

BHUTANESE REFUGEE SCAM IN NEPAL: A DEEP-ROOTED SYSTEMIC CORRUPTION

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On 29 May 2023, Nepal celebrated its 16th Republic Day, marking the anniversary of the country's transition from a monarchy to a democratic Republic. Nepal's democratic process advanced significantly with the foundation of the republic and allowed for increased political participation. The changeover to a republic, however, has been challenging. Internal and external disturbances have marred it. Maoist insurgency, a catastrophic earthquake, and repeated political and economic crises are just a few of the many challenges Nepal has had to deal with.

The Himalayan nation has a complex history of political corruption, which undermines the process of democracy in the country. The Bhutanese Refugee scam, a prominent controversy in Nepal, is a case in point. An investigation into the Bhutanese refugee scam reveals that important political figures, bureaucrats, mediators, and well-known campaigners conspired together to falsely register Nepali nationals as Bhutanese refugees and relocate them to the United States. The scam is symbolic of the prevailing normlessness in Nepalese society and politics.

The Lhotshampas, or the 'People of the South', are a Nepali-speaking Hindu majority group that migrated from Nepal to Bhutan. They coexisted peacefully in Bhutan until the middle of the 1980s when the Bhutanese King began to worry that they might outnumber the native Bhutanese population and weaken their traditional Buddhist culture. The 'One Nation, One People' or 'Bhutanisation' cultural movement was launched to establish a Bhutanese national identity.¹ Regardless of ethnicity, all Bhutanese were required to adhere to the dress code, religious customs, and language prescribed by the Bhutanese government. As a result, Lhotshampas were alienated forcefully.

The Lhotshampas were then subjected to onerous citizenship criteria, and even those who could meet these criteria were denied citizenship. Human rights abuses were widespread under the 'One country, one people' campaign creating an urgent humanitarian situation in the early 1990s. Over 1,00,000 Lhotshampas either left or were forcibly expelled from Bhutan by 1993. They were subsequently resettled in six refugee camps in Eastern Nepal, assisted by United Nations High Commissioner for Refugees (UNHCR) and the World Food Programme (WFP).

Over a decade, Nepal and Bhutan held 15 rounds of negotiations over the issue of return of these refugees, but they were largely unsuccessful. India declined to mediate and advised its neighbours to resolve the conflict bilaterally. Finally, in 2006, the US, Canada, New Zealand, the Netherlands, the United Kingdom, Norway, and Australia stepped forward to resettle the Bhutanese refugees.² Out of 2,41,899, over 1,00,000 of them were relocated to other countries by the year 2015, with over 84,000 of them going to the United States alone. The population of the Bhutanese Lhotshampas in refugee camps in Nepal decreased because of such resettlement programmes, from 1,08,000 in 2007 to under 18,000 in 2015, marking it one of the largest group resettlements done in history.³ The resettlement scheme ended in 2017, leaving behind 8,500 refugees in the camp.⁴

Among the ones who stayed back were people who declined to travel to any third nation, hoping to return to their home, Bhutan, someday. Some of them faced challenges with their documentation as well as old age; many migrants were unable to travel because of their past criminal records.

In 2019, a committee led by Balkrishna Panthi was established by the then Prime Minister K P Oli to suggest "permanent and long-term solutions". Out of nowhere, the task force was bombarded with applications from several quarters stating that many of the refugees had either been overlooked or left out of the list. Due to this reason, the task force was unable to fulfil this mission and the final report was not made available to the public.

Subsequently, it was revealed that during this time, a syndicate headed by Keshav Prasad Dulal had attempted to manipulate the task force report by working with government officials and bureaucrats. The group stealthily enlisted 875 Nepalese nationals as Bhutanese refugees, claiming they had been omitted from the earlier registration process. Those who wrongly enlisted such false claimants collected a sizable sum of cash from them by pledging to resettle them in the US based on the list.

This fraud came to the limelight when more than 160 victims, frustrated by their long wait, and loss of hard-earned money, registered a complaint at the Commission for Investigation of Abuse of Authority (CIAA). Strangely, they had no idea of the manipulation done by the scammers to project them as Bhutanese asylum seekers. The victims claimed they made payments totalling between Rs 1 to 5 million as "part or advance" payments for relocation abroad.[5](#)

Following this complaint, an arrest warrant was issued earlier this month to Top Bahadur Rayamajhi, who served as Deputy Prime Minister in the K P Sharma Oli administration. The Communist Party of Nepal-Unified Marxist Leninist (CPN-UML), to which Oli belonged, was led by Rayamajhi, whose position as secretary was removed on 10 May; his son Sandeep Rayamajhi was also remanded later.

The first person detained and questioned was Dulal, a supporter of Nepali Congress politician and former Deputy Prime Minister Sujata Koirala. Indrajit Rai, an advisor to former home minister Ram Bahadur Thapa, was also detained earlier last month. A total of 30 people, including many politicians from across party lines and top bureaucrats, have been arrested so far on charges of fraud, organised crime, corruption, and a crime against the state.[6](#)

As the saga of fake refugee scams unfolds, four things are now clear. One, the arrest of well-known government officials and politicians exposes years of systemic corruption at the top level. Even though these arrests have cleared some air, this may only be the tip of the iceberg. Numerous corruption cases have been suppressed over time with nefarious motives, as per Nepalese media, which has been abuzz with recent wide-body aircraft irregularities, the Baluwatar and Lalita Niwas land fraud, the medical equipment procurement controversy, irregularities involving the security printing press, and the Gokarna resort lease ploys, all of which are awaiting investigation.

Two, the story also brings to light how common Nepalis look at their future in Nepal and the lengths they can go to leave their country. They are eager to relocate to any other country and are prepared to pay enormous sums of money, proclaim themselves stateless, and risk their lives. The country is experiencing a severe brain drain in the bargain. Average Nepali wants to escape the frustrations of living in a troubled socio-economic and political environment. In a convocation ceremony at Pokhara University, PM Dahal acknowledged this fact and urged his fellow citizens to limit brain drain.[7](#)

Three, it underplays the plight of genuine refugees residing in camps cursed by uncertainties. While the top leaders from different sections are busy seeking pelf and power, the concerns of Bhutanese refugees are largely ignored. After the termination of the resettlement scheme in 2017, international funds have stopped, and Nepal is the sole caretaker of these refugees. Nepal has curbed all income-generating activities within the camps for decades and restricted their movement around the country. Hence, it is apparent that integrating Bhutanese refugees into Nepali society is not an option.

Another issue that begs further study is what happens to refugees resettled in different countries. According to some reports, there is a high suicidal rate among them. In 2008, shortly after being resettled in the US, more than 30 Bhutanese migrants committed suicide; 16 more suicides took place between 2009 and 2012, as reported by *The Wall Street Journal*.⁸ Leaders in the community think that factors including loneliness, culture shock, domestic assault, despair, and problems with resettlement may have impacted decisions about suicide and other mental illnesses.⁹ According to a research finding shared by the Centre for Disease Control and Prevention, for every 1,00,000 Bhutanese refugees, 24.4 commit suicide. Additionally, it was noted that this projection was far higher than the expected annual suicide rate for any community around the world.

Overall, the integrity of Nepal's democratic system is being put to test at the moment. The involvement of high-ranking politicians shows a well-established corruption network operating in the country, where influential people abuse their position for personal gains and indulge in such scams that violate the trust the people repose in the system.

Views expressed are of the author and do not necessarily reflect the views of the Manohar Parrikar IDSA or of the Government of India.

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