bribes or some other blatant form of rule violation, but a much more subtle process of negotiation and going around the rules without legally breaking them. This form of entrepreneurialism to beat the constraints of the system is termed “strategic action”<sup>8</sup> and is the main mechanism to explain how deviations were legitimized.

The first chapter provides an overview of the profile of Thimphu city and its residents. Much of the data is extracted from the Census 2005 at the city level. Data from building permits is also studied to understand the recent construction boom. Finally, the last section characterizes the housing market and comments on inequalities in property ownership, which is a new urban disparity for Bhutan. Most citizens own land in rural Bhutan due to the royal policy of “Kidu”, which allows citizens to apply to His Majesty’s office for a land grant but ownership patterns are changing with migration to the city. Compared to the impressive figure of 84% land ownership at the national level, only about a third of urban households (32%) own land in Bhutan (ADB-NSB 2013: 59).

The second chapter turns to the Thimphu Structure Plan (TSP) to give the reader an understanding of the plan’s objectives and outcomes. The first section presents the main planning tools. The second section gives evidence of some deviations using data from a planning audit undertaken by the Ministry of Works and Human Settlements (MoWHS) in 2008. The final section analyses the nature of these deviations.

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<sup>8</sup> Fligstein & McAdam 2013

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The third chapter discusses the governance of Thimphu city by mapping all the actors who interact with the Thimphu City Corporation to influence decisions related to the plan.

The fourth chapter is about strategies of negotiation between veto players who challenge planning codes and the main implementing authority, the Thimphu City Corporation. Minutes of the town committee's meetings are used to give illustrations of the kind of complications that arise in plan implementation. Based on my own three-month fieldwork in Thimphu earlier this year including direct observation at the municipal office, I analyse how the original rules are challenged and how the implementing authorities legitimize planning deviations.

Finally, the study concludes with the findings by answering the research question and revisiting the two hypotheses. Some implications are also presented for policy makers to get a better grasp on the outcomes of policies that they design.

## II. Research Design

This study has set sail to discover why rules fail to achieve their intended objectives by examining how actors interact with the rules and co-produce outcomes. This is not a new puzzle in the social sciences, as the question has been asked before, particularly in *Public Policy Analysis*, *Sociology of Organizations* and *Critical Legal Studies*. But it is still a very interesting question that has not been fully explained. At the same time, this question is absolutely central to understand the transformation of cities in which urban planning has a prominent role. Despite attempts by generations of professionals and governments to organize cities through the tool of urban planning, the dream city of the plan remains a mythical place. In most cities, urban planning and regeneration efforts produced gross dis-functionalities (Jacobs 1961). While we have drawn some lessons about the benefits of mixed use and inclusive spaces, we are yet to understand why improving the design of the plan alone (case in point: Thimphu Structure Plan) is not a sufficient condition to guarantee planning success. In other words, why are rules not sufficient to shape outcomes? Because there are actors who play with them, as we've been told before. This section takes a quick look at the various angles from which this puzzle has been entered.

### 2.1 Literature review

#### ***Public policy Analysis: Implementation failures***

Implementation failure is a central theme in *Public Policy Analysis* and the role of actors, particularly interest groups in deviating policy outcomes has been a concern both for scholars and practitioners. In the US from the early 1920s and 30s, these concerns were expressed notably at the University of Chicago in Charles E. Merriam's pioneering

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work on *Behaviouralism*. Merriam emphasized the role of political behaviour of individuals and groups, which he felt would be more telling than the characteristics of formal institutions like the legislature and legal codes (Grigsby 2011:15) basically arguing that rules play only a marginal role in explaining outcomes.

John Dewey, philosopher and education reformer, founded a school of thought called *Pragmatism* in which public policy is seen as an experiment. The “problematic situations” faced by public administrators can be resolved through a “process of inquiry”. The qualitative nature of human experience is such that the feeling that something is wrong comes before its recognition can be articulated in words or measured (Shields 2008). In a pragmatic perspective therefore, policy-making should be seen as an ongoing exercise with flexible goals so that retrospective lessons from field experiences can be integrated into prospective design.

In the 1970s, Jeffrey L. Pressman and Aaron B. Wildavsky, published *Implementation* in which they observed that an organization like the American Economic Development Agency could not fulfil its objectives because there were too many actors influencing the decision-making process with multiple goals, bargaining with each other and delaying implementation. This is very similar to observations of how organizations work, giving a centre-stage role for actors.

### ***Sociology of Organizations: power games among competing actors***

The literature in the *Sociology of Organization* has its central concern in how employees interpret organizational rules and impact the attainment of collective goals of the organization. The 1958 book *Organizations* by Herbert A. Simon and James G. March criticized the behavioural assumptions of classical organizational theory, articulated by the “administrative



management school” and “scientific management” approaches, for not paying sufficient attention to the motivations driving employee behaviour (Tosi 2008: 93). They took a Weberian interest in motivations underlying *social action*<sup>9</sup> and emphasized the cognitive aspects of organization members (March 1958: 5). They criticized the classical approaches for neglecting internal or *intra*-organizational conflict but remained confined to analysing the organization as a black box, with little appreciation for *inter*-organizational conflicts (Fligstein 2001).

This is also symptomatic in the pioneering work of Michel Crozier, father of organizational sociology in France. His work with Erhard Friedberg stands out in its treatment of power relations among members of the organization. One of their main contributions was to show how rules itself are an enactment of power games among sets of actors who are constantly negotiating the rules; “*system exists only through the actors, who alone can give it life, and who alone can change it*” (Crozier & Friedberg 1977: 9). In this sense, they agree that agency is constrained by internal power relations but not in the Giddens way in which external social structures constrain action, “*the actor doesn’t exist outside the system which defines his freedom and the rationality that guides his action*” (Crozier & Friedberg 1977: 9). However not everybody agrees that agency is autonomous from broader structures of stratification and power, as explicated next in critiques from the legalist perspective.

### ***Legalist perspective: indeterminacy of rules***

The *Critical Legal Studies* tradition developed as a family of legal theories in the late 1970s as a sociological critique of the classical legal thought of 19<sup>th</sup> century for overestimating the capacity of legal rules to engineer progressive social change.

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Many of these scholars had been involved in the civil rights movement and Vietnam protests and were interested in how law worked instrumentally against the interests of minorities. While opinions diverged on the social functions of law, their central claim was about the “indeterminacy” of legal reasoning. A given set of legal principles and doctrines do not yield determinate answers to disputes because the “facts of a case” are viewed from a particular vantage point. For every principle or rule in the legal system, it is possible to find a rival contradictory one because rules are characterized by substantial gaps, conflicts, and ambiguities (Collins 2008).

Most reviews of *Critical Legal Studies* typically locate this literature within the *Structuralist* tradition because modes of legal reasoning are coloured by prevailing power structures and institutions of society. However, here it is argued that even these scholars have emphasized the role of actors, subconsciously if not consciously, because their spotlight is turned on the adjudicator and his interpretation of the “facts of the case” in the application of law (see for example, the *policy-analysis*<sup>10</sup> ideal type in Kennedy 2008 and Rheinstein 1954).

In a classic book, *Rules and Government* (1995), Robert Baldwin criticized the functionalist perspective (see Davis 1971) which advocated rules as a means of controlling government discretions. His criticism was that such a mechanistic treatment of government decision-making pays inadequate attention to substantial human interpretative work involved in government decision-making (Baldwin 1995: 25). Discretion is used at several levels in rule applications: from judgements involved in defining issues as relevant to ways in which cases/policies proceed through the

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<sup>10</sup> Policy analysis combines elements of both substantive and formal rationality in Weber 1978.

organizational handling system so that 'facts of the case' are taken for granted rather than as a constructed reality. Decision-makers reflect ideological stances of a society and are products of a whole series of frameworks.

Thus the interaction of actors with rules has been documented in a variety of contexts before and the common thread weaving them together is the limited predictive capacity of policies, organizational rules and legal codes - broadly conceived under the umbrella term "institutions". This research takes a sociological definition of the term institution, defined as "*a relatively enduring collection of rules and organized practices, embedded in structures of meaning and resources that are relatively invariant in the face of turnover of individuals...*" (March and Olsen 1989, 1995 as defined in March & Olsen 2009: 3). In this view, rules, structures and norms are the building blocks of institutions and prescribe appropriate behaviour for specific actors in specific situations (March & Olsen 2009, Davies & Trounstone 2012). A distinction is therefore made between institutions as rules (regulatory norms) and institutions as organizations (actors).

***What prevents rules from working? Actors (veto players) or Structure (institutional misfit)***

Although everybody agrees that rules don't work as designed and create unintended effects, it is not very clear what exactly the intermediating factor is. Is it human actors (as individuals or organized groups) who have an *agency* to manipulate rules and steer outcomes? Or is it broader *structural* forces at work that reproduce the status quo no matter how the rules are designed (e.g. discrimination against race in the Critical Legalist perspective)? The structure vs. agency debate has left a yawning gap in sociology, created by the primacy attributed to actor agency or structural forces in shaping outcomes. Anthony Giddens' theory of *structuration* (1984) attempted to

strike a balance without ordering one above the other and show how both micro agents and macro structures mutually enact social systems, but empirical applications of the theory have been limited.

Contemporary research on rules, currently developing within the *Sociology of Compliance* displays symptoms of a similar cleavage. The two main hypotheses that dominate the literature on non-compliance of rules are a) veto players and b) misfit (Falkner 2006). The former postulates that successful compliance is inversely related with the number of veto players (Tsebelis 1995, 2002 in Falkner 2006) and hence attributes primacy to actors. The misfit hypothesis is that compliance is directly related to the goodness of fit between new rules and the existing institutional and regulatory traditions (Mastaenbroek 2005, Héritier 1995) and thus leans towards structure. The empirical study of 15 EU member states by Falkner et al concluded that both claims are partially true but contingent on contexts; for example, the goodness of fit argument works only where countries have a culture of law observance. Thus more evidence based research is needed to validate these hypotheses conclusively.

### ***Actor vs. Institutions in the urban context***

The structure vs. agency debate, ubiquitous in a sociological study of any subject, went live on the urban stage post the 1950s' developments in theories of urban politics. Actor-centred theories of 'urban politics' were constructed somewhat in opposition to the structuralist 'institutional theories' (Lowndes 2001). This provoked 'neo-institutional' revisions of the old institutionalism from the late 1980s onwards.

The 'structuralists' originally camped on grounds of *institutional theory* before moving base to varieties of 'new institutionalism'. In today's context, governments promoting a

policy of decentralization i.e. devolving power from the provincial to the municipal level of government would qualify as practitioners of institutional theory. However, empirical studies of institutional reform challenged the Rawlsian notion that good institutions can create a just society. For example, opening up municipal-decision making to citizens did not weaken but strengthened socio-spatial marginalization in a Mexican city (Lombard 2013). There is plenty of evidence discrediting the agency of institutional design. However, this argument by itself - that rules are not working - is not sufficient to undermine the determinism of institutions, nor the primacy of actors; because broader structures of social inequality and power relations regulating behaviour (institutions in our definition) could be at play.

What really attacked institutionalism theory from an actor-centred perspective began with Floyd Hunter's 1953 study of Atlanta. It showed that the municipal government, although designated as the official decision-taking body, was effectively not the one making municipal policy. Instead, the decision-making process for the city was captured by socio-economic elites (Hunter 1953). Later Robert Dahl, in his 1961 study of New Haven came to exemplify the pluralist school as he showed that urban decision-making was much more conflicted and policy outcomes were a result of bargaining between competing members of the community (Dahl 1961). This debate between the elitists and the pluralists became famous as the 'community power debate' but both schools agreed that more than the institutional structure of local governments, it was the pursuit of political actors that determined urban policy (Davies & Trounstone 2012). By the 1980s and 1990s, the word urban "governance" as opposed to "government" began to be used to turn attention to broader influences of external actors on government decision-making (private investor, donors, civil society).

## **2.2 Puzzle: How do actors escape institutional constraints?**

The actor vs. institution debate in urban theories has a great deal of scope to be further problematized. Those attributing agency to actors have focused on how actor coalitions shape institutions and policies. On the other hand, the neoinstitutionalists have focussed on ways in which institutions constrain behaviour and steer outcomes. But there is not yet a fully developed explanation of why, how and which, *actors escape institutional constraints*. Agent-driven perspectives would say that actors subvert the rules but they do not develop much on the embeddedness of actors in their broader institutional environments which frame social action. Some literature on policy implementation failures also emphasizes the role of actors in co-production of policies, thereby problematizing theories of institutional design (Lipsky 1980, Ostrom 1990) but they do not explain why even improved design again falls in the same pit and is not a guarantee to steer actor behaviour. In fact, a faith in institutional design to steer policy outcomes remains dominant, despite contradictory evidence, as evident from the financing agenda of large multilateral institutions like The World Bank and recent decentralization reforms of many national governments.

## **2.3 Theoretical framework: Strategic action fields**

To explain the loose grasp of institutions on actors, we use the work of Neil Fligstein and Doug McAdam in their new book, *A Theory of Fields*. This work is quite fitting because it provides a very flexible framework for us to think about actor agency both limited by and yet able to transcend institutional constraints.

The key is to break down the big macro structure into smaller units or “fields” of meso-level order. Actors can act strategically to change the rules in a given field and yet be constrained by the larger rules of the game of the broader field environment – this is the interpretation of Fligstein in this research. The following are the four key concepts that will be borrowed and adapted to explain the field set-up or the “field universe” in our case study.

**Field:** A field is a meso-level social order and the fundamental unit of collective action in society. Fields are socially constructed arenas where actors with different resource endowments operate with shared understandings that are not necessarily consensual. A field can be conceptualized fairly flexibly; it has been defined before as a market (Fligstein 2001), an organization (DiMaggio and Powell 1983), a policy domain (Laumann and Knoke 1987) and a network (Powell et al 2005).

In this research we employ “field” as an organization – Thimphu City Corporation (TCC). The interest is to capture TCC’s interactions with all those actors who influence its decisions on the Thimphu Structure Plan (TSP 2003-27). In other words, the unit of analysis is to study social action of actors interacting with the TCC in the governance field.

**Field Environment:** Fligstein characterizes the relationship a field has with “other fields” and together the two constitute the field environment. In his view, the broader field environment resembles a Russian doll which is composed of a complex web of fields nested in one another (Fligstein 2013:9).

We want to be very clear on the visualization of the relations between a field and its broader environment in this study. The Matryoshka doll metaphor is not the best visualization

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because as Fligstein says, a field is embedded in a complex network of fields, and hence not tightly encapsulated within each larger field. It is more appropriate to think of the field in terms of a universe of networks of fields. This allows us to look at a field embedded not just within the broader universe or master field but also within a network of fields. The field environment governs not just the internal workings of a field but also how different fields relate to each other. In our study the “master field” is the state field within which the Thimphu City Corporation “field” is embedded. However we add an intermediary and that is the “network of fields” constructed as the policy governance network comprising of TCC and all other fields with which it interacts to implement the urban plan. Thus the field (TCC) is embedded in a network of fields (policy governance network) which is itself embedded in a master field (Bhutanese state) and together this set up makes up the “field universe” in our study, which is simply a more nuanced version of Fligstein’s “field environment”.

**Strategic Action:** Strategic action is the attempt of social actors to create and sustain social worlds by securing the cooperation of others.

We just add that rationality of strategic action is bounded so strategic action is also framed by the common repertoire of strategies.

**Social skill:** The ability to fashion such agreements and enforce them requires that strategic actors possess some amount of “social skill” (Fligstein 2012: 14). This set of skills is assumed to be distributed “perhaps normally” across the population (Fligstein 2001).

We divide social skill into two a) negotiation skills – distributed normally across society and b) resource



endowments (social attributes and networks) – distributed unevenly.

**Challengers and Incumbents:** *Incumbents are those actors who wield disproportionate influence within a field and whose interests and views tend to be heavily reflected in the dominant organization of the SAF.* Challengers are those who challenge the field order to change it.

Since our aim is not to explain field change and stability but rule compliance and deviation, we completely revise this definition but retain the idea of conflict in interactions. For us there are a) claim-makers who challenge a given rule before the municipal committee and then there are b) decision-takers who decide whether or not to authorize the claim for rule exemption or rule revision. Together they enact the transformation of the urban planning field in Thimphu.

### **Research question**

The broad research question is about limited capacity of formal rules to effect change. The aim is to explain why and how actors escape institutional constraints. At least five dimensions emerge as key themes.

- a) Why is legal reform not an adequate condition to achieve the intended change?
- b) What are the other factors that mediate between objectives and outcomes of rules?
- c) What are the conditions for generating compliance?
- d) What are some of the unintended consequences and paradoxes?

e) Do rules have some other value even if they cannot achieve intended objectives?

These broad questions are contextualized for the case study: urban planning in Thimphu, Bhutan to formulate the research question driving this research:

*How can we explain urban developments that are taking place in contravention of the 2004 Thimphu Structure Plan? What are the mechanisms through which rules get deviated and to what end?*

### **Hypothesis**

Deriving from Fligstein's framework, the argument is that the key mechanism explaining the "black hole" of non-compliance<sup>11</sup> is "strategic action" by actors. Legal codes are not an adequate condition to steer policy outcomes because actors intervene with their own goals and strategies and divert the objectives. The two mutually compatible hypotheses are the following:

**Veto:** The greater is the veto power, the lesser is the policy compliance. If legal reform challenges the interests of actors, they will find strategies to manipulate the system and become veto players. The greater the social skill (negotiation ability and resource endowments), the greater the likelihood of strategic action and subversion of objectives.

**Misfit:** The greater the fit between legal codes and non-codified cultural norms<sup>12</sup>, the greater the compliance. If there is misfit between the policy's norms and prevailing institutional architecture, actors may not see the law as legitimate and have little incentive to comply. Misfits can be

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<sup>11</sup> Mastenbroek 2005

<sup>12</sup> Using Weber's distinction between law and convention

various types: authority misfit, policy misfit, institutional misfit. By using “norm misfit” as the definition, we can encompass all types of misfit whether in the institutional architecture or content of the policy.

### **Case study selection**

In a paper calling for “new geographies of theory”, Ananya Roy argued that dominant theories on cities are rooted in the EuroAmerican experience and exhibit a neo-orientalist tendency when they characterize the experience of cities from the Global South as “interesting, anomalous, different, and esoteric” (Roy 2009). Her argument is that to capture the multiple modernities of cities, the dominant centre for theory making must move to the global south. However, this very suggestion reifies the difference between the global north and south – one that Jennifer Robinson tried to collapse in her book *Ordinary Cities* (2002). Robinson’s agenda was similar in that she too wants urban theory to overcome its Western bias however the approach is very different. She suggested that we need to change the gaze with which we look at first-world and third-world cities because all cities are “ordinary”; at the end of the day we can find both the high rise CBD and the slum in Paris and in Delhi. So her point was that we need new criteria to compare cities in the global north and south without reifying their binary distinctions.

The Robinson way was more appealing but Roy’s suggestion could not be ignored. Both challenge classic conceptions of how we understand the “modern” experience. Why do we notice the slums of Asia but not Europe? (See Aguilera 2013 as an exception). So one way to reconcile the suggestions of both was to shift the case study to the global south but instead of using a post-modernist framework, use a classical Weber / Fligstein framework and check out how far can their concepts be stretched to the global south and what value does the change of context add back to the theory. Weber’s

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analysis of rationalization processes is from a typically modernist standpoint so it would be interesting to see how right (or wrong?) was he by analysing the experience of a budding democracy that is just stepping into, what many would call, the age of “modernity”.

Bhutan, a small country sandwiched between India and China, is currently in a very interesting process of transition. Ruled by the Wangchuck family since 1907, the kingdom adopted its first codified Constitution only six years ago in 2008. In the same year, parliamentarians contested elections for the first time on political party lines through direct and universal suffrage. 2008 also marked a century of rule under the monarchy and commemorated with the fifth king taking the place of his father. In this new cycle of state development in Bhutan, the Prime Minister and the king (as Head of State) are to govern in a formula codified in the Constitution. By Weberian terms, this qualifies as a “rationalization” process in which traditional authority of the monarchy is converting into legal authority.

However, what makes Bhutan unique is that the transition was a top-down process and hand-held by His Majesty, the former king, rather than an outbreak of popular mass uprising or a coup breaking out from elite factionalisms which characterize most democratic transitions. Unlike Morocco, international organizations did not play an overt role in pressuring the monarchy; if there was any pressure, it is known only to the inner corridors of power and not in public knowledge. There have been some pressures from political parties in exile in Nepal notably in the early 1990s, but this issue goes back to 1954 and there is not a good match between external pressure and the timing of the decision for reform. Thus the decision to democratize is rather seen as a pre-emptive move in a calm time so that the transition can be carefully planned to provide legal security to

the monarchy for times to come. The whole episode worked to further increase the legitimacy of the monarchy as the international community watched starry-eyed when the former *Druk Gyalpo* went across Bhutan campaigning for democracy against a resistant urban bourgeoisie as well as rural peasantry. Although this was initially surprising to me but after having lived for a short period in Bhutan and seen the kind of respect the elites that I interacted with have for their king, I no longer doubt the credibility of the media reports about the Bhutanese people's reluctance to democratic change. I take this attitude as an observable "social fact" but with my own interpretation. First of all, in these reports, a very specific definition of Bhutanese is applied, that of legally recognized citizens and excludes claims for democracy by some Bhutanese in exile, for example, founder of the *Druk National Congress* created in 1994. Second of all, the concept of "democracy" was new for the country and even today some people don't understand the word in rural Bhutan (as told to me by a GNH surveyor, 20/01/2014). A transition led and planned by the king in a time when much of the population had not asked for it, created a situation where democracy has to be learnt through *legal socialization*.

Thus, democracy came without a change in politics or political values. Given this specificity of the transition, Bhutan forms a fertile case study to explore what legitimacy of legal authority really means where change in legal codes precedes change in social norms. It is a context where authority based on tradition could be more legitimate than that based on legal authority even as the legitimation basis of the society is changing. Bhutan is really an ideal case if the intellectual agenda is to discover limits of formal institutions because here one can distinguish more clearly between social norms and the newly codified laws which are yet to be internalized.

To sum up, Bhutan's capital city is befitting for a research agenda seeking to explore rule deviations where *misfit* (dissonance of new codified rules with prevailing norms) is a hypothesis. At the same time the case study offers some promising revisions to the hypothesis about *veto players*. In Bhutan, the state has dominated social life including the market so the private sector is still very underdeveloped (and hence few veto players). The bureaucracy forms the most important elite group after the royals and corruption perception index is one of the lowest in Asia (Transparency International corruption perception index), possibly because the king hand-picked and created the civil service from scratch within the last few decades and anti-corruption is an official policy objective. All of these indicate that the state should have the capacity to govern and compliance should be high because veto players are few. But this is not the case and remains a puzzle to be discovered.

## **2.4 Methodology**

This study is an extracted version of the Master's thesis prepared for the M.A. in Urban Affairs (Governing the Large Metropolis) at the *Institut d'études politiques* (Sciences Po), Paris. The data was collected over a three month field trip to Thimphu, Bhutan during January-April 2014. During my stay I was hosted by the *Centre for Bhutan Studies & GNH Research*. I worked independently and my contribution to the Centre was to be a 10-15 page report on the structural and design aspects of Thimphu's planning. Although the Centre played no role in setting the agenda for my research, it influenced my "problem-definition". For example, dilution of traditional architecture is seen as an undesirable outcome.

In terms of methodology, this research made a choice for qualitative methods because the research is grounded in Weberian sociology. The aim is to capture a qualitative

essence of state-society relations, how compliance and social control works, what is legitimacy based on etc. Since it is a theory of social action, the aim is to deconstruct individual perceptions and motivation for action. I did this primarily by capturing the framings used by claim-makers as well as decision-takers to legitimize exemptions from planning rules.

My main method was *Direct observation*. I sat daily in the office of the Chief, Implementing & Monitoring Section (I&MS) for about 20 days in the month of March 2014. I also had one occasion to be invited to an office party which gave me a good sense of the social milieu of this section of the bureaucracy. This gives the added advantage of understanding their beliefs, values and working styles, which is more complex than the mechanistic bureaucrat described in Weber's work. I had the opportunity to directly observe one part of the organization. I observed the workings of the *Urban Planning Division* (UPD) and the *Development Control Division* (DCD) which are divisions under the Thimphu City Corporation (see Annex for TCC organogram).

My main data source for the case study was the *town committee discussions* as I am interested in understanding how the municipal decision-making process works. I had access to all 18 samples of the minutes of the bimonthly town committee meetings from February 2011 to February 2014, held since the first elected mayor came in 2011. I also extracted city level data from the Census conducted by the National Statistics Bureau in 2005. This was indispensable for characterizing the profile of the city and residents.

The direct observation method is complemented with other methods such as interviews and historical analysis. The sample of people I interviewed was mostly government officials from organizations/agencies that seemed relevant for the case study such as NHDC, MoWHS, TCC, NLCS. I was

interested less by the Parliamentarians as current ministers had just entered government in 2013. My focus was more on bureaucrats who had been operating over longer tenures. I also preferred to talk to staff working on the ground as I felt that they could give more detailed descriptions than their superiors. In general, I found the government in Bhutan to be remarkably accessible. I was able to get interviews within 24 hours of calling and requesting for appointments. However, many requested for anonymity and I felt that informal discussion was a preferred format for my interviewees who sometimes did not want to be quoted. So in this research any information quoted from my discussions is only dated but not named but I have maintained very detailed notes and a precise record of who I met on which day.

Finally, to understand the broader Bhutanese state-society field, I used historical and content analysis. The *Kuensel* newspaper, dating back to 1968 was a vital source for basic information on the state's programmes and policies as this paper was the only print media until the mid-2000s. Thus there is no sample bias but the content requires analytical discretion as the paper basically worked as a mouthpiece and information bulletin of the state. Bhutan also has a tradition to make proceedings of parliamentary debates publicly available in English since 1953 which allowed me to go back to crucial moments and dig deeper into the polity's history. This was useful to identify dominant types of rationality and authority in Bhutan and get a broad understanding of changes overtime. Although the archives only provided me with the official view, my complementary informal discussions with non-technocrats helped me develop my own interpretation of why news was reporting the way it was or why the Assembly discussions were prioritizing one issue over another.



### **III. Thimphu City: Growth Dynamics**

This chapter quantifies the changing profile of Thimphu city in the last decade. This background serves as evidence for Chapter III which is about the conflict of interests for and against the plan's rules and which follows Chapter II which lays out the plan's objectives. This chapter is divided in three parts. It first captures the demographic and socio-economic profile of Thimphu's residents as per the Census of 2005. The second section presents how the shape of Thimphu city is growing and changing. Finally, the last section characterizes the housing market while quantifying the proportion of population that is asset-owning and has access to basic services to get an extent of socio-economic disparities.

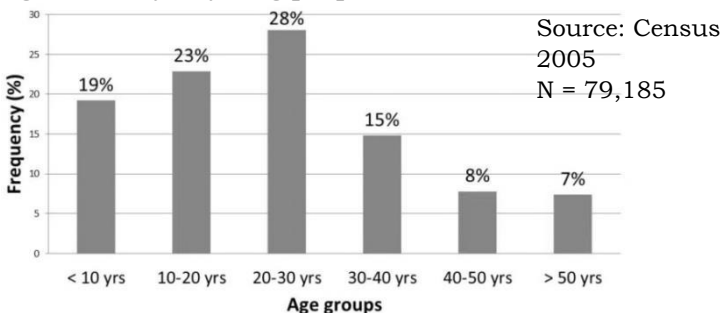
#### **3.1 The Residents: Socio-economic & demographic profile**

According to the 2005 Census, Bhutan's total population stood at 634,982 of which Thimphu dzongkhag alone had 94,102. Of this, Thimphu dzongkhag's urban population was 79,185. Data for urban Thimphu has been extracted to make a profile of Thimphu city. These 79,185 individuals (or 15,728 households) living in Thimphu city constituted over 12% of Bhutan's total population in 2005. Of the 79,185 people recorded in the Census, 2851 were visiting.

##### ***Age***

Thimphu is a very young city. Over 90% of residents are under 50.

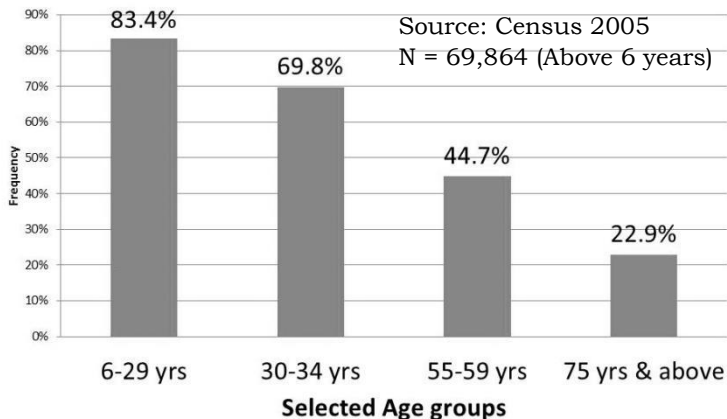
**Figure 1: City of young people**



**Education**

75.25% residents are literate (of eligible age). This is quite a remarkable chart because it shows how quickly education has spread in Bhutan since the 1950s and 60s, when the first batch of children was sent to school. We can see below that the generation above 75 years has an average literacy rate of only 22.9%. Compared to their grandparents, over 83% of the present generation of youth is literate today.

**Figure 2: Literacy Rate by Age Group**



## **Employment**

As the administrative capital, Thimphu has a large share of the population employed in government service, up to 40% according to one study (Walcott 2009). However this is changing as the largely state controlled economy is opening up to private sector participation.

According to the 2005 Census, over 67% of the population falls in an employable age (15 to 64 years old).

**Table 1: Population in working age**

<b>Age</b>	<b>Population</b>	<b>Percent</b>
0-14 years	23,798	30.1%
15-64 years	53,432	67.5%
65 and above	1955	2.5%
Total	79,185	100%
Source: Census 2005		

Of the 55,387 residents aged above fourteen (and hence eligible for work), 30,190 i.e. 54.5% were employed while the remaining 45.5% were unemployed or inactive. Of the 30,190 employed, the largest proportion or 20% were working in the construction sector as road laborers (3263), stone cutters (1323), carpenters (1141) etc. 15.8% were working in public administration including a large staff of security personnel (2191). Transport and communication was the third largest sector of employment primarily because of a large number working as drivers (1704). Retailers (1185) and business professionals (1167), clerks (1024) and maid/baby sitter (1173) were some of the most frequent occupations in other sectors (see Annex).

**Table 2: Sector of employment**

<b>Sector of employment</b>	<b>Population</b>	<b>Percent</b>
Construction	6,089	20.2%
Public administration/security	4,765	15.8%
Transport/communication	2,021	6.7%
Retail/wholesale trade	1,701	5.6%
Education	1,247	4.1%
Agriculture	1,155	3.8%
Hotel/restaurant	1,090	3.6%
Finance/insurance	836	2.8%
Health services	668	2.2%
Manufacturing	569	1.9%
Electricity/gas/water	523	1.7%
Mining/quarring	119	0.4%
Others	9,407	31.2%
Total	30,190	100%
Source: Census 2005		

When asked if they had worked in the last one week, 26,547, i.e. 47.9% of the population aged above fourteen, reported “no”. The reasons cited for not working are given in the table below. About 16% was looking for work while some 7% already had found work from which they were absent or were going to resume in the future. 8768 or 33% of this population was studying. This coincides nicely with the 9,485 of Thimphu’s population falling in the 15-19 years age group. Similarly, 1965 reported old age which also coincides well with the 1955 aged above 65 years. About 32% was unemployed out of choice mostly because they did not want to work or had a home to take care of.

**Table 3: Reason for not working**

<b>Reason cited</b>	<b>Freq</b>	<b>Percent</b>
Unemployed, looking for work	4,350	16.4%
Waiting for work, seasonally employed	875	3.3%
Studying	8,768	33%
Absent from work	1,081	4.1%
Does not want to work	707	2.7%
Taking care of home	7,687	29%
Health / Age	3,079	11.6%
Source: Census 2005	26,547	100%

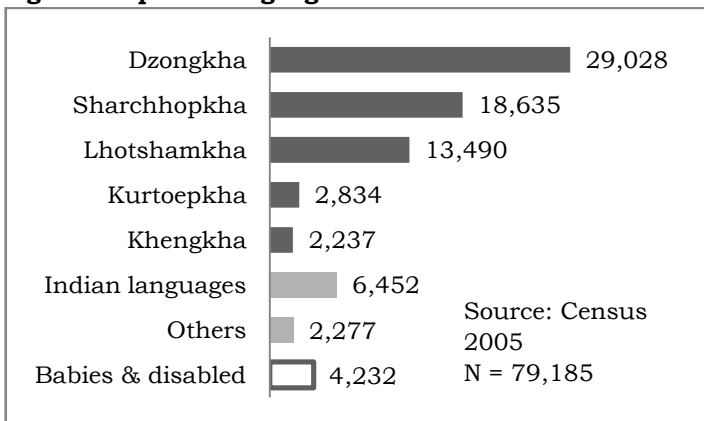
**Place of origin**

Less than a third of residents are born in Thimphu. While 32% of residents come from Thimphu, 58% come from rest of Bhutan. By looking at the languages they speak, we can get an idea of the regions of Bhutan from which they come. We can also see that while 6745 report to be born abroad, 6452 speak Indian languages. This indicates that about 8% of Thimphu city's residents are Indian. This makes sense in light of the recent construction boom in Thimphu which has created demand for a large number of Indian construction workers.

**Figure 3: City of migrants**

<b>Place of birth</b>	<b>No.</b>	<b>%</b>
Thimphu	25,205	32%
Rest of Bhutan	45,886	58%
Abroad	6,745	9%
Unknown	1,349	2%
Total	79,185	100%
Source: Census 2005, N = 79,185		

**Figure 4: Spoken languages**

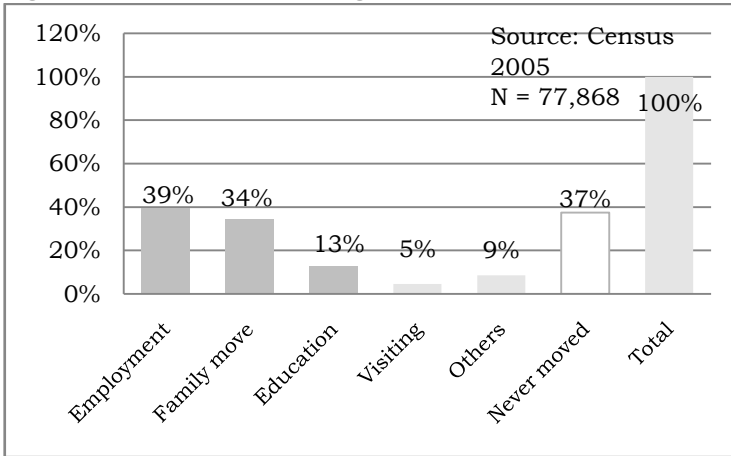


***Reasons for migration***

Almost 70% have been staying in current residence for less than ten years (Census 2005). While 43% previously resided in an urban area, only 45% display a trend of rural to urban migration. We may say that the urban to urban figure is inflated as probably includes those born in Thimphu (31.8%). But even then, only 53% were born in rural areas. The predominant reason for migrating is employment followed by family move (including marriage) and education.

**Figure 5: Rural to Urban migration**

Origins	Place of birth		Previous residence	
	No.	%	No.	%
Urban areas	28,497	36.0	34,388	43.4
Rural areas	42,594	53.8	36,079	45.6
Abroad	6,745	8.52	7,342	9.3
Not stated	1,349	1.7	1,376	1.7
Total	79,185	100	79,185	100

**Figure 6: Reasons for moving**

### 3.2 The City: Spatial changes & the construction boom

#### *City growth: 1960s-present*

Urbanization of Thimphu kick-started in the 1960s after Indian Prime Minister, Jawaharlal Nehru, visited Bhutan in 1959. India's growing dispute with China and Chinese occupation of Tibet led to some anxiety that Bhutan might become an arena for Sino-Indian confrontation under conditions in which China had easier access from the north than India from the south (Rose 1977). Consequently, Bhutan opened its gates to India and along with it came a whole package of development assistance (India financed Bhutan's first Five Year Plan). The Indian army considered it essential to develop a logistic capacity for itself in Bhutan through major road construction projects. By 1962 Thimphu's first motor-road had been built (Norbu 2008: 87). What was hitherto a cluster of villages connected by mule paths began to slowly transform into Thimphu city as we know it today. In 2001, Thimphu had about 12,700 vehicles up from from

## *Thimphu's Growing Pains*

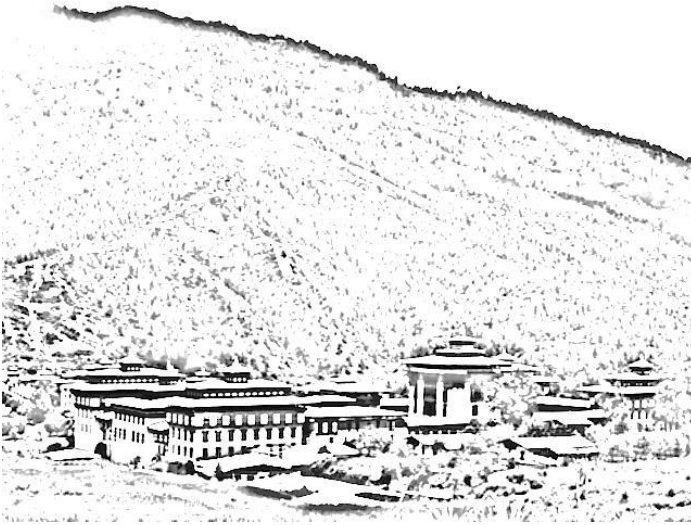
2,834 in 1985 and 1,090 taxis, compared with 69 in 1986 (Gyelthen 2002a, Tashi 2002).

In 1966, Thimphu became a full capital of the Royal Government of Bhutan (Pradhan 2012). This was not always the case. Even today the Central Monastic Body retains Punakha as the winter capital while spending the summer in Thimphu. With the transfer of the Development Secretariat from Paro to Thimphu in late 1967, Thimphu grew from a village to a town of 10,000 people by late 1970s (Rose 1977). The city developed as a centre of administration and grew around the *Tashichho Dzong* which was under reconstruction in the 1960s. Along with roads, large tracts of land were developed as institutional land – RBA in Lungtenphu, RBP in Changzamtog, RBG in Dechencholing and DANTAK in Babesa and India House in north Thimphu. By the 1970s, agricultural land was being used for construction of houses and offices to meet the demand of the growing civil service<sup>13</sup>. Hotels came up to host international dignitaries who came to attend the fourth king's coronation. Norzin Lam developed in the 1970s (Norbu 2008). In the 1980s, guest houses increased from 3 (1980) to 38 (1990) to accommodate foreigners as Bhutan's international relations with the world were expanding and the country opening up to foreign visitors.

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<sup>13</sup> To get a more detailed and visual description of Thimphu's transformation, see Geley Norbu's *Thimphu: Now and Then*.





Tashichho Dzong: The heart of the city

Thimphu has the largest share of the urban population in Bhutan and is growing rapidly as is the economy of Bhutan. In 1987, Bhutan's GDP per capita was \$209 (UNCHS 1990) which is only a tenth of what it is today (~\$2000) and has exceeded that of India's (~\$1800). The city grew from a tiny village in the 1960s to a teeming capital city. In the 1990s, Thimphu's population was just around 25,000 (UNCHS 1990) and has grown five times in the last twenty years; this is faster than the speed at which Thimphu grew in the entire twentieth century. According to a World Bank study, Thimphu had one of the fastest annual growth rates in the world at over 7% (World Bank 2011: 1).

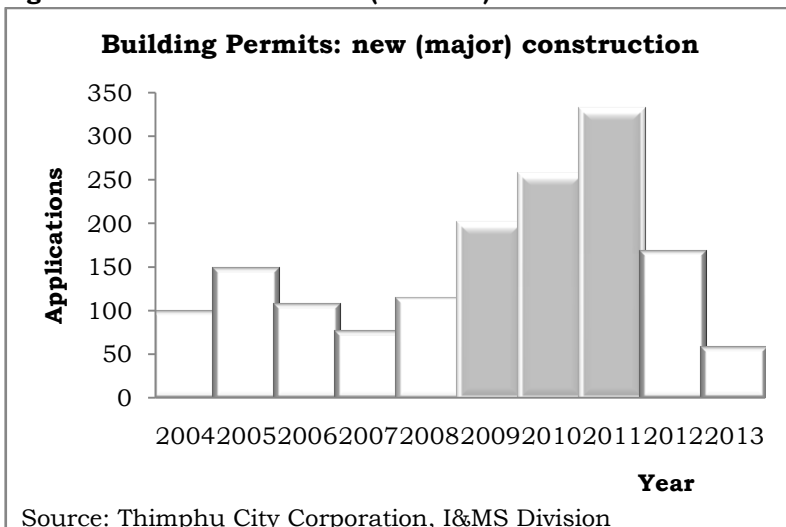
**Table 4: Thimphu's population growth**

	1977	1980s	1991	1997	2000	2005	2012
Population	~10k	<15k	~25k	~35k	43,479	79,185	124,000
Sources	Rose 1977	Norbu 2008	UNCHS 1990	NEC: 65	TSP 2002	Census 2005	ADB- NSB 2012

### **Construction Boom: 2009-2011**

The table below shows the spate of construction activity after 2008. This is explained by the release of land after finalization of LAPs in 2008 aided by the lowering of interest rates for construction loans since 2003-04 from 13-14% to 10% by most banks. Credit growth in the housing sector was 25 percent since 2007<sup>14</sup> (Gyeltsehen 2013). However, building applications have dropped after construction loans were stopped in 2012. This is a recent measure taken by the central bank in order to check the outflow of the Indian rupee as Bhutan was facing a currency crisis (shortage of the rupee). The rupee crisis in Bhutan is related with the construction sector as most of the construction materials and labour is imported from India mostly for building 7 newly commissioned hydropower plants but also housing construction.

**Figure 7: Construction boom (2009-11)**



<sup>14</sup> Bank of Bhutan's housing loan increased by 81% in mid 2005 after it decreased its interest rate in 2004.

**Table 5: Applications for building permit**

Yr	1985	1999	2000	'01	'02	'03		'08	'09	'10	'11	'12
App	80	78	65	77	97	92		110	<b>199</b>	<b>255</b>	<b>329</b>	164

Source: Thapa 2005, Rai 2013, UNCHS Habitat 1990

Most of the applications have been for residential buildings. While the new stock is built for residential use, many of the buildings are being used as commercial spaces without a change in property tax.



New residential buildings converted into offices and commercial spaces

### **3.3 Housing Market: Characteristics & disparities**

#### ***Housing market dynamics***

The draft urban development plan of 1986 pointed out an acute shortage of housing for government employees. At that time the policy focus was to shift from public housing provision to encouraging the private sector to build housing. This was the preferred choice as it was felt that the government alone could not take on the load of providing

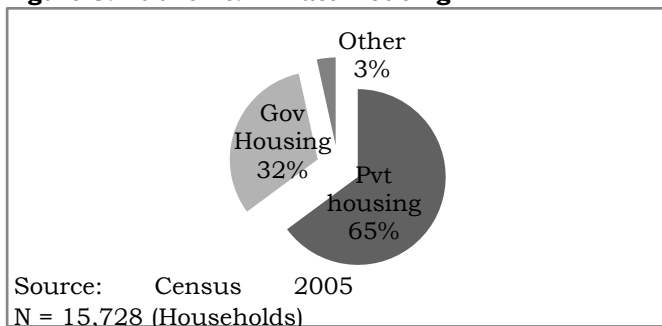
## *Thimphu's Growing Pains*

housing to a growing number of civil service staff. However, today, privately built stock dominates the housing market and we may once again require a shift in policy thinking.

In 1988, housing benefits and salary payments of the civil service, (the predominant population of Thimphu at the time) were consolidated. Salaries were increased and a housing allowance incorporated. If a government employee took accommodation in a RGOB-owned house, 30% salary would be deducted (UNCHS 1990). As a result, many opted to rent out privately. Prior to this reform, a survey in 1985 found that a third of the staff eligible for government housing was renting privately and receiving a rental subsidy equivalent to 15% of salary (UNCHS 2005). It could be thus conjectured that in that situation, many preferred to rent privately and receive allowance of 30%. They would continue to do so until rent exceeded 30% of salary which is the case today.

According to the review by the UN Centre for Human Settlements (UNCHS 1990), prior to the housing policy reform in 1988, 72% of housing units in Thimphu were occupied by public servants and owned or rented by government. Presently however less than a third (32%) of households live in government housing, as calculated from the Census 2005 data.

**Figure 8: Public vs. Private Housing**

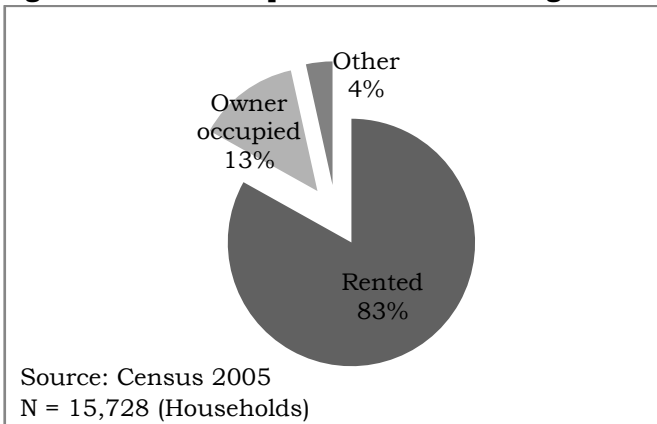


**Table 6: House occupation status**

	Gov Housing	Private housing	Other
Rented	2,019	6,534	544
Rent free	2,962	1,556	
Owner occupied		2,113	
Total (15,728)	4,981	10,203	544
Source: Census 2005			

While private construction of housing has mushroomed, most of it is put on rent. Of the 10,203 households who live in private housing, only 2,113 live in owner occupied housing. Overall, there were 15,728 households in Thimphu city in 2005. Of these 83% live in rented housing (public and private) and only 13% live in owner-occupied housing.

**Figure 9: Owner occupied vs. Rental housing**

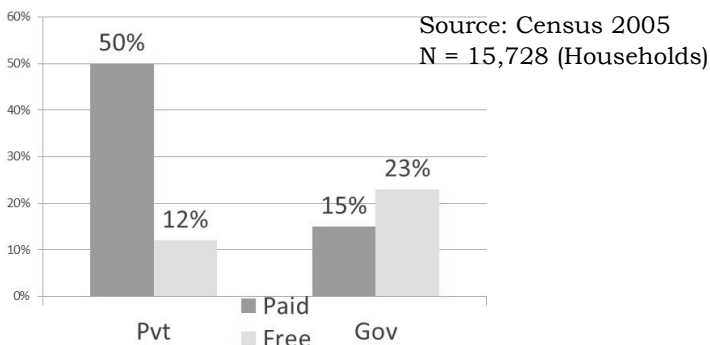


It is interesting to note that just because a house is rented, it does not automatically mean that rent is charged. This may be for various reasons depending on whether housing is privately or publicly owned. Of the 13,071 households or 83% of the total households living in rental housing, 62% live in private while the remaining 38% are in government rented quarters. Of these 13,071 households 35% are not paying any

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rent (12% in privately rented and 23% in government rented accommodation). Some government housing is provided free of cost because it may be on institutional land or because it is part of the salary package. Cabinet ministers, monks<sup>15</sup> and expatriates (e.g. Dutch development associates)<sup>16</sup> are some examples of the population that does not pay for rented housing.

**Figure 10: Paid vs. Free housing**



### ***Public Housing and NHDCL***

After July 2003 all government owned housing assets were transferred to the National Housing Development Corporation (NHDC) from the variety of agencies who were managing their own housing stock. This does not include institutional housing i.e. housing stock located on land owned by various institutions like the armed forces, Bhutan Power Corporation, education institutes and the hospital. Put together these

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<sup>15</sup> 2000 monks are accommodated in the Tashichho Dzong, as it is the summer residence of the central monastic body.

<sup>16</sup> Article 7 of Bhutan's Agreement with the Kingdom Of Netherlands: a) provides the development associates with free housing as entitled to other international and bilateral volunteers working in Bhutan.

institutions own a lot of land (at least 15%)<sup>17</sup>. Therefore, NHDC housing does not accurately reflect all the public housing stock that is not privately owned. As an example, in 2010-11, 90 housing units were built at the headquarters of the Royal Bhutan Police which shows up in RBP annual reports but not in NHDC's.

However, what is generally called “public housing” in Bhutan is that falling under the mandate of the NHDC. This housing is available only for civil servants and NHDC's own staff (Gyelmo 2013 article). NHDC's primary mandate is to provide housing to lower income groups (Wangmo 2012) of civil servants. Then there is also “semi-public housing” (Thapa 2005) provided by NPPF through private contributions of members who are also government employees.

Changjiji project was initiated in 2000, for low middle income civil servants (Grade 9-15). “To avoid slums and shanty towns from developing, there is an urgent need to provide urban housing for the low and middle income groups” (8th Five Year Plan 1997<sup>18</sup>). Thus there seems to be a growing intolerance to unplanned settlements in the late 1990s and by 2000, work on the city master plan had begun. Low income civil servants could have been building their own huts, as this is happening in smaller Bhutanese towns like Zhemgang today where supply of public housing is not enough. Changjiji Housing Colony would finally comprise 73 buildings with 700 apartments for about 3,000 people.

### ***Socio-economic disparities***

Over 70% do not own the building in which they live and almost 60% do not own land or a plot in Thimphu. Vehicle

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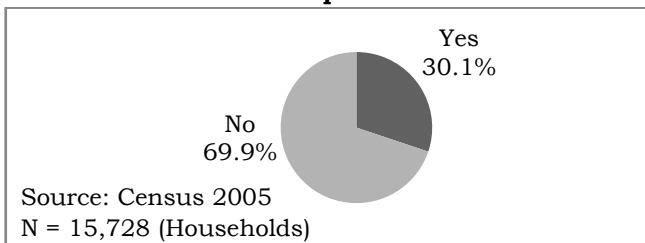
<sup>17</sup> Institutional land comprises land owned by: Defense (7%), other institutes (8.7%) and religious buildings (0.04%) (MoWHS 2004).

<sup>18</sup> UNCHS 1990Ch 18

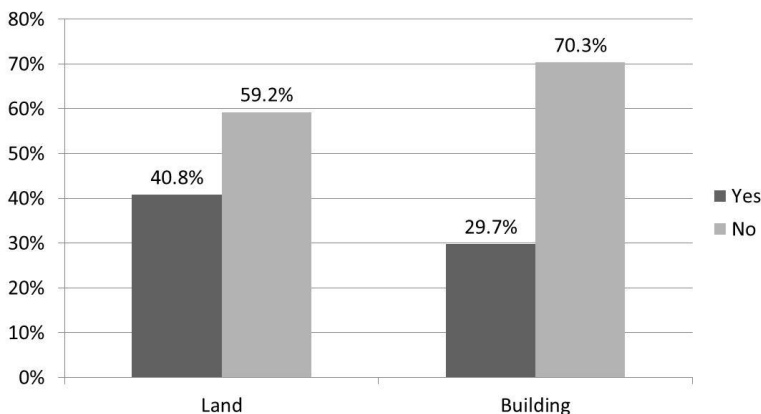
## Thimphu's Growing Pains

owners are presently only 30%. With rising incomes and consumption, the number of car owners in the city will grow steadily.

**Table 7: Vehicle ownership**



**Figure 11: Ownership of building and land**



Source: Census 2005  
N = 15,728 (Households)

**Table 8: Asset owning households**

Asset	Owners No.	Owners %
Audio player	10,818	68.8
TV	10,666	67.8
Telephone	7,185	45.7
Mobile	6,623	42.1

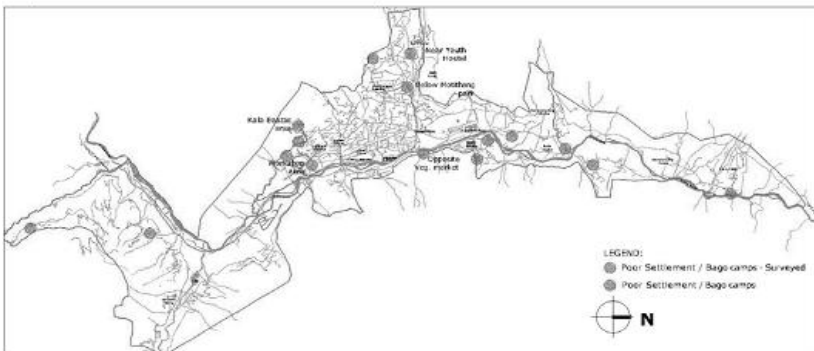


Fridge	5,989	38.1
Washing Machine	2,352	15.0
Livestock	1,919	12.2
Computer	1,799	11.4
Internet	930	5.9
Source: Census 2005, Total households = 15,728		

### Segregation dynamics

In Thimphu, colonies of labourers and construction workers live in substandard temporary accommodation. Groups providing manual labour, cleaning services, clerical work are unable to pay for formal housing and live in self-built huts. In late 1987, temporary huts (categorized as squatter by UN HABITAT) were 407 of which 211 were occupied by nationals; 237 were demolished during 1990. In 2004, Cities Alliance identified 353 households (1600 residents) living in 28 squatter settlements across the city (Map 2a).

Map 2a: Identified slum settlements in Thimphu

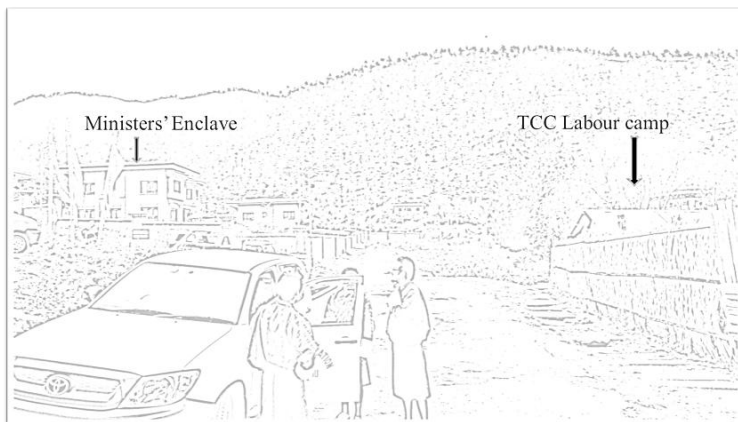


A 2004 map made by Cities Alliance identified 28 squatter settlements in Thimphu

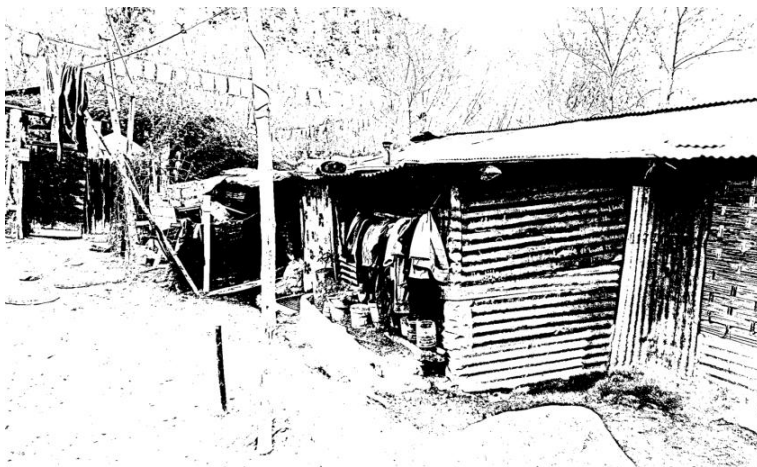
## Thimphu's Growing Pains

**Table 9: Access to basic services**

Electricity	With access	(98.9%)	
Piped water	Inside house	(54.3%)	Outside house (44.4%)
Toilet	With flush	(72%)	No facility (3.8%)
Source: Census 2005			



The labour camp here houses staff working for Thimphu City Corporation



Inside the labour camp



Toilets in the labour camp

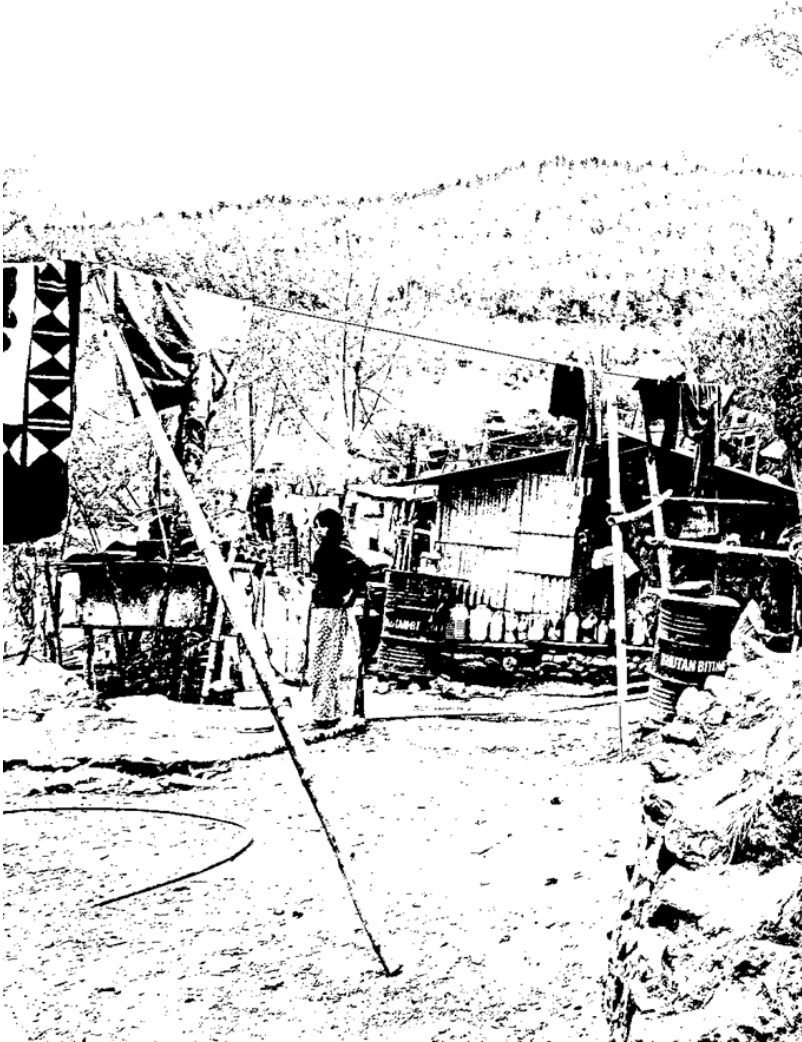
### **3.4 Conclusion**

This chapter presented an overview of Thimphu city's growth. Only 29.7% own the building in which they live. 32% are born in Thimphu. 30.1% own a car. These are of course not the same 30% but roughly give an idea of the city's profile. 54% has piped water inside the house. 10% is estimated to be living in labour camps in squatter-like settlements which makes sense considering 8% are Indians who are mostly working as labourers in the construction sector, the largest sector of employment.

Beyond the socio-economic profile of residents, the chapter also showed that there has been a construction boom in the city after 2008 which busted in 2012 after the Central Bank intervened to discourage construction loans. In 2008, Local Area Plans were finalized and new land was released in the extended areas for development. This may be one explanation for the construction boom. We also saw that most of this stock is built as residential even if it is being used for commercial purposes. Given that 83% live in rented housing,

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62% of which is in the private sector, we can estimate that much of the new stock has been built for renting out.



Another labour camp at Kalabazaar

## **IV. Thimphu Structure Plan: Objectives & Outcomes**

This chapter puts in perspective the emerging gaps between the objectives and outcomes of the Thimphu Structure Plan (TSP) 2003-27. The aim is to characterize the nature of deviations in order to understand where lies the plan's Achilles heel. Is it a case of misfit in design or is it a problem of enforcement? Is there a significant role for veto players in diverting the plan objectives? This chapter is placed here so that we can be clear about the nature of deviations in the plan before we go on to analyse actor interests and strategies to subvert the plan. The first section of this chapter presents the plan's ambitions. The second section gives evidence of some deviations using data from a MoWHS planning. The final section analyses the nature of these deviations.

### **4.1 Policy vision: Development control**

#### ***Historical background***

The story of the Thimphu Structure Plan (TSP) is very good illustration of the "garbage-can model" elucidated by John Kingdon to explain how policy issues enter the agenda. Kingdon adapts the "garbage can model of organizational choice"<sup>19</sup> (Kingdon 1995: 89) from the concept originally proposed by Cohen, March & Olsen as a critique of the rational version of decision-making in public administration. The model argues that policy solutions do not emerge as a targeted solution to a particular problem. What usually happens instead is that a set or stream of recognized problems and a stream of available solutions are present (as if mixed in a garbage can) and the final outcome is some combination of these. There is usually a "window of

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<sup>19</sup> Cohen, March & Olsen

## *Thimphu's Growing Pains*

opportunity” when the coupling of the problem, policy and politics streams take place and that is how a particular policy initiative is born or refined.

In Thimphu, this window of opportunity came towards the end of the 20th century, when the United Nations (UNDP/UNCHS<sup>20</sup>) urban management assistance was coming to an end as was the 1986-2000 strategic plan and new programmes funded by the Danish government (DANIDA<sup>21</sup>), Asian Development Bank (ADB) and the World Bank were starting. Their investments were not integrated into one plan at that stage. DANIDA was going to invest 70M Kroner to develop water, sanitation and sewerage facilities as part of the UDSSP<sup>22</sup> project; ADB was giving US\$ 8.2 M (\$ 5.7 as loan) to develop roads, footpaths and bridges (Gyalmo 1999). The World Bank would complement other donors and emphasize institutional strengthening at the district and local levels. The Council of Ministers had just been elected by Assembly members for the first time in 1998 and they were quite active in raising funds which might explain that a) funding was attracted and b) funding available for urban infrastructure projects may have put urbanization higher on the government's agenda. In Minister Yeshey Zimba's own words,

Time has now come for us to give more attention to urban development. Thimphu is growing all over the place and things are happening in a haphazard manner (Gyalmo 1999).

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<sup>20</sup> United Nations Commission on Human Settlements (UN Habitat)

<sup>21</sup> Danish International Development Agency

<sup>22</sup> Urban Development Sector Support Programme

Due to the new infrastructure works<sup>23</sup> to be started, for example, internal roads and water systems to the north of the city in Langophakha and Hejo, it was decided to extend the boundaries of the Thimphu municipality. The last urban boundary extension had happened in 1994. It was reported in Kuensel that “as a part of this overall plan the Thimphu municipality boundaries will be extended to Pangrizampa, near Dechenhholing, and NgabeRongchu, near Babesa” (Dorji 1999) – these remain the boundaries even as of today. Although the reasons framed in the news may not be the real reason, and there may or may not have been someone’s landed interests behind this (which could not be determined), what we can say is that the decision to extend the boundary and the decision to implement TSP were separate events. Although the boundary extension had been announced on August 14, 1999 (Kuensel), there was not yet a city master plan. This came shortly after, as a random addition to the series of events formulating the plan.

In December 1999 a former govt. employee of foreign origin, Mr. Rajni Chavda (architect - planner) was visiting Thimphu on a four month holiday. During informal meetings with the Director General of the Ministry managing urban affairs (MoC), he had commented on the problems that could arise as a result of the government publicly announcing Thimphu’s boundary extension without a well thought out planning exercise for this - the possible undesirable outcomes and people rushing to buy land and engaging in speculation were pointed out. He suggested that the quickest and most inexpensive way for the Government to intervene was to prepare a Structure Plan for the capital and its environs.

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<sup>23</sup> E.g. main road from Chubachu to taxi stand along BPO; Other roads joining Chang Gidaphu and Changzamtog, Thori Lam, and Kawajangsa as well as the hospital area and RICB colony.

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The Director General then asked him whether he could return to Bhutan and help prepare a fundable proposal for preparing such a Structure Plan. Upon his consent, the Ministry employed him in Sept 2000 and by April 2001 Cabinet approval from the Royal Govt was obtained for a comprehensive project to prepare the Structure Plan - the Royal Govt. approved funds totalling under Nu. 5.0 Million for hiring a team of urban planning professionals, purchasing computers and required software, office furniture etc. The consultants hired by the Royal Government were CCBA (Christopher Charles Benninger & Associates), Pune, India who were willing to carry out the required work within the approved budget and time frame of one year beginning June 2001. Mr. Benninger had earlier worked in Bhutan as a consultant on UN projects since 1979 and was well known to royal government officials.

This is the story of the genesis of the idea and subsequent decisions that led to the preparation of the Thimphu Structure Plan, as shared with me by Mr. Rajni Chavda himself. Kuensel reports confirm that the draft plan did indeed cost the government under 5 million ngultrum (Wangdi 2002). When one looks for evidence in the public domain, it is also clear that the plan was indeed prepared by CCBA as the official consultant appointed by the Royal Govt. and is thus acknowledged in the plan document.

Reading the plan document and CCBA's website, it also appears that the Thimphu Structure Plan is a pre-emptive<sup>24</sup> measure to tackle the city's growing pains. But in fact, when we go back to the beginning of the beginnings, we can see

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<sup>24</sup>"Unserviceable, fragmented, low-density development characterizes the city's present growth. The Royal Government is cognizant of what is happening, and in its wisdom it is taking action to plan a better future" (MoWHS 2004: 2)



that the story is quite different; TSP is better interpreted as a retrospective measure to control unplanned developments in the periphery. This also confronts us with a very different conception of how decision-making occurs for policy-makers. The TSP was not a planned solution of a single man to a well-defined problem. Instead, there was a coupling of the problem stream (city's peripheral developments) with the solution stream (the visiting architect-planner) and a window of opportunity was open (funding for urban infrastructure and extension of city boundary) for these to come together and amalgamate into the TSP.

As for the politics stream, which remains missing from this analysis, one is right to be suspicious about the plan working to serve other interests, particularly of the officials involved. But unfortunately, the evidence remains blurry and the conclusion one can safely draw is that there may have certainly been instances of policy corruption, where some influential people's land remained outside or inside the boundary depending on whether the purpose was to avoid urban tax or get municipal services; there may have also been instances where some of the involved officials' land was classified x and not z, for example, as "Guided Land Development" instead of "Land Pooling" which would reduce their land contribution – in fact I did observe this randomly in the Hejo-Samteling LAP, where amongst the small section of area classified as "Guided Land Development" was also the plot of a former Deputy Minister. While there is grounded reason for suspicion, there is simply no evidence to confirm it. One also wonders why one of the most important resorts in Bhutan remains outside the urban boundary today and does not pay a single Ngultrum in urban land tax. As demonstrated in a later section, record keeping and institutional memory is so poor that it is almost impossible to go back in time and verify such details.

## *Thimphu's Growing Pains*

Another reason why evidence gathering is difficult is because once the consultants were hired, the decision-making process became increasingly closed. The decision-making authority lay with a small clique of bureaucrats<sup>25</sup> and anyone with an opinion different from the consultants was not heard. This is the interpretation of those who were excluded but was shared with me by at least two different sources, both with relevant technical expertise and holding official positions in the government at the time (25/03/2014, 22/01/2014). The official version however is that before being approved by the Cabinet in 2003, the TSP was thoroughly discussed with the public giving evidence of nineteen public consultation meetings (TSP 2003) but number alone is not evidence of the quality of the consultations.

In conclusion, politics surely shaped the plan in decisions over the details, but the plan itself was not an idea born out of motivated strategic action but of a combination of people, resources and circumstances. In other words, as the plan proceeded, those who saw or could create the opportunities to personally gain would have quite likely done so through strategic action, but at its inception, there was an absence of clearly defined goals – quite contrary to my initial hypothesis.

This detour was important because to understand if TSP is a case of design misfit or not, we need to go to the moment of inception to see who created it and why. Now that we have covered the agenda-setting context, we can move to the plan objectives.

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<sup>25</sup> Possibly including those acknowledged (MoWHS 2004 : 2) - Deputy Minister, the Director General, the mayor of Thimphu, the Senior Planner, and Urban Designer of the Department of Urban Development and Housing (DUDH).

### **Objectives**

Every plan has distaste for something which it seeks to reorganize into its version of order. In Thimphu's case, the problem was defined as "spotty growth" or "patchy sprawl" (MoWHS 2004: 2). As the plan document describes, pockets of Thimphu were growing in a scattered and ad hoc manner as in Babesa and Taba. They were not large or dense enough to be linked to a network of city services. So the objective of the plan was essentially to channel the growth into serviceable, dense and compact settlements.

Based on Thimphu's land use at the time (see table below), a new pattern of medium- and high-density dwelling units was proposed. This was mainly in anticipation of future land shortage that could arise with projected population growth. It was also felt that 3.4% area used for roads was too little compared to a normative figure of 20%. Given that half of the city area must be protected as green area (slopes, river basins etc.) it was proposed that area allocated to roads should increase to 10% (MoWHS 2004: 48). Finally, it was felt that too little land was used for commercial and industrial activities and pressure on the urban core needed to be deflected. Consequently, two urban hubs were proposed as counter magnets, one each in the north and south of the city (MoWHS 2004: 54). An Urban Hub would have all facilities of a Neighbourhood Node. In addition, it would have entertainment facilities such as cinema halls, bowling alleys, restaurants, bars, discos, etc. The automobile repair workshop was relocated from the Urban Core or city centre to the southern Urban Hub as a result of this plan.

**Table 10: Land use in Thimphu before 2003**

Category	Land Use	Percent
Greenfield (48%)	Agriculture/paddy	15.7%
	Forest/Orchard	29.8%
	Water body	2.3%
Brownfield (23%)	Road	3.4%
	Commercial	1.4%
	Residential	17.9%
	Industrial	0.5%
Institutional (15%)	Defense	6.7%
	Institutional & public	8.5%
	Religious	0.04%
Other (13%)	Recreational	1.9%
	Vacant (mostly govt. owned)	7.2%
	Data unavailable	4.8%
Total = 2613 ha		100%
Source: MoWHS 2004: 48 (TSP Table 3.1)		

Although the plan was made prior to the application of the screening tool, it is a very good fit with Bhutan's GNH philosophy as evident from its principles of Intelligent Urbanism (see annex).

***Main tools to coordinate land use with building density***

The TSP is a 258 page document and it sets up a complex vocabulary for proposed action. Most planners I met haven't actually read the full document but refer to it as and when needed. There are two types of land use plans that should be distinguished to avoid confusion. Finally there is a separate document called *Development Control Regulations 2004* which specifies building regulations for each category of precinct (to match a defined land use with building density).

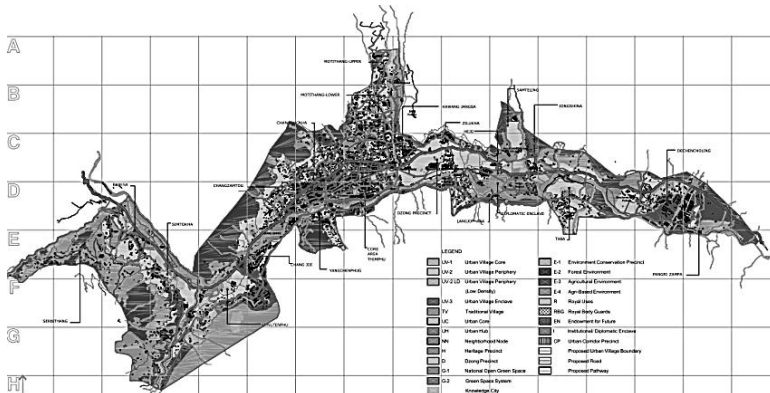
### Precinct Plan

Based on several types of geographical analyses, the plan identifies suitable land uses and population densities for different areas in the city classified into *precincts* or zones. Based on its locational attributes, an area is designated a function as well as density. The Precinct Plan regulates land use primarily by controlling density and building activity (number of floors, plot coverage and so on). One example of a precinct category is E-1 corresponding to the stretch of land running immediately along the river (30 m buffer) classified as an ecologically sensitive precinct where building activity should be prevented to protect the river basin. Similarly, mountainsides with a slope above 30% are not deemed suitable for construction and suggested to be better used as orchards are given a different category of precinct (E-4).

As there is an environmental justification to avoid risks of deforestation, landslides, soil erosion, floods etc, so there is a cultural justification to preserve sanctity buffers around areas of heritage value compiled into an inventory in the plan. These include sites of religious importance as well as historical public buildings and royal properties. It also includes old settlements classified as the “Traditional Village” (TV) precinct. Each precinct comes attached with a set of building regulations codified in the *Development Control Regulations* (DCR) for Thimphu 2004). The DCR defines what and how much one can build in a given category of precinct. Essentially then, the plan is about controlling development activity. Although it does not separate the city on a traditional zoning method, it is also very similar to the idea of zoning as it sorts areas into activities such as heritage, religious; sports, recreation; trade and commerce; to governance; residential urban villages, etc. Residential areas fall in the Urban Village (UV) precinct category of varying densities. Specific examples of precincts categories include Neighbourhood Node (NN), Heritage (H), Traditional Village

## Thimphu's Growing Pains

(TV), Urban Core (UC), Urban Hub (UH) and so on. See Annex for a complete list of 22 precincts designated in the TSP.

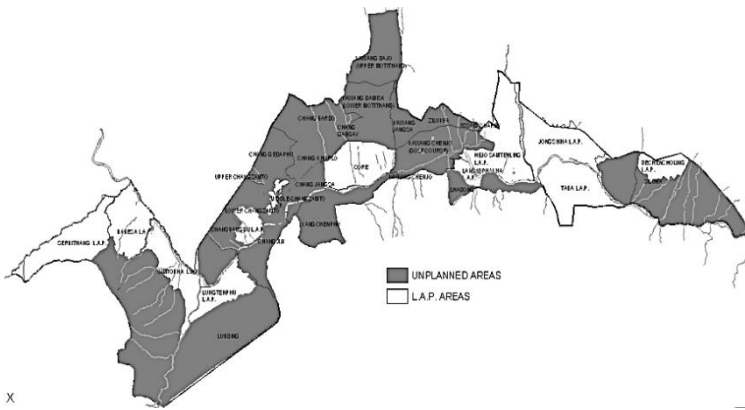


Proposed Precinct Plan. Source: TSP (MoWHS 2004: 164)

### Local Area Plans

While all of the 26 sq km within the municipal boundary has a defined precinct use, only about 12.1 sq km falls under the first set of Local Area Plans (LAP). In the map below, there are 12 LAPs (coloured in white). Most of them try to prospectively plan green-field areas of the Thimphu valley. These are the extended areas and fall to the north and south of the brown-field settlements in the centre. These unplanned areas were incorporated into the city after the municipal boundary was extended in 1999. The white areas in the middle correspond to the Core Area LAP and the Changzamtog LAP<sup>26</sup> where building activity preceded Local Area Planning but most LAPs in the north and south are green-field areas formerly used as paddy fields.

<sup>26</sup> Changzamtog was the first LAP approved in 2001 & Land Pooling was experimented the first time.



x  
Areas under Local Area Plan (LAP) in white (TCC ca 2009)

The land use in different parts of a given LAP is pre-defined by the Precinct Plan. The whole exercise of Local Area Planning is to reconfigure all the plots within it in such a way that each plot has access to municipal infrastructure and services. In order to do that, land for public facilities is acquired through *Land Pooling* (called land adjustment in other contexts). Land Pooling is a method by which each landowner has to contribute up to 25-30% of his land parcel in exchange for a smaller but developed parcel of land that may be in a different location but in the same LAP. Land pooling saves money for the government as no compensation rates have to be paid but it requires the Local Area Planner to invest time and get at least a two-third majority of landowners to agree to land pooling. With that agreement in hand, he then proceeds to adjust and regularize shapes of all plots in a way that each plot is connected to a road, water supply, drains etc.

Each LAP covers, on average, an area of 1 sq km comprising 150-400 landowners (Norbu ca 2014). LAPs are separated by natural boundaries like streams. The aim is to develop each LAP area into a dense, compact settlement connected to a

*Neighbourhood Node* (another category of precinct, NN) where neighbourhood services like shops, markets, school, healthcare etc. are available at a walking distance. All *Neighbourhood Nodes* are linked up together via the transport corridor. Because there is also a separate precinct plan for the entire city, precincts allocated to green and heritage uses automatically fall inside LAP boundaries. In this way each LAP also has a dedicated area of green and open spaces.

#### Development Control Regulations 2004

The DCR is another lengthy document and it matches building type with precinct. It specifies for example, the number of storeys permitted in a given category of precinct, and the plot coverage area. It also regulates building design and architecture and finally lays out the procedure for obtaining building permits.

## **4.2 Plan implementation: Increased precinct densities**

The previous section clarified the aims and tools of the plan. We can now turn to how the plan is fairing in terms of implementation.

The present status of planning in the extended areas is that most LAPs have been approved but infrastructure provision has not kicked off everywhere, especially where infrastructure funding is not readily available. 10 of the 12 LAPs were approved between 2004 and 2008 of which 6 are under implementation (Norbu ca 2014). These include Lungtenphu, Simtokha, Babesa and Changbangdu in the South (ADB financing) and Dechencholing and Langjophakha in the north (World Bank financing). Core Area was approved directly by the Cabinet in 2003 and Changzamtog, approved in 2001 as it was the first LAP experiment preceding TSP.



Most LAPs have been approved during or before 2008 by the city committee. However, during my research stay, I noticed that some LAP planners continued to make minor plot adjustments as and when a landowner approached them. Revisions like plot swapping can be done without touching the overall LAP. To get a sense of change overtime, one would have to go through a series of internal letters and government notifications authorizing revisions as there is not a systematic record of old and revised plans; most planners work on their digital plan as if it is a living document, making readjustments without saving an old copy. This makes the task of tracing deviations extremely difficult, more so because there is a high staff attrition rate. The planners I interacted with have been working since 2009, 2011 and even 2013, with little institutional memory of what happened before due to poor handing-over processes. One of them along with his friend in another division was applying for higher studies in Australia and will probably be gone this year.

Therefore, to maintain some replicability of my research, I use data from the 2008 Planning audit carried out by the Ministry for the Thimphu City Corporation (MoWHS 2008). In this document, we can find evidence that some “structured aspects of the city, which are not negotiable components of the urban structure” such as Neighbourhood Nodes (TCC 2013), have in fact been negotiated; in one case to an extent where the Neighbourhood Node has disappeared altogether. The extent of deviations from the original structure plan would be even higher if we accounted for the last six years after the Audit of 2008 - which I have not incorporated in respect for researcher rules on data validity. The general pattern is that the sanctity of the *Precinct Plan* could not be maintained, due to public pressures to convert low density precincts into higher density. The following section gives evidence from the Audit Report and provides the main

precinct categories where deviations were already present as of March 2008.

### ***Evidence of precinct changes***

#### **i) Neighbourhood Nodes (Precinct NN)**

All urban villages are supposed to have their own Neighbourhood Node which has facilities like a commercial centre, neighbourhood clinic and primary school, taxi stand, bus stop, postal agency, public toilets as well as space for infrastructure maintenance (store for recyclable wastes, electrical sub-station, water supply monitoring and complaint/bill receipt cell). The idea is that every facility is available at walking distance. The approximate size of a *Neighbourhood Node* is calculated to be 2 hectares (4.9 acres) (or 494.211 decimals). However, the audit report noted that in the Babesa LAP, only one 31 decimal<sup>27</sup> plot was earmarked for neighbourhood services, i.e. all but 6.27% of this precinct had been allotted to private plots in the readjustment process. While Lungtenphu LAP had the best performance on this (3.80 acres), other LAPs had retained some land, but less than the ideal 5 acres e.g. Langjophakha (1.13 acres), Hejo-Samtenling (2.53 acres) and Taba (1.90 acres).

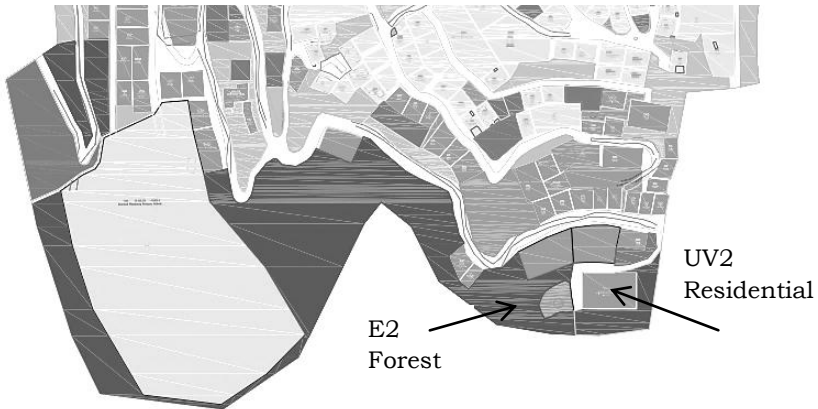
#### **ii) Environment protected zones (Precinct E)**

Similarly, encroachment of private plots (UV2 in light pink) can be seen on the Forest Environment precinct (E2 in dark green) in the Changbangdu LAP. According to the TSP, E2 precinct is devoted to natural forest preserves in the “no development zone” (MoWHS 2004: 162).

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<sup>27</sup> 1 decimal = 40.46 sq m

**Figure 12: Plot spills onto Forest Environment Precinct**



Source: Image shared by LAP Planner in email dated 4 April 2014

With regards to the 30m buffer zone protecting river-edges, the audit found that this protected zone had been encroached in non-LAPs but also few LAPs. Although existing structures with an approval are permitted, no new development is supposed to be permissible. However, in the Lungtenphu LAP, all waterfront areas had been fully developed by private individuals. In the *Ngabe Rong Chhu Green Belt*, construction activities and paving of surfaces was noted both in the workshop area as well outside the southern municipal boundary. The 30 m buffer zone in the *Chhubachhu Stream Green Belt* had been reduced to 15 m by a government order<sup>28</sup> dated 3/1/2006.

Similarly, some *fauna zones* protected by the precinct plan had been converted. In the south, the Babesa marshland had been exposed to sand extraction (MoWHS 2008: 19). The report noted that due to public pressure this area's precinct was changed to UV2 to permit development activities. In the

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<sup>28</sup> vide note-sheet # 01/TCC/UPD/ADM/2005/06/13

north, the stream had been diverted for land reclamation and the land had been allotted to BAF for developing an archery range, legalized by government notification<sup>29</sup> dated 4/3/2008.

iii) Open and Green Spaces (Precincts G and E)

Most LAPs had not kept space for parks. For example the Taba Community Park was not retained because it was increasing the land pooling share of the landowners. Part of the Hejo Paddy Fields Reserve had been allotted to the new Supreme Court Building (approved by the government). Half of the Changzamtok-Changbangdu Community park was covered by a truck parking. The Hejo Community Park had been retained in the plan but was partly taken over by the monk body (Dratshang) for development of a printing press. The City Central Park, planned to the east of the road going from ChubaChhu to Tashichho Dzong fell in an area under royal property.

The TSP heavily emphasizes the “pedestrian movement system” because pedestrian paths serve multiple functions including mobility, open spaces and buffers. Green and open spaces are proposed to be interlinked in a network of pathways including riverside paths, city peripheral paths and transverse link pathways. These pathways also act as buffer lines; for example, the city peripheral pathway as the buffer line between the urban area and the forest; the river pathway as a boundary for the river buffer precinct and so on. This complex network of pathways is also to be linked to residential areas via the neighbourhood nodes as well as to heritage sites and other wilderness areas. (MoWHS 2004: 107). However, signs of such an elaborate footpath system are not evident yet. One cannot simply walk along the river as there is no seamless access. My observation was that pedestrian movement remains confined to the roads, which

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<sup>29</sup> MoWHS/2/571

have footpaths in the core area (primarily due to intensive investments in 2008 for the royal coronation ceremony (TCC 2010a) but not in northern areas like Langjophakha.

iv) Heritage Precincts (Precinct H)

TSP proposed that sites of heritage importance should also have a buffer of open space around them and vehicular access should be permitted only up to a point at a reasonable distance (MoWHS 2004: 137) in order to enhance their prominence. The idea was to link the pedestrian access to these heritage sites in the city with the open space pathway system mentioned before. Some 65 km of heritage walks are proposed in the plan (MoWHS 2004: 139, Table 4.7) and also routes charted for heritage drives. This would require some efforts in landscaping, signage and small development works. As of 2008, none of these walks had been initiated except for some footpath and park space around Lungten Zampa - which was possibly a spill-over effect of improvements made to the Sunday Vegetable Market in preparation for the 2008 royal Centennial and Coronation Ceremony (TCC 2010).

v) Traditional Villages (Precinct TV)

Although the preserved old structures in the “Traditional Village” precinct of the LAPs provide aesthetic respite to the eye in a landscape of mushrooming new buildings, it poses much discomfort for the residents living there. Many of them want to renovate their buildings and capture rental incomes as their neighbours are doing. However, the precinct classification of their plot, although saved them from land pooling, prevents them from constructing. Although TSP proposals include an artist’s village at the Babesa traditional village, currently the very concept of TV precinct is under review (Interviews 17/02/2014). Flooded with building applications from owners residing in TV precinct, TCC wrote a

letter<sup>30</sup> in September 2010 to the two relevant Ministries (MoHCA and MoWHS) and the Office of Gyalpoi Zimpon in the His Majesty's secretariat office seeking for policy directives, and hesitantly asking if they should convert the TV precinct to the residential UV2 precinct (TCC 2010). The issue as I understand is that owners need to be given incentives if development is to be frozen.

vi) Urban Villages (Precinct UV)

This is a residential precinct where landowners are allowed to build but of varying building densities – UV1, UV2 etc. The building height is regulated by the Development Control Regulations (DCR) 2004 attached to the TSP. Although property owners in UV precincts are allowed to build, many want to build more as there are many requests in the meeting minutes for precinct changes in order to increase permissible building height. There was a rule revision in 2011 (amongst the first initiatives of the mayor) which allowed attics to be converted into a full floor after approval was gained directly from the Prime Minister. Previously attics were not permitted as habitable spaces although they were being used as such in many buildings. The revision technically contradicts the Precinct Plan in terms of the number of floors permitted in each precinct by adding an extra storey everywhere, increasing the density and infrastructure requirements. It also raises other issues for example, when a 4-storeyed building regularizes its attic, the building rules require that all buildings above 4 floors to provide an elevator (Interview 10/01/2014, DCR 2004, BBR 2002). My observation was that this is not the case and very few such buildings have elevators and it was observed that the Implementation and Monitoring Section of TCC treats this as a non-issue, contrary to the seriousness attached to this by the Ministry.

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<sup>30</sup> Letter vide 22/UPD/TCC/General/2010-11/

### **4.3 Analysis of deviations: Case by case exemption**

Now that we have a fair idea of what are the planning rules prescribed by the TSP and which are the ones most vulnerable to non-compliance, we can proceed to characterize the nature of these deviations.

#### ***Rule revisions as the negotiated outcome***

The principle argument proposed is that the mechanism of deviations from the precinct plan was authorization of these deviations either by rule revision or regularization of an individual anomaly. Sometimes precinct changes were sanctioned from above by some government body's orders, thus overruling precinct plan for a small part of the city. Sometimes, rules were modified as in the attic case. Thus the plan deviations are not always legal violations nor involve a blatant form of corruption. Instead, they fall in the realm of exception-making, whether through authorization on case by case basis or rule revisions.

Individual negotiation played quite a prominent role. Sometimes rules were considered for revision due to public pressure. Sometimes, the landowner insisted on plot readjustment and as there was no other vacant place available; green and open spaces were encroached in the LAP itself, as is the case in the Babesa LAP and also the Changbangdu LAP. When rules were not enforced, development preceded monitoring; later the preferable option was authorization rather than demolition. Sometimes it is lack of monitoring or ignorance as new constructions in the river buffer zones are still coming up.

According to the Audit Report of 2008, the major shortcomings faced by the TCC were identified as a) a result of short-sighted solutions of the past, b) lack of motivation to

the staffs and c) co-ordination problems. It identified limited organizational capacity as the core issue constraining plan implementation. As of 2013 the whole of Bhutan had 10 professionally trained urban planners, trained in the last decade (Norbu ca 2014). When the TSP was being prepared, only 2 officials were trained as planners. The audit report also reveals that other divisions of TCC had no idea about the TSP. Furthermore, the TCC office was scattered in four locations and some divisions did not even have internet facilities (MoWHS 2008). So organizational capacity was certainly an issue in 2008 and although the present status is not glamorous, there have been significant improvements. Particularly, with the mayor coming in 2011, emphasis has been given to improve service delivery and his personal involvement on the field helps settle disputes faster.

Although capacity is recognized as an issue, it is not the main point of focus in this study, which instead zooms onto negotiation strategies. It certainly led to a situation where developments were not monitored and preceded planning, especially in ecological zones where land was owned privately. All this time it took TCC to get its act together, people constructed; and today the city is legalizing some unauthorized structures for a nominal amount of regularization fees. (See meeting 1, Agenda 2). Thus capacity is incorporated as a factor, but individual negotiation is the predominant mode of deviation.

#### Individual cases vs. General issues discussed at town meeting

This interpretation can be further corroborated by the TCC town committee meeting minutes. Property owners are negotiating at several levels. Negotiation during land readjustment process for either plot relocation or favourable precinct use (higher building heights); or reduction of land pooling contribution in exchange for a much lower monetary "betterment charge". Betterment charges in lieu of land



pooling also squeeze out the amount of land available for public purposes. It also appears that the city committee spends quite a substantial amount of time adjudicating on individual disagreements between the planner and the landowner. For example, in meeting 2 held on 15 April 2011, out of the total 33 agendas discussed, 7 were internal organizational issues. Of the remaining 26, 11 were cases of individual plot owners or building owners.

**Table 11: Issues discussed in the town committee meetings**

Meeting Date	Individual cases	Internal issues	General Issues	Total issues
15-04-2011	11	7	15	33
Remark: Sometimes a set of many plots is discussed but this is counted as one agenda item (eg. situation of 18 plot owners in one). So actual number of individual cases is an under-estimation.				

### Types of claims

An analysis of individual issues discussed in the 18 Thimphu town committee meetings from 2011 to 2013 reveals the following. Deviations from the precinct plan can happen either because direct demands of precinct changes for specific areas are made. This happens for example, if a plot owner(s) perceives that the topography of his/her plot is not very different from an adjacent precinct which may have higher density use (one extra floor). But apart from direct demands, precinct plan deviations can also happen because of claims made in related or proximate “fields”, particularly, those relating to the building section and the land management section of the city corporation.

**Precinct change demands from Building Division:** For example if a builder’s request to build or authorize a structure that is not compatible with the precinct (e.g. 4 storeys in a low density precinct originally permitting 3

storeys) is accepted, then the precinct plan is automatically violated.

**Precinct change demands from Land Division:** Any requests for plot adjustments in the LAP may also impact the Precinct Plan. For example, when a private plot is allotted in a green space precinct and later private owner applies for a building permit. Or for example, precinct changes may be necessitated due to revisions in the cadastral map, as is the case in Thimphu since 2007.

#### Who are the claim-makers?

The claim-maker here is not only the individual landowner but anybody who proposes a claim against implementation of a planning code. It includes a) Landowner (individual, individual as an institution or individuals represented as a group) b) the planner himself, either bringing up a 'technical' matter or on behalf of the citizen whose grievance he is unable to settle at a personal level. c) Claims also come from the people's representatives like the mayor or local councillors in the town committee. Occasionally, claims also come from other government authorities like the National Land Commission (NLC) or from the Cabinet. In all cases, the original planning rule is being challenged through a specific framing. This is described in detail in the subsequent chapters.

## **4.4 Conclusion**

The aim of this chapter was to be precise about the rules under scrutiny and characterize the nature of deviations. The finding was that rules of the *Precinct Plan* (which freezes land use and building density) have been deviated. This has resulted in more development in low density precincts leading to a horizontal spread of built-up activity. At the same time, there is also a degree of vertical outgrowth particularly when

individual builders demand a change of precincts in order to increase permissible building heights. Notably, the abolishment of the attic rules in 2011 has added one additional floor to all buildings in Thimphu. After understanding what the TSP is all about, one can also bring to understand how one deviation leads to another like a mini domino effect: if an ecological buffer zone or neighbourhood node is encroached upon by private buildings, it disrupts the mobility network and system of pathways and thus the interconnectedness of the plan breaks down.

The principal reason for the plan's deviations is attributed to a high degree of flexibility on the part of the implementing authorities to accommodate individual complaints. This is a very different argument from the usual critiques levelled at the urban planning exercise, directed at a single authoritarian planner who imposes his aspirations onto the city or at the government for facilitating displacement of landowners by acquiring their land for new developments. Because planning in the extended urban areas has depended on the instrument of *Land Pooling*, the above mentioned critique is not applicable to Thimphu; original titleholders lose *a part* and not *all* of their land. The final outcome is thus a negotiated compromise between the original planning rule and the landowners. The next chapter looks at why and how precinct deviations were authorized.

## **V. Planning Governance: Actors & their Interests**

This chapter maps the network of actors involved in the “governance” of urban planning in Thimphu. Here “governance” is taken as a much broader concept than “government” in order to include all those actors/organizations who have policy influence on the TSP. Deriving from the community power debate and critiques of institutionalism in the 1960s-70s, it is assumed that there will be actors outside the formal governing structure who will have some influence in shaping municipal decision-making. After mapping all the actors involved in the governance (beyond government) of urban planning in Thimphu, we move on to examine how their “field position” (position in the governance network) shapes their interests in rule compliance or rule deviations from the vantage point of their identity in the governance network. This chapter is divided into three parts, each one covers the range of actors involved across the spectrum from the state, citizens to the market.

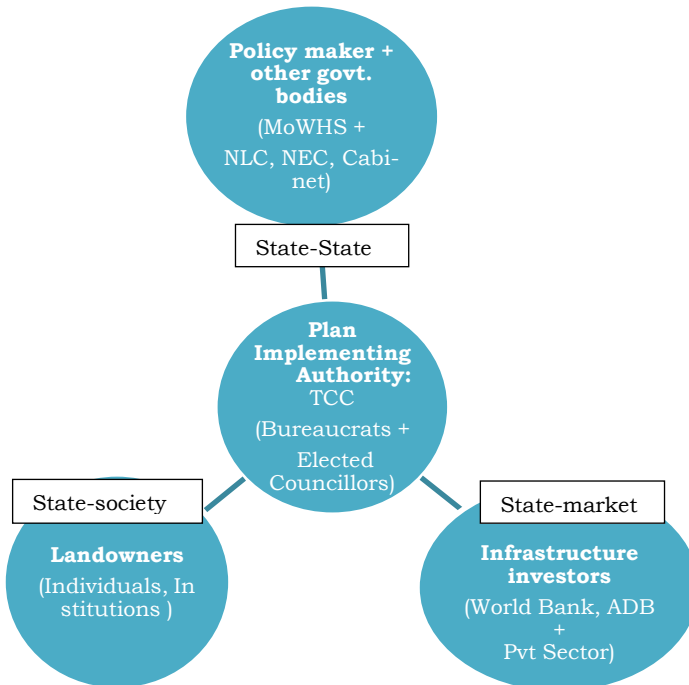
The figure below provides a simple illustration of the most proximate fields (actors/organizations) involved in the governance of urban planning in Thimphu. The locus of the network is the Thimphu City Corporation (TCC), which is the main body in charge of implementing the plan. We explain briefly the roles of all field players within this governance network and then go on to argue that players’ field positions shape their identities and basic interests in following or not the planning rules. Identifying these tension points gives us a better sense of the pressure from outside and inside the TCC to push building practices off the road codified in the Thimphu Structure Plan.

## 5.1 State authorities: City Corporation & Central agencies

### *TCC as an organization internally differentiated*

We start with the Thimphu City Corporation (TCC) as the central point in the governance network and show that it is itself divisible into smaller fields which generate conflicts and pressure to make the rules more flexible, notably from the elected members, as they have to represent the tribulations of the landowners. On the other hand, civil servants staffing the Urban Planning Division displayed a tendency to comply with the TSP as per the original version.

**Figure 13: Governance Network: Actors with policy influence on TCC**



## *Thimphu's Growing Pains*

As the local government, TCC is the implementing agency of programmes and plans of MoWHS including the TSP. Local Area Planning is the primary mandate of TCC, in terms of getting land pooling consent from landowners. TCC has the power to revise rules and regulations but not policies as per the recent decentralization laws. The Local Area Planner is the key person taking decisions at the ground level, and when he is unable to settle disputes, he forwards the matter to the mayor and puts it up for discussion in the town committee. When issues cannot be settled at the city level, which can happen when institutions like the monastic body are involved, the matter is forwarded to the Ministry (MoWHS), the Cabinet headed by the Prime Minister and sometimes to the His Majesty's secretariat office<sup>31</sup>. TCC is staffed with civil servants who report to an elected mayor since 2011.

The first local government elections were held in 2011 in accordance with the 2009 Local Government Act which supersedes the Bhutan Municipal Act (BMA) of 1999. As a result, Thimphu is now governed by the City Council (Thromde Tshogdu). The members consist of one elected Mayor (Thrompon) who was previously appointed and one Executive Secretary appointed by the Government as well as 7 elected councillors from respected areas. The mayor heads the town committee composed of 8 elected local councillors including himself as well as an appointed Executive Secretary (civil servant). This committee is the main decision-making authority when landowners put up their grievances. However the number of registered voters is very small: 6226. This is because only those having a census in Thimphu are eligible to vote. According to the 2005 Census, Thimphu city had a population of 79,185 out of which only 25,205 (31.8%) are born in Thimphu. From Chapter I, we also know that about 42% of the population is aged nineteen and below. From this

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<sup>31</sup> E.g. Letter on issue of traditional village

we can estimate that only about 14,618 would be the eligible voter base as long as people keep their census in the region of Bhutan where they are born.

Consequently, in this city of migrants – only 1335 voted for the winning candidate in the 2011 elections, whereas the resident population in Thimphu is currently around 130,000. As only those holding a census in Thimphu are allowed to vote, we can also assume that a majority of these voters own property in Thimphu as the rate of land ownership in Bhutan is high due to His Majesty's kidu policy. A 2012 Survey notes that about 8 in 10 rural households (84%) own land (ADB-NSB 2013: 59). As a result elected members represent the interests of those holding a census in Thimphu (landowning class) and not the tenants which form the majority of residents.

After the 2011 elections, new pressures are emerging to revise some of the original concepts codified in the TSP such as “traditional village” settlements, building regulations codified in the DCR 2004, Attic Rules 2009. This pressure to make revisions to the original plan comes from two sources a) people's representatives in the committee as their voters are mostly landowners with an interest in developing their properties. b) The second source of pressure to adapt the rules comes from bureaucrats working in the divisions notably when they discover a gap in the rules or resistance from landowners and are unable to proceed with implementation. Often issues are raised in fields proximate to the planning division, notably the building division (DCD) and the land division (LMS). Addressal of their issues spills over to create changes in the precinct plan under the planning division (UPD), very much in the way Fligstein observed that changes in one field induce changes in other proximate fields.

***TCC vs. other government organizations***

TCC is in a relation of dependence with most other government authorities with overlapping jurisdictions. In preparation for recent democratic reforms – a lot of new institutional restructuring was initiated, for example, centralizing all land management issues and charging it to the National Land Commission (NLC).

**i) Ministry of Works and Human Settlements (MoWHS):**

The Ministry is in charge of urban affairs in the country and is responsible for policy making in urban areas. Although in principle, it is the department of local government in the *Ministry of Culture and Home Affairs* that oversees local governments, in practice it is the MoWHS monitoring activities of urban local governments. The Ministry is composed mainly of bureaucrats trained as engineers and led by the Secretary reporting to the Minister who until 2008 was also a senior member of the civil service. MoWHS (formerly the Ministry of Communication) is in charge of interacting with donors and consultants providing technical expertise and was the key office overseeing the preparation of the Thimphu Structure Plan (TSP). One of the Senior Planners I interviewed in the Ministry was closely involved in the drafting of the TSP and his main interest therefore is in ensuring that the rules are followed as codified in the original TSP. However with recent developments in the decentralization process, the details of urban planning are increasingly left to other authorities like the Thimphu City Corporation (TCC) and the National Land Commission (NLC) on land management issues. In my interviews I sensed a disappointment that planning is increasingly being left to “unprofessionals” (Interview with Senior Planner). The message was that those who are not trained as planners, like elected members in the city committee or bureaucrats from the National Land Commission (NLC), intervene with their



own issues and interests and end up compromising the quality of the plan.

In the context of decentralization of authority to local governments, local area planning is now a mandate of the local authority. As per the Local Government Act 2009, local governments can modify rules and regulations but the Ministry retains its function for policy making. This has created some confusion, for example, with respect to modification of Thimphu's *Development Control Regulations* (DCR) 2004 which specifies building codes as per land use defined in the Thimphu Structure Plan. While TCC has proposed to revise the DCR, the MoWHS has remained reluctant. According to interviews with members in the TCC Development Control divisions, MoWHS lacks the staff capacity to revise the rules but does not want/trust TCC to do it by themselves. Although DCR revision was stuck, with building pressures within TCC to revise it, we may soon expect a revision. MoWHS therefore is like the lone watch-guard of the TSP, the only one around with a strong interest in having the rules applied, since it is them who made the plan. If TCC was not in a relation of dependence, rule revision would have proceeded at a much faster rate. Currently this is slowed in getting approvals from the Ministry.

#### ii) NLC

Finally there are other government bodies that have some capacity to influence decision-making on urban planning. The biggest intervening authority is the *National Land Commission* (NLC) as authority over land issues has been centralized with the 2007 Land Act. NLC is yet another channel available to plot owners in case of inability to negotiate with TCC. From the view of the Ministry, NLC's role is only to keep land records and not intervene in how land readjustments are made by the planner. In practice however, NLC has played a very important role in governance of land in Thimphu and in

Bhutan, as evident from its role in annulling the very high profile Education City Project (Lamsang 2014). The NLC secretary is appointed by His Majesty and remains a powerful institution and has overruling powers over TCC. In fact, TCC has decided to approach the Attorney General's Office (AGO) (See Meeting 17) to clarify the autonomy of its powers. NLC's interests are in ensuring that no violations of the Land Act are made (breach of minimum and maximum ceiling of land ownership for example). NLC has been involved in a major project of revamping the cadastral survey (one of its main responsibilities as part of Land Act 2007). This created huge issues because the original Local Area Plans of the TSP were made as per the last cadastral survey so correction of areas with excess and deficit land created delay in plan implementation and continue to pop up as claims from landowners.

iii) NEC and other government agencies

Other government authorities involved include the Ministry of Finance (MoF) with the Department of National Properties under it to calculate the values of land through Property valuation agency (PAVA) of the government. Then there is also the *National Environment Commission* (NEC) to coordinate development control in environment precincts and the Ministry of Home and Cultural Affairs (MOHCA) to consult on changes to Heritage Precincts. Similarly there may be others that need to be consulted in cases of overlapping mandates. In that sense, pressure to maintain the rules also comes from this lack of autonomy as any rule revisions have to be made with permission. Vice versa, multiplicity of authority also creates a situation of non-compliance, as these central agencies can overrule the TSP. The whole process of state-building, rationalization and institutionalization process has been central to responsibility sharing over TSP and sight of this fact should not be lost with the policy of decentralization. Despite an overt policy of decentralization, in practice there

has been centralization of some functions including land management to NLC. The TCC remains thoroughly embedded in the broader state field.

At the same time, the same embeddedness also creates pressures for rule deviation. It is therefore not uncommon that pressures for plan deviation to be generated from other government departments in their horse-vision like focus on implementing other rules more important to them. For example, recently, the NEC has put to question the creation on an automobile workshop in the northern hub which was originally in the TSP. NEC questions this from a point of view of pollution to the river whereas the plan was trying to diversify density from the Urban Core area. Thus, when some other rule is a priority, TSP goes down the order of importance. The sole guardian of the TSP really is the MoWHS but that's because they made the plan and they still have a staff member who cares about the rules. Gone tomorrow, and this veto power to rule revision may change.

#### iv) NHDCL

National Housing Development Corporation Limited (NHDCL) is officially charged with the mandate of affording housing in the country. The TSP had anticipated that demand for affordable housing would rise even faster with the city's growth and advocated that part of the neighbourhood service nodes should be used for providing sites for affordable housing. While lack of space availability is certainly an issue, in one or two sites space has been reserved for affordable housing. The problem is that there is no investor and NHDC is too busy with its other mandates. Only recently, World Bank is considering to invest in a pilot project (Gelay ca 2014).

The National Housing Development Corporation was set up in early 2000s as part of housing finance restructuring in which

ADB played an important role. The decision was taken that all public housing would be managed by NHDC and since its corporatization in 2011, ownership has also been taken over from various other government agencies. In my interviews with NHDCL staff, I noticed that NHDCL is so bogged down with the new task of transferring property ownership, that there is simply no one to attend to the needs of affordable housing in Thimphu. Also when I interviewed the M.D, it was clear that building more stock in Thimphu is clearly not a priority a) because at least Thimphu has houses, other towns don't even have that. Even if they had the funds, the M.D. said, they would focus elsewhere (Interview on 1/4/2014). NHDC already has a flagship project in Thimphu, the Chang jiji housing complex with 767 units. So in a way there is a sense that a contribution has already been made. But in fact, the housing shortage demand is high as NHDC received over 1600 applications (1/4/2014 NHDC Real Estate Division) whereas exits are less than 30 per year.

## **5.2 Citizens: Landowners & People's representatives**

Having covered the multiple organizations and interests in the realm of state-state relations, we now move to state-society relations.

### i) People's representatives

Apart from the elected local councillors and mayor for urban Thimphu, Thimphu district is also a constituency for two Members of the Parliament (Lower House), one each from North Thimphu and South Thimphu. Currently both MPs are from the opposition party, DPT. There is also one member representing the Thimphu district in the National Council (Upper House). There is a regional government at the district level which is more relevant for rural Thimphu than urban Thimphu. Finally, the Prime Minister is also sought as a

direct representative of the people. The Cabinet of ten Ministers from the ruling party headed by the Prime Minister is the highest body in the hierarchy of all elected representatives. So democratization has opened new channels for people to voice their claims. For example, people taking their land issues to the Prime Minister (e.g. Hejo Green Area) directly when not resolved at the city level.

#### ii) Citizens

**Individuals:** As individuals, residents living in the municipal boundary are property owners (minority) or tenants (majority). Although TCC only invites the landowners to the Local Area Planning (LAP) consultation meetings, LAPs also affect tenants especially if their structures are affected or if higher property values result in a form of displacement or gentrification. However, tenants are usually not consulted except in impact assessments of donors and IFIs like the World Bank and ADB. This is despite the fact that the proportion of tenants is very high, for example, over 70% in Lower Taba LAP (Thimphu Thromde - Pradhan 2013).

**Institutions as residents:** A lot of land in Thimphu (about 15%) is owned by institutions including the army, police, royal bodyguard force, monk bodies, the Indian Embassy, schools and the hospital. The monk body owns over 200 acres alone (Gelay ca 2014: 85). There is also government owned land of different Ministries and Departments such as the Agricultural Ministry in Babesa, Forestry in the north etc. Landowners as institution have much more power to negotiate and stall the plan if their property is threatened by the plan. For example, the Cabinet has been trying to build a diplomatic enclave in Hejo but this requires some readjustment in the monk body's land which it has not agreed with and so the proposal is stuck and hence delayed plan (LAP) implementation.

### **5.3 Market: Infrastructure investors & private sector**

TCC's interaction with this other network is almost nil except with the donors. This is to say that even an absence of a tie can affect outcomes within a field. This section explains why this is the case by exploring actors in state-market interactions.

#### i) International Financing Institutions

In urban development in Thimphu, the World Bank and the Asia Development Bank (ADB) are the two key actors. Towards the end of the 20<sup>th</sup> century, when the United Nations (UNDP/UNCHS<sup>32</sup>) urban management assistance was coming to an end, as was the 1986-2000 strategic plan, new programmes funded by the Danish government (DANIDA<sup>33</sup>), Asian Development Bank (ADB) and the World Bank were starting. Their investments were not integrated in one plan at that stage. DANIDA was going to invest 70M Kroner to develop water, sanitation and sewerage facilities as part of the UDSSP<sup>34</sup> project; ADB was giving US\$ 8.2 M (\$ 5.7 as loan) to develop roads, footpaths and bridges (Gyalmo 1999). The World Bank would complement other donors and emphasize institutional strengthening at the district and local levels. Presently however, the Danish government (DANIDA) who was a big player in the 2000s is now packing up and quitting the country. Along with DANIDA has gone the grant-based funding. Now the ADB and World Bank remain to provide upfront costs for infrastructure in the new LAPs. The total cost of implementing the TSP was estimated at US\$ 90 million (Wangdi 2003).

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<sup>32</sup> United Nations Commission on Human Settlements (UN Habitat)

<sup>33</sup> Danish International Development Agency

<sup>34</sup> Urban Development Sector Support Programme

These institutions seem to interact more closely with the central government (GNHC, MoWHS) and approach TCC when data is needed. When the World Bank conducted a study of water supply system in North Thimphu, they were involved with the Policy Planning Division of the Ministry. As local government was not consulted in plan preparation, some confusion was created during implementation.

The main role of these institutions is in providing finance and technical expertise. They don't usually set the agenda but they shape it sometimes by insisting on clarification of rules. For example, ADB and World Bank required Land Pooling Rules to be codified which were approved in 2009. They also insist on 100% land pooling agreements and conduct socio-economic and environment impact surveys. This puts pressure on TCC to get consensus agreements before proceeding with planning an area, thus leveraging the power of the landowners.

#### ii) Private Sector

Although the private sector's role is invisible, its conspicuous absence is extremely important. Once the government approves the Local Area Plans, it is the private sector which has to come forward and invest in infrastructure and facilities. While contractors are keen to invest in civil works, so far there remains little interest in investment for neighbourhood services, or green/open space development. As a result of this, these spaces have remained undeveloped and vacant. An effect of that has been that when plot owners approach Local Area planner for plot readjustment, it is these spaces that become the scapegoat and most vulnerable to be given away.

On the other hand, there is interest in other types of private investment that the plan had not envisaged. For example, multi-level parking (IFC), snooker bars, mobile bar, and so

on. Many of these requests seek to develop bars in the basement but current rules don't allow basement to be used for purposes other than parking. Thus there is lack of interest from private sector to lease land where the TSP planned it and more interest in developing commercial uses of properties planned for residential use by the TSP.

## **5.4 Conclusion**

The aim of this chapter was to show how an actor/organization's interest in compliance is shaped by its position in the governance network of organizations (or fields) involved in planning governance. Actor identity & interests are determined vis a vis other players in the network. But this network of field is itself embedded in a broader state field which structures how state-society, state-state and state-market relations are organized in Bhutan. An example of the first type of embeddedness is that actors' location in the field network will orient their interests in accordance with their field identity - so for example, a landowner is generally likely to be more oriented to rule avoidance while the local area planner is generally grappling with rule enforcement. However, the way broader state-society relations are structured in Bhutan will also impact the way landowners and city officials interact.

Within the state-state interactions, we saw that there are multiple authorities involved which leads to a constant undermining of the authority of the Thimphu City Corporation. Within state-society relations, we saw that pressure against compliance comes from landowners seeking to maximize returns from their property with high preference for increasing building heights or reducing land pooling. Finally, in the realm of state-market relations we saw that even when the private sector is absent, the plan is affected. One way is that spaces planned for commercial use in the



Neighbourhood remain vacant as the private sector displays little interest in leasing it. As a result, pressure for encroachment of private plots on these vacant areas build up. Secondly, because the private sector is so weak, the City Corporation is dependent on IFIs to invest who insist on consensual land pooling. Further, where infrastructure finance is not available, LAPs have not been implemented. In both ways, compliance is compromised because delayed implementation creates opportunities for landowners to construct and later seek authorization.

By deconstructing the actors involved, this chapter showed a conflict of interest for and against compliance to TSP. Now that we understand why compliance is an issue and for whom, we move to the last chapter which explains how planning deviations are legalized in practice.

In the 2011 elections, the winning candidate received votes from only 1% of Thimphu’s present population as only those with registered Census in Thimphu are eligible to vote. We saw in Chapter I that only 31.8% of residents are born in Thimphu. Where are the others coming from? 8.5% are born abroad. Most others have their census in other parts of Bhutan, predominantly Eastern Bhutan: Trashigang followed by Samtse, Sarpang and Monggar.

**Figure 14: Thimphu residents’ origins**

Origins	Place of birth		Previous residence	
	No.	%	No.	%
<b>Thimphu</b>	<b>25,205</b>	<b>31.8</b>	<b>25,248</b>	<b>31.9</b>
Trashigang	5,887	7.4	5,138	6.5
Samtse	3,906	4.9	3,557	4.5
Sarpang	3,267	4.1	3,728	4.7
Monggar	3,196	4.0	2,486	3.1
Wangdue	2,810	3.6	3,204	4.1
Chhukha	2,766	3.5	5,160	6.5

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Samdrupjongkhar	2,682	3.4	2,580	3.3
Lhuentse	2,478	3.1	1,869	2.4
Paro	2,471	3.1	3,180	4.0
Trashiyangtse	2,421	3.1	1,778	2.3
Tsirang	2,356	3.0	1,758	2.2
Zhemgang	2,244	2.8	1,593	2.0
Punakha	2,009	2.5	2,541	3.2
Pemagatshel	1,855	2.3	1,347	1.7
Dagana	1,620	2.1	1,278	1.6
Trongsa	1,413	1.8	1,269	1.6
Bumthang	1,309	1.7	1,410	1.8
Haa	1,071	1.4	1,222	1.5
Gasa	125	0.2	121	0.2
<b>Abroad</b>	<b>6,745</b>	<b>8.5</b>	<b>7,342</b>	<b>9.3</b>
Not stated	1,349	1.7	1,376	1.7
Total	79,185	100	79,185	100

## **VI. Authorization of Deviations: Why & How**

Having demonstrated that the plan is evolving constantly, we now move to mechanisms through which these changes occur. As we have seen in the previous chapter, overruling codes of the planning document is a prominent mechanism characterizing deviations in the Thimphu Structure Plan (TSP). When rules are revised or when an exception is authorized, it is worth asking how the original rule lost its authority and a deviation became legitimate. This chapter deconstructs the mechanisms through which rule breaking is authorized. The aim of this chapter is to show how actors overcome the constraints of the planning codes. In the overall argument, this is about how strategic action really works in practice. The chapter deconstructs the strategies of negotiation of the various actors involved in the governance network.

To analyse how deviations from the original set of rules are authorized by the city committee, the chapter proceeds in three parts. First we look at gaps and conflicts in the design of rules that create the conditions ripe for strategic action. The next two sections analyse the tactics or strategies used by each claim-makers as well as decision-takers. Claim-makers are those who point out a flaw with the rules and claim that an exception or rule revision be considered. It includes landowners but also municipal officials themselves. Decision-takers are those who decide whether a claim should be accepted and is usually the elected town committee. While presenting how veto players challenge the rules of the plan, this section also provides an idea of the resource endowments of actors that leverage their claim-making powers.

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This analysis builds on Robert Baldwin's critique of Kenneth Culp Davis's book *Discretionary Justice* (1971) and Baldwin's assessment of legitimacy claims made in government decision-making. Baldwin's argument is that rule clarification cannot limit government discretion in decision-making because there are multiple paths to make a decision. In other words, there is simply no right decision. He identifies five rationales or "legitimacy claims" underlying decision-making in government (Baldwin 1995: 41) with respect to second order rules made by bureaucrats (unlike legislations of the parliament). A decision can seek legitimacy in legislatively mandated rules or in the assent of authorities to which an organization is accountable. Decisions can be justified in the interest of individual rights or for efficiency goals. Finally decisions can also seek legitimacy in the knowledge of an expert.

In this research the typology of legitimacy claims is derived purely from the evidence but Baldwin's method is used to analyse the data in a similar way. The assumption is that even when one set of rules is applied to resolve another set, there is discretion in terms of which rules to recall and which norms to value. Thus the decision-making process is treated as a subjective process of interpretation. The main source of data used is the city corporation's meeting minutes. The "field" in focus is the city corporation but of most interest to us is to analyse TCC's interactions with other "fields" or actors that also have a say in the TSP.

It is observed that changes in the original precinct plan result from requests not only in the planning division but also the building division and the land management sections. Individual requests are of at least three types:

- a) Direct demands for precinct change

- b) Requests for authorization of a building structure that is incompatible with a given precinct and finally
- c) Requests for plot readjustments which affects the precinct proportions in each LAP

Apart from authorization of individual claims there may also be changes at the policy level. These include:

- a) Proposals to revise rules originally codified in the TSP 2003
- b) Revision of rules originally codified in the DCR 2004
- c) Modifications made to approved LAPs

Using these criteria, a smaller sample of total agendas discussed in the meetings was extracted. This sample was then studied to deconstruct the competing legitimacy claims of various actors.

The sample of claims and corresponding decisions that affect the original precinct plan either directly or indirectly (through the six discussed above) is then analysed in two stages:

i) Claim-making: Onset of contention

First we ask, what are the tactics used by claim-makers so that an individual's case enters the agenda of the town committee's discussions. The claim-maker here is not only the individual landowner but anybody who proposes the agenda, most often the planner himself, particularly in cases where his readjustment of plots is not acceptable by plot owners.

Cautionary note: We should remember that the actual number of claims for change (e.g. plot readjustment without touching the LAP) may be settled on the field and may not enter the meeting discussion. This sample is therefore not representative of all the claims in the city; just those that cannot be settled at the level of the planner. This could

happen if the owner is persistent or if discretion is required with respect to which rules to apply. So by definition, sample will over-represent those claims where conflicts and gaps in rules are most stark. The word of caution is that this is not a sample of how claims are settled for the city generally, most of which happens on the ground between the planner and plot owners.

#### ii) Decision-taking: Settlement

In the second part, I analyse the sample of claims to see how many claims for change were accepted and on what official grounds were the others rejected. I then proceed to look at how deviations were legitimized, using what alternative claims and strategies to secure the deviation as permanent. The last part of this chapter thus deconstructs the framings used by decision-takers to justify authorization of deviations. It extracts the values or legal principles invoked to legitimize exception-making. The decision-taker is usually the committee comprising elected councillors and the Executive Secretary, chaired by the mayor.

### **6.1 Why? Gaps and conflicts in rule design**

This section is why claim-makers put planning codes in a legitimacy crisis. This section aims to explain why challenging of a given rule comes to be recognized as a legitimate claim. The answer is that actors use strategic *framings* to challenge the rule's legitimacy and make claims for an exception. The second part looks at the formats rule challengers use to express their claims.

This section tries to describe how some cases enter the agenda and become cases of discussion in the town committee meetings. The assumption is that surely, there are more grievances than those entering the agenda. From my discussions with the Local Area Planners, I learnt that the

planner plays a very important role as most issues raised by landowners are settled at his level. He thus plays a key role in the attrition rate of disputes in the early stages usually through the “consultation” process where he informs the landowners about planning goals. At the beginning this process was filled with gaps, sometimes landowners did not understand what the readjustment exercise would mean by merely looking at a paper plan which condensed their plot into a number of area and shape but did not give more details about its attributes in terms of location, slope etc. (Interview with DU). Thus in a large number of cases, “experiences are not perceived as injurious; perceptions do not ripen into grievances; grievances are not voiced to the city” (Felstiner et al 1980) even though the planning exercise may have been unfair. From the meeting minutes we can see that even if landowners approved at time of pooling, grievances could be born later – for example, when they couldn’t construct as much as their neighbours because their plot was allocated in a lower density precinct.

What then leads the situation into a stage where claims are made to the city committee? Deconstruction of conflict is a complex process that is beyond the scope of the study which is concerned with only one slice of it – the legitimacy claim. This is analysed in two parts. First what is the framing used to bring an individual case onto the meeting discussion agenda - on what grounds is an issue framed as a grievance against the rules? Second, what are the strategies used to justify a remedy especially when it overrules the original rule. This is strategic action at play, using a variety of tactics, of which “framing” is prominent. The channel used to express the claim also matters in ordering the urgency of the claim.

### ***Loopholes in policy design & enforcement***

Claim-makers use a variety of framings to de-legitimize a rule. These were possible because loopholes in the rule design

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create the ripe conditions for actors to exploit. The following examples are an illustration of flaws in rule design.

### i) Conflicts and gaps in rules

The legitimacy of a codified rule can be challenged if a given rule is in conflict with another rule of the plan itself or the rules of another organization. For example, the Land Act 2007 has a minimum ceiling of 10 decimal for plot transaction in order to limit subdivision, “The minimum parcel of land that shall be registered in a Thram is 10 decimals” (RGOB 2007: 35, point 132). However, after land-pooling of 30%, plot owners with an initial holding of 10 decimal go under the ceiling and would not get permissions to construct or transact. Therefore, they approach the authorities and make claims for an exception (Meeting 2, Agenda 13). Although it seems fair to make an exception for such a case, it technically contradicts a clause of the Land Act: “Upon acquisition, if the remaining land parcel is less than 10 decimals, such and both in Thromde and rural areas shall also be acquired”. (RGOB2007: 38, point 150).

Sometimes, there can also be a gap in the rules and the planner has no direction on how to proceed further. An example is the request from plot owners below the hospital JDWNRH (Hotel Rignam line) to change their precinct to a higher density precinct (from UV-II, MD to UV-I) in order to increase the building height (Meeting 9, Agenda 12). They claimed that their plots had been designated as a commercial area in the 1992 urban development plan, prior to the 2004 building regulations codified in the DCR. Their legitimacy claim was that they had been paying commercial tax rates all this while.

### ii) Conflicting authority of various government bodies

A second reason for why a claim arises is when a given rule is challenged by the authority of another government body or



official, usually by a letter of approval or some other form of assent. One such case was the request from an individual to waive off his penalty for regularization of illegal structures inside his premise. Although he did not have a formal building approval, his claim was that he had got verbal approvals from the previous mayor to construct kitchen and toilet (Meeting 8, Agenda 1).

Frequently, intervention comes from the Cabinet as and when there are special projects to be implemented in a given area of the city, example Chubachu circle. The Attic Rules 2009 were also abolished after direct approval from the Prime Minister. Recently, the National Environment Commission (NEC) has vetoed a component of the plan which proposes an automobile workshop in the north of Thimphu.

Sometimes overruling by the court on a personal dispute case affects land allotment (Meeting 2, Agenda 12). Generally however, the courts have played a minimal role as most landowners do not take their disputes to the courts except some high profile ones. This maybe because traditionally in Bhutan, local level disputes have been solved by the decentralized level of government. Before 1969, the district officer was the Dzungpon (dzungpa) and the governance format was such that both administrative as well as judicial powers rested with the local government. Courts have played minimal role in influencing TSP because despite a landmark judgement on July 13 in 2003, in which land pooling was declared illegal, it continues,. The courts said that land pooling had no legal base as government does not have the right to take private property without compensation (Dorji 2003a). However Land pooling continues to be practiced in the city on grounds that it is obtained with consent from the landowners (Norbu 2014).

iii) Implementation feasibility is questionable

Here the claim is that rule is not feasible or not conforming to the practices of the people, thus making it difficult to monitor or control. It was one of the framings used to abolish the Attic Rules 2009 allowing conversion of non-habitable attics into full floors (Meeting 3, Agenda 16). Similarly, it was observed that the space between the plot and road under the RCC slab was being used for habitable purposes so the head of IMS, DCD put it up for discussion claiming that it was becoming difficult to control (Meeting 3, Agenda 15).

iv) Logic of the rules is disputed on grounds of fairness/utility

Here the claimant will provide a framing that questions the logic or “efficiency” of the rule. Plot owners for instance have challenged the way the plan has categorized and distinguished areas by precinct density. For example, one owner wanted to construct in her apple orchard (convert her precinct from E-4 precinct to UV-II MD). As she was persistent, her claim was represented by the planner, and was framed in his technical logic “the plot is accessible to road and the topography is very gentle” (Meeting 7, Agenda 5). Or the landowner tries to rationalize, “even if the land is pooled it will be of no use to the government” (Meeting 7, Agenda 6).

On another instance, the plot owners themselves take on the role of the planner to judge the geographical attributes of their properties. “The plot owners are of the view that there is hardly any difference in terms of topography and soil texture between UV-1 and theirs which are located in the same locality” (Meeting 7, Agenda 4). Their claim was that they contributed the same percentage of land pooling, and yet they are disadvantaged due to restriction in floor height so the claim was to either reduce their land contribution or increase precinct density (converting from UV 2-II to UV 2-MD).

## **6.2 How veto players challenge the rules**

Once claim-makers identify the framing to challenge the legitimacy of a given rule, they have to choose a format to express that claim. The channel used to express has a consequence on the final decision. So the “facts of the case” include not only the content of the claim but also how the claimant voices his/her claim. If a landowner for example refuses to consent to land pooling, (s)he may end up stalling the plan<sup>35</sup>, thereby increasing the sense of urgency for the planner to address the claim. There are at least five strategies that are observed from the sample of claims. While presenting how veto players challenge the rules of the plan, this section also provides an idea of the resource endowments of actors that leverage their claim-making powers.

### i) Appealing/Petition

Usually when landowners appeal to the city authorities, they do it in an individual capacity. But increasingly one finds that people have started to form small groups from within the community. These groupings are very small for example 18 plot owners in Changbangdu (Meeting 7, Agenda 4), 15 owners in Upper Taba. The tactics used are usually framing and bargaining. Examples of bargaining include paying betterment charges instead of land pooling, or increasing building height and reducing plot coverage and vice versa.

Appealing is obviously more likely to be successful when people do it as a group instead of as individuals. But sometimes if an individual's status is high enough, just a word will do to get the mayor and the planning team brainstorming on how to address the claim without breaking

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<sup>35</sup>This is a case where 100% pooling is required (initially in the ADB, WB funded LAPs)

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the rule. Thus coming from well-known elite families would be able to command immediate attention.

### ii) Dissenting & stalling the plan

This is when landowners refuse to cooperate and not give their assent to the land pooling agreements. One landowner, who had the maximum land in Taba (and hence was at stake to lose most from the land pooling contribution), did not sign the agreement (Meeting 6, Agenda 3). Another 15 also were not in accord (Kuensel). As a result the Upper Taba LAP could not be finalized and got delayed until the city authorities finally conceded by taking betterment charges instead of land contribution. "The main reason for the consideration was if ... (plot owner's name)... does not sign the land pooling agreement, then the LAP cannot be implemented even if there are donors willing to fund the LAP." (Meeting 6, Agenda 3). Another case was of a plot-owner refusing to show up for site visit even after two notifications because he did not want to comply with a court decision of subdividing his land (Meeting 2, Agenda 12).

This power is certainly greater for larger landowners because their land pooling contribution makes available a larger amount of land for the city.

### iii) Bypassing municipal authority

Here the strategy of the claimant is to simply bypass the municipal authorities and approach another, possibly higher government body. There was a case, when the building inspector informed an individual that he did not have a formal approval to build his attic as an extra floor and hence the structure was illegal and construction should be stopped, "the inspectors were counter-informed that the approval process is underway in the Ministry of Works and Human Settlement. In the light of awaiting the anticipatory approval by competent authorities, it has become a practical difficulty

for the TDM inspectors to refrain the property owners from constructing illegally.” (Meeting 3, Agenda 16).

The Land Commission (NLCS) is the most frequent intervener. With an expansion of the mandates of the Land Commission since 2007, plot owners often beseech the Land Commission on the unfairness of land pooling and then Land Commission forwards a claim to the city officials on behalf of the landowner (Kuensel). In other cases, it challenges some of the decisions already taken by the planner on its own accord (Interview 10/01/2014), hence introducing a new set of claims from the point of view of the Land Act.

Surely one’s social network is a key resource here. The more people one knows in the government, the more likely his/her ability to have an access point. However, as we have seen, the planner can also be a representative. So all landowners do have access to the state, but not all may have access to senior level bureaucrats in the Ministry for example.

#### iv) Encroaching anyway

Finally, there is a silent<sup>36</sup> way of claim-making. This is by not actively demanding for an exception but just going ahead and doing it. This is at the landowner’s risk for it may lead to a situation where the city authorities will demolish the structure. At the same time, it can also work the other way – the option to pay a nominal fees for regularization. An example is of a plot-owner who was supposed to make a land pooling contribution of 12.67% but by the time the planner got to the stage of plan approval, the plot owner’s plot was fully developed with retaining wall all around her plot. Finally the decision was ruled in her favour by taking betterment charges instead of land contribution (Meeting 9, Agenda 8).

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<sup>36</sup> Silent encroachment?

### **6.3 How municipal officials authorize deviations**

The last two sections explained the different types of claims used to challenge the legitimacy of a given rule. Moving on from how claims entered the agenda, we now try to understand why they were accepted. Since most claims were accepted, we focus on how deviations were legitimized - invoking what values? Further, what strategies were used to secure the legitimacy of these deviations? The table shows that most claims tend to be accepted by the court of the committee.

Meeting Date	Total Agendas	Precinct related	Claims Authorized	Claims Rejected
25/01/2012	25	9	9	0

There are two main ways in which claims for plan deviation can be accepted. First by authorizing a single case of exception and second, by altogether revising the rule. The decision-taker is the Thimphu City committee comprising of elected members. The aim in this section is to deconstruct certain values invoked in the committee's "language of justification" (Baldwin 1955: 47) as well as strategies to secure the legitimacy of the deviation. Once the deviation has been authorized, the transformation is complete. What was formerly a rule violation is now the new codified norm. Thus strategic action in the TCC "field" contributes to the transformation of the urban planning "field" basically by de-codifying original rules and codifying new norms.

#### ***Authorizing an exception***

#### ***Invoking alternative legitimacy claims: Framing***

The reasons why it is acceptable to authorize an exemption vary. An analysis of different legitimacy claims made is summarized below:

i) Public mandate

Decisions can seek legitimacy in public opinion, “it was observed that it is more benefitting to the general public to have a full floor rather than attic” (Meeting 3, Agenda 16). “Many land owners have approached Thomde with the request to allow them construct on plots with less than 25 decimal” (Meeting 7, Agenda 1).

ii) Precedence

Legitimacy can be sought in a precedent even if it breaks the rule. In one case, most of the 14 plots in a protected river buffer zone were already developed and the remaining two were seeking permission to develop. In such a case, the legitimacy claim involved equal rights for all which was ordered above the importance of rule compliance. The decision was that “*special consideration should be made for the two remaining plots to develop like others*”. However, to reduce guilt for authorizing building in an ecologically sensitive zone, it was decided that more trees should be planted in the area to protect the river eco system (Meeting 6, Agenda 4).

iii) Self-Blaming

Sometimes, the reason is that the fault lies with the government, not the people. “The house decided that it was the weakness on the part of the Thomde for not completing the property assessment to charge the above taxes and therefore it was unfair to charge the taxes let alone penalties” (Meeting 4, Agenda 9).

iv) Democratizing exception-making

Deviation becomes legitimate so long as exemptions are made for all cases equally. For example, in the proposal of betterment charges in lieu of land pooling, the committee said that all issues in one area should be submitted together

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rather than case by case basis (Meeting 9, Agenda 6). Or to create an inventory for example of all the plots smaller than 25 decimal in E-4 areas (Meeting 6, Agenda 14) or plots falling under traditional village settlement. By processing approvals for an inventory of cases, justification can be sought in the fairness of making exceptions equally.

### v) Other plot owners are not affected

(Meeting 6, Agenda 3) “After a brief deliberation the council approved the submission based on the fact that the land pooled would not affect the overall plan of the local area” (Meeting 9, Agenda 8). This is the utility argument. If a rule deviation does not cause any harm, then what is the harm in accepting a claim?



Traditional Village in Babesa

### ***Securing legitimacy of a deviation: Conditional Bargain***

The main strategy to authorize an exception is striking a conditional bargain i.e. the city authorizes landowner to violate the original planning code in exchange for or under the conditions of something else. Framing of course is at the



heart of how and why claims are considered legitimate to be accepted but this was already covered in the last section. This part focuses just on one way how a deviation is legitimized, particularly if the formal channels for rule revision are not feasible to pursue. This is more relevant to individual exception making rather than general issues considered for policy revision. This is to regularize a structure in exchange for some conditions. By doing this the interaction becomes a conditional bargain between the state and its citizens. This creates the security that rules are being followed.

The strategy here is trading rights: regularizing a structure in exchange for penalty fees. Pardoning land contribution in exchange for betterment charges. A typical bargain is to increase building height but reduce coverage (Meeting 5, Agenda 5). For example, change category of precinct to increase building height but allow only G+ 3 constructions with 50% coverage, creating a new combination altogether of the TSP-DCR (Meeting 9, Agenda 12). Another example is to accept claims for precinct change but modify the land pooling percentage (Meeting 7, Agenda 5).

The E4 precinct mandates a minimum of 25 decimal size of land. There was an instruction from the Cabinet to permit land transfer for plot size between 10 to 25 decimal but on condition that the applicants would not ask for extra land from the government in the future (Meeting 4, Agenda 16).

Following this, the Land Record Section proposed that DCR should be reviewed so that irrespective of land size, construction and transaction might be allowed. In this way, sometimes, individual cases build up to generate a rule change or shift in policy. This is the substance of the next section.

***Revising a rule***

The basic analysis is that the members want to show that whatever decision is taken, it is not personally motivated as it comes up quite frequently in the discussions that the committee does not want to set the wrong precedent and avoid the trouble with similar claims in the future (as said by Executive Secretary in a meeting). However, many times the decision-makers also double up as claim-makers. This can happen when a people's representative puts up a case for discussion. So the committee is sympathetic and often looking for a legitimate way to authorize the request for exemption. In order to disown it as a case of personal discretion, the strategy is to outsource it to other legitimate sources of authorities. This section provides some concrete examples of how this is done.

i) Framing: Invoking religious significance

The Buddhist religion and culture are deeply preserved in Bhutan and even the Plan (TSP) respects the sanctity of religious structures. This means that if a new road meets a religious structure (such as a lakhang, prayer wheel etc.) on its way, the road pays its respects by diverting its path. In an informal discussion, a property owner joked with me saying that if anybody wants to avoid land pooling or road cutting through their property, the best strategy is to build a small religious structure (Discussion on 28/03/2014). He shared an example of developments near the Sunday vegetable market which supposedly left a religious structure untouched.

Moving to a concrete example of strategic action: a high status monk was acquiring property where some government land was already encroached upon by the previous owner. The issue during the process of his application was that the Land Commission would not accept his land transaction

request if there are structures encroaching on government land. The committee decided to regularize the structure (a garage) by saying that it is (or will be? – not clear) used as a “prayer house/temple”. The concerned division then proceeded with NLCS to regularize occupied excess land. An added justification was that the area occupied is small (Meeting 2, Agenda 6).

ii) Gathering evidence: outsourcing to knowledge expert

A “feasibility study” is the classic way to put a request under consideration. An example is the request of 19 property owners to reduce the penalty fees for regularizing their illegal structures. They had approached the mayor complaining about the biases in the penalty which was not in proportion to the illegal portion of their structures. Similarly, when the issue of taking betterment charges in exchange of land pooling was first brought up, it was decided that “A Betterment Charges Committee/Land Acquisition Committee has to be instituted” (Meeting 9, Agenda 6).

Making an “inventory” of all cases when one case is looking for an exception is another strategy. Deviation becomes legitimate so long as exemptions are made for all cases equally. For example, in the proposal of betterment charges in lieu of land pooling, the committee said that all issues in one area should be submitted together rather than case by case basis (Meeting 9, Agenda 6). Similarly, it was decided to create an inventory of all the plots falling under Traditional Village precinct.

This is the pre-stage of evidence gathering, before proposals can be put to the Ministry for change. After compiling the inventory of all plots in E-4 area below 25 decimal, TCC wanted to put up a proposal to the Ministry to consider the possibility of allowing such plots some construction with coverage from 20% to 30% (Meeting 6, Agenda 14; Meeting 7,

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Agenda 1). E-4 is the precinct for Agriculture based Environments. Because it is characterized by very steep slopes, the TSP had proposed that instead of developing buildings, it is better used as orchard / green house or agriculture for farm food processing and research.

### iii) Approaching higher authority/overruling

Just like claim-makers, the TCC committee too seeks to secure legitimacy for its decisions by getting the assent of a higher authority. Sometimes the institutionally designed path is followed; for example, propose evidence-based rule revisions in the DCR (Meeting 9 Agenda 10). But sometimes, just like claim-makers, TCC too uses the tactic to bypass the assigned authority (in this case, MoWHS) and gain the assent of higher authorities. For example, to convert the attic into an additional floor, TCC sought the approval from the Cabinet (Meeting 3 Agenda 16). This is a proposal that the Ministry was surely not going to agree on for it changes the entire density and population plan of TSP by adding one more storey to all buildings across the city area.

Outsourcing decisions to another authority is also a strategic way to disown responsibility for a decision. An example is to entertain a request by a plot owner who wanted to pay betterment charges in lieu of land pooling. Some members were not in favour as they felt that the pooled land may be necessary to set up a transformer station by the Bhutan Power Corporation (BPC). The decision was to write to BPC and if they did not require space provision for transformer then to accept the plot owner's request (Meeting 7, Agenda 6). In a future event, this would secure the municipal decision of criticism by outsourcing responsibility to BPC.

### iv) Revising rule to make a deviation legal

Finally and this is the last step to secure the legitimacy of a deviation – codify it. The TCC does not have policy making

powers but it does have the power to modify rules and regulations. Although we don't see its policy-agenda setting role when we look only at formal documents, there is, on digging deeper, a layer upon layer of revisions in internal letters and circulation orders which revised the rules codified in the original *Thimphu Structure Plan* (TSP) 2003 and *Development Control Regulations* (DCR) 2004. Some examples of new addendums to the DCR include a) Narrow Plot Guidelines 2011 b) Minimum plot size after subdivision 2012 c) Abolishing Attic Rules 2009. Betterment charges instead of land pooling is slowly becoming an institutionalized practice, for example by codifying the Betterment Charges "criteria" and forwarding it to NLCS for their information (Meeting 9, Agenda 16). There are also the revisions to the Local Area Plans. But these are numerous and even the planner does not have a good record of the changes preceding his tenure.

Currently, DCD is in a process of evidence collection and getting together its proposals to revise the whole DCR into a second version. Some of the changes we can expect to see will be on the Traditional Village concept. Which area should fall under traditional precinct is being discussed and finalized and DCD was required to come up with the number of traditional houses in different locations. Then there are the basements (Interview 17/02/2014) – to allow these to become habitable, since already they are receiving request from snooker bars and parking is not feasible in all basements.

And then there are the river buffer zones – some committee members are already pondering to make them developable. During the course of a discussion on the plot of an ex-Minister which falls in the buffer zone, issues began to be raised about the general concept of the buffer. Members debated "whether the buffer is indeed necessary for a stream which has no source but is fed by the overflow of a nearby power plant. Further some members suggested that the buffer

rule should be reviewed and accordingly introduce buffers for river, stream and spring category so that precious land is not lost and is being prevented from being beneficial for only few people residing near such buffers” (Meeting 15, Agenda 2). Notice the subtleness of this process – reason for putting buffer zones into the agenda is that only rich people are benefitting from it so the legitimacy claim is to spread the benefits. In the process, the planning rules evolve.

We can also see changes in related “fields”. After the attic was abolished and all buildings gained an additional floor, a rule conflict was created with an existing rule – where all buildings with more than four floors must have lift provision. Using the framing that for a standard plot size, lift cannot be provided as the allowable coverage (40%) is just enough for living space – a new claim entered the agenda. The choices debated by the committee were a) either to do away the lift requirement for residential building even if it is four storied and above or, b) if the lift provision has to be kept, the coverage be increased by 1.9-2%. After lengthy deliberation, it was agreed to have lift provision for more than 4 storied and increase the coverage. This was also an opportunity to discuss another DCR related rule – set-back provision of 5m – whether it should or not be maintained. It was decided to flag this as an agenda for review during the overall DCR revision (Meeting 6, Agenda 11).

## **6.4 Conclusion**

This chapter showed that no matter what the constraints of the system, actors can find a way around them. The plan is not working partly because there are genuine issues in the rules and partly because when the plan challenges an actor’s interests, he or she can use “strategic action” to manoeuvre around the rules. This was true of both claim-makers and decision-takers. This chapter showed different strategies and

framings used by each to challenge the original planning codes. For example, land pooling requires up to 30% contribution from all plot owners in a given Local Area Plan (LAP). This contribution is not monetarily compensated but the state provides access to roads and other infrastructure. But what if one plot owner has already invested and has access to a road. Should he too give up his land in the same proportion as his neighbours? These are some of the issues the come up during plan implementation. When claim-makers identify a rule conflict, they frame their claim in such a way that the legitimacy of the original code is challenged. In response, the town committee tries to address each grievance and it too finds a way to legitimize its actions of exception-making. Some of the rationales used by them was that the claim was public mandate or followed a wrong precedence set before. Quite frequently, when an exception is made for one plot owner, then an inventory is compiled of similar cases in order to make exceptions on a uniform basis. In this way, there is a diffusion of the exception-making process and some of the original planning codes were either not implemented or modified.

## VII. Conclusion

This study looked at the case of urban planning in Thimphu, capital city of Bhutan to explain why the spatial organization of a city cannot be determined by codifying rules in a city plan. In the introduction, we saw that that although over ten years have passed since the Cabinet of Ministers approved the *Thimphu Structure Plan 2003-27*, the plan has not been able to achieve the outcomes for which it was designed. It proposed to keep 70% of the peri-urban areas, incorporated into the municipality in 1999, as open and green areas. It also anticipated the growing problem of affordable housing and proposed to build low income housing units where new land was available through land pooling contributions. And finally, the plan promised to tighten building regulations to preserve traditional architecture. However, the outputs on all of these commitments have been poor. Keeping this context as the starting point, the study analysed the implementation stage of the policy cycle to understand why planning rules had not been implemented.

To answer the question why there was a lack of compliance to planning rules, we started with two hypothesis a) policy misfit and b) veto players, derived from the literature in the emerging domain of “Sociology of Compliance”. The former predicts that the higher is the incompatibility between a policy and norms of the prevailing institutional environment, lower is the policy compliance. The veto hypothesis predicts that the higher is the number of veto players in opposition to a given policy, the lower is the level of policy compliance.

Like in a sociological study of any subject, this literature on compliance is also symptomatic of the “agency vs structure” divide. The “actor-agentic” perspective highlights the role of actors (veto players) in diverting the objectives of a policy or an organization implying that rules cannot channel their



behaviour. In contrast to this is the “institutional-structuralist” tradition (misfit). This argument is that actor behaviour is itself regulated by norms of the broader society and hence some written or unwritten rules guide social action.

In order to use insights from both sides in the agency vs. structure debate, the study adopted Fligstein and McAdam’s theoretical framework of “strategic action fields”. A field can be conceptualized in various forms: a network, a policy domain, a market or even an organization.

This study took an organizational definition and the field in focus was the municipal corporation, which is the main implementing authority of the plan. The study constructed a network of actors/organizations interacting with municipal officials on matters relating to plan implementation. This network, including the municipal corporation and all other actors who influenced and co-produced the policy, was termed the policy governance field. Thus the field universe was composed of the city corporation as the locus field and its interacting counterparts. The locus field was internally divided into sub fields (bureaucratic divisions vs elected committee). At the same time, the locus field was also embedded in a larger network of organizations (Bhutanese bureaucracy). This framework makes analysis useful by breaking up the abstract macro structure or field universe into multiple “fields”, each field being the site for “strategic action” and at the same time, each field being embedded in the broader “field environment”. This visualization thus captured the agency of actors to negotiate rules within a given field (e.g. urban planning) and at the same time see that actors’ agency was constrained by the rules of the larger field environment (state bureaucracy).

In other words, we could see that municipal officials had some freedom to go around the rules codified in the urban plan but their negotiation powers were constrained by broader relations of governance in Bhutan. As the municipality was in a relation of dependence, other actors frequently undermined its authority to govern the plan. By using the field framework, the study could therefore capture how control over municipal policy-making differs and is reflected in spatial developments in the city. The next section presents a summary of findings and revises the hypothesis.

## **7.1 Findings: Why don't rules work in Thimphu?**

### ***Veto pressures: deviating the rules away from the plan***

We saw that there are several pressure points pushing for deviation from the plan, even inside the implementing authority, which we could discern after breaking the TCC as an organizational "field" into sub-fields. For example the bureaucrat-run divisions tended towards compliance but the elected town committee tended towards grievance-redressal, with greater flexibility in rule application. The approach to deconstruct the insides of the organization is inspired by the micro-politics approach of Crozier-Friedberg. While their work emphasizes the role of actors, here the argument is that the identity of field players derives from their field position which is institutionally-determined. This is also indispensable to understand actor's interests before they go on to be articulated into strategic action.

Chapter III emphasized that TCC's relations with other government bodies were of dependence so orders from above are constantly undermining the authority of the plan. Veto players in Thimphu are not the same as in other cities but they are there. Whereas in many cities today, we find that the private infrastructure investors are completely taking over the

policy agenda, this is not the dominant trend in Thimphu. There was virtually no interaction between TCC and the infrastructure investors, which may be because private sector development has remained stunted in Bhutan. This also impacted city planning because without private players stepping to lease land from the municipality, most neighbourhood nodes remained vacant and hence vulnerable to encroachment of individual residential plots.

Landowners, who in many Asian city contexts have been displaced through exercises of urban planning and urban renewal, are actually a powerful veto group in Thimphu. Two examples provide convincing evidence. In Upper Taba a petition by a small group of affected landowners stalled the plan for almost 6 years. In 2003, a group of landowners sued the municipality and won the case. The High Court ruled in their favour and said that land pooling is illegal. The fact that landowners in Thimphu are a strong veto group also has to do with their resource endowments and status in society. There is a sizeable overlap between voting power, land ownership and senior positions in government. So veto players are present but of a different kind - not the usual private sector investors but citizens who command elite status. The main interest of landowners is to maximize the exchange value of their properties and least in the development control objectives of the plan.

Instead of market players, financial institutions funding infrastructure have played a much more important role. Their interest lies more in ensuring that the land acquisition process is through landowner consensus and less in how the building codes are followed during implementation. Their role has further leveraged the bargaining power of landowners during the land readjustment process.

The fact that state-society relations are so individualized and state-market interactions are conspicuously absent is specific to Bhutan. This is because the governance network field is embedded within the broader state field. The type of state development processes in Bhutan structured how state-society, state-market and intergovernmental relations are structured in the first place. Collective action is a very controlled process, for example an organized street protest is not a dominant mode of strategic action. But one-on-one negotiation between state and citizens is prevalent in the repertoire of strategies that actors use for claim-making (see also Pain & Dema 2003). Is this a neutral process? Is exception-making open to everybody equally? This is a question open for debate.

***Structural determinacies: Predictability in rule deviation***

When we zoom out of specific situations and look at how decision-making in the municipal committee is working, we can find some contradictions. On one hand, the city committee is very committed to adjudicating individual cases scrupulously. It takes great efforts to conduct feasibility studies, make inventories etc. There are recurring references to how the wrong precedent must not be set implying that rules need to be followed no matter who the claim-maker is. But at the same time, we cannot deny that the process was characterized by some gaping indeterminacies. One could question, why not conduct a feasibility study for all the claims that come? Why reject some? If one sits through these meeting discussions long enough, one will be able to identify a pair of cases in which the claim was very similar but the decision completely opposite. For example, there was a request that deficit area of a landowner, which disappeared in the cadastral survey, to be considered as his land pooling contribution (Meeting 6, Agenda 7). While this claim was rejected, there were some other claims which the city committee blew its brains over just so that it could find a

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solution without breaking the rules. See Meeting 15, Agenda 2 for an example on how the whole Local Area Plan was modified through plot reconfiguration so that the claimant could get what he claimed; now is it just incidental that the claimant was an ex-Minister?

So the question that we are asking is, that even though there is no blatant bias in exception-making by the committee – after all majority of the claims have been accepted – and even through the committee is very concerned to operate “within the rules”, it finds a way out, when it needs to. There was indeed a very strong commitment to not set the wrong precedents and follow the rules. And yet, there is a direction to where plan deviations are headed. We can already predict that the next edition of the DCR will be more property-developer friendly, allowing landlords to maximize values from their properties – be it by permitting habitable uses of the basement, or by allowing buildings with lifts to increase coverage, or maybe even permit some construction in the buffer zones. What is it about the workings of this policy field that the decision-making is so indeterminate (no clear basis for exception-making) and yet so predictable? This brings us back to the discussion about what intervenes between a policy’s objectives and its outcomes; what ultimately predominates – actors or larger structures of society?

***Intermediating factor – actors or institutions?***

This study showed that certainly actors intervene with their goals/interests using a given repertoire of strategies. The argument was that through strategic action, the constraints of the rules of a field can be avoided without actually breaking the rules and while perverting the outcomes. This is because when actors do not want to comply - and this happens if they do not see the rule as worthy or legitimate enough to be complied with – then they find ways and means to go around it. However, society doesn’t exist as vacuum; it

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is created through actor interactions so it is actors who are actually doing the work of intermediating and diverting the outcomes from objectives of rules. But the question is, are they agents representing something else? Is there a larger force that is reproducing prevailing power relations and shaping exception-making to favour the already powerful? The argument here is that just because actors have the agency to intervene does not mean that they have the autonomy. They remain embedded in a larger field universe and the path of their “strategic action” is determined to some extent. It was argued here that actors are twice embedded in the field universe.

First, by their position in the policy governance network (field network). This field position defines what their goals and interests are in the first place. Relations among actors in the policy field network is organized by the state. Therefore, an individual actor's interests are not determined from vacuum but very much a product of what roles the institutional design has for them. For example, within the TCC, the interests of the bureaucrat for rule compliance vs. the interests of the elected representatives for rule revision is very much a function of their field positions. Therefore, studies that have emphasized the role of actors without looking at how these actors are embedded in the larger institutional framework have not identified the source from where the interests of actors are born.

The second type of embeddedness is social positions. Social position is very bluntly defined here but the idea is that each individual is embedded in her/his personal network of social relations. This personal network is a vital source of information and hence the key channel through which cultural frames of interpretation are transmitted to individuals. It mirrors the pattern of resource endowments in society and provides them many ingredients for the recipe of

strategic action. First, it tells them whether a given rule challenges some other norm of their world. If it does, only then do they go about finding a suitable strategy to challenge the rules. Strategic action involves how to frame the rule as illegitimate (the reason they give to the committee is not the actual reason they want to avoid the rule – it is just a framing). Social position is what guides actors' interpretation of social reality, informing them of the do's and don'ts of Bhutanese culture, and the type of framings that are available in the repertoire of legitimacy claims to challenge the authority of the plan.

At the same time, social networks also provide useful connections with government officials that one can approach when s/he needs to bypass the concerned authorities. Sometimes, social networks (e.g. family relations) even determine occupation and hence social attributes - If one comes from an important family, their chances of holding government positions and being the elite is also high. This is especially true in Bhutan where corruption is not present in the form of bribery as in India but pervasive in the form of nepotism and favouritism. In short, social networks are conceived here as resource endowments. And resource endowments leverage possibilities for strategic action. Therefore, actors' agency in strategic action is structured by their social positions in at least two ways a) information on type of legitimacy claim and b) repertoire of strategies available. At any given point some strategy is always available for all but the well resource-endowed just have more options. For example, all have access to the state and can approach municipal authorities with a grievance but only some have the option to bypass municipality and appeal to a higher authority like the Ministry.

### ***Hypothesis revision***

We go back now to revisit the two hypotheses. What is that intermediating variable that distorts a rule's outcome from its objectives? Is it rational and political behaviour of actors as the hypothesis about veto players? Or is it a misfit between the rules of the policy and existing norms? Both hypotheses are validated but modified.

**Misfit** – What was the misfit? What was the plan expecting that diverged from the social realities of this place? It is argued that the misfit is not in the aspirations of the plan design. In fact, in terms of its objectives, the plan is very well aligned with Bhutan's national policy of "Gross National Happiness" (GNH). Just like GNH, the Thimphu city plan seeks to balance growth with preservation of nature and heritage. So it is certainly not a case of policy misfit. But there is another type of misfit – between legal codes and social norms.

The misfit is that the plan judges all properties on the basis of their geographical attributes without regard for the social attributes of property owners. This is a misfit because it treats everybody equally whereas in practice this is not so. The social relations that prevail as the norm is that some have more privilege than others. However, privilege cannot be comprehended by the legal codes of the plan. Social norms are therefore not in line with the legal codes. Therefore, the misfit is not in the content of the policy but its conception of society and relations between actors.

The plan treats all relations as defined by the field network. All landowners are assumed to have the same relation with the municipal officials. But in practice this is not so. In sociology, there is a concept called "multi-vocality"<sup>37</sup> or the

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<sup>37</sup>Padgett 1993



idea that one actor can have multiple positions and identities at the same time. This study showed that while holding his/her field position, the actor also holds a social position. So a plan that governs actor relations only by considering field positions and neglecting social positions is going to fail. Because relations between landowners and municipal bodies is not the same when an ex-Minister is the claimant vs. someone else. Another example of a misalignment between social norms and legal codes is that while the municipal corporation is the implementing authority of the plan, there are other types of authorities that trump municipality's authority because the norm is that this organization is low in the hierarchy vs. the Ministry and other central agencies.

**Veto player** – Veto player hypothesis is also confirmed and the veto players in Thimphu's case are the landowners seeking to maximize property values. We saw that 83% of Thimphu' residents live in rented housing, 62% of which is in the private sector. Much of the new building stock is thus being built for rented housing.

It was argued that strategic action is a function of both resource endowment as well as negotiation powers. Therefore, those better endowed with resources were better placed to negotiate. Those who are well-connected had strong negotiation powers to bargain the rule. They set the agenda on which rules will be modified. Once the decision to revise a rule is taken, the exception-making is diffused to other levels of society who are not as well-endowed; one example of this is paying betterment charges in lieu of making a land contribution. This was first proposed by a member of National Council and gradually it came to be universally applied. So we could see that everybody is capable of some amount of strategic action and in that sense everybody is a bit of a veto player.

The conclusion is that rules don't work because actors intervene as agents but they are not autonomous from the larger social structure and power relations (components of the field universe). Both hypotheses (veto and misfit) are confirmed for the question why rules don't work: but modified. Rules are not followed because there is a misfit - not in the content of the policy but in its conception of society; the plan is very much in sync with Bhutan's GNH ideology of growth balanced with nature and culture. The misfit is that the plan regulates all properties based on their geographical attributes whereas governance in the city cannot be disconnected from the social attributes of property owners. The veto player hypothesis is confirmed but modified to say that everybody is a bit of a veto player and strategic action is not restricted to the domain of resource-endowed actors alone. Actors and their choices for strategic action remain embedded in the larger Bhutanese society, they have the agency to change parts of it like in the urban planning case. At the same time, their actions are also regulated by the broader norms of Bhutanese society.

## **7.2 Contribution: Busting three common myths**

The study is very useful to understand dynamics of rule compliance. It may not tell us *how to* generate rule compliance but it explicates what wouldn't work and why. The section below identifies three counter-intuitive findings which may guide policy makers to be better prepared for implementation challenges.

### ***Policy contribution: lessons for compliance***

#### i) Rule clarification will not guarantee more compliance

Weber had argued that with modernization, the bureaucracy becomes more rational. This rationalization process involves a growth in the size of the bureaucracy as new organizations

are created for specialized functions. Indeed, a greater division of labour is evident in Bhutan's modernization processes. Bhutan's democratic transition in 2008 was accompanied by organizational reforms. New organizations and new laws were created superseding previous ones. Although, the intuitive idea would be that such a rationalization of the bureaucracy increases its efficiency, according to the findings of this study – this idea is not validated. The rationalization process (more rules, specialization of organizations) cannot guarantee “efficiency” from the point of view of compliance because it will create more rule conflicts, more authority conflicts, which is precisely what strategic actors thrive on. In fact, the more rules you create, (which comes as a package with the rationalization of bureaucracy) the higher is the probability of rule conflicts and hence higher the probability of strategic action to exploit the loopholes in the system. With rationalization and expansion of bureaucracy, we may think that rule enforcement will improve. But it can also decrease effectiveness from a compliance point of view. This is because each new organization is concerned with its own goals as a priority which may affect implementation in other fields. The Land Commission for example, orders the rules of the Land Act above the rules of the Thimphu Structure Plan. Thus rule clarification will not guarantee more compliance because it will create more room for discretionary decision-making.

ii) Even if rules don't work, they have a second order value

This is a simple point. Just because rules don't work sometimes, it does not mean they are entirely redundant. They have secondary functions and can serve an alternative purpose. Even if rules are not successfully implemented, they may kick-start a process of change in norms. The plan has done exactly this in the minds of the bureaucrats implementing the plan. Since the plan treats all properties equally without regard for who is the owner of the property,

some of the implementing staff has also adopted this attitude. In my field trip of three months where part of the time was spent in direct observation sitting in the municipality, I noticed that some of the officials identified themselves as the “Aam Aadmi Party”, in reference to the changing politics in New Delhi. Their message was that rules should be applied consistently to all, without exceptions for those who are more powerful such as officials in senior government positions. This mentality is also percolating among the landowners. Even the landowners are slowly realizing that they can't always get away with their claims and have to go through a series of protocols. So rules can have democratizing tendencies even if they are not applied equally to all.

iii) Unintended consequences cannot be avoided

The norm shift initiated by rules in one field can also spill over to another. The current democratic shift in the Bhutanese state field, for example, has created a sense of entitlements which can be seen building up in the urban planning field. We saw that a given field is embedded in a complex network of other fields. Events in one field spill over into another, just as Fligstein and McAdam predict. Once we understand just how complex the universe of fields is we can see why strategic action in other fields is spilling over and coming as exogenous events in this field. So the exogenous influences in any given field cannot be avoided. This exogenous influence is not some invisible force of power or gravity as in some conspiracy theory. It is basically strategic action in another field that has come to this field in the form of events and changing circumstances, i.e. actors in the form of events. When change of circumstances affects the field in focus, then these become opportunities or constraints that strategic actors have to negotiate with. As they exploit the loopholes in a given field, it further leads to more strategic action which spills back elsewhere in the field universe. Together this is the force of the cosmos of the social world we

constructed here, so at the root or core are actors and actions but it expresses itself in the form of change in rules or institutions. So yes actors create institutions as the Michel-Crozier thesis, but not at one scale. But at the same they are also constrained by the rules of the broader field universe. Even the most resource-endowed actors have are limited in the large scheme of the universe to how much change s/he can initiate. This study's development on the nature of "structure" allows us to understand why unintended consequences are simply inevitable due to action of actors in other fields - very different conception of structure from a broader supernatural force at power like capitalism or neoliberalism. There may be tendencies for such forces to be reproduced because they get institutionalized in many fields and work in favour of actors with resource endowments but this force does not just exist – it is embodied in actor-institution interactions.

### ***Academic contribution***

#### Theoretical contribution: Field framework.

Having applied Fligstein's framework to a new empirical study, we are now in a position to assess it. In general, the framework works really well to explain both embeddedness and the ability of actors to transcend the rules of the field (distinguished from rules of the universe) because it separates the field from the broader field environment.

The main contribution of this study to Fligstein's framework is developing a bit more on the relations between a field and its environment by trying to understand how exactly is a field embedded in the larger order. Although their work recognizes the embeddedness of actors, Fligstein & McAdam's concepts are designed primarily for a theory of social action so it is more agency-oriented.

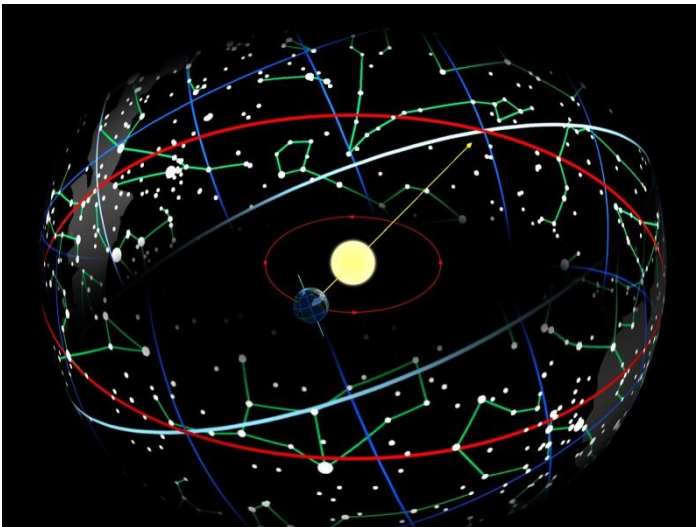
The main contribution of this research is therefore to develop more on the “structuralist” angle of their framework. The field universe metaphor was proposed to replace the Russian doll one because it captures better the complexity (webs/galaxies) of fields in which a given field is embedded. It also allows us to zoom in and out, maintaining the importance of perspective in understanding interests of actors. This visualization also gives us a better grasp of change and stability in the field universe which is in a constant state of flux as each field is undergoing dynamic change from internal pressures of actors and their strategic action. By changing the constitution of a given field, actors also change the constitution of the universe, just as Fligstein had suggested. But when we zoom out, we can see that despite so much agency and change dynamics, the overall structure of the field universe is really the same and tends to persist. Even as new fields pop up like stars and some disappear from the night sky, the milky way looks the same.

Although extremely useful, the *Theory of Fields* is still young. By providing the metaphor of looking at a field as just a small star or planet or system of planets in the field universe, we can start to think about the complex ways in which a field is organized in its environment. We can also think more about interaction at levels other than the usual macro-meso-micro by thinking of networks organized at varying intermediate levels of the universe in which they are embedded. Scale is important because by seeing just how small a field is in the vast field universe, we can begin to see why change can be so blindingly bright if we zoom onto a given field. But when we zoom out, strategic action dims and stability of institutions can be better grasped. There is also a misfit in field positions and social positions. Everybody is not embedded in social networks of the field universe in the same way. They have different social networks and social positions. The value of the

metaphor is in conceptualizing different scales and organization of networks in which a field is embedded.



Russian Doll: Fligstein's visualization of a field and its



The Universe: This study's visualization of field structures

### Contribution to urban studies

Going back to Jennifer Robinson, what value can we draw from this research for urban studies? For comparative

research, this framework of fields allows us to see all cities as ordinary because in all cities, new fields are being institutionalized at a given point. Field population may be higher in an older field universe i.e. with a longer history of formal institutionalization, but new fields are emerging all the time.

One concrete research path is to compare actor interactions in new fields that are forming across the globe. For example, today in Europe there is a lot of talk about financing green infrastructure and in Asia new models of financing mass transit projects– both are about institutionalizing new models of financing infrastructure. These are the kind of comparative criteria we could try to identify to honour what Jenny Robinson was saying. How to find new criteria for comparison or common points in studies of the global north and south instead of distinguishing them on stereotypical attributes. The concept of fields is very useful to do just that. We can compare some common property of a field e.g. change, stability, relations with field universe and so on to get some fresh insights on social change in diverse contexts. For research we have thus discovered new criteria for comparison: field properties.

### **7.3 So what? Lessons for the way forward**

#### Lesson for policy transfers across contexts

More generally, the lesson is that, those interested in transferring policies across contexts have to pay attention to the age of institutionalization of a given policy field, at a later age more in sync with codified norms but at an early stage, to find a goodness of fit with prevailing social norms which are not yet reflected in codified form. We saw that urban planning is a very young policy domain in Bhutan. We also saw that over time, some planning rules also got revised to fit the norms of the place. An emerging hypothesis is that as a policy



field matures, there may be convergence between social norms and legal codes. Based on this hypothesis, we can infer that when governments and international development partners seek to transfer policies from one context to another, they can improve the “goodness of fit” of their policies with the prevailing institutional architecture in either of two ways. At a mature stage of a given policy field, more attention should be paid to goodness of fit with prevailing legal codes. If a policy field is still new for the given context, compatibility should be sought between norms of the new policy and prevailing social norms which are not yet reflected in codified form. This is because at a later age, a policy field is likely to be more in sync with codified norms but at an early stage, legal codes will not sufficiently reflect the norms of that place.

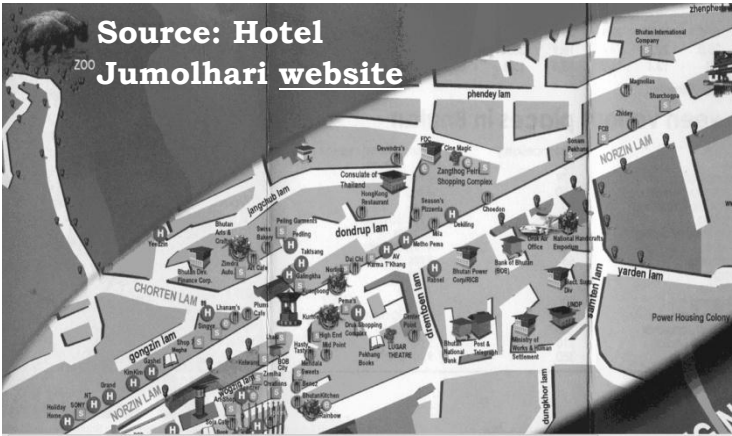
#### Improving compliance through consultation

For the policy maker, compliance is successful when the rule has been internalized. No rule can be a silver bullet, it gives some rights but takes others. Even the plan, which has many fair practices, is taking away private property through land pooling without compensation. Hence any rule is always vulnerable to a legitimacy crisis. For a rule to be successfully implemented, it needs to be internalized. Legal socialization can increase its perceived legitimacy. Legal socialization can be even more important than finding a cadre of honest officials. Staffing alone cannot guarantee compliance because if members don't see a rule as legitimate, they will find their way around the rule in a legal way. In Bhutan there is a very strong distinction between who makes the policy (Ministry) and who implements it (Municipality). This has its own reasons, such as technical expertise and so on. However, at the end of the day, it is very important for the rules to be internalized. It is not what is legal but what is legitimate that ultimately matters when actors choose to escape the rules of the system.

One way to increase perceived legitimacy of the rule is consultation. If it is not feasible to consult all stakeholders in the governance network, then consulting at least the implementing authority is essential. Currently in Thimphu policy-making and implementing functions are segregated – this creates more issues of compliance. Had the ministry involved the implementing authority & mayor from the beginning, the city corporation would have more incentive in complying. In my fieldwork, I observed that those who had been part of the planning team since its inception (Senior Planner in the Ministry and Chief of Urban Planning division), were also the most interested in ensuring that the original rules of the TSP were complied with. By virtue of their involvement in the policy design process, they also became the watch guards during plan implementation. Participation is important not only because it makes the process democratic, but it also gives lawmakers a sense of ownership which that may generate compliance as implementers are more likely to believe in it. The local area planners want to follow the rules but they have a micro perspective and more concern with landowner consent than green spaces; besides length of the document, they haven't even read the full thing. So the only watch-guards of the overall plan are those who made it.

#### **7.4 Conclusion: Taking a pragmatic approach to policy**

To arrive at the final recommendation of this study, we go back to John Dewey's pragmatic approach to public policy. His message was that policy makers should stay open to adjusting policy goals in the course of implementation as new knowledge and experience is continuously gained. This study reinforces his view because of the opinion that there is no one right path for policy success. It all depends on what the objective is and each goal is a trade-off.



Is Thimphu a city for tourists? Hotels dominate Thimphu's city centre.



Clock-tower square: The only open space left in the city centre. My interview with a former mayor (24/02/2014) revealed that a strong lobby was opposed to the plan to keep the clock-tower square open and construction-free.

Judging whether a policy is “efficiently” implemented depends on what the objective is. If the goal is compliance then policy success in Thimphu's case calls for a tough stand from the

## *Thimphu's Growing Pains*

state, with no regard for individual grievances. If the goal is participatory planning, then rules will need to adapt as unfairness in rule design is discovered even if it compromises the original policy vision. If the goal is faster implementation, then more power needs to be devolved to implementing authorities. But this could result in a lack of oversight, which in the past has resulted in unfair allocation of land (Tshering 2002).

At the end, this is a debate the people of Bhutan must have. We should recall that although this study highlighted the remarkably high levels of negotiation between state and society, citizen consultations have been limited only to the landowning class despite the fact that the resident majority is formed by tenants. So a broader definition must be used, when we say the people of Thimphu should decide what they want their city to be.

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## Annexes

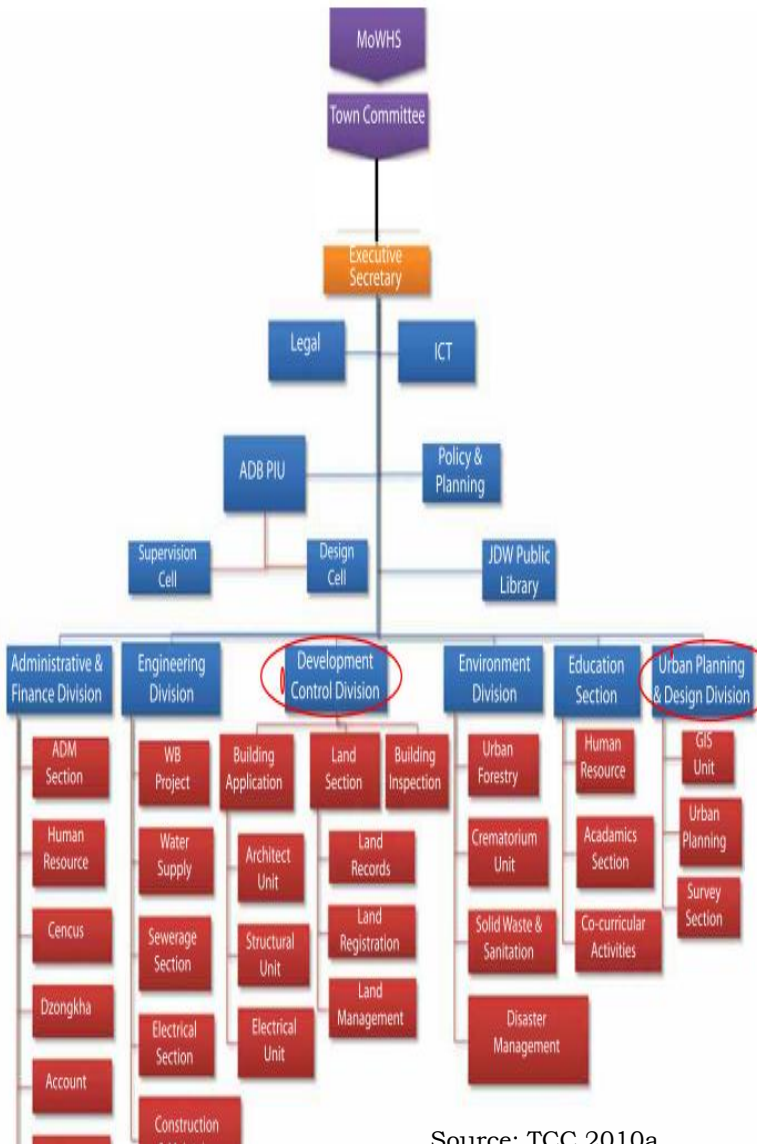
### Annex: Precinct categories

No.	Precinct Category	Description
1	<b>UV-1</b> Urban Village Core	High - density, residential
2	<b>UV-2 (MD)</b> Urban Village Periphery	Medium - density residential
3	<b>UV-2 (LD)</b> Urban Village Periphery	Low - density residential
4	<b>UV-3</b> Urban Village Enclave	Bagos & unplanned settlement
5	<b>TV</b> Traditional Village	Precincts of Traditional Villages
6	<b>UC</b> Urban Core	Town center, a precinct of trade and commerce
7	<b>UH</b> Urban Hubs	To be created in the North and South of Thimphu as major entertainment, transport and shopping precincts
8	<b>NN</b> Neighborhood Nodes	Convenience shopping, basic services and amenities precincts for the Urban Villages
9	<b>I</b> Institutional	Local, National and International Institutions
10	<b>H</b> Heritage Precincts	Scared places of historical importance National icon, a symbol of His Majesty the King and His Holiness the Je Khempo
11	<b>D</b> Dzong Precinct	Precincts of national importance such as a national sports complex, archery ranges, and exhibition areas, etc.
12	<b>G-1</b> National Open Green Spaces	Public assets like parks, gardens, and recreation areas
13	<b>G-2</b> Green Space System	Enhancement and protection of fragile ecological zones
14	<b>E-1</b> Environmental Conservation	Preserves in the “no development zone”
15	<b>E-2</b> Forest Environments	

16	<b>E-3</b> Agricultural Environments	Paddy lands, flood plains, farming activities
17	<b>E-4</b> Agriculture based Environments	Very steep slopes, orchards, green houses, for farm food processing and research
18	<b>SSIC</b> Satellite Service & Industrial Centres	Industrial, heavy maintenance, wholesaling and warehousing
19	<b>M</b> Military	Related to national security
20	<b>R</b> Royal Uses	Related to Royal uses
21	<b>EN</b> Endowment for Future	Land whose use determination is deferred to future generations
22	<b>CP</b> Urban Corridor Precinct	A corridor of land 44 meters wide running through the city

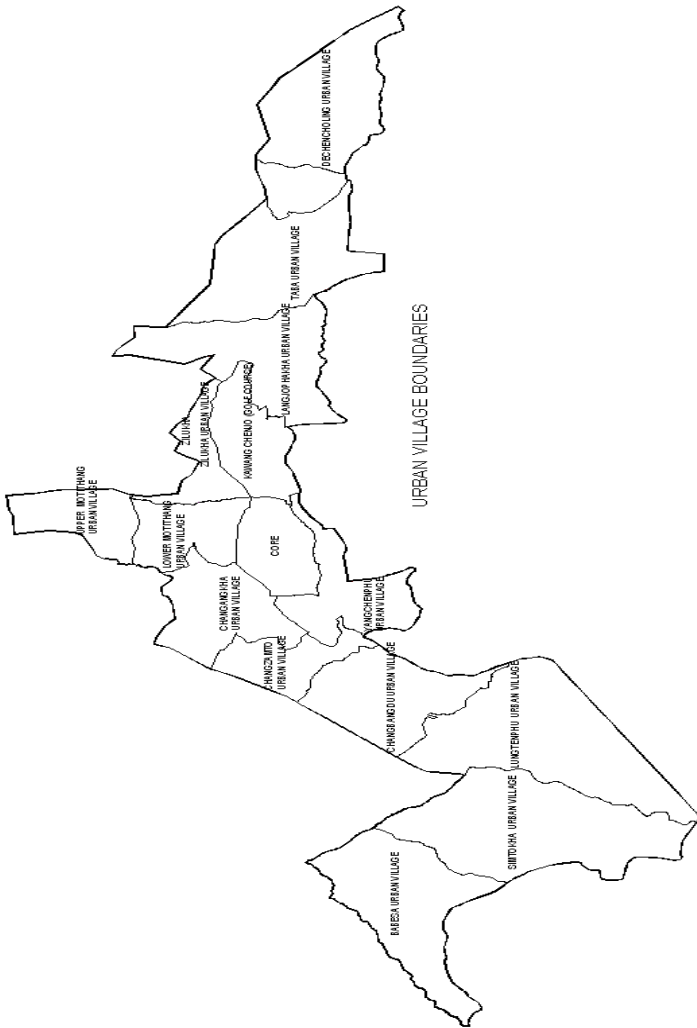
Source: MoWHS 2004: 162-63

**Annex: Thimphu City Corporation Organogram**



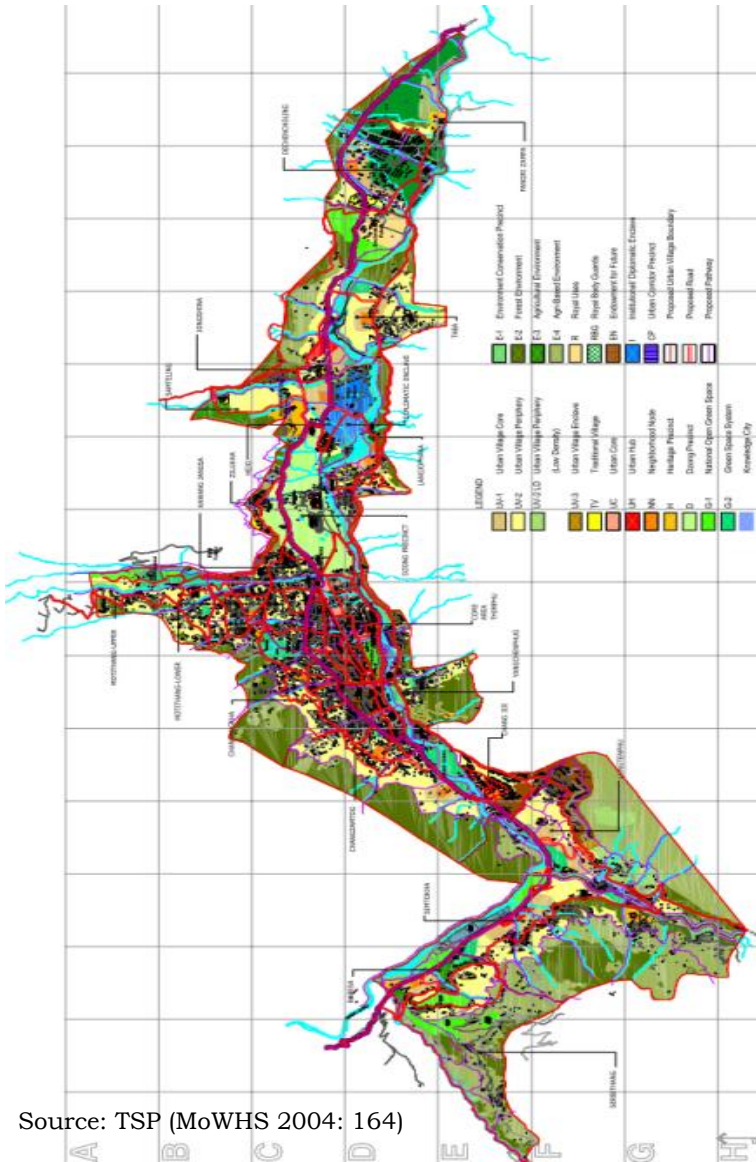
Source: TCC 2010a

**Annex: Map of Urban Villages**



Source: TCC, UPD no date: 15

**Annex: Precinct Plan**



Source: TSP (MoWHS 2004: 164)

**Annex: Principles of Intelligent Urbanism**

Source: Extracts from the TSP (MoWHS 2004: 4-11)

**Balance with nature:** *Intelligent Urbanism proposes that the balance of nature can be maintained when fragile areas are reserved as preservation, conservation, or as low intensity habitation precincts.*

**Balance with tradition:** *Every culture and every society has its iconography, its signs and its symbols. Intelligent Urbanism promotes their incorporation into the spatial order of urban settings.*

**Conviviality:** *Intelligent Urbanism sponsors a convivial society. Vibrant societies are interactive, socially engaging and offer their members numerous opportunities for gathering... through design, such units of social space.*

**Efficiency:** *It promotes medium to high-density residential development along with complimentary social amenities, convenience shopping, recreation and public services in compact, mixed-use settlements. These compact communities have shorter pipe lengths, wire lengths, cable lengths and road lengths per capita.*

**Human scale:** *Intelligent Urbanism promotes the scale of the pedestrian moving on the pathway, as opposed to the scale of the automobile on the expressway.*

**Opportunity matrix:** *Intelligent Urbanism views the city as an opportunity system. It sees the city as playing an equalizing role allowing citizens to grow... For example, it does not judge a “bago” as blight on society. It sees the possibility that such a settlement may be an opportunity channel for entry into the city! Such a settlement may be the only affordable shelter,*

*within easy access to employment and education, for a new immigrant household in the city.*

**Regional Integration:** *Planning of the city and its hinterland is a single holistic process...With thoughtful planning the region can take pressure off of the city... There are many activities within the city, which are growing and are incompatible with urban habitat. Large, noisy and polluting workshops and manufacturing units are amongst these. Large wholesale markets, storage sheds, vehicular maintenance garages, and wood working mills need to be housed outside of the city's limits in their own satellite enclaves.*

**Balanced Movement:** *Intelligent Urbanism sees movement and transport in the city, and in the city region, as a balanced group of systems that are integrated with one another. These overlapping systems or modes of transit include pedestrians, cycles, automobiles and buses.*

**Institutional integrity:** *Intelligent Urbanism envisions the institutional framework as being very clear about the rules and regulations it sponsors ... There must be a Cadastral System wherein all of the land in the jurisdiction of cities is demarcated, surveyed, characterized and archived, registering its legal owner, its legal uses, and the tax defaults against it...Intelligent Urbanism is not naïve! It recognizes that there are developers and promoters who have no long term commitment to their own constructions, and their only concern is to hand over a dwelling, gain their profit and move on. For these players it is essential to have Development Control Regulations, which assure the public that the products they invest in, are safe, hygienic, orderly, durable and efficient.*



**Annex: Occupations of Thimphu Residents**

<b>Main occupation</b>	<b>Freq</b>	<b>Percent</b>
road laborer	3,263	10.8
security personnel	2,191	7.3
motor vehicle drivers	1,704	5.6
occupation not classified	1,659	5.5
weavers, pap, bowl making	1,556	5.2
miners, stone cutters, carving	1,323	4.4
retailer	1,185	3.9
household chores, maid, baby sitter	1,173	3.9
business professional	1,167	3.9
carpenter	1,141	3.8
clerks, keyboard operating clerks, secr	1,024	3.4
administrative management	766	2.5
farming	763	2.5
school teachers	761	2.5
financial accountant	693	2.3
watchman, guard	686	2.3
engineers, architects	656	2.2
computer professionals	558	1.9
mechanic	511	1.7
health supervisors, assistant, nurses &	507	1.7
housekeeping, sweeper	505	1.7
occupation not stated	433	1.4
program managers, general managers etc.	423	1.4
gelong, gomchhen, anim	403	1.3
painter, lhadrip	403	1.3
cashiers, teller clerks	395	1.3
electrical equipment fitters	380	1.3

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chhampoem (dancer), tseepem (singer) an	252	0.8
tailor	236	0.8
tourist guides, ushers	211	0.7
livestock health professional	203	0.7
store keeper, ticket seller	201	0.7
contractors excluding logging	188	0.6
auditor	179	0.6
market oriented crop & livestock raisin	177	0.6
receptionists	168	0.6
government executives	167	0.6
assistant engineers, support engineers	165	0.6
goldsmith	129	0.4
library science, social science & infor	123	0.4
plumber	120	0.4
mathematicians/statisticians	118	0.4
logging contractor	118	0.4
chain operator	115	0.4
messenger, porter, & related worker	112	0.4
pavement vendors (doma, cloth etc.)	104	0.3
beautician, barber	79	0.3
thrimpoem, thrimrap, jab-mee	76	0.3
human & animal doctors	73	0.2
lamas, lopens, rimpoche	66	0.2
welder	57	0.2
lecturers in college, institutes	55	0.2
customs, taxing related professionals	53	0.2
no skills	52	0.2
printing/binding, paper product worker	41	0.1
food manufacturing workers	40	0.1
civil aviation	32	0.1

meet (makhep), cheese, butter seller	27	0.1
blacksmiths	27	0.1
teachers of shedra, non-formal and other	23	0.1
cobbling & cleaning services	21	0.1
cattle herder	21	0.1
safety quality inspectors	18	0.1
post mail delivery man	19	0.1
tseep (astrologer)	15	0.1
fashion, models, characters	14	0.1
metals, chemical, other plant machine	12	0.0
sawmill laborer	13	0.0
dungtsho, menpa	10	0.0
building construction finish-ups	6	0.0
garbage collectors	5	0.0
physicist, chemists related professional	4	0.0
business agents, brokers	4	0.0
potters	3	0.0
mining, mineral processing plant operat	2	0.0
heavy machine, locomotive engine operat	3	0.0
transport laborer, freight handler	3	0.0
power production & related plant operat	1	0.0
Total	30,190	100