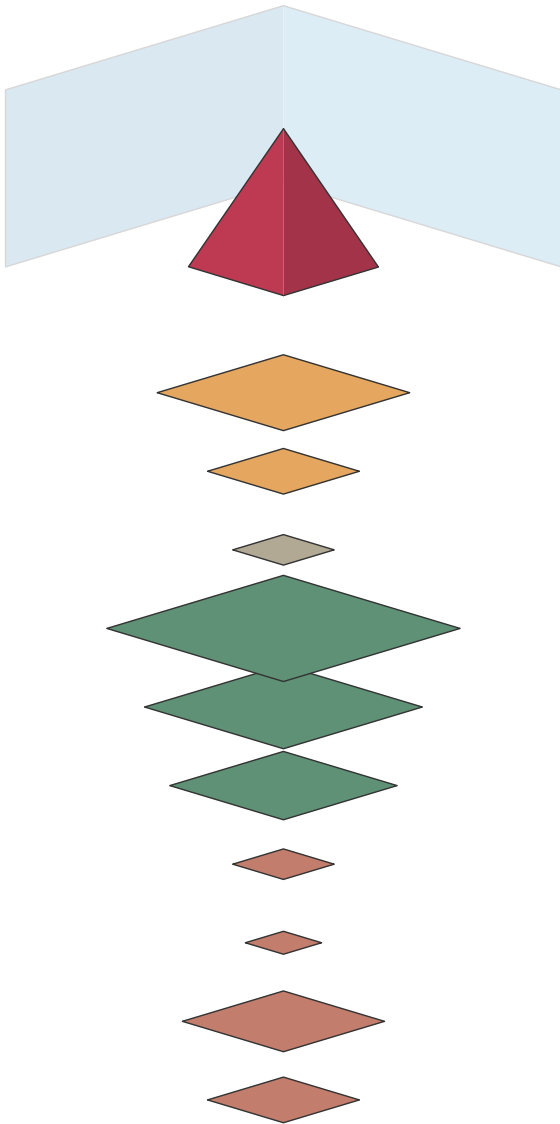


BHUTAN



3.69
CRIMINALITY SCORE

158th of 193 countries
42nd of 46 Asian countries
8th of 8 Southern Asian countries

CRIMINAL MARKETS **3.75**

HUMAN TRAFFICKING	5.00
HUMAN SMUGGLING	3.00
ARMS TRAFFICKING	2.00
FLORA CRIMES	7.00
FAUNA CRIMES	5.50
NON-RENEWABLE RESOURCE CRIMES	4.50
HEROIN TRADE	2.00
COCAINE TRADE	1.50
CANNABIS TRADE	4.00
SYNTHETIC DRUG TRADE	3.00

CRIMINAL ACTORS **3.63**

MAFIA-STYLE GROUPS	4.00
CRIMINAL NETWORKS	3.50
STATE-EMBEDDED ACTORS	3.00
FOREIGN ACTORS	4.00

4.58
RESILIENCE SCORE

106th of 193 countries
20th of 46 Asian countries
2nd of 8 Southern Asian countries



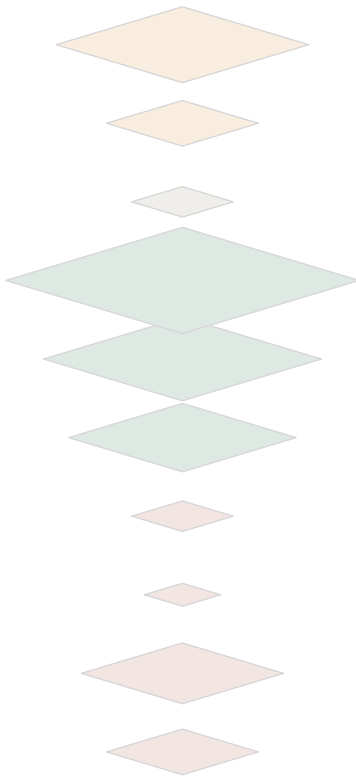
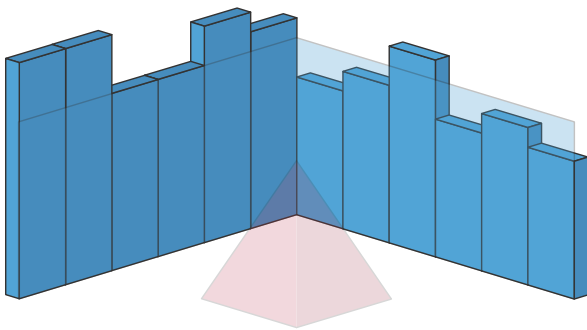
Funding provided by the United States Government.



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BHUTAN




4.58 RESILIENCE SCORE



106th of 193 countries
20th of 46 Asian countries
2nd of 8 Southern Asian countries

POLITICAL LEADERSHIP AND GOVERNANCE	6.00
GOVERNMENT TRANSPARENCY AND ACCOUNTABILITY	6.00
INTERNATIONAL COOPERATION	4.50
NATIONAL POLICIES AND LAWS	4.50
JUDICIAL SYSTEM AND DETENTION	5.50
LAW ENFORCEMENT	5.00
TERRITORIAL INTEGRITY	3.50
ANTI-MONEY LAUNDERING	4.00
ECONOMIC REGULATORY CAPACITY	5.00
VICTIM AND WITNESS SUPPORT	3.50
PREVENTION	4.00
NON-STATE ACTORS	3.50



3.69 CRIMINALITY SCORE

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 CRIMINAL MARKETS	3.75
 CRIMINAL ACTORS	3.63

CRIMINALITY

CRIMINAL MARKETS

PEOPLE

For the most part, human trafficking in Bhutan occurs on a domestic level. Because the law allows children under the age of 14 to work, both Bhutanese and foreign children, usually from Nepal and India, are vulnerable to the practices of forced labour, sexual exploitation and domestic servitude. Bhutanese girls are allegedly trafficked by relatives to urban areas and placed into domestic servitude or forced to work as entertainers in drayangs – bars where young girls and women dance, sing and entertain customers, usually men. This occurs in relation to payment of debts, rather than as part of organized crime. Indian women and girls are also pushed into domestic servitude and prostitution, while Indian men frequently are victims of forced labour. Reports indicate that Bhutanese nationals are exploited abroad, but less frequently.

Bhutan's human smuggling market is believed to run parallel to its human trafficking market and to exist primarily along its porous border with India. Possibly, human smuggling exists in another direction as well, with Chinese or Tibetan citizens moving into Bhutan or vice versa. Overall, no evidence points towards a significant human smuggling market in Bhutan.

TRADE

Despite the large illicit arms market in north-eastern India and the potential availability of smuggling routes into Bhutan, no evidence points towards major arms-related criminal activities or the existence of a significant arms trafficking market in the country.

ENVIRONMENT

Local ethnic groups allegedly collude with Indian organized crime groups and corrupt Bhutanese officials in illegally logging and smuggling timber over Bhutan's porous southern and northern borders. The primary destination for illicit timber seems to be north-eastern India. The illicit logging industry is particularly rampant in Gelephu, Samtse and Paro, as well as the Manas National Park, where understaffing hinders law enforcement efforts. Additionally, given the extensive harvesting of caterpillar fungus taking place in India and the high prices of this commodity in China, Bhutan primarily serves as a transit zone for smuggling between the two countries. The illicit caterpillar fungus market has developed into a significant and highly lucrative economy, and the illegal market in Bhutan remains in existence even

after the country legalized harvesting during specific times of the year.

The market for illegal fauna-related products is also pervasive throughout the country, with the result that tiger poaching in the country has become particularly concerning. Around a fifth of the tiger population in Bhutan was poached in the course of only four years, as well as in India. Tiger parts are then smuggled from or through Bhutan into China. Other species are also traded in and through Bhutan, such as leopards, bears and deer. Bhutanese gold smugglers have also exploited the porous Bhutan-India border to move gold between Tibet and India or Nepal. Reports indicate that smuggling occurs via air routes between Bangkok in Thailand and Paro in western Bhutan, as well as by land routes.

DRUGS

No evidence points towards the existence of a significant heroin trade in Bhutan, aside from seemingly isolated incidents of adulterated heroin being smoked in some parts of the country. There is potentially a market for heroin in urban regions of Bhutan and possibly opium in rural areas. These products would most likely enter from Myanmar, which is one of the world's largest heroin producers, through India. No evidence suggests that a cocaine market exists in Bhutan.

Bhutan is primarily a transit country in the regional cannabis trade. Nevertheless, wild cannabis grows freely in Bhutan and is consumed and traded within the country along with processed cannabis (hashish). These products are likely not exported abroad. Although the domestic market is relatively small, data shows a very high rate of adolescent cannabis users. Large consignments of codeine-based cough syrups transiting through the Bhutan-India border have been seized across South-eastern Asia, but Bhutan's synthetic drug trade remains quite limited. Reports indicate increased use and movement of synthetic drugs in urban areas of Bhutan, due to South-eastern Asia's oversupply of high-purity and low-cost synthetic drugs.

CRIMINAL ACTORS

While evidence of significant involvement of foreign actors in organized criminal activities in Bhutan remains limited, the frequent exchange of goods across Bhutan's southern borderlands raises the likelihood of that. While traditional mafia-style groups do not exist in Bhutan as such, elite sectors of Bhutanese nobility and the aristocracy operate with mafioso-like powers and protection. Loose criminal networks are also present in Bhutan and are involved across a spectrum of organized crime activities, including

gold smuggling, flora- and fauna-related crimes, and drug and human trafficking. Most groups function domestically, but some operate across the Bhutan–India border as well. Although evidence regarding state-embedded actors

involved in organized crime remains limited, there have been reports of Bhutanese villagers living under a ‘shadow of fear’ due to power dynamics relating to government and other officials who wield power over village life.

RESILIENCE

LEADERSHIP AND GOVERNANCE

Bhutan has failed to take a strong stance against organized crime, but overall organized crime levels are not very pronounced. There is no evidence to suggest organized crime has infiltrated the electoral system or any state services. Although corruption perception levels are fairly low, favouritism and nepotism are recognized as problematic. Thus, anti-corruption features more strongly on the government’s agenda. Two separate agencies monitor state spending and a legislative framework guarantees the right to access public information. Although cronyism and oligarchy are certainly endemic in Bhutan, more decentralized and democratic governance transformations are creating more transparent and accountable state agencies and organizations.

Bhutan’s long-standing state policy of relative isolation appears to have hampered the development of more robust legal mechanisms and international agreements to combat transnational crime. Nevertheless, the country is becoming more engaged in international cooperation. Bhutan is a signatory party to a number of international treaties and conventions pertaining to organized crime, with the notable exception of the UNTOC and its three protocols. As a member of the South Asian Regional Intelligence and Coordination Centre, Bhutan also cooperates with Bangladesh, the Maldives, Nepal, Sri Lanka and especially India to combat drug trafficking and other organized crime activity. Bhutan’s legislative framework seems to adequately respond to current organized crime threats. The country is also implementing ongoing amendments to its laws, especially in relation to drugs, in order to enable a more efficient law enforcement response to drug trafficking. Human trafficking, however, is a key area where national policies seem underdeveloped, as the legal definition of trafficking victims is inconsistent with international law and excludes specific aspects of victimization.

CRIMINAL JUSTICE AND SECURITY

Bhutan does not allocate special courts to handle organized crime-related offences, and while no evidence suggests organized crime has infiltrated the judicial system, corruption is reportedly an issue. Inconsistent court-case management and delays in the resolution of cases are also problematic

practices. Prisons and detention centres in the country reportedly meet international standards. There is also no evidence to suggest widespread corruption among Bhutanese law enforcement officials. While Bhutan’s territorial integrity is relatively stable, being landlocked between India and China and with no standing army, the country is somewhat vulnerable. An issue of concern is the Bhutan–India border, which allows for relatively free movement of illicit goods through Bhutan.

ECONOMIC AND FINANCIAL ENVIRONMENT

Issues of money laundering in Bhutan are largely attributable to underdeveloped state and governance mechanisms and the relative inexperience of central authorities in combating such crimes. Although Bhutan passed legislation on anti-money laundering and combating the financing of terrorism and is a member of international initiatives pertaining to these practices, certain vulnerabilities persist that sustain the increased risk of money laundering. Bhutan’s private sector remains underdeveloped and competition is particularly limited. As a result, doing business in the country is difficult. Additionally, the small size of Bhutan and its historical monarchical structure have established a business environment that is especially difficult for foreign investors to break into. It is therefore unlikely for criminal groups to have penetrated the legal economy of the country on a significant scale. Recent governmental efforts to open the economy up to foreign investors in spheres outside of tourism, however, might contribute to this changing.

CIVIL SOCIETY AND SOCIAL PROTECTION

Although there are notable efforts on the part of the authorities to improve victim and witness support, it remains poor. The government, along with NGOs, has developed guidelines for best practices with regard to the identification and referral of trafficking victims. Investigations into labour exploitation, including that taking place abroad, have been launched, and more women and child protection units have been established in police stations. Conflicting with these efforts are the widespread denial and cover-up of human rights abuses with respect to ethnically Nepali Bhutanese citizens who have become refugees. Minimal

effort has been made to address victims of Bhutan's drug epidemic. In terms of prevention, the country lacks a national action plan to prevent human trafficking, although some efforts have been made in that direction. The country is a member of international drug trafficking prevention initiatives and it benefits from support of its community awareness programmes regarding rampant drug use and human trafficking risks.

NGOs reportedly collaborate with government agencies to provide awareness raising regarding human trafficking to vulnerable groups. Despite the relationship between NGOs and authorities, civil society is reportedly underdeveloped, especially in rural areas. Additionally, strict control is enforced while capacities are limited. The media environment is no different and is regulated by authorities in line with the 2018 Information, Communications and Media Act. Fear of reprisals have led journalists to resort to self-censorship as well as avoiding covering issues that may be sensitive to political interests.

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