

POWER, AUTHORITY, AND DECISION-MAKING IN NEPAL'S PUBLIC ADMINISTRATION



Sushav Niraula and Saumitra Neupane

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Cover image: AI Generated. "*Looking into the Nepali black-box; Nepali lockta paper wall*"
Saumitra Neupane / Tool: Google Gemini, 2026

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ABOUT THE STUDY

This work emanated from a collective pursuit to better understand the Nepali bureaucracy and its inner workings. The topic, while of perennial interest, commands only a narrow space in Nepal's fledgling governance and policy scholarship. Against this backdrop, the study is intended for researchers, reform-minded practitioners, and those interested in questions of governance reform, bureaucratic power, and decision-making in Nepal and comparable federal contexts.

Even for those who frequently interact with government institutions, navigating Nepal's bureaucracy can be challenging. The system is marked by procedural and structural complexities that are often difficult to interpret from the outside. Our understanding of this institution remains limited—shaped largely by fragmented interactions, partial experiences, and secondary accounts. For many, bureaucracy resembles a “black box,” its inner workings obscure and guided by unspoken conventions that resist easy explanation. Globally, bureaucracies tend to be viewed through similar lenses. While global scholarship has shed light on this “black box,” it is insufficient to explain how each black box is different.

As researchers working in the policy and governance space, the topic was deeply compelling. At a broad level, we were motivated by a desire to better understand an actor—or an institution—we continue to interpret from the outside, often through assumptions or inherited, mostly negative, perceptions. This work is, therefore, also an act of reaching out: an attempt to move beyond these perceptions and to understand the institution more intimately through the perspectives of its many agents. In doing so, we sought to make sense of bureaucratic power, its traits, and its organisational nature, which shapes public policy and decision-making in Nepal.

We were, however, conscious from the outset that this would be a complex undertaking. Bureaucratic power is a sensitive topic, often entangled with informal practices—including corruption—and therefore difficult to discuss openly. We spent considerable time explaining to our respondents that our goal was to build an institutional understanding, not to scrutinise individuals. While access was not our greatest challenge—many bureaucrats were open to speaking with us—we were instead humbled by how little we initially knew about the institutional logic and internal rhythms of bureaucratic life.

Our learning process has been akin to peeling a never-ending onion—each layer revealing new insights while concealing yet another beneath it. As researchers studying Nepal's bureaucracy, we recognise that fully comprehending its workings may be impossible. Bureaucracy can only be understood by inhabiting its many networks, routines, and decision-making settings—each group and sub-group carrying its own logic and behavioural patterns. Much like how bureaucrats themselves learn, this understanding comes gradually, mastering both the formal and informal dimensions of the institution through lived experience.

Generating these insights would not have been possible without the support and cooperation of many individuals and institutions. We are first and foremost grateful to all the interviewees and participants from across the different streams of the Nepali bureaucracy who generously shared their experiences, reflections, and time with us. We also extend our sincere appreciation to the research team—Avinash Karna and Khushi Hang Rai from PEI, and Krishna Gnawali, our media-research collaborator—for their invaluable collaboration. We are also thankful to the study's advisors, Krishna Gyawali and Bishnu Datta Gautam, for their insights, guidance, and facilitation. We would also like to thank Tom Wingfield and Egbert Pos, for taking time and interest to review an early draft of the paper.

The bulk of the research and analysis was completed by March 2025, with reviewers' comments incorporated thereafter. As the conversation around the Federal Civil Service Bill and reforming bureaucracy has resurfaced in the wake of the March 2026 elections, we feel this is the right moment to share these findings. We hope they help readers better navigate the many layers of Nepal's bureaucracy and the related questions of policy reform, and perhaps make the peeling a little easier.

Authors

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SECTION I

Introduction

During a speech in September 2023, then Prime Minister Pushpa Kamal Dahal offered a small but revealing aside on bureaucratic power. Facing criticism over the content of the Federal Education Bill, and perhaps anticipating similar scrutiny over the Civil Service Bill soon to be made public, Dahal suggested that the Education Bill was different from what his Cabinet had finalised, and went on to say that perhaps the typist, a bureaucrat, had changed itⁱ. Whether this was candour or deflection, the episode sheds light on bureaucratic power, or at least the perception of it. The perception is seldom positive. Common parlance is filled with assumptions about a bureaucratic deep state whose power rivals that of elected representatives. Yet despite the bureaucracy's permanence and its centrality to how the Nepali state functions, there has been no sustained effort to understand and contextualise bureaucratic power, or the ways in which that power is mobilised.

Contrary to the Weberian assumption of a rule-of-law society, where everyone is subject to the same laws administered by impartial officials, developing countries like Nepal are often characterised instead by its antithesis: rule by law, where laws are arbitrarily applied on an ad hoc and partisan basis. Public officials who administer and interpret these laws therefore occupy uniquely influential positions. The relationship between politics and administration in such contexts is not fixed. Depending largely on the degree of political consolidation—how concentrated or fragmented power is among competing groups—two distinct dynamics can be observed. In politically consolidated systems with a single dominant leader or a few major political forces (e.g., Bangladesh under Sheikh Hasina or Nepal during the Panchayat era), civil servants tend to adhere closely to political representatives, leaving little room for discretion. Conversely, in countries with a high degree of political fragmentation, such as present-day Nepal, the administrative apparatus acquires greater discretionary power and a broader range of responses, from being subservient and aligning tactfully to manoeuvring, playing along, or resisting when engaging with elected representatives. At times, when elected representatives are fragmented over partisan lines, bureaucrats also have space to actively drive their own agenda.

In politically fragmented contexts with frequent government turnover, the permanence of the civil service, combined with its capacity to interpret and implement the "rules of the game," grants it significant informal power alongside formal authority. Examining administrative structures, bureaucratic–political relations, and the sources and exercise of bureaucratic power, both internally and *vis-à-vis* other actors, offers critical insight into Nepal's evolving political settlements and governance challenges.

Applying the Weberian definitionⁱⁱ of power as an actor's ability to realise their will, the study explores bureaucratic power at three levels: that of an individual bureaucrat, specific bureaucratic cadres, and the bureaucracy as a whole. It does so through the politics surrounding two key pieces of legislation—the Employee Adjustment Act 2018 and the Federal Civil Service Bill—where bureaucratic groups mobilised to influence these key policies. Central to this analysis is the recognition that the bureaucracy is not a unified bloc; opportunities within it are often zero-sum, where better postings or service benefits for a bureaucrat or a cadre come at the expense of others. Differing groups hold diverging interests and varying power to realise them—and getting bureaucratic reform right in Nepal, or in any fragmented country, requires understanding not just how the bureaucracy relates to politics, but how it relates to itself.

The paper proceeds as follows. Section II outlines the methodology and scope. Section III provides an institutional view of the Nepali bureaucracy, focusing on its structural foundations and the politics of staffing, particularly transfers and promotions. Section IV traces the evolving

relationship between the bureaucracy and political representatives since the 1950s, marking the onset of modern state formation and the establishment of the Public Service Commission (PSC). Section V analyses bureaucratic power at both general and comparative levels, focusing on the sources and differentiation of power among bureaucrats. Sections VI and VII present case studies on how administrative power was exercised in relation to the two laws. Section VIII distils key insights from this analysis of bureaucratic power and Nepal's administrative system. The final section is a postscript that looks into the topic of civil service reform in Nepal, in the wake of the GenZ led September 2025 youth uprising in Nepal.

SECTION II

Methods and Scope

Bureaucracy is loosely described as encompassing all public sector employees. This includes teachers, health technicians, security forces, and other professionals hired by the state and paid from public coffers. The current research examines a subset of the bureaucracy—the civil service—whose members are recruited through the competitive examinations of the Public Service Commission (PSC) and are governed by the Civil Service Act 1993. We found this subset still broad, as it includes various service groups such as engineering, audit, administrative, and forest, among others. To make the task manageable and to maintain broader relevance, the research team focused on the Administrative Service Group¹. This group typically fills positions in powerful ministries and other public institutions and forms the core administrative machinery of the state. The team also conducted a few interviews with members of other service groups to obtain a more holistic picture of the bureaucracy.

The study relied on both primary and secondary research methods. The team employed primary tools including Key Informant Interviews (KIIs), participant observations, and Focus Group Discussions (FGDs). Most of these were conducted between August 2024 and March 2025 and included field visits to four provinces—Koshi, Madhesh, Lumbini, and Karnali. Altogether, 127 KIIs and 17 FGDs were conducted. Of these, 56 KIIs and 8 FGDs were conducted in the four provinces, and 71 KIIs and 9 FGDs in Kathmandu. Some interviews also organically transitioned into participant observations and focus group discussions. These included meeting with a joint secretary at Singha Durbar while the bureaucrat was performing their regular duties and colleagues joined the discussion; meeting with a secretary who was later joined by an elected representative, party personnel, and a businessperson; and meeting with a provincial minister whose secretariat was later joined by the new provincial chief secretary, who had started their job that very day. In another instance, knowing that one of the researcher's friends was their batch mate, the civil servant being interviewed took the research team to meet other batch mates stationed at an Office of the Chief Minister and Council of Ministers (OPMCM); this turned into a FGD. These chance encounters provided perspectives that standard structured interviews could not have yielded. Across all interviews, the team briefed participants on the purpose of the research and offered anonymity. As part of the secondary research, the team reviewed relevant legislation, publications (including many by retired bureaucrats), and data from the Department of National Personnel Records. Additionally, the team used Archive.org to access historical snapshots of websites. This helped track the public postings of bureaucrats in strategic offices, particularly given the limited culture of data sharing through formal channels.

Given the sensitivity of the theme—bureaucracy and its inner workings—an initial challenge for PEI was preparing a capable, resourced, and well-connected team to navigate the structural hurdles involved in the research. To this end, two retired bureaucrats and journalists complemented PEI's in-house researchers. The retired officers assisted by directing the team toward relevant legislation, sharing insights drawn from their professional experience, and facilitating interviews and a residential 'thinkshop' comprising incumbent and retired bureaucrats. The journalists, meanwhile, supported the research by helping the team access data and analyse patronage linkages of selected bureaucrats, as well as understand the policy positions of various bureaucratic groups in relation to the Federal Civil Service Bill.

The research has two sets of limitations—one stemming from broader structural factors beyond the team's control, and the other resulting from necessary trade-offs due to limited time and resources. First, these include weak data-sharing practices and a pervasive culture of treating "government work" as information that should not be readily accessible to the public.

¹ The Nepal Administrative Service is itself broad, comprising different sub-groups within it. Section III elaborates on it further.

While some confidentiality concerns are understandable given sensitivity risks, we found that restrictions were often applied inconsistently. For example, the PSC provides disaggregated data on gender representation in the bureaucracy, but comparable disaggregation by ethnicity is unavailable.

The study relies on data from the Department of National Personnel Records (Civil) under the Ministry of Federal Affairs and General Administration (MoFAGA). It should be noted that while this data accurately reflects the bureaucracy at the federal level of government, there may be discrepancies in the representation of the bureaucracy at the provincial and local levels. Given the Nepali bureaucracy's still-transitioning context in the implementation of federalism, administrative systems at the provincial and local levels—while formally instituted and functional—remain, in several respects, unsettled or unevenly organised. This extends to civil service personnel recordkeeping. At the time of this research, personnel records were in the process of being migrated to the Departments of Provincial Records under the OPMCM in the respective provinces.

Following the first round of employee adjustments within the Nepali bureaucracy in 2018–2019, provincial and local governments are progressively organising their administrative systems by establishing new institutions and expanding staffing strength through both permanent and temporary appointments. However, data related to these developments remains varied and scattered, making it difficult to systematically organise and represent. Any data on provincial and local governments refer to data from the federal government at the time of the bureaucratic adjustments. The team's composition—seasoned journalists and retired bureaucrats—helped mitigate some access constraints through established networks; however, reliance on such privileged relationships is itself exclusionary.

Secondly, the research focuses on contestation and power dynamics primarily at the level of policy formulation, but does not examine micro-level processes of policy implementation, the everyday exercise of bureaucratic discretion while delivering services, or how power plays out at the street-level. Given the gap between policy formulation and implementation, exploring variables that explain the divide would be equally important. But examining these dynamics required different conceptual positioning, a longer time cultivating relationships at the subnational level, and a longer field presence. Given these opportunity costs, the team did not examine the exercise of power in the policy implementation arena.

SECTION III

Bureaucracy in Nepal: Structure, Formal Power, and Practice

3.1 Bureaucracy and the Executive Arena of State

One can best begin to understand the ways and peculiarities of bureaucratic systems by situating them within the executive arena of the state. While bureaucracies across contexts share certain core characteristics—hierarchy, proceduralism, and claims to neutrality—their actual functioning is shaped as much by informal rules as they are by formal institutional design. In practice, the exercise of executive authority is embedded in a broader system of power, where relationships, incentives, and unwritten norms often determine how decisions are made and implemented. Understanding bureaucracy, therefore, requires attention not only to its formal role within the executive, but also to the distribution of power that structures how the system works in reality.

Within this executive domain, two distinct yet interdependent sets of actors operate: a permanent, impersonal bureaucracy and elected political leaders with a direct but time-bound public mandate. Although both formally exercise executive authority, their relative power is mediated by institutional arrangements as well as informal systems of influence. Nepal's constitutional architecture vests executive authority in the Council of Ministers, empowering political actors to define the standards, procedures, and modalities of governance. Through legislation and formal rule-making, they appear to control the “rules of the game.” Yet, in practice, this control is neither absolute nor unidirectional.

The bureaucracy is not merely a passive implementer of political decisions. Its institutional continuity, command over procedural and technical knowledge, and embeddedness within administrative systems allow it to shape how rules are interpreted, operationalised, and, at times, quietly redefined. This influence extends beyond formal mandates. Through its control over information flows, administrative processes, and organisational capacity, the bureaucracy exercises a form of informal power that can both enable and constrain political intent. For instance, it can embed discretionary spaces within formal provisions—illustrated by the increasing use of “as defined” clauses in Nepali legislation—or make compliance more stringent through the formulation of subordinate legal instruments such as regulations, directives, and procedural guidelines.

At the core of the political–bureaucratic relationship lies a condition of mutual dependence, though in practice this relationship is uneven, contested, and constantly renegotiated rather than stable or symmetrical. It is largely shaped by the political imperative of control—that is, the need for political actors to assert authority over administrative processes, manage uncertainty in implementation, and secure responsiveness from a permanent bureaucracy that they do not fully control. While political leaders formally preside over the state apparatus, effective governance remains contingent upon bureaucratic cooperation. In turn, bureaucrats operate within a system where career progression, postings, and access to influence are often shaped by their own political alignment, whether they are self-declared or inferred. Moreover, to support policy implementation, political actors often seek to identify, cultivate, and promote bureaucrats whose interests align with their own, particularly in contexts where stakes are high—be it in terms of resources or policy interests. Where alignments are not clear, party networks (such as affiliated party unions) help to bridge the alignment.

In practice, the alignment between politics and bureaucracy is shaped not only by formal considerations, including expertise and experience, but also by the sharing of informal rents—especially in sectors where significant public or donor funding flows through bureaucratic systems. The allocation and use of these resources are often negotiated through informal arrangements, where decisions over project control, benefit distribution, and inclusion within

patronage networks become central. These negotiations are rarely fixed: the relative influence of political leaders, bureaucrats, and, in some cases, contractors or intermediaries varies across sectors and over time, producing shifting centres of authority within the executive. This dynamic helps explain why personnel management decisions are frequently politically motivated, reinforcing patronage networks that privilege loyal officials while marginalising others. Informality also serves a protective function, allowing politically sensitive decisions to be managed outside formal scrutiny and often insulating both politicians and bureaucrats from direct accountability. In this sense, informal institutions do not merely distort the formal system—they are integral to how the executive actually functions.

These dynamics are reinforced through a range of informal mechanisms by which political control and bureaucratic compliance are managed. Political leaders deploy incentives such as desirable postings and post-retirement appointments, while also relying on coercive tools—including the selective use of oversight and anti-corruption bodies—to discipline non-compliant bureaucratic actors. Selective targeting has become so pervasive that it has given rise to an administrative culture characterised by risk aversion and inaction. While delayed or avoided decision-making carries significant consequences for development and service delivery, the personal costs of acting decisively are far higher for individual bureaucrats than those of inaction. Put simply, the system penalises initiative and rewards caution.

Consequently, Nepal's executive landscape is shaped by the continuous interplay between formal authority and informal power. While political actors hold constitutional legitimacy, the bureaucracy's institutional memory, procedural expertise, and organisational embeddedness enable it to mediate, resist, or facilitate political influence. The balance of power between these actors remains fluid, shifting in response to changing political incentives, institutional norms, and the evolving networks that underpin governance.

3.2 Staffing

Nepal's bureaucracy is organised across a little more than ten thousand public offices (10,302) across the federal, provincial, and local government; with close to 1900 offices at the federal government.ⁱⁱⁱ These offices have a total approved staffing strength of 151,765 employees, 34 percent at the federal (51,140); 23 percent at the provincial level (35,211); and 43 percent at the local levels (65,414).^{iv}

Data shows that actual staffing strength of the bureaucracy is around 70 percent of the total approved staffing. In FY 2024-2025, the actual (permanent) staffing was 86,485. Of these, 70.56 percent were male and 29.43 percent were female.^v It is estimated that the total public service workforce in Nepal is very similar to the number of approved staffing, implying that around 20–30 percent of employees in government offices are hired contractually.^{vi} Available data also shows that the share of women in the civil service has been gradually increasing.

3.3 Organisational Structure

For the purpose of this study, the organisational structure of the Nepali bureaucracy is examined through two interrelated dimensions that capture its form and functioning: institutional design and personnel management.

Institutional Design (Structural Rules):

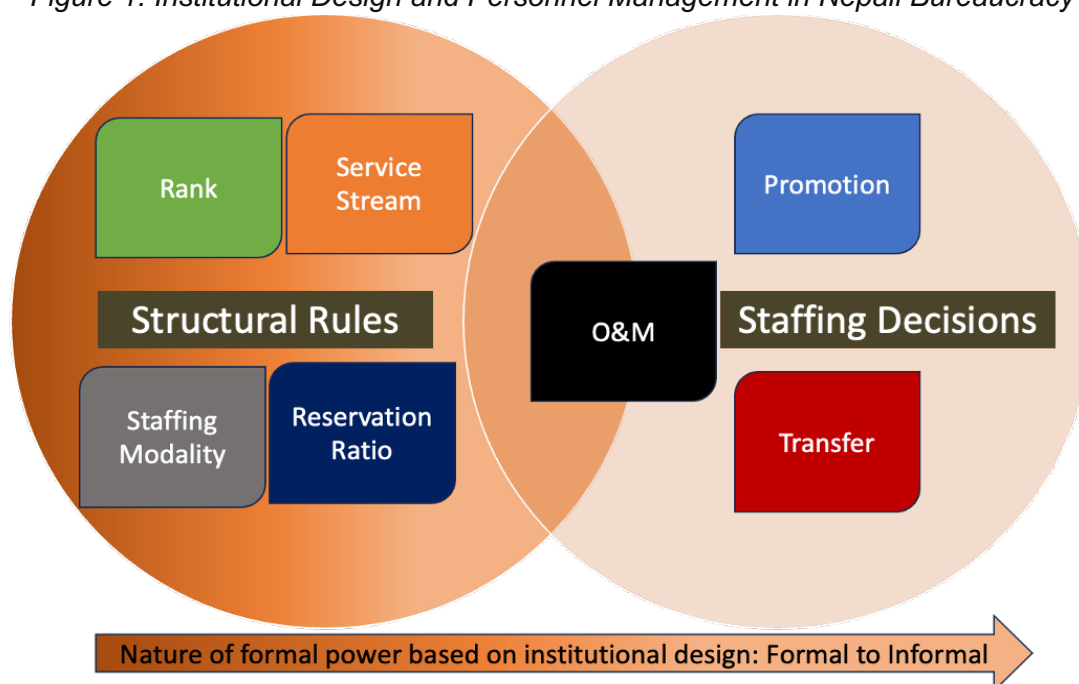
This represents the “formal–formal” dimension of Nepal's bureaucratic institution. It reflects the design rules and principles of the bureaucracy—rules that are codified and embedded in law. These norms are, in a relative sense, less political and allow limited space for discretionary authority. They include provisions governing recruitment, reservation, entry processes, service streams, ranks, and retirement.

Personnel Management (Staffing Decisions):

This constitutes the functional dimension, which by design is more open to negotiation and discretion. It governs how individuals move within the system and how positions are allocated in practice. Examples include promotions and transfers, with transfers typically more transactable than promotions. Owing to the significance of these processes in determining bureaucratic placements and appointments, personnel management provisions allow for a higher degree of discretionary power. They form part of the formal–informal interface of the institutional design, providing space for politicisation and rent-seeking.

A related but less examined aspect concerns the determination of staffing requirements. In the Nepali context, this is linked to the discharge of Organisation and Management (O&M) functions, which define the nature and number of staffing positions across government offices—a process elaborated in subsequent sections.

Figure 1: Institutional Design and Personnel Management in Nepali Bureaucracy



3.3.1 Institutional Design (Structural Rules)

Service Streams

There are twelve distinct service streams for entry into Nepal's federal civil service, each encompassing a range of professional groups and sub-groups. Of these, ten service streams are governed by the Civil Service Act. The Health Service² and Parliamentary Service, while part of the broader bureaucracy, are regulated independently. To promote specialisation and support career progression, these ten streams are organised into six clusters. These clusters are particularly important in determining the transfer and promotion of bureaucrats, especially at higher administrative levels.

Two service groups dominate the Nepali bureaucracy (see Table 1). The Nepal Administrative Service lies at the core of the bureaucratic system. As of FY 2024–2025, it accounts for approximately 35 percent of approved positions and 33.3 percent (around 50,000) of current staffing. This is followed by the Nepal Engineering Service, which accounts for approximately 18 percent of approved positions and 16.7 percent of current staffing. Other significant groups in terms of service category include Agriculture and Forestry.^{vii}

² Nepal Health Services, while regulated separately, accounts for nearly 20 percent of Nepal's bureaucracy.

In terms of power and authority, the Nepal Administrative Service wields disproportionate influence due to both its size and the strategic nature of the positions it occupies. This service group forms the primary staffing base for the bureaucracy's "power triad"—the Ministry of Finance (MoF), the Ministry of Home Affairs (MoHA), and the Ministry of Federal Affairs and General Administration (MoFAGA)—as well as their respective departments and affiliated institutions. It also staffs several other key ministries, including semi-technical ones such as Ministry of Communication and Technology and the Ministry of Industry, Commerce and Supplies. It also benefits from offering a wider opportunity for rank promotion and seniority (refer to Table 4 for details).

Members of the Administrative Service are widely deployed across government, serving as Chief Administrative Officers (CAOs) in local governments, staffing constitutional bodies, and leading the Government of Nepal's administrative, personnel management, and financial oversight functions. This extensive presence—particularly across critical functions such as policy formulation, planning, budgeting, and staffing—reinforces its dominance within Nepal's bureaucratic landscape.

Table 1: Service groups under the Civil Service Act, 1993

Specialisation Clusters	Service Group	Sub-groups	Management & Transfers
<i>Nepal Engineering Service</i>	Nepal Engineering Service	General Subgroup	MoFAGA
		Mining, Chemical, Metallurgical, Geology, and Chemistry Group	MoICS
		Electrical, Mechanical, Meteorology, Agricultural Irrigation Engineering Group, and Hydro-Power and Hydrology Subgroup	MoEWRI
		Survey Group	MoLMCPA
		Electronics and Telecommunications Engineering Group	MoCIT
		Aeronautical and Civil Aviation Operations and Engineering Group and Airport Subgroup	MoCTCA
		Highway and Railway Subgroup	MoPIT
		Building and Architect Subgroup	MoUD
		Sanitary Subgroup	MoWS
<i>Nepal Agriculture and Forest Service</i>	Nepal Agriculture Service	Agriculture Extension, Horticulture, Fisheries, Livestock, Poultry and Dairy Development, Agronomy, Plant Pathology, Entomology, Agricultural Economics, Marketing and Statistics, Soil Science, Veterinary, Agricultural Engineering, Food Processing Analysis, and Nutrition	MoALD
	Nepal Forest Service	General Forestry, Forest Research, Soil and Water Conservation, Botany, Elephant Management, National Park, and Wildlife Group	MoFE
<i>Nepal Judicial Service</i>	Nepal Judicial Service	Government Lawyers Group	OPMCM Transfer: Judicial Service Commission
		Judicial Group	MoLJPA
		Legal Group	Transfer: Judicial Service Commission
<i>Nepal Foreign Service</i>	Nepal Foreign Service		MoFA
		General Administration Group	MoFAGA

<i>Nepal Administrative Service</i>	Nepal Administrative Service	Accounts Group	OAG
		Revenue Group	MoF
	Nepal Education Service	Teaching, General Education, Printing, Physical Education, Painting and Photography, Guidance and Counselling, Testing and Measurement, and Library Science Group	MoEST
		Archaeology Group	MoCTCA
	Nepal Economic Planning and Statistics Service	Economic Planning and Statistics Group	MoFAGA
Nepal Miscellaneous Service		MoFAGA	
<i>Nepal Audit Service</i>	Nepal Audit Service		MoF (Internal Transfer Only)

Rank

Table 2: Rank structure under the Civil Service Act, 1993

Gazetted Class
Special Class – Chief Secretary, Secretaries
First Class – Joint Secretary or equivalent
Second Class – Under Secretary or equivalent
Third Class – Section Officer or equivalent
Non-Gazetted Class
First Class
Second Class
Third Class
Fourth Class
Fifth Class

Nepal's civil service operates within a dual staffing structure comprising gazetted and non-gazetted personnel, each with its own hierarchical ranking system. The primary distinction lies in their respective roles: gazetted officers occupy policy, administrative, and specialised technical positions, while non-gazetted personnel serve in supporting capacities, including clerical, technical, and operational roles.

The rank structure plays a central role in defining authority, decision-making power, and career progression. Gazetted officers at higher ranks—such as secretaries and joint secretaries—hold key decision-making positions across ministries and departments. Non-gazetted personnel, though numerically significant, have limited direct influence on policymaking. These ranks are mostly concentrated on service delivery, public administration, and daily operations. This hierarchical arrangement reinforces a top-down governance model, with executive authority concentrated in the upper echelons of the bureaucracy.

Modality of Staffing

Nepal's staffing policy is structured around defined ratios that balance merit, experience, and social inclusion in recruitment and career progression. These ratios serve as a normative framework guiding eligibility, selection, and promotion. For bureaucrats, they determine career advancement pathways; for aspirants, they shape entry conditions and access to reservation

benefits. They also provide the Public Service Commission (PSC) with a benchmark for structured and transparent recruitment.

Staffing occurs through two modalities: open competition and internal promotion. Ratios determine the proportion of positions at each rank filled through each route. While entry-level positions prioritise open competition, higher ranks favour internal promotion. For example, to fill ten Gazetted Third-Class positions (Section Officer equivalent), seven are recruited through open competition and three through internal promotion. At the Gazetted Second Class level (Under Secretary), the ratio typically shifts to one through open competition, three through internal competition, and six through seniority-based promotion.

Another distinctive feature of staffing in the Nepali bureaucracy is lateral entry at senior levels. Unlike many bureaucracies that rely solely on internal promotion, Nepal allows direct recruitment at the Under Secretary and Joint Secretary levels through open competition. Although this window is extremely narrow, it is intended to diversify the talent pool, introduce new perspectives, and strengthen policymaking. In practice, it is rarely accessed by outsiders and is more commonly utilised by mid-career officers. This pathway allows, for instance, a Section Officer to directly advance to the position of Joint Secretary—an occurrence observed periodically within the system.

The balance between promotion by experience and competitive advancement remains a recurring debate. Given rigid rank hierarchies, promotion delays—particularly at the under-secretary and joint-secretary levels—can span decades. In some services, backlogs are so severe that newly inducted officers may never reach senior ranks through traditional promotion. As a result, many pursue competitive recruitment as an alternative pathway, often preparing intensively for examinations and seeking low-workload postings to facilitate study.

Critics argue that this practice diverts attention from public service duties and that competitive advancement may privilege exam performance over experiential maturity, potentially affecting leadership quality at higher decision-making levels.

Reservation

Provisions related to reservation quotas were introduced through the second amendment of the Act in 2007, aligned with the inclusive provisions of the Interim Constitution. The law mandates that 45 percent of positions filled through the open competition window be reserved for candidates from marginalised and disadvantaged groups. This quota is distributed as follows:

Table 3: Reservation provisions under the Civil Service Act, 1993

Category	Percentage
Women	33%
Indigenous Communities	27%
Madhesi	22%
Dalit	9%
Persons with Disabilities	5%
Backward Areas ³	4%

Based on the above allocations, if ten Gazetted Third-Class positions are to be filled, seven would be through open competition. Of these, 45 percent (3.15 positions) fall under the reservation quota, which is proportionally distributed across the six categories. Given that such

³ Districts of Accham, Kalikot, Jajarkot, Jumla, Dolpa, Bajhang, Bajura, Mugu, and Humla.

allocations often result in fractional values, the law also specifies mechanisms for their adjustment and implementation.

3.3.2 Personnel Management (Staffing Decisions)

Organisation and Management (O&M) Review

The O&M review is a critical, yet often underrated, bureaucratic function that determines both the number and nature of staffing positions in government offices. This is essentially part of the “formal rules of the game” that connect “Service Streams” and “Ranks” to shape growth and seniority within the organisation.

Mandated by law,⁴ the O&M review provides a structured process for establishing new offices, revising existing staffing structures, or restructuring institutional arrangements. It assesses and recommends organisational setups and personnel requirements based on predefined criteria, thereby formalising the institutional organogram (see *MoFAGA sample in Annex 2*). Once survey findings are compiled, approval must be obtained sequentially from the MoF, the MoFAGA, and finally the Cabinet.

Figure 2: Examples of position descriptions from O&M Survey

OPMCM, Development Management Division Secretary - 1 <i>(Gazetted Special Class, Nepal Administration)</i>	DoR, Bridge Division Deputy Director General - 1 <i>(Gazetted First Class, Nepal Engineering Service—Civil or Highway subgroup)</i>	DoA, Soil Mgt. Section Senior Soil Specialist:1 <i>(Gazetted Second Class, Nepal Agriculture Service—Soil Science)</i>
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The O&M process is a key instrument of formal bureaucratic power. It determines which service streams, groups, and subgroups staff new or restructured offices—decisions that directly influence the organisational structure and career progression pathways.

The O&M review thus serves as a critical arena of institutional contestation—between bureaucrats and political actors, and between generalist and technical cadres. The process reflects a broader political economy of bureaucratic structuring, where organisational design becomes a site of negotiation rather than a purely technical exercise. Generalists, particularly from the Nepal Administrative Service, tend to dominate this process, leveraging institutional authority to expand their cadre while limiting opportunities for technical specialists (see *Table 4*). Specialists, in contrast, argue that their expertise is essential for effective policy implementation and service delivery, and that the current balance of power undermines bureaucratic efficiency and professionalism.

Table 4: Service Stream comparison and highlights (Administration vs Engineering)

Function	Service Stream	Share of Total Staffing	Number of Subgroups	Service Stream Highlights
General Administration	Nepal Administration Service	34 %	3	<ul style="list-style-type: none"> ● 42 Special Class (Secretary level) positions ● 280 1st Class (Joint-secretary level) positions, all interchangeable within the qualifying rank. ● Full control of key ministries and state functions – MoFAGA, MoH, MoF. ● Widest career growth pathway in the bureaucracy.

⁴ Under Chapter 3, Article 6 (A-2) of the Civil Service Act, 1993.

Technical	Nepal Engineering Service	18 %	25 +	<ul style="list-style-type: none"> ● 11 Special Class (Secretary level) positions ● 1st Class: 87% in federal (230 total positions) ● 2nd Class: 84% in federal (1197 total positions) ● 3rd Class: 94% in federal (of 3326) ● Career growth follows specialization, relatively narrow.
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Transfers

Transfers in the civil service are rationalised as mechanisms for professional development, designed to expose employees to diverse regional contexts and administrative challenges. The guiding principle is periodic rotation across four government-designated geographic clusters—urban, accessible, remote, and inaccessible regions. Employees serving 1.5 years in a remote cluster become eligible for a two-year posting in an urban area before reassignment. This norm seeks to balance workforce distribution and foster institutional learning, explaining the frequent movement of officials across administrative tiers.

To reduce administrative disruption and improve predictability, transfers follow a fixed annual cycle. The MoFAGA conducts its cycle in September, followed by individual ministries and departments in October. This time-bound rotation does not apply to senior bureaucrats (Secretaries and Joint Secretaries) or specialised personnel governed by distinct provisions.

Table 5: Transfer authority by rank

Class	Inter-Department Transfer Authority	Exceptions
Special Class (Secretary or equivalent)	Council of Ministers	
Gazetted First Class (Joint Secretary or equivalent)	Council of Ministers / Chief Secretary	Transfers within ministries can be made based on decisions at the concerned ministerial level.
Gazetted Second & Third Class (Ranks equivalent to undersecretary and section Officer)	Special Class Secretary of the Ministry regulating Service Stream (<i>See Table 1</i>)	Third-class employees within a department can be transferred based on the departmental head's decision.
Non-Gazetted Employees	Respective Central Authority, through the Joint Secretary overseeing personnel administration	Transfers within the same department can be decided by the department head

Transfer authority is structured hierarchically, with decision-making powers delegated according to rank and service stream. The Council of Ministers exercises authority over Special- and First-Class officers, while ministries manage intra-ministry movements for Joint Secretaries. Undersecretaries and Section Officers are transferred inter-departmentally by Special-Class Secretaries and intra-departmentally by departmental heads. Non-gazetted staff fall under the Joint Secretary responsible for personnel administration, with limited delegation to department heads.

The policy includes several exemptions. Employees over 50 are exempt from remote postings unless they opt in; those from disadvantaged districts receive preferential postings; and staff nearing retirement are generally excluded from transfers. Deviations from tenure norms require MoFAGA approval, with early transfers requiring written justification. Employees relocated before completing tenure receive a relocation allowance equivalent to one month's

salary. These provisions aim to balance administrative stability with equitable workforce distribution.

Promotion

Promotion within Nepal's civil service is comparatively more structured and less contested than transfers, with the legal framework clearly defining eligibility, evaluation criteria, and procedural norms.

Eligibility requires a minimum of three years of service for non-gazetted personnel and five years for gazetted officers, with a one-year reduction for employees from designated reservation categories, including women.

Promotion is based on a 100-mark composite assessment: performance evaluation (40 marks), seniority (30), geographic service (16), education (12), and training (2). Evaluations are multi-tiered—conducted by supervisors, reviewers, and review committees—to ensure consistency and fairness. Seniority accrues annually, with additional incentives for remote postings, while education and training reinforce professional development.

Promotions become more selective at higher levels. The Chief Secretary—the apex civil service position—is appointed by the Cabinet based on seniority and assessed competence among serving secretaries. Promotions to the Special Class (Secretaries) follow a two-tier model:

- 20 percent of vacancies are filled through performance-based criteria, requiring a minimum 95 percent average performance rating and extensive experience.
- 80 percent are filled through seniority and work efficiency, with the government selecting from a shortlist—up to three times the number of vacancies—nominated by the Promotion Committee

Promotion Committees vary by rank. For gazetted officers (First, Second, and Third Class), the committee is chaired by the PSC Chair or a designated member and includes representatives from the PSC, the Office of the Chief Secretary, MoFAGA, and a subject expert nominated by the PSC.

3.4 The Politics of Transfer and Promotion: Formal-Informal Overlaps

Nepal's civil service operates within an elaborate but inconsistently implemented framework of transfer and promotion policies. Although these systems are formally rule-based, they have evolved into mechanisms of discretion and influence, particularly at senior levels. Transfers and promotions—distinct in intent but deeply intertwined in practice—shape much of the political economy of the bureaucracy.

While both systems are formally codified and procedurally structured, their operation is deeply shaped by systemic flaws, informal norms, negotiated relationships, and the distribution of power across political and administrative actors. Rather than functioning as neutral instruments of personnel management, transfers and promotions have evolved into mechanisms through which influence is exercised, careers are shaped, and institutional control is maintained. In this sense, the formal architecture of the civil service does not constrain discretion so much as coexist with—and, at times, enable—its informal use. The result is a bureaucratic system where authority is defined not only by rules, but by the ability to navigate and leverage the spaces between them.

Transfers as Instruments of Political Control

Transfer policies, while designed to ensure equitable rotation and institutional efficiency, often lack consistency and coherence in implementation. Open-ended provisions allow wide administrative interpretation, creating fertile ground for political interference. In practice,

transfers are frequently politicised: officials use political patronage to secure favourable postings, particularly in resource-rich or strategically significant portfolios. Allegations of financial inducements for desirable positions have further weakened the credibility of the system. Consequently, transfers have evolved into instruments of bargaining and patronage rather than tools of professional management.

This dynamic has tangible governance costs. Frequent reshuffling of personnel—especially at senior decision-making levels—disrupts policy continuity, delays project implementation, and fuels administrative instability. Incoming officials often restart processes, disregarding the initiatives of their predecessors, leading to a form of institutional amnesia. In infrastructure and development sectors, rapid turnover of project heads contributes to cost overruns and inefficiency, while the financial burden of relocation allowances strains public resources.

At the core of this instability lies the politically sensitive Joint Secretary rank—the key decision node in Nepal's bureaucratic hierarchy. Joint Secretaries interpret and synthesize inputs for policy approval, making their cooperation critical to the policy process. Yet, this rank experiences the highest transfer frequency, often aligned with shifts in political leadership. Given that they are part of key decision nodes, it has become customary practice for each government leadership or even secretaries to change joint secretaries around them as a means of bringing in a supporting team. The clustering of multiple service groups competing for Secretary-level promotion adds further complexity. Within this diverse and competitive pool, portfolio assignments and career progression become tightly linked, allowing both senior bureaucrats and political actors to exercise significant leverage.

Beyond politicisation, transfers at higher levels of the bureaucracy are further complicated by the system's failure to recognise or account for individual expertise and competencies. A bureaucrat with a PhD in Climate Finance, for instance, may find themselves working on governance reform at the Prime Minister's Office. This misalignment between individual expertise and staffing allocation is particularly pronounced at senior positions, where portfolio assignments tend to be shaped by O&M-defined staffing requirements, rank seniority, and political considerations rather than subject-matter knowledge. The problem is especially acute in the most senior technical portfolios: a Secretary with a career-long specialisation in road infrastructure may, for example, be deputed to oversee drinking water and sanitation—a domain requiring an entirely different body of expertise.

Promotions and the Illusion of Meritocracy

Promotion processes, though more structured than transfers, remain vulnerable to informal norms and institutional distortions. The principal weakness lies in the performance evaluation system, which accounts for 40 percent of the total assessment score. Supervisors are legally required to justify ratings above 95 percent or below 75 percent. Over time, however, an informal convention has taken root: most officers are assigned uniform scores around 95 percent, avoiding scrutiny or contestation. This practice—replicated across successive cohorts—has rendered performance evaluations largely ineffective as a measure of merit.

As a result, promotions are determined primarily by seniority rather than demonstrated performance or leadership capacity. Any deviation from the near-uniform scoring norm is often perceived as punitive or politically motivated. The merit-based framework thus operates more as a procedural formality, reinforcing hierarchy rather than rewarding competence.

Overlapping Politics and Seniority

At its core, the politics of transfer and promotion form the binding threads connecting bureaucrats and politicians. Transfers function as instruments of political reward and bureaucratic discipline, while promotions determine access to long-term authority and influence. In the Nepali bureaucracy, these formally distinct processes converge around the question of seniority, reinforcing a closed circuit of power—where administrative continuity

depends less on institutional design and more on political alignment and career timing.

Transfers are used to reward or penalise officers in ways that shape their visibility, experience, and ultimately their promotion prospects. Conversely, promotion outcomes—ostensibly based on seniority—are influenced by the networks and relationships cultivated through strategic transfers. This intersection of discretion, hierarchy, and political alignment sustains a cycle in which bureaucratic mobility reflects not institutional need or individual merit, but the underlying dynamics of patronage and power within the state.

SECTION IV

From Instrument to Institution: The Bureaucracy and Political Power

The Weberian definition of power presupposes that an actor is capable of forming and realising their own will. Under monarchical rule, the bureaucracy as a whole did not meet this precondition—it was an extension of the regime rather than an independent actor. This section traces how, over seven decades since the formation of the Public Service Commission (PSC), the bureaucracy gradually acquired the conditions necessary to exercise power in this sense—not just the capacity to act, but the institutional independence to act on its own interests. As readers will see, the Nepali bureaucracy has evolved from having a single option—subservience—to navigating a spectrum of choices: resisting, maintaining the status quo, or colluding with political regimes depending on its interests. Understanding this trajectory is essential for interpreting the chapters that follow.

4.1 Post-Rana Regime (1950s)

PSC was established immediately following the end of Rana rule—a period of ‘family oligarchy’ where trusted relatives occupied key supervisory roles in civil and military offices. The Rana bureaucracy was centred on managing law and order to sustain and manage the agency of the ruling family. The monarch (Tribhuvan) and the Nepali Congress that led the movement against the Rana felt the need for a modern and professional bureaucracy for providing a wide range of public services. This led to PSC’s formation. The Commission was entrusted with conducting examinations for government services. It also had a consultative role in matters relating to recruitment, promotion, transfer, and disciplinary action. The early 1950s period saw Singha Durbar set up as the Central Secretariat, the division of the Secretariat into eleven departments,⁵ the formation of a committee to examine the competence of civil servants, the decision to make the position of *Bada Hakim*⁶ non-political, the formation of the Administrative Reorganisation Commission and the codification of the first Civil Service Act 1956.^{viii} These legal developments were a significant break from the pre-1950s, but, in practice, things were far from ideal.

Despite the legal mandate of the PSC, the PSC was not effective in the 1950s. The cabinet appointed gazetted-level officers. In the case of others, secretaries or other higher officials (e.g., directors) would make the appointment.^{ix} The PSC was only consulted for technical positions like teachers, doctors, engineers, et al., and Second Class administrative positions. The successive monarch and Nepali Congress-led government leveraged their power to appoint bureaucrats loyal to them. Former monarch Mahendra’s ascendancy to the throne in 1955 further hampered the goal of modernising bureaucracy. Immediately after his ascendancy, Mahendra appointed a new set of departmental secretaries and district magistrates. These were filled by loyalists, mostly Shahs and Ranas. There were simultaneous efforts by Nepali Congress and Unified Democratic Party prime ministers—Tanka Prasad Acharya and K.I. Singh—to reorganise bureaucracy and make it competent. The Acharya-led government formed a screening committee and planned to conduct competency screening of around 600 gazetted officers and 21,000 non-gazetted officers. Per the plan, the government had screened “higher level officials” (Ambassadors and Departmental Secretaries) but the government was dismissed before the results were shared.^x Similarly, after Acharya, another prime minister—K.I. Singh—planned screening of junior government employees and overall administrative reorganisation. Singh later acknowledged^{xi}

⁵ These included: Home; General Administration; Defence; Foreign Affairs; Finance; Revenue and Forests; Public Works and Communications; Education, Health and Local Self Government; Planning and Development; and, Law and Parliamentary Affairs.

⁶ Present day Chief District Officer (CDO).

that he resigned owing to the lack of cooperation from senior secretaries, who continued to look to King Mahendra as the de facto head of the administration.

4.2 Panchayat Period (1960-1990)

The Panchayat period started with a royal coup against a democratically elected government. Immediately after the coup, in 1961, in defiance of the Civil Service Act 1956 and suspending the PSC, Mahendra engaged in country-wide administrative purges. Nineteen high-ranking bureaucrats—thirteen secretaries and six joint secretaries—were purged in the first phase. Subsequent phases resulted in administrative reorganisation in technical services, junior administrative services, and district and judicial administrations. Bureaucrats who were brought in and promoted⁷ were mostly loyalists; they had nepotistic connections with the monarch and many came from the army. For example, Home and Defence secretary portfolios went to the retired major generals, while a brigadier general was given the Royal Nepal Airline Corporation portfolio.^{xii}

For a large part during the Panchayat period, monarchs had influential control over the hiring, promotion, transfer, and termination of bureaucrats. Until 1972, there was a space to make political appointments and facilitate loyalist entry into the bureaucracy. Appointments were made through ad hoc royal decrees.⁸ There were procedural elements like the need for a police report prior to giving an offer letter to candidates selected via open competitions that led to the panchayat establishment having iron control over the bureaucracy. Once in the service, the monarch had the complete authority to assign lucrative and important portfolios to preferred bureaucrats and vice versa. The trumping up of corruption charges and forcing early retirement via *Pajani*⁹ system, and termination through *Parcha*¹⁰ systems were other effective means to keep bureaucrats on their toes. The Bhekh Bahadur Thapa-led Administrative Reform Commission made efforts to remove some of these ad hoc practices and modernise bureaucracy in 1975. The Commission's recommendations led to the service period being specified and promotion being structured. However, the monarch continued to apply its discretion on bureaucratic hiring, promotion, transfer, and termination throughout the Panchayat period.^{xiii}

4.3 Multiparty Democracy (1990¹¹ – Present)

The multiparty and later republic period has seen the bureaucracy having multiple options when engaging with political representatives, and in doing so, acquired the conditions necessary to exercise power in the Weberian sense. It is not that during the Panchayat period the bureaucracy was not powerful. In real terms, higher-ranking officials were more powerful than ministers in terms of individual status, access, and influence. In his autobiography, former Prime Minister Surya Bahadur Thapa recounts how he faced multiple instances of resistance from bureaucrats and palace insiders. Yet this power was derived from the monarch and was used to realise the monarch's will—making bureaucrats expendable the moment their standing with the palace changed. This is perhaps best illustrated by Bhekh Bahadur Thapa, a former bureaucrat who headed powerful portfolios before the age of 40, only to face corruption charges after refusing then-Prince Gyanendra Shah's proposal for the government to act as guarantor for a private investment. Today, while proximity to political representatives still matters, bureaucrats also draw authority from institutional protections, collective organisation, and a fragmented political landscape that turns institutional continuity into leverage.

⁷ Sometimes they underwent double promotion as well.

⁸ Commonly known as *Hukum Pramagi*.

⁹ The *Pajani* system required officials to seek periodic renewal of their appointments. Without formal justification, renewal could be denied, leaving bureaucrats entirely dependent on the favour of those above them.

¹⁰ The *Parcha* system was a mechanism for ad-hoc termination of officials used during the Panchayat period.

¹¹ Gyanendra Shah's period of autocratic rule (2002-2005) is not treated separately, as the dynamic between bureaucrats and monarch was similar to that of the Panchayat.

Firstly, bureaucracy is protected from the executive's whims by the Civil Service Act 1993 and follow-up legislation. The Act was prepared during a period when the then prime minister—Girija Prasad Koirala was facing backlash (and repenting) for forcing nearly 300 bureaucrats into retirement in an ad hoc manner. To amend and make up for it, the drafting of the 1993 Act was made from a 'pro-bureaucrat' perspective.^{xiv} The Act removed the *Parcha* system and specified several service-related aspects like retirement age, thereby safeguarding bureaucracy from the whims of the political establishment.

Secondly, politicisation and the subsequent establishment of trade unions for civil servants have also strengthened the position of bureaucracy. The aftermath of the post-1990 movements—both the 1990 and 2006/7 movements—saw the politicisation of bureaucracy by monarch opposing forces to their advantage. The first movement awakened political consciousness within bureaucrats and led to the loose formation of political parties affiliated with trade unions. Bureaucrats' support in the second movement (2006/7), on the other hand, left the political class feeling indebted to the bureaucracy.^{xv} In recounting a private exchange with the then-prime minister Girija Prasad Koirala, former secretary Umesh Mainali recalls the prime minister acknowledging that bureaucrats had supported the movement and that their demands would need to be met. Consequently, the Civil Service Act was amended to recognise and legitimise trade union-related rights. This led to the mushrooming of party-affiliated trade unions, which now occupy an influential (informal) say in the transfer of bureaucrats. Apart from these, a combination of other miscellaneous factors—including constant changes in government, declining quality of political leadership, and expanding opportunities for personal growth through studies and engagement with development actors—has further strengthened the position of bureaucrats.

The strengthening space has opened an array of options for bureaucrats vis-à-vis engaging with elected and nominated (political) representatives. Previously, during the autocratic periods—Panchayat era or the later period (2002-2006) of autocratic rule by Gyanendra Shah, when political power was consolidated around monarchs who also had the determining power over the entry, promotion, transfer, and termination of bureaucrats, the (only) strategic option for a bureaucrat was subservience. The monarchs or the deep state consisting of palace insiders (bureaucrats) within would use the corruption-stick to tame and scare the independent and opposing bureaucrats. The 'Carpet Scandal' in 1978 where the monarchy forces trumped-up corruption charges against credible administrators is a case in point. Similarly, during autocratic rule¹² by Gyanendra, a new commission to 'curb' corruption—the *Shahi* Commission—with power overlapping the Commission for the Investigation of Abuse of Authority (CIAA) was unconstitutionally created in 2005 to target independent and opposing bureaucrats and politicians. These coercive mechanisms also made bureaucrats subservient.

Currently, with the strengthening of space, a bureaucrat has a menu of options; they can opt either to resist, adopt the status quo, or co-opt when engaging with political representatives. These added options come with their set of positives and negatives. The best part of these developments has been the opening of space for bureaucrats to resist political representatives when the latter's decisions do not match the constitutional spirit and existing legal mandates therein. Cases like the former chief secretary Som Lal Subedi resisting^{xvi} the prime minister and the finance minister's request to give a tax break to a telecom company and the former finance secretary Rameshwore Khanal's resignation over the then finance minister's push to give amnesty to defaulting Value Added Tax (VAT) businesses are examples of positive resistance cases.

But alongside the presence of space for resisting, the newer developments have resulted in several sub-optimal outcomes, including resisting due to ideological and partisan reasons, adopting status quo measures due to job security, fearing potential corruption charges, and a

¹² Multiparty democracy was interrupted during Gyanendra's rule between 2002 to 2006.

dearth of functional metrics to measure work performance, and co-opting due to partisan and private interests. Cases like the ascendancy of a bureaucrat-led government after the expiration of the first constituent assembly and the former career bureaucrat and CIAA chair Lok Man Singh Karki's running of the CIAA as a parallel state authority^{xvii} to intimidate rivals, including politicians, represent periods where bureaucrats have outmatched political establishment in relation to power politics. Similarly, the former Home Secretary Dinesh Bhattarai resisting^{xviii} the then Home Minister's efforts to decentralise security-related rights at the subnational level represents a case of bureaucratic resistance on ideological grounds. Bhattarai's position fits with the general orthodox and centralising tendency of Nepali bureaucrats who often assume these positions in the name of "national interest". On the other hand, secretaries colluding with the newly appointed ministers to get lucrative postings represent a case of co-option.

Table 6 shows some of the secretary-level transfers within weeks following the change in the ruling coalition on March 4, 2024.^{xix} What is obvious is how secretaries' power is contingent on who is in the ruling coalition: a home secretary, the single most powerful bureaucrat, could be transferred to the Office of the Prime Minister and Council of Ministers (OPMCM) where bureaucrats are often kept in reserve without a clear portfolio. But, unlike during the monarchical era when a shunned bureaucrat would find it difficult to secure a powerful portfolio, the same is not the case in the post-monarchical era. Bureaucrats maintain multiple connections, and some manage to safeguard their positions even when the ruling coalition is not in their favour. In the examples in the table below, a secretary transferred to a less lucrative portfolio leveraged a network built through an earlier work stint and managed to land in a more lucrative position than the one they had been sent to. This hedging and maintenance of multiple pathways to lucrative positions is also a consequence of political fragmentation, and can be observed across bureaucratic ranks.

Table 6: Transfer of secretaries immediately following changes in the (government) coalition

S.N.	Secretary Name	Previous Posting	Present Posting ¹³
1	Dinesh Bhattarai	Ministry of Home Affairs	Office of the Prime Minister and Council of Ministers
2	Ek Narayan Aryal	Office of the Prime Minister and Council of Ministers	Ministry of Home Affairs
3	Krishna Bahadur Raut	The National Natural Resources and Fiscal Commission	Ministry of Industry, Commerce, and Supplies (Industry)
4	Mukunda Prasad Niraula	Ministry of Industry, Commerce, and Supplies	Office of the Vice President
5	Madhu Sudan Burlakoti	Office of the Vice President	Ministry of Health and Population (Population and Administration)
6	Rabilal Panth	Ministry of Youth and Sports	Election Commission
7	Keshab Kumar Sharma	Ministry of Physical Infrastructure and Transport	Ministry of Energy, Water Resources, and Irrigation (Energy)
8	Gopal Prasad Sigdel	Ministry of Energy, Water Resources, and Irrigation (Energy)	Ministry of Physical Infrastructure and Transport
9	Sushil Chandra Tiwari	Ministry of Energy, Water Resources, and Irrigation	Water and Energy Commission Secretariat
10	Sarita Dawadi	Water and Energy Commission Secretariat	Ministry of Energy, Water Resources, and Irrigation (Water Resources and Irrigation)

¹³ The column covers transfers until 1 April, 2024.

11	Ghanshyam Upadhyaya	Bagmati Province	Ministry of Labour, Employment and Social Security
12	Narayan Prasad Sharma	Ministry of Industry, Commerce, and Supplies (Commerce)	Office of the Prime Minister and Council of Ministers
13	Dinesh Kumar Ghimire	Madhesh Province	Ministry of Industry, Commerce, and Supplies (Commerce)
14	Udaya Sapkota	Ministry of Law, Justice, and Parliamentary Affairs	Truth and Reconciliation Commission
15	Fanindra Gautam	Truth and Reconciliation Commission	Ministry of Law, Justice, and Parliamentary Affairs

The last seven decades have seen the bureaucracy come closer to the Weberian notion of power, capable of forming and realising its own independent will. As the following sections will show, when the Federal Civil Service Bill was nearing finalisation in the Lower House Committee on State Restructuring and Good Governance, it became a site of intense bureaucratic manoeuvring^{xx}. A proposed two-year cooling period that barred retired senior bureaucrats from assuming constitutional or diplomatic appointments did not sit well with secretaries and other senior officials. The top echelons of the bureaucracy resisted through coordinated, multi-front lobbying: then Chief Secretary Ek Narayan Aryal led a team of at least twenty-one secretaries to visit the Prime Minister, the Speaker of the House, and the President of the Nepali Congress, pressing for the removal of the clause and threatening mass resignation. The lobbying failed as the Committee chair pushed the Bill through with the cooling period intact. But as the Bill was passed, unbeknown to the Committee and others, the clause was covertly nullified through another clause, prompting a parliamentary probe and the resignation of the Committee chair. The episode is telling: senior bureaucrats collectively mobilised and, when faced with resistance from elected representatives, managed to persist. The sections ahead explore how power works below the institutional level, between cadres and at the individual level. As the Employee Adjustment Act and the Civil Service Bill will show, the most consequential exercise of bureaucratic power in contemporary Nepal is not directed outward against politicians but inward. This has been the case precisely because the collective interest of the bureaucracy is so rarely at stake all at once.

SECTION V

Bureaucratic Power: The Individual, the Cadre, and the Informal

The preceding section traced how the bureaucracy, as a whole, evolved from an instrument of political authority into an institution capable of exercising power in its own right. That analysis operated at the level of the institution. This section moves within it, examining how individual bureaucrats and specific cadres derive power, by themselves and relative to one another. It does so within the structures and relationships that Section IV established. To do so, we develop typologies of bureaucratic power based on responses from the Key Informant Interviews (KIIs), distinguishing between formal sources rooted in rules and position and informal sources that stem from social norms or the distortion of those rules. The next chapter, using the case of the Employee Adjustment Act 2018, examines how bureaucrats leverage this power through specific transactions. Before moving into the analysis of different forms of bureaucratic power and its transactions, we first outline how we approached the concept of power.

Perhaps in social science, there is no concept as appealing yet as ambiguous as power. This ambiguity arises from scholars focusing on diverse aspects of power, including formal authority, legitimacy, leadership, and domination. By adopting the Weberian definition of power—"the ability of an actor or actors to realise their will"—the current study engages both the relational and self-directed (personal or group will) dimensions of power.

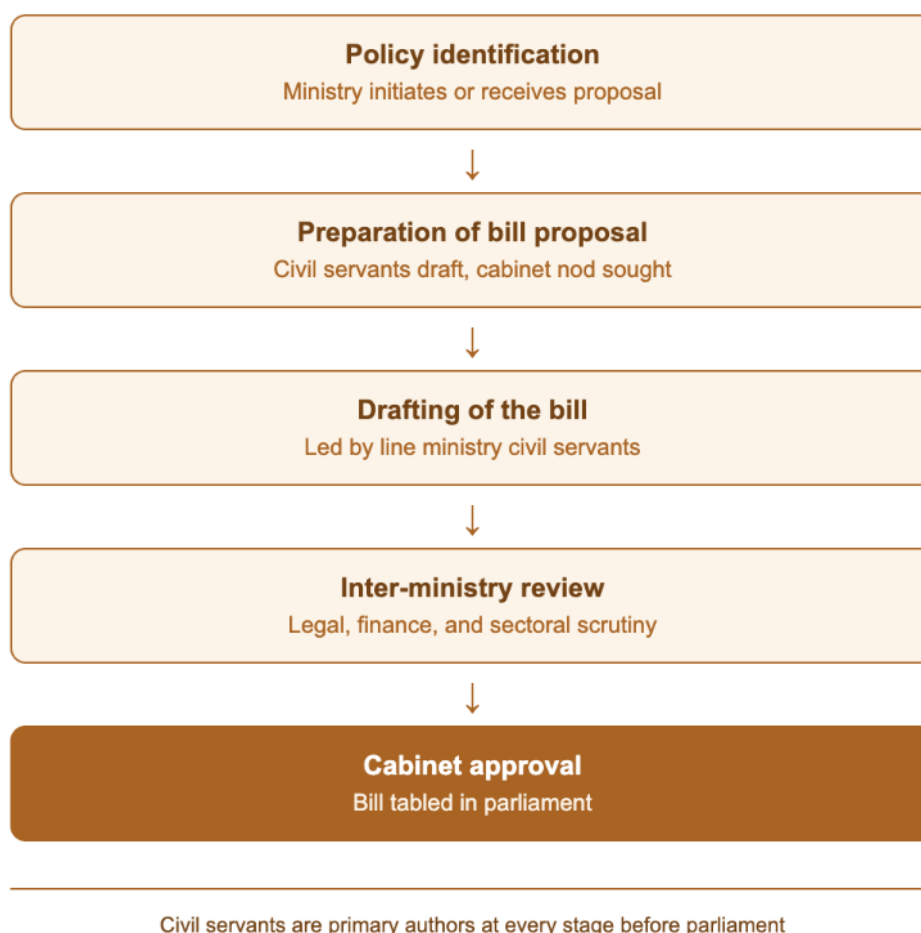
Building on this understanding of power, the study examines power at two levels. At the general level, it explores which aspects of public policy formulation bureaucrats have the greatest influence over and why. Following the analysis of general power, the study then examines the relational dimension of power. This involves exploring the question, "What variables directly or indirectly determine when a bureaucrat is powerful or holds higher authority than a similarly placed bureaucrat?" In addressing this question, the study incorporates power markers where high mobilisation is observed (e.g., regional identity and party affiliation), limited mobilisation (e.g., gender and ethnic identity), and variables that serve solely as authority and/or competence markers (e.g., *tippani* writing, handwriting, and exam-related competence skills) where there is no mobilisation. The general and comparative levels overlap—civil servants with the right combination of characteristics, for example, have more ways to realise their will than their peers. These dimensions are examined through two consequential policy episodes—the Employee Adjustment Act 2018 and the Federal Civil Service Bill—which the next chapters explore.

5.1 General Power

(Not) Formulating Public Policies

Drawing on a state capacity lens, governance can be understood as a government's capacity to formulate and enforce public policies, and, in doing so, deliver services irrespective of which political party or coalition is in power. Within this framework, civil servants, by virtue of their embeddedness and procedural knowledge, are central in the governance process. The traditional public administration and public policy literature, along with dominant thinking, regularly emphasise the bureaucracy's role in implementing policies that are formulated by elected representatives. In Nepal's case, while the bureaucracy, like in any developing country, maintains and draws power based on its discretion in policy implementation, it also influences and shapes policy formulation—particularly during the pre-legislative phase. This also includes the power to resist the formulation and amendment of public policies, including the power to 'distort' policy away from its intended outcomes and serve purposes that are in the bureaucrat's self-interest.

Figure 3: Pre-legislative policy formulation stages



The flow above depicts the tentative pre-legislative stages followed at the federal and provincial parliaments while drafting a government bill¹⁴. The civil servants deployed at the relevant line ministry spearhead the drafting of the Bill, including the preparation of the proposal for drafting the Bill. This influence in shaping the content of the draft Bill before it is tabled was highlighted by the section officers, joint secretaries, and (including retired) secretaries interviewed. While a joint secretary of the sectoral ministry normally leads a task force for policy formulation or amendment, we also found section officers—particularly from the law cadre—leading the drafting of the Bill. A section officer from the law cadre mentioned that in their first assignment after entering the public service, they were deployed to Gandaki Province, where they drafted bills in that capacity. Another law officer at a federal ministry was working on an amendment to an existing sectoral law of that ministry when a team member met them for an interview. They recounted, quite proudly, having drafted more than "90 percent" of Madhesh Province's laws while stationed there. While the exact figure might be an exaggeration, the influence of the bureaucracy in policy formulation can be observed across all three levels, the most pronounced being at the local level. The first practice (2017–2022) of local democracy since devolution saw local representatives passing local legislation drafted based on samples shared by federal bureaucrats at the Ministry of Federal Affairs and General Administration (MoFAGA). Additionally, the Chief Administrative Officers (CAOs) and other locally embedded bureaucrats remain key actors in policy formulation at the local level.

¹⁴ Barring rare exceptions, the majority of bills tabled in Nepal's Parliament are government bills introduced by the executive.

Beyond the drafting stage, there is also evidence of bureaucratic influence in the legislative phase itself. During deliberations on the Civil Service Bill, a bureaucrat from the State Affairs and Good Governance Committee put forward their own amendment request. Additionally, during focus group consultations, multiple bureaucrats—former and incumbent—explained that there is a tendency among bureaucrats to draft amendment requests for bills that Parliament is deliberating and have them signed by MPs and presented in their names. The MPs would, at times, have no idea about the amendment requests submitted in their names. We presume that this occurs in the case of bills that are of strategic interest to the bureaucracy, such as the Civil Service Bill.

An argument can be made that drafting a bill is not the same as formulating one, as a bureaucrat might be tasked with the menial job of putting the policy ideas of ministers and elected representatives on paper. However, fieldwork and existing reports refute the idea of bureaucrats as apolitical drafters of policies, particularly when policy formulation is not a priority for elected representatives. Elected representatives, on average, tend to prioritise investing their efforts in areas that are either clearly recognised by their electorate¹⁵ or where there is a potential for extraction. These representatives also lack formal education and have a limited skill set to meaningfully engage in policy formulation. This combination of a lack of interest and technical skills leads civil servants to have an influential role in policy formulation. This was also reflected through the KILs. Officers interviewed in Koshi Province mentioned how elected representatives are generally interested in specific clauses, which they would request their advisors to check, while the rest of the Bill receives limited attention. Another civil servant, deputed at a federal ministry, mentioned that lawmakers lack basic legal concepts such as articles, clauses, and sub-clauses in relation to policy formulation. An incumbent joint secretary, while agreeing on the bureaucracy's influence in shaping policies, mentioned with mild sarcasm that if one is conscious of the bureaucracy's influence in formulating policies, then perhaps parliamentary committees should take the lead in policy formulation. Elected representatives, including provincial ministers from Madhesh and Karnali, on the other hand, saw the flexibility of bringing in their own legal advisors as a potential antidote to reducing bureaucratic influence in policy design.

Alongside the power to formulate and shape the content of a draft bill, bureaucratic power is also evident in its capacity to resist policy amendments or formulation requests from elected representatives. Recently, this resistance was demonstrated through bureaucratic opposition to amending the Forest Act and the National Park Act. These pieces of legislation, which were drafted decades ago, still classify current land areas where people have settled or where marketplaces exist as forests. Then—Prime Minister Pushpa Kamal Dahal (Prachanda) pushed for amendments to these laws through their respective line ministries. However, according to a former senior government official who was present in these meetings, which included several concerned line ministries, the line ministry pointed out that the proposed amendments would contradict other laws and resisted taking any action. The resistance stemmed partly from fear of ombudsman authorities and mistrust of the executive branch, fearing the legislation would open a gateway to making 'public' land 'private'. Dahal later summoned secretaries from the Ministries of Forests, Defence, Land, Home, and Urban Development and requested the drafting of an ordinance within a ten-day deadline. However, the ordinance had not been drafted by the time Dahal resigned from office. The later government of Prime Minister Khadga Prasad Oli, which had greater numerical strength than Dahal's, was able to issue the ordinances.

¹⁵ For example, in an electoral constituency where there is a high proportion of landless squatters who tend to politically mobilise, an elected representative might be interested in solving the issue through policy, as it would affect their electoral chances in the coming elections. In other areas—e.g., health and education policy—there is a lack of a politically mobilised unique group or a time lag, and the presence of other factors makes it difficult for elected representatives to take credit, resulting in their lack of interest.

5.2 Comparative Power

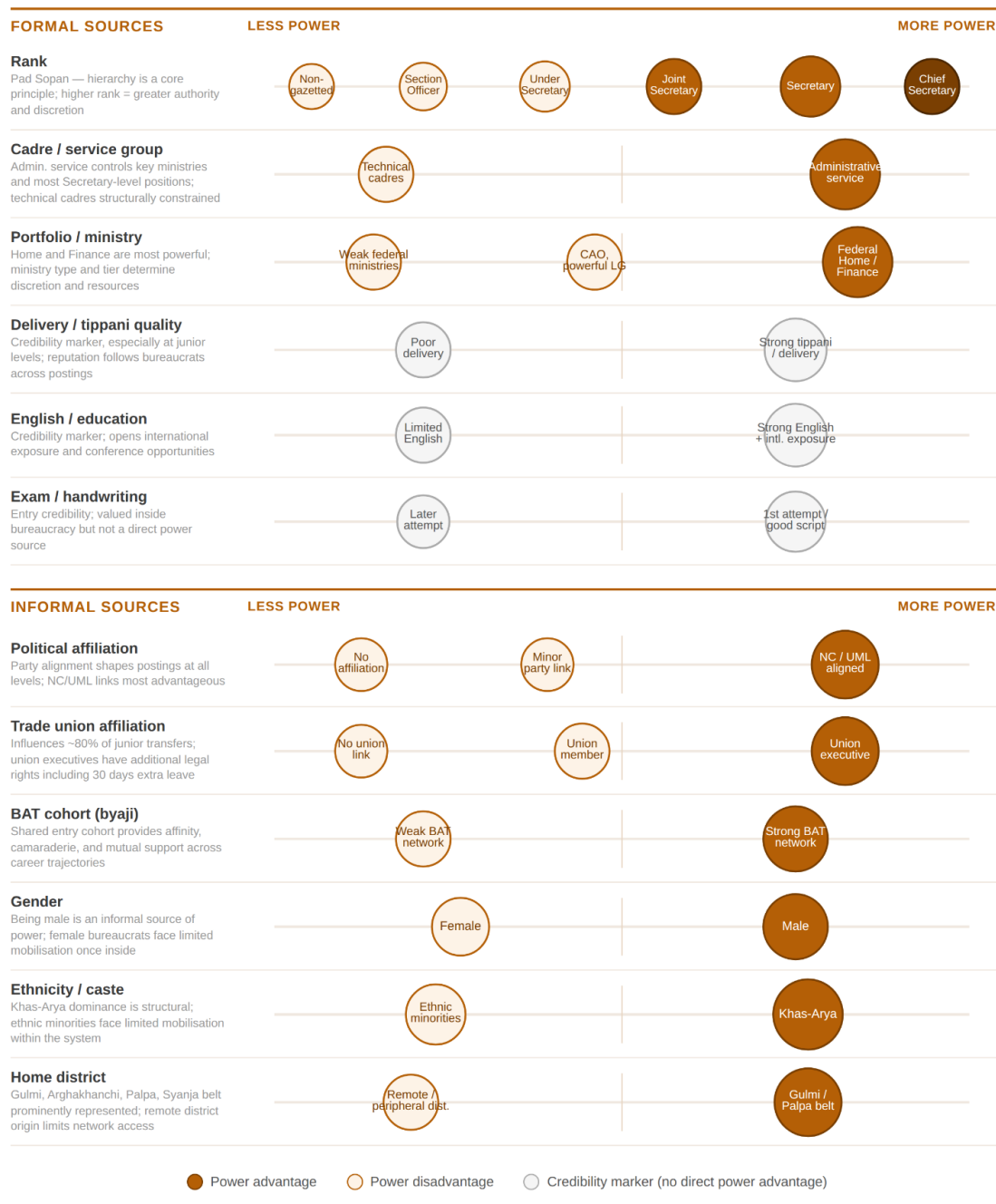
The earlier analysis of general power helped us understand where in the public policy process the bureaucracy has greater influence and why that is the case. The exploration of comparative power supports the understanding of what qualities or experiential traits determine whether a bureaucrat is powerful (“the ability of an actor or actors to realise their will”) vis-à-vis colleagues with a similar set of qualifications. It is bureaucrats with these qualities and experiences who, on average, possess greater general power. That said, not all the variables explored carry equal weight. Some qualities and character traits (such as good handwriting and exam success) serve more as credibility markers that convey elements valued within the bureaucracy rather than as direct indicators of power. We have incorporated these elements because they contribute to a more nuanced understanding of the bureaucracy. For ease of conceptualisation, we categorised the variables into formal and informal. 'Formal' refers to variables that are the product of existing rules of the game, where everyone has a fair chance of acquiring them by operating within these rules. Informal sources, on the other hand, are variables that fall outside the formal sphere or result from the distortion of formal rules.

Figure 4 (next page) illustratively provides an overview of these variables and their relative power implications, assuming all other variables are held constant.

Comparative Power Map: What Makes One Bureaucrat More Powerful Than Another?

Comparisons assume all other bureaucrat characteristics are equal. Position on axis = relative power advantage.

Based on Section V



Comparisons assume all other bureaucrat characteristics are equal. Bubble size reflects relative power within each variable.

5.2.1 Formal Power

Delivery, quality of Tippani (memo), portfolio type, English proficiency, education, exam success, etc.

Delivery

A recurring theme throughout the KIIs was how delivery and job performance are valued traits within the bureaucracy and serve as sources of credibility and power. Within departments,

divisions, and units, there is an informal understanding of who the better performers are, and that reputation follows them as they move between offices. High-performing section officers often receive desired transfers from one powerful federal ministry to another, or from provincial offices to a federal ministry, when those units demand strong performance. However, the same merit-based fluidity was not visible at higher levels. Political backing was also necessary to secure desired and lucrative portfolios, particularly at the joint secretary and secretary levels. A joint secretary interviewed succinctly explained how performance and partisan politics are both factored in at higher levels, stating, “Your political connection can determine whether you get to be the CDO of Morang or Saptari, but within these two, which district you get is determined by your history of work delivery.” One of the indicators of performance within the bureaucracy is the quality of *tippani* (memo).

***Tippani* (memo) taking**

Tippani usually originates at the lower level, normally with the section officer, when a prospective decision needs to be made before being reviewed by line personnel within the organisation.¹⁶ A good *tippani* explores the existing evidence—this can include assessing the request, reviewing archival files, and existing laws vis-à-vis the request—and forwards a suggestive note to other line authorities. Who drafts a *tippani* and how it is drafted provide telltale signs for any bureaucrat within the chain as to whether to agree or disagree with the proposed measures in the *tippani*. In principle, as it originates at a lower level, *tippani* provides junior staff with the power to shape and influence a decision. However, in practice, personnel in the *tippani* chain face pressure from senior bureaucrats and ministers to draft the *tippani* in favour of a particular course of action.

Portfolio type

Portfolio type also serves as a reliable indicator of power within the bureaucracy. These can be loosely categorised based on rank, service groups, ministry, division, and deployment level (federal, provincial, or local). Among these, rank remains an obvious indicator of power. *Pad Sopan* (hierarchy) is a core principle within the bureaucracy, making junior bureaucrats accountable to their seniors. In practice, the principle of accountability is often taken to an extreme or even misinterpreted, resulting in junior bureaucrats being afraid to contradict their seniors, even when they have something meaningful to add. This trend has been challenged by the growing tendency of young bureaucrats to rise through the ranks by clearing competitive exams, leaving their older colleagues (in age) as their juniors. This has created tensions along age lines between older and younger bureaucrats, with the latter climbing the bureaucratic ladder faster by excelling in competitive exams.

Another source of differentiation—encompassing markers of power, prestige, and at times, tension—exists between service groups, where two groups—the foreign and administrative—are considered more equal than others. In terms of sheer prestige, the foreign service group ranks at the top. This cadre has a unique opportunity to travel to Nepal's embassies and consulates globally and tends to receive lucrative remuneration while posted abroad. This prestige is evident in daily conversations with bureaucrats. A joint secretary from the administrative cadre we interviewed recalled how he once made it to the interview round for the foreign service but could not advance past it. Another section officer from the administrative cadre lamented (perhaps with some envy) the recent vacancies opened at the undersecretary level within the foreign service and how he could not compete due to inadequate English language skills. However, when it comes to the combination of prestige and power, the administrative cadre ranks at the top. The administrative cadre forms the largest group in the bureaucracy and holds key leadership positions across the federal, provincial, and local levels. The existing Act divides civil service groups into six clusters for secretarial-level appointments, with most of these appointments reserved for the administrative cadre. Additionally, secretaries from the administrative cadre have historically

¹⁶ The Asia Foundation. 2012. Guide to Government. Structure, Functions, and Practices. The Asia Foundation.

occupied the position of chief secretary—the highest-ranking bureaucrat. Retired secretaries from the administrative cadre also hold key positions in constitutional commissions, including roles as chairs and leading executive members. Their presence is also dominant at the subnational level, where they serve as provincial principal secretaries, hold key secretarial portfolios, and occupy the positions of Chief Administrative Officers (CAOs) at the local level.

Table 7: Service Group-wise approved staffing positions (*Darbandis*) at the federal level^{xxi}

Service Group	Approved Positions (Federal)
Economic Planning and Statistics	330
Engineering	9,362
Agriculture	1,320
Law	5,449
Foreign	385
Administrative	25,956
Accounts	534
Forest	1,943
Miscellaneous	2,773
Education	1,006
Federal Parliament	409
Health	2,258

Another indicator of power is the ministry to which a bureaucrat is assigned and, within that, the specific division or department of deployment. Ministry-wise, the Home and Finance Ministries are considered powerful. The Home Ministry manages and administers police personnel and Chief District Officers (CDOs), the administrative heads of districts. There is also a disproportionate representation of former home secretaries as chief secretaries and chairs of constitutional commissions. The Finance Ministry, on the other hand, controls the budget and has the deciding power over how much funding each ministry receives annually. Additionally, ministries and other government units must obtain approval from the Finance Ministry before proceeding with policy decisions that have the potential to create a “financial liability” for the state. This gives the ministry the unique power to block policies by citing financial liability concerns. Apart from these—and perhaps more as a comparative credibility indicator—bureaucrats also value exam- and education-related attributes such as handwriting, memorisation skills, note-taking skills, and passing on the first attempt.

While the variables discussed above are reliable indicators of power, there is also a transient, random, and somewhat contradictory nature to power. A retired secretary expressed this quite aptly. They mentioned that many times, secretaries from powerful portfolios (e.g., Home, Finance, Energy, etc.) might, paradoxically, hold less power, as the ministers in these ministries are influential party heavyweights with previous experience as ministers. In such cases, the secretary has limited options and, in most cases, must abide by the minister's requests. In contrast, at times, relatively weaker ministerial portfolios or ministries held by weaker coalition partners can make the secretary more powerful. Prime ministers, in fact, have been found to bypass these ministers and liaise directly with their secretaries. Prime ministers also send their preferred secretaries to powerful ministries run by weaker coalition partners. While this helps a prime minister keep a coalition partner in check, it also results in making secretaries powerful.

There is also a temporal factor that determines the power and relevance of a government unit and the bureaucrats within it. During elections, for example, the Home Ministry—and, by extension, the Home Secretary—acquires additional power, as the secretary can exercise discretion to favour one political party or candidate over another. This can be done, for example, through flexibly interpreting the Election Code of Conduct, following partisan lines.

Another retired bureaucrat who worked with what is now the MoFAGA also emphasised the nuances and transience of power. They mentioned how MoFAGA (previously the Ministry of Local Development) grew in power and relevance after 2015 as federal restructuring was being operationalised. In fact, during the first tenure of the elected local governments following the promulgation of the 2015 Constitution, the same bureaucrat mentioned that they felt more powerful, as newly elected local representatives—perhaps uninformed—assumed that MoFAGA controlled the financial resources to be shared with local governments and, therefore, sought to kowtow to and lobby with them. Later, as these representatives realised MoFAGA's limited role in influencing budget disbursement, they recalibrated their expectations and turned toward the Finance Ministry.

Case Study: Bureaucracy and Its Contradictions

Educated in Kathmandu and having worked with a non-profit for a while, Ramesh Khadka¹⁷ initially appeared for the civil service exam just to show his friends that he could. While he cleared the section officer exam, he was unsure whether he should leave his current job and join the civil service, where he would be earning twenty-five percent of his current salary. Confused, Ramesh went to seek advice from his friend's father, who was a former bureaucrat. Ramesh says he was convinced when the retired bureaucrat rhetorically asked Ramesh, "Have you ever seen a bureaucrat who has died of hunger?"

Once inside the bureaucracy, Ramesh was placed within the Disaster and Conflict Management Division of the Home Ministry. Initially lacking any significant responsibilities, Ramesh's liberal arts education and early experience helped him navigate the corridors of power in the Ministry. Despite some resistance and reluctance from his direct line manager—undersecretary—he had to report, Ramesh spearheaded the process of creating the 'Disaster Management Portal' due to the support of the young joint secretary who was heading the division then. But later, when there was an opportunity to present the work at the World Science Forum, the joint secretary took another officer to the "foreign tour" who was closer to him. Upon returning, the same joint secretary expressed that he wished he had Ramesh to the forum as they could not answer many of the queries related to the portal in the conference.

For anyone else outside the bureaucracy to see someone else take the place which you think you deserve can be disheartening. Ramesh did not seem so. He appeared like a player who understands the informality he is surrounded with. In fact, he appears hopeful when he says that expertise can usurp tradition, need be. To substantiate, he shares how he was called in, without any lobbying on his part, to join the minister in the Asian Ministerial Conference on Disaster Reduction (AMCDR) in a "list A (foreign) country" where he had to respond to queries after the minister's presentation in English.

Overall, leveraging his expertise and language skill set, Ramesh has fared well as a section officer. He has avoided subnational transfers and remained with just another powerful federal ministry besides Home. But when inquired, he says he cannot afford to remain merely a technocrat once promoted as an undersecretary. He explains that as an undersecretary, he will have to pick a side (political party) if he wants favourable portfolios. If not, bureaucrats from one political camp will claim he belongs to the other, and vice versa, leaving him sidelined in an undesired office.

5.2.2 Informal Power

Trade union affiliation, political connections, personal relationships, BAT, and identity (regional, gender, and ethnic), et al.

A defining trait of developing economies is the influential role of informal institutions, norms, and practices, as they are important power centres and hold considerable sway in mobilising individuals and shaping behaviours. This is evident when exploring how the bureaucracy mobilises and what character traits it values. One of the striking—and perhaps unique—ways

¹⁷ Name changed to protect the respondent's identity.

in which Nepali bureaucrats mobilise is through party-affiliated bureaucratic trade unions. These unions have strong informal linkages with political parties, and their affiliation is a significant source of power for junior bureaucrats. The two popular movements in 1990 and 2007 saw bureaucratic mobilisation against the monarchy. After these movements, as the balance of power tilted toward political parties, the bureaucracy demanded increasing rights, including the right to mobilise through trade unions. The first movement in 1990 resulted in the bureaucracy being granted the right to mobilise through an association or a loose professional club. After the 2007 movement, the Civil Service Act was amended to provide trade union rights. At present, there are six national-level trade unions with strong linkages to various political parties. The executive members of these unions tend to have prior connections with political parties, often dating back to their student politics days. Additionally, their network strength and access to state machinery make these unions and their members powerful. When asked about the source of their power, one of the executive members of a national trade union highlighted their membership strength of 46,000 and the potential to connect these members' households (approximately 200,000 voters) to their affiliated political party. They also mentioned access to voter information and the fact that bureaucrats are often deputed as polling officers during elections. The executive members of these trade unions have additional legal rights, including thirty days of extra leave and favourable transfers. As explored in the next chapter, these members and bureaucrats affiliated with these unions leverage their power for favourable transfers, easier pathways to promotions, opportunities for travel for training and seminars, professional prizes, and other service-related benefits.

While senior bureaucrats (under-secretary and above) do not have the right to be part of a union, they maintain political (partisan) affiliations, which give them a power edge over bureaucrats with identical ranks and similar qualifications. There are several pathways to building political connections, the most common being leveraging their involvement in student politics. The two constitutional commission chairs we mapped were both affiliated with the Nepal National Free Students Union—a sister organisation of CPN-UML—during their student politics days. Their appointment to the commission also took place during the tenure of K.P. Oli, the current chair of CPN-UML. An incumbent secretary who was a member of the Nepal Student Union—affiliated with the Nepali Congress—still frequently interacts with and closely associates with NC politicians. Another incumbent secretary, who was previously affiliated with the *Nepal Nijamati Karmachari Union*—an NC-linked bureaucratic trade union—still relies on NC's patronage and has transitioned from one of the weaker secretarial portfolios to, arguably, one of the more powerful ones as NC joined the coalition government with CPN-UML. It is easy to view these political affiliations and associations as purely transactional relationships, but there are nuances, as explained by a former secretary considered close to NC. They described how, before entering the bureaucracy, they identified with NC's political vision and were part of its student trade union. Within NC, they were influenced by the party's ideologue B.P. Koirala and participated in street protests against the Panchayat regime. Once inside the bureaucracy, they had the opportunity to study in Europe and work with the United Nations, and they continued to remain ideologically close to NC's liberal philosophy and open-market ideology. This inevitably led NC ministers to trust them and assign them key portfolios when NC was part of the governing coalition. Conversely, ministers from other parties sometimes found it difficult to trust them, despite having confidence in their competence. The secretary provided an example of how they were transferred when the Maoists came to power in 2008, despite the minister in charge considering them capable and possessing integrity, simply because of potential ideological differences.

Personal relationships also play a crucial role in establishing political connections, helping elite bureaucrats hedge against the instability of coalition politics. An incumbent secretary traditionally aligned with the Nepali Congress (NC) was found to be leveraging their family connection with the Communist Party of Nepal Maoist Centre (CPN-MC) to secure lucrative secretarial postings when the NC was not part of the governing coalition. Similarly, a former secretary affiliated with the CPN-MC used their schooldays classmate affiliation with the

Communist Party of Nepal Unified Marxist Leninist (CPN-UML) to secure a prestigious portfolio post-retirement. There are many such examples of elite bureaucrats maintaining cross-partisan networks to cushion themselves from the changing nature of governing coalitions. Besides family and friend connections, personal relationships (with political leaders and other bureaucrats) are also formed through experiences of working together, participating in various training programs and seminars, and coming from the same BAT. Among these, BAT connections serve as a strong basis for personal relationships and connections within the bureaucracy. Officers from the same BAT enter the bureaucracy at the same time and undergo Basic Administrative Training together. They refer to each other as *byaji* and identify one another by their BAT number, which indicates when they entered the service. Individuals from the same BAT follow different career trajectories: some regularly appear for and clear competitive exams, quickly rising through the bureaucratic ranks, while others remain in the same position for over fifteen years. Despite this, there is a strong sense of affinity, camaraderie, and mutual support, which serves as a significant source of power. Similarly, geographical region is also one of the avenues for mobilisation. Bureaucrats from Gulmi, Arghakhanchi, Palpa, and Syanja are prominently represented in the bureaucracy and tend to mobilise strongly. Similarly, being a man and Khas-Arya (Brahmin or Kshatriya) is a source of power. However, unlike political parties, there is limited mobilisation along ethnic and caste lines within the Nepali bureaucracy. The ethnic and caste minority bureaucrats interviewed were primarily engaged in organising preparatory classes to support community members' entry into the civil service.

SECTION VI

Power Transaction: Civil Service Adjustment in Nepal's Federal Transition

The preceding sections examined how bureaucratic power is derived through various formal and informal sources, and the ways in which this power differs from one bureaucrat or bureaucratic group to another. This section takes the analysis a step further, moving from analysing the sources of power to their exercise—examining how bureaucratic groups leveraged power in pursuing their micro-interests through a specific and consequential policy episode. The politics surrounding the Employee Adjustment Act 2018 reveal that rather than functioning as a unified entity with fixed interests, the bureaucracy consists of disparate groups operating to advance their micro-interests, usually centred on securing portfolio postings of interest, rewards, easier pathways to promotions, and opportunities for post-service appointments. This competition for better service-related benefits can often be a zero-sum game, as better rewards for one bureaucrat or group mean fewer opportunities for others, making the bureaucracy highly fragmented. What follows traces how that competition and the inward exercise of power played out in practice, producing a subnational bureaucracy that is skewed in size, imbalanced in quality, and contrary to the logic of federalism itself.

6.1 Employee Adjustment Act 2018

Based on the constitutional provisions provided through articles 285 'Constitution of government service' and 302 "Formation and operation of government services at State and Local Level" which allows the government to restructure government employees (clause 2), the federal government enacted the Adjustment Act through an ordinance in December 2018. The Act was the government's first attempt at bureaucratic federalism. The Act formed the basis for transferring federal bureaucrats to the subnational level. To incentivise federal bureaucrats to join the subnational bureaucracy, the Act included a provision for extra pay based on their associated rank. However, due to minimal interest from bureaucrats in becoming employees of subnational governments, the government compiled a list of bureaucrats who would be assigned to the subnational positions. Table 8 below shows approved positions across the three tiers of government as the result of the Act.

Table 8: Approved positions at the Federal, Provincial, and Local Level^{xxii}

Government	Approved Positions (AP)
Federal	48,409
Provincial	22,297
Local	66,908

Given the scale of bureaucratic restructuring—and the likelihood that civil servants would leverage their power to influence or delay the process—the government passed the Act through an ordinance. Furthermore, the Act determined a narrow set of criteria for determining which bureaucrat or bureaucratic group would be deputed subnationally: existing rank, rank of previous position, permanent address, current address, address on citizenship certificate, and age-based seniority. These were fed into a software system to 'randomly' assign subnational postings to federal bureaucrats. In hindsight, the ordinance route and the software-driven assignment supported efficient delivery. But there were questions surrounding how the different criteria were set and whether they were consistently applied.

6.1.1 The Inward Exercise of Power

The formulation and implementation of the Adjustment Act laid bare the dynamics within various bureaucratic groups and how these groups have tried to leverage their power for better postings and pathways to promotions. There were pre-existing issues with the criteria, as they were ad hoc and designed to make it easier for senior bureaucrats (both in rank and age) to

avoid being integrated at the subnational level. Additionally, the criteria mentioning current address and permanent citizenship address created a loophole that allowed bureaucrats from Kathmandu to remain based at the federal level. This directly favoured the richer bureaucratic class who, on average, are from the federal capital – Kathmandu. A bureaucrat recounted how a friend was advised to buy land in Kathmandu so they could still retain their status as a federal employee.

Apart from the criteria, the selection of the sample population for *Samayojan* (adjustment) was also arbitrarily readjusted. This was evident in how, initially, more than 200 undersecretaries from the administrative cadre were slated for adjustment at the subnational level but somehow managed to escape through backdoor negotiations. A section officer, with some amusement, recalled how undersecretaries joined them on the streets protesting the government's decision to send them to subnational governments, only to find out next day that they had secured exemptions through lobbying behind closed doors. Another section officer hinted how additional federal portfolios had to be created to integrate these undersecretaries and this came out of making key subnational bureaucratic portfolios federally recruited. Moreover, additional federal postings were created even after many federal bureaucrats had been integrated at the subnational level, despite assertions that no federal positions remained.

Table 9: Rank-wise adjustment as of February 2019^{xxiii}

Rank	Federal	Province	Local
Secretary	57	0	0
Joint Secretary	574	102	0
Under Secretary (Accounts)	160	7	7
Under Secretary (Administration)	836	8	4
Under Secretary (Education)	146	56	227
Under Secretary (Revenue)	152	14	0
Section Officer (Administration)	2341	371	178
Section Officer (Accounts)	610	195	327
Section Officer (Revenue)	578	2	0

The decision regarding which service categories or groups (see pg. 13 Table I in Section III on service groups under the Civil Service Act, 1993) would be subjected to adjustment and which would be exempt was also arbitrary and political. Consistent with the constitutional spirit of devolution—which grants subnational governments greater authority in areas such as education, health, and forest management—bureaucrats from these service groups were integrated into the provinces in higher proportions. However, questions emerged about how certain influential groups and service categories leveraged their power to avoid adjustment. For example, the law cadre remained largely at the federal level even though provincial and local governments have constitutionally mandated policymaking authority. Similarly, while there were initial discussions about integrating the revenue cadre within the administrative service, they ultimately manoeuvred to largely avoid adjustment, as the table above shows.

This ad hocness raises questions about the legitimacy of the entire process, even when some decisions are aligned with constitutional intent. One incumbent Joint Secretary, perhaps caricaturing the situation, remarked on how clueless politicians and administrators sent education and agriculture cadres to the subnational level, thinking they should be teaching in schools and farming, respectively.

Table 10: Adjustment of different service groups as of March 2019^{xxiv}

Service Group	Federal	Provincial	Local
Economic planning and statistics	336	49	11
Engineering	6049	1571	537
Agriculture	1534	1415	2034
Law	3459	0	0
Foreign	276	0	0
Administrative	21,708	4355	5417
Accounts	354	0	0
Forest	1659	3465	0
Education	802	191	545
Parliament	234	33	2

Along with the tensions between Section Officers and Under-Secretaries mentioned above, there were also inter-cadre politics and associated frictions. This included grievances from other cadres regarding how the administrative-cadre-led adjustment process placed the Administrative Service Group at the centre—particularly how the Act provided a pathway for federal administrative cadres to take deputation as Chief Administrative Officers (CAOs) at the local level. As a result, there are many instances where rank-wise senior bureaucrats from other streams (e.g., education), who were permanently integrated into local governments, have had to report to junior CAOs from the administrative cadre who are there on temporary deputation. For a bureaucracy that is traditional and hierarchical, this mismatch between rank and seniority has caused significant disruption.

Although not directly stemming from the Adjustment Act, similar inter-service group contestations are emerging at the subnational level, where other service groups perceive the administrative service cadre as expanding its number of positions to create easier pathways for career advancement at the expense of other cadres. For example, in Karnali, the agriculture cadre expressed dissatisfaction over the reduction of total cadre positions in the province from 407 to 362. While it is difficult to make an informed assessment of whether the reduction was warranted, the subnational bureaucracy is witnessing a similar inward exercise of power by bureaucratic cadres—at the expense of other groups—as was seen during the Adjustment Act.

Finally, perhaps an example of collective exercise of bureaucratic power by senior gazetted bureaucrats: the manner in which, contrary to the recommendations of an expert commission, a disproportionately high number of positions were reserved and filled at the federal level reflects civil servants' strong preference for remaining at the centre, and their ability to mobilise collectively and manoeuvre accordingly. The table below shows that more than double the recommended number of positions were approved at the federal tier. These federal positions were created by mandating that key provincial and local-level positions be filled by federally deputed civil servants. This was meant to be an interim provision pending the enactment of the federal service Bill. However, nearly a decade later, the federal government continues to deploy civil servants to key subnational portfolios without sufficient mechanisms to ensure their accountability to subnational governments, including incentives to complete their full tenures.

Table 11: Recommended, Approved, and Filled Positions at the three tiers of government^{xxv}

Level	Recommended Positions (RP)	Approved Positions (AP)	Filled Positions (FP)	RP Proportion (%)	AP Proportion (%)	FP Proportion (%)
Federal	22,000	48,409	39,960	22	35	47
Provincial	18,000	22,297	13,821	18	16	16
Local	60,000	66,908	31,710	60	49	37

6.1.2 The Outcome

Understaffed, Imbalanced, and Demoralised Subnational Bureaucracy

The Adjustment Act 2018 was an interim law enacted on the basis of Article 302(2) of the Constitution, which provides that until laws governing provincial and local services are enacted, the federal government may adjust federal civil servants into subnational tiers on an interim basis. That interim arrangement has now persisted for nearly a decade—and in the process became a test case of powerful bureaucratic groups leveraging their position to secure federal postings. Bureaucrats from Kathmandu, or affluent enough to own land there, used their address to claim federal-level postings; a section of undersecretaries abandoned their junior colleagues at the last minute, lobbying their way out of subnational adjustment; administrative cadres leveraged their institutional dominance to have key subnational roles reserved for federally deputed officers; and senior gazetted officers collectively mobilised to ensure a disproportionate share of positions remained at the federal tier. The cumulative result was a relatively powerful, senior, and experienced bureaucracy at the centre, while subnational governments were left understaffed, less experienced, and structurally imbalanced.

These three problems—understaffing, inexperience, and structural imbalance—while distinct, share a common root: subnational postings were widely perceived as forced and less rewarding than federal ones. Those who were integrated, particularly younger and more ambitious officers, have been actively seeking ways to return to the federal level. To create such pathways, many have been lobbying for favourable provisions in the Civil Service Bill. A significant number are intentionally declining the promotions they are entitled to at the provincial level because, under existing law, accepting such a promotion would permanently classify them as subnational employees and foreclose any future return to the centre. Beyond career calculations, many are genuinely uncertain about the long-term future of federalism and the role of provinces within it, and therefore view subnational deputations a risky proposition for their professional future. They also feel aggrieved, having cleared the Federal PSC examination with the expectation of becoming federal employees.

Subnational governments have already felt the consequences of this inward exercise of power. At their inception—when laws were being newly formed, precedents were being set, and strong institutional foundations were perhaps most needed—they did not have the quality or breadth of human resources required. One provincial secretary, a federal joint secretary on deputation, recounted how some of his provincial staff, new to the job in the early days of provincial government, are facing court cases stemming from decisions made during that formative period. Another provincial secretary described how powerful groups within the engineering service circumvented subnational adjustment, leaving provinces deprived of the technical capacity needed for infrastructure expansion. In this context, subnational governments cannot afford to lose the officers who were integrated, as they bring federal-level experience and are often more seasoned than colleagues recruited later through the Provincial PSCs. More importantly, if subnational governments are to attract and retain skilled professionals, they must establish clear pathways for career advancement, transfers, and incentives—conditions that currently remain underdeveloped.

SECTION VII

The Federal Civil Service Bill: A PEA Snapshot

Few policy episodes in Nepal's recent history illuminate the exercise of bureaucratic power as vividly as the prolonged and contested passage of the Federal Civil Service Bill. First tabled in 2019 and reintroduced in 2024, the Bill has become a site of intense, multi-front contestation—attracting more than 1,500 proposed amendments and surviving the September 2025 public uprising that disrupted legislative proceedings. Its significance lies not merely in its technical scope, which spans rank structures, transfer modalities, promotion criteria, and the terms of federal staffing, but in what it reveals about how power is organised, exercised, and resisted when reform directly threatens the institutional interests of one of the state's most consequential actors.

At its core, the Bill represents an attempt to legislate the terms of bureaucratic power itself: who governs whom, from where, and under whose authority. What makes the episode analytically compelling is that the 2015 political settlement—while transforming Nepal's constitutional architecture from a unitary state to a federal republic, and restructuring the legislature, judiciary, and subnational governments—did not fundamentally alter where bureaucratic power in practice continued to reside. Federalism unbundled the state territorially, but the administrative centre of gravity remained, as it had long been, in Singha Durbar.

The adjustment of employees under the 2018 Act, discussed in the preceding chapter, already demonstrated how senior federal bureaucrats could leverage procedural authority, political access, and collective mobilisation to preserve their dominance at the centre. The Federal Civil Service Bill is where that same struggle has re-emerged at the level of law itself. Here, the contest is no longer only about postings or personnel allocation; it is about codifying the future distribution of authority across Nepal's state apparatus.

As the analysis that follows shows, actors across the political and administrative spectrum—political parties, bureaucratic unions, senior gazetted officers, integrated subnational employees, and the Public Service Commission (PSC)—have each mobilised power in relation to the Bill. Some have sought to advance provisions aligned with their interests, others to block clauses seen as threatening, and still others to quietly shape the legislative text before it reaches formal debate. The Bill, in this sense, is less a technical exercise in administrative design than a power map in motion: a live register of who holds influence in Nepal's governance system, through what mechanisms, and how far they are willing to go to defend it.

It should be noted, however, that the analytical details that follow encompass political economy insights up to March 2025. At that point, the Bill was undergoing the final stretch of discussion in the Parliamentary Committee on State Affairs and Good Governance. The committee had already settled on many aspects of the Bill, but several contentious provisions remained actively debated—among them, the fate of party-affiliated unions, the proposed position of Additional Secretary, and provisions related to retirement age and the cooling-off period. A separate sub-committee under the parliamentary committee was tasked with finalising these provisions.

Subsequently, the Bill was finalised and passed by the House of Representatives. It was soon learned, however, that key provisions in the final version—including that on the cooling-off period—had been modified within the bureaucratic machinery beyond what the Parliamentary Committee had sanctioned, suggesting that the legislative text had been altered after the committee's deliberations had concluded. The Bill was then presented to the National Assembly for review and ratification, which subsequently made amendments to the tampered

provisions as well as other key clauses. The National Assembly passed the Bill on September 2, 2025, and it moved back to the House of Representatives for the subsequent steps of finalisation, adoption, and ratification. These steps, however, were overtaken by the public uprising that followed in September 2025, effectively terminating the Bill's passage.

7.1 Policy Case

Nepal's federal transition remains institutionally incomplete—nowhere more evident than in the protracted passage of the Federal Civil Service Bill. Its enactment is one of the key pillars of Nepal's federal transition, marking the formal institutionalisation of bureaucratic authority, mobility, and accountability across all three tiers of government.

At its core, the bill reflects two interlinked policy challenges: unfinished bureaucratic restructuring and the politicisation of the civil service. The first highlights how administrative federalisation—intended to devolve authority and strengthen subnational governance—has been constrained by entrenched central control and selective adjustment. Resistance from federal bureaucrats, unions, and political patrons has resulted in asymmetric staffing and limited subnational capacity. The second, politicisation, reflects how party-affiliated unions and patronage networks have embedded political loyalty into bureaucratic functioning, eroding meritocracy and neutrality.

Debates around the bill extend beyond legal design to deeper questions of authority, accountability, and political control within Nepal's governance system. While political parties dominate the formal legislative process, bureaucratic unions exert disproportionate influence through informal channels, shaping provisions on rank structures, promotions, and transfers. Political actors seek to retain discretion, while bureaucrats negotiate safeguards around tenure, mobility, and career progression.

These tensions reflect a broader question: whether the federal civil service will evolve into a professional, rules-based institution or remain a site of political bargaining. Ultimately, the bill is less about administrative form and more about the politics of federal consolidation—a test of how far Nepal's federal project can move from centralised control toward more cooperative governance, while preserving bureaucratic integrity and service effectiveness.

7.2 Issue Definition

7.2.1 Administrative Federalism and Bureaucratic Restructuring

Implementing federalism required a comprehensive redesign of Nepal's administrative architecture. Yet restructuring remains incomplete, constrained by bureaucratic resistance, political instability, and competing institutional interests. The reluctance of political and administrative elites to devolve authority has reinforced central dominance. Ministries continue to control staffing and resources, leaving subnational governments under-resourced and dependent.

The adjustment process—intended to realign civil servants across levels—has been marked by selective implementation. Federal bureaucrats have often avoided provincial or local postings through political connections and policy loopholes, while unions have lobbied for favourable transfers and career safeguards. This has resulted in selective adjustment, with federal institutions retaining staff surpluses and subnational governments facing persistent shortages of skilled personnel.

Persistent bureaucratic–political frictions at the subnational level further complicate governance. Bureaucrats often resist directives from elected officials, citing allegiance to federal ministries or unions. Such non-cooperation constrains subnational autonomy and undermines the intent of devolved governance.

7.2.2 Politicisation of the Bureaucracy

The politicisation of Nepal's bureaucracy threatens impartiality, professionalism, and institutional stability. Political interference in appointments and transfers has entrenched patronage, weakened accountability, and disrupted continuity in governance. Merit-based systems have increasingly given way to networks of loyalty, where alignment with ruling parties is often perceived as essential for career progression.

Bureaucratic unions, though established to protect employee rights, have evolved into extensions of political parties, functioning as bargaining platforms for factional interests. This has fostered partisan fragmentation within the civil service, where institutional integrity is frequently subordinated to political allegiance.

Such politicisation erodes administrative neutrality—a cornerstone of democratic governance. As bureaucratic loyalty shifts toward partisan actors, public trust in state institutions declines, reinforcing inefficiency and clientelism. Continued federal control over personnel management further constrains subnational autonomy, perpetuating cycles of political interference and administrative weakness.

Restoring bureaucratic integrity requires strengthening rule-based systems for recruitment, promotion, and transfer, alongside a reassessment of union roles to limit excessive politicisation.

7.3 Stakeholder Landscape

Civil service reform in Nepal involves a complex web of institutional and political actors, each driven by distinct interests but bound by shared dependencies. Unlike other sectoral reforms, the private sector and civil society remain largely peripheral to this debate. The core contestation lies between political and bureaucratic actors—two deeply intertwined yet competing centres of power.

Although reform is formally a political and legislative process, its content and pace reflect a strong bureaucratic imprint. This dynamic underscores a central feature of Nepal's governance: political actors hold constitutional authority, but bureaucrats exercise institutional control over the everyday functioning of the state.

The following sections outline the key stakeholders shaping the reform agenda and assess their relative power, leverage, and motivations in relation to the Bill.

7.3.1 Political Actors: *Balancing Authority and Control*

Political actors occupy a paradoxical position in the reform process. While they hold formal authority to define policy agendas, steer legislation, and allocate resources, their influence over implementation remains constrained by bureaucratic discretion and procedural inertia. This asymmetry drives political actors to rely on informal mechanisms of control—primarily transfers, promotions, and post-retirement appointments—to secure bureaucratic responsiveness and loyalty.

The selective use of oversight institutions, particularly anti-corruption bodies, has further entrenched this transactional relationship. Such mechanisms are often deployed strategically to discipline or influence bureaucratic actors, reinforcing a system of mutual dependence between political and administrative elites.

At the heart of this dynamic lies a structural tension: stronger formalisation of bureaucratic rules can constrain political discretion, while expanded political control risks weakening bureaucratic professionalism. Reform efforts thus oscillate between preserving political leverage and advancing administrative modernisation.

Table 12: Stakeholder Overview (Political Actors) as of March 2025

Level	Actor	Power	Leverage
Federal	Nepali Congress (NC)	High	Largest party in Parliament and part of the ruling coalition; leads the parliamentary committee finalizing the bill.
	CPN-UML	High	Second largest party; crucial for securing votes to pass the bill.
	CPN-Maoist Centre (CPN-MC)	Medium	In opposition, the party chair is a committee member influencing negotiations.
	Second-tier parties (RSP, RPP, JSPN, LSPN, Janamat)	Medium	Limited electoral weight but can bargain over reservation and representation clauses.
Provincial / Local	Provincial and local political actors	Low	Express interest but lack significant leverage or coordination mechanisms.

7.3.2 Employee Unions: The 'Grey Power' of the Bureaucracy

Trade unions represent the most organised and politically networked constituency within the civil service. Rising to prominence since the democratic transition of the early 1990s, they formally represent employees in wage negotiations, promotions, and restructuring processes. Their role is particularly significant for junior officers and non-gazetted staff. However, their real influence operates through informal channels, where unions mediate between bureaucrats and political parties, functioning as brokers of loyalty and information. Through these roles, union actors are able to collectively negotiate concessions with both political actors and the bureaucracy.

Unions actively shape transfer and promotion outcomes—particularly for lower- and mid-level officers. Estimates suggest they influence roughly 80 percent of transfers for Gazetted Third Class officers and below, and about 10 percent for senior positions. By facilitating transfers and promotions, unions build staff loyalty, reinforcing their legitimacy as power brokers within the system. This loyalty, in turn, enables unions to access and circulate “inside” or “advance” information through their networks across the bureaucracy, extending their influence beyond formal mandates. In the case of senior-level transfers, their role shifts from direct intervention to intelligence gathering and political signalling. In this way, unions institutionalise political access within administrative systems, ensuring that partisan logic persists across bureaucratic layers.

Table 13: Stakeholder Overview (Trade Unions) as of March 2025

Actor	Affiliation	Power	Leverage
Nepal Civil Service Employees Organisation	CPN-UML	High	Strong national network; aligned with the ruling coalition.
Nepal Civil Service Employees Union	NC	High	Extensive reach within ministries; politically influential.
Nepal National Civil Service Employees Organisation	CPN-MC	Medium	Smaller presence; limited access to executive power.
Nepal Madheshi Civil Service Employees Forum	Madhesh-based parties	Medium	Ethnic focus provides transactional leverage with regional parties.
National Independent Employees Union Centre	Non-gazetted staff	Medium	Large membership but weak individual influence.

7.3.3 Bureaucracy: Navigating Formal Authority and Informal Power

The Nepali bureaucracy operates through a complex interplay of formal hierarchy and informal networks. Given the scale and diversity of the system, interests and influence are stratified—largely based on rank, service group, and proximity to political power.

Table 14: Stakeholder Overview (Bureaucracy) as of March 2025

Actor	Power (Rank)	Leverage
Senior Federal Gazetted Officers (First & Special Class)	High	Commands executive authority; can negotiate directly with political leaders.
Federal Gazetted Third Class Officers	Medium	Transactional workforce mobilised through unions.
Non-gazetted Employees	Medium	Strong collective bargaining capacity through organised unions.
Federal employees adjusted to Provincial and Local Governments (Gazetted & Non-gazetted)	Low	Fragmented and unorganised; influence limited to union channels.

7.3.4 Public Service Commission: *Formal Authority, Constrained Influence*

The PSC holds constitutional authority over recruitment, promotion eligibility, and staffing standards. However, its influence remains largely procedural and advisory. Political interference and bureaucratic resistance limit its ability to shape broader reform outcomes.

While the PSC plays a critical role in safeguarding recruitment integrity and professional standards, its lack of enforcement authority constrains its overall impact, leaving the reform process vulnerable to political negotiation and institutional compromise.

7.4 Interests and Political Economy

The debate on Nepal's civil service reform reflects a deeply entrenched struggle between political actors, bureaucratic elites, and employee unions. While legislative authority formally lies with political institutions, bureaucratic influence persists through informal networks and union mediation. Employee unions operate as intermediaries—anchoring political–bureaucratic linkages and sustaining transactional arrangements.

In the sections below, we unpack reform debate and key stakeholder perspectives around the two policy issues. Refer to Annex 1 for detailed analysis.

7.4.1 Issue 1: Administrative Federalism and Bureaucratic Restructuring

Q1. What will be the future of federal employees adjusted to provincial and local governments?

Analytical Interpretation:

A central concern in the reform debate is the 2019 civil service adjustment process, which transferred federal employees to provincial and local levels. Stakeholders broadly agree that the process was inequitable: senior federal bureaucrats used their authority to retain central postings, while junior officials were disproportionately shifted to subnational levels.

Two reform options now structure the debate:

- **Incremental solution:** Introduce inter-tier competition quotas within the federal service to allow gradual upward mobility for provincial and local staff.
- **Disruptive solution:** Allow a one-time reshuffle across all tiers, effectively reopening deployment choices for all employees.

The eventual resolution is likely to hinge on intra-party negotiations within the Nepali Congress, where factions differ between incremental and disruptive approaches.

Q2. Who will staff decision-making roles in the provincial bureaucracy?

Analytical Interpretation:

Stakeholders diverge on how to sustain a competent provincial bureaucracy over the medium term. While most national political parties and unions favour continued federal deputation of

senior officers, Madhesh-based actors—both political and bureaucratic—advocate for greater provincial autonomy in recruitment and personnel management.

The proposed creation of an “Additional Secretary” rank is emerging as a compromise, allowing senior federal officers to serve in provinces for fixed terms. While framed as a functional reform, it is widely seen as a mechanism to ease intra-rank seniority pressures—particularly at the Joint Secretary level—and address promotion bottlenecks within the federal hierarchy, rather than to strengthen provincial administration. The proposal also faces resistance from officers nearing promotion to Secretary, who perceive it as potentially disruptive to their career trajectory.

Q3. Who will manage Chief Administrative Officers (CAOs) in local governments?

Analytical Interpretation:

Most stakeholders support a gradual transfer of authority for managing Chief Administrative Officers (CAOs) from the federal to the provincial level. Political parties favour a shared provincial pool of officers, while unions advocate for direct local-level staffing authority. A minority—including some provincial actors and Madhesh-based unions—support immediate decentralisation.

The emerging consensus points toward a phased transition model, with provinces assuming control over CAO management over a five-year period. However, this gradualism also reflects a continued reluctance to devolve authority over strategically important positions. CAOs are central to the functioning of local governments, but they also serve as critical linkage points between local administrations, political actors, and the federal bureaucracy. In practice, they can facilitate or constrain local decision-making and public expenditure in ways that align with central interests. This position is further shaped by persistent concerns regarding the capacity of local governments to independently manage personnel systems.

7.4.2 Issue 2: Politicisation of the Bureaucracy (Union Reforms)

Q4. What is going to be the future of trade unions in the bureaucracy? Party-Affiliated versus Independent Trade Unions.

Analytical Interpretation:

There is broad consensus across political and bureaucratic actors that the current model of trade unionism will persist. Most stakeholders—including major political parties—favour maintaining party-affiliated unions. This preference is sustained by three core political economy dynamics:

- **Vote-bank linkages:** Trade unions mobilise a stable electoral base within the bureaucracy.
- **Informal HR management:** Unions function as de facto human resource arms of political parties, influencing promotions and transfers.
- **Information networks:** Union representatives monitor bureaucratic alignments and relay information to political actors, institutionalising political oversight.

Despite recurring public discourse on depoliticising the bureaucracy, unions are likely to remain central to sustaining party influence within administrative systems—ensuring continued political presence even when parties are out of government.

Taken together, these perspectives underscore that civil service reform in Nepal is less a technical exercise than a negotiation over authority. Each stakeholder group interprets reform through its own institutional logic—political actors through control, bureaucrats through tenure and rank, and unions through representational relevance. The trajectory of reform, therefore, depends not only on legislative design, but on the extent to which these competing logics can be aligned within a coherent framework of administrative federalism.

SECTION VIII

Concluding Thoughts and Reflections

This study set out to examine bureaucratic power, authority, and decision-making in Nepal's public administration system. In doing so, it also traced the evolution of the civil service as an institution—its formal rules, informal practices, and its embeddedness within the country's shifting political scene. The analysis sought to unpack how bureaucratic power and authority are exercised, negotiated, and reproduced through everyday decisions and institutional transactions, particularly in relation to political actors and evolving federal arrangements. The evidence points to a civil service that remains vital to the functioning of the state yet has become deeply politicised and fragmented—engulfed in an administrative culture where preservation and inaction often trump innovation, efficiency, and the public mandate.

In the following sections, we present our concluding reflections on the themes explored in this study.

Bureaucratic Power as a Relational Construct

A central insight from this study is that while formal rules protect and enable the bureaucracy, bureaucratic power in Nepal is not derived solely from legal authority or hierarchy—it is relational and deeply contextual. It emerges from the interplay between political fragmentation, institutional continuity, and procedural expertise. In settings such as Nepal, where governments change frequently and coalitions are unstable, the permanence of the civil service gives it a distinct comparative advantage over both the formal and the informal of the executive arena.

The bureaucracy's role in interpreting and operationalising laws, managing procedural bottlenecks, and maintaining service delivery in an unstable political environment has conferred it considerable informal authority. This relational understanding reveals an important duality: bureaucratic power is both constitutive of the state's functionality and constraining of reform. As documented in this study, the institution often resists transformations that threaten established routines or privileges. Bureaucratic power, therefore, is not exercised in defiance of politics but negotiated within it—shaped by the shifting alignments of interests and authority in the executive arena.

Administrative Politics: The Formal–Informal Interface

The formal architecture of the bureaucracy—codified in laws, regulations, and organograms—projects impersonality, merit, and procedural order. Yet its everyday functioning remains different. Work and responsibilities are mediated through informal conventions, personal networks, and discretionary practices. Transfers and promotions, which on paper appear routine, have evolved into arenas of negotiation between political actors and bureaucrats. These transactions serve as mechanisms of mutual influence: politicians deploy them to reward loyalty or exert control, while bureaucrats leverage them to secure desirable postings or portfolios.

The persistence of this formal–informal equilibrium underscores that bureaucratic behaviour is not determined by rules alone. Reform efforts that focus exclusively on legislative or procedural change often fail because they overlook the incentives, interests, and informal norms that sustain the existing order. The bureaucracy operates less as a rule-bound hierarchy and more as a networked system of exchanges—where authority is reproduced through a blend of procedural mastery and political astuteness and adaptability.

Bureaucratic Agency in Policy Formulation

Contrary to the classical view that bureaucrats merely implement political decisions, evidence from this study shows that bureaucrats in Nepal are active participants—and often principal

authors—of public policy. From the drafting of provincial legislation by junior officers to the amendment of national bills in parliamentary committees, the bureaucracy wields substantial influence in shaping both the content and direction of policy. This influence stems not only from technical expertise but also from the relative disengagement of political representatives from the legislative process. Limited policy literacy and short-term political incentives have expanded the bureaucratic space in pre-legislative stages, giving civil servants *de facto* ownership of the policy agenda. Consequently, bureaucratic power extends upstream into policy design and downstream into regulatory interpretation.

This agency is both functional and problematic. It ensures continuity and coherence but can also reinforce bureaucratic insularity and limit accountability. The challenge lies in balancing bureaucratic expertise with democratic oversight—ensuring that the exercise of bureaucratic power serves public rather than institutional interests.

Federalism and the Politics of Adjustment

The transition to federalism introduced new arenas for bureaucratic negotiation. The Civil Service Adjustment (*Samayojan*) Act of 2018—intended to devolve administrative authority—became a test case for bureaucratic adaptation. The reform will stand the test of time as a significant institutional shift and one that also signals that complex reforms are possible within the bureaucracy when the right incentives align. Yet, it also revealed the limits of devolution.

The adjustment process exposed the central bureaucracy's ability to reassert control through procedural mechanisms—determining placements, defining organisational structures, and constraining subnational autonomy. Far from a neutral technical exercise, adjustment was an exercise of bureaucratic power—mediating inter-service hierarchies, negotiating privileges, and redefining the territorial distribution of authority. While the formal structure of federalism devolved responsibility, the functional logic of administration remained centralising. Provinces emerged as the weakest link, lacking both staffing autonomy and policy capacity. This outcome underscores a broader paradox: while federalism promises decentralisation, bureaucratic mobilisation for professional and personal interests reinforces vertical control. The state's administrative heart remains in Singha Durbar, even as the map of governance expands outward.

Politicisation, Unions, and Administrative Culture

The rise of trade unions and party-affiliated bureaucratic networks since the 1990s has further complicated the landscape of administrative power. Unionisation has endowed bureaucrats with collective bargaining power, enabling them to influence transfers, promotions, and even legislative outcomes. At the same time, it has blurred the boundary between the political and administrative domains, embedding partisanship within the bureaucracy's organisational culture.

This politicisation has produced a paradoxical form of accountability—horizontal rather than vertical—where loyalty to party networks often outweighs accountability to the state or citizens. While unions have provided bureaucrats with protection and voice, they have also entrenched mediating structures that reproduce factionalism and resistance to reform. Reforming such a system requires reconfiguring—not erasing—these networks, aligning collective interests with institutional performance rather than partisan allegiance.

Subnational Bureaucratic Capacity and the Developmental State

Findings from provinces and local governments reveal uneven bureaucratic capability and asymmetric devolution. Local governments possess the widest formal authority but depend heavily on centrally deputed staff—particularly Chief Administrative Officers (CAOs)—whose accountability remains upward. Provinces, meanwhile, are constrained by unclear staffing mandates and reliance on federal approvals.

Building a genuinely developmental bureaucracy requires locating and nurturing subnational administrative capacity rather than replicating federal templates. The challenge is to move from “form before function” to “function-led form”—tailoring institutional design to governance realities and capacity. Provinces offer potential laboratories for innovation: managing shared staffing pools, piloting merit-based mobility systems, or experimenting with cross-tier performance frameworks. Such reforms, however, demand political will and intergovernmental trust—qualities that remain scarce in Nepal’s current federal context.

Toward a Developmental Bureaucracy

The central challenge is not to dismantle bureaucratic power but to reorient its use. Bureaucratic capability is an asset for the state; the task of reform is to channel that capability toward developmental goals. This entails redefining the relationship between politics and administration—from one of mutual suspicion to one of negotiated complementarity. Reform must focus on aligning interests: creating incentives for professionalism, embedding accountability through performance rather than proximity, and fostering a culture that values delivery as much as compliance. Such a transition cannot be legislated alone; it must be cultivated through long-term institutional engagement, political bargaining, and administrative experimentation.

In closing, Nepal’s bureaucracy is both the custodian of the state and the site of its contradictions. It sustains governance when politics falters, yet it often reproduces the very inefficiencies that hinder reform. Its power lies not in defiance of politics but in its capacity to endure, adapt, and quietly shape the state’s evolution. Understanding this duality is essential for reimagining reform. The envisioned transformation of Nepal’s bureaucracy will not result from a single law or institutional redesign; it will have to emerge from a sustained negotiation between authority, capability, and accountability. The issue is not just that the bureaucracy is resistant; it is also that the political leadership often lacks the vision, consistency, or institutional discipline needed to use bureaucratic capacity productively and effectively.

SECTION IX

Postscript - After the Youth Uprising: Nepal's Civil Service Reform in a New Political Moment

Since the fieldwork and majority of the report were written ahead of the September 2025 Generation Z-led movement, the report does not engage with the movement, the transition period that followed, or the March 2026 elections that heralded what many analysts have called a political rupture. The Rastriya Swatantra Party (RSP) won almost two-thirds of the seats in the Federal Parliament, falling just two short of a two-thirds majority. Following the election results, we asked ourselves two questions: does our premise of Nepal being a politically fragmented society still hold? And knowing what we now do about bureaucratic power, how might it inform bureaucratic reform, something that appears high on the new government's agenda?

Given the scale of RSP's mandate, political fragmentation has, at least at the political (coalition) level, paused in the short run. At the societal level, however, the premise of fragmentation still holds. The RSP's victory was as much a product of disenchantment with the establishment as it was an expression of a new urban, youth-driven political identity—one that has yet to translate into deep organisational consolidation at the grassroots. Whether that identity hardens into a durable political force is a question that the next few years will answer. That said, coalition-level consolidation will have real consequences for the bureaucracy: the menu of options previously available to civil servants is bound to shrink. In that sense, this may be one of the rare moments where a government has the political space to pursue the reforms it wants.

The political space is necessary but not sufficient. What fills that space—the process adopted, the evidence drawn on, and the understanding of power brought to bear—will matter as much as the mandate. The RSP's consolidated mandate offers a rare reduction in the informal leverage that the bureaucracy has had in Nepal's fragmented political environment. That said, a danger lurks. If the bureaucracy develops a collective consciousness around the reform agenda, perceiving it as a shared threat rather than a set of individual, rank or service group level inconveniences, it may shift from its characteristically inward exercise of power to a more coordinated outward resistance against proposed reforms. The most effective guard against that collective mobilisation is not confrontation but sequenced, evidence-based reform that disaggregates bureaucratic interests before they coalesce. The research is instructive on where to begin. First, transfer, performance assessment, promotion, and appointments: as long as these remain ad hoc and instruments of political reward, bureaucratic power will be centred on building political networks rather than delivering results. Second, union restructuring: not abolition, but a deliberate reconfiguration that severs the direct operational link between party machinery and personnel decisions. Third, and perhaps most consequential, genuinely devolving key subnational staffing authority—or, if that is not feasible in the short run, supervisory authority—so that key subnationally deputed bureaucrats stay throughout their tenure and are accountable to subnational governments.

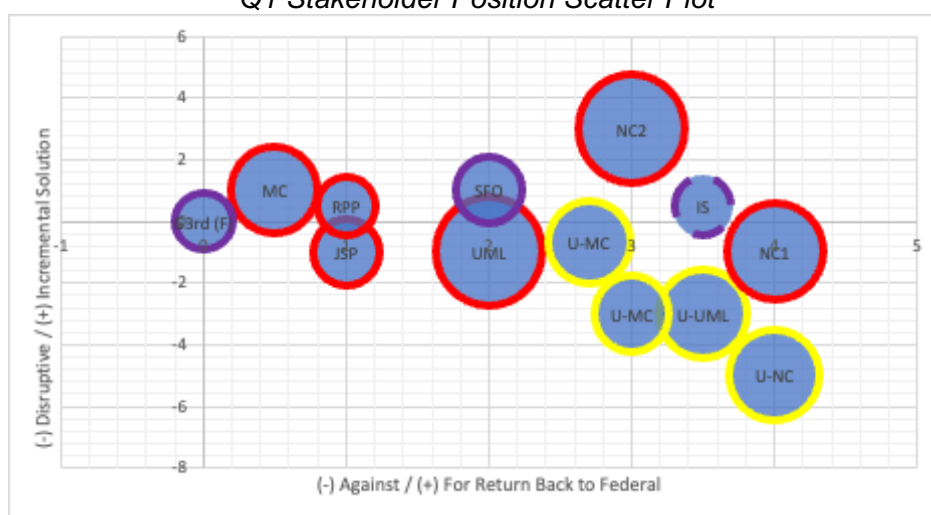
The onion, as we noted at the outset, has no final layer. Yet there are moments when the conditions for peeling it are better than others. This, the evidence suggests, is one of them. But the bureaucracy this report describes should not be seen simply as an obstacle to reform; rather, it reflects the political regime it operates within, and ultimately the instrument through which any reform must pass. The current government's preference for a strong political secretariat is an early signal worth watching: the impulse to bypass an institution one cannot yet control is understandable, but reforms that route around the bureaucracy rather than through it rarely hold. The more consequential question now is not whether it will be peeled, but which part of it, and how.

ANNEX 1

ISSUE 1: ADMINISTRATIVE FEDERALISM AND BUREAUCRATIC RESTRUCTURING

Q1. What will be the future of federal employees adjusted to provincial and local governments?

Q1 Stakeholder Position Scatter Plot



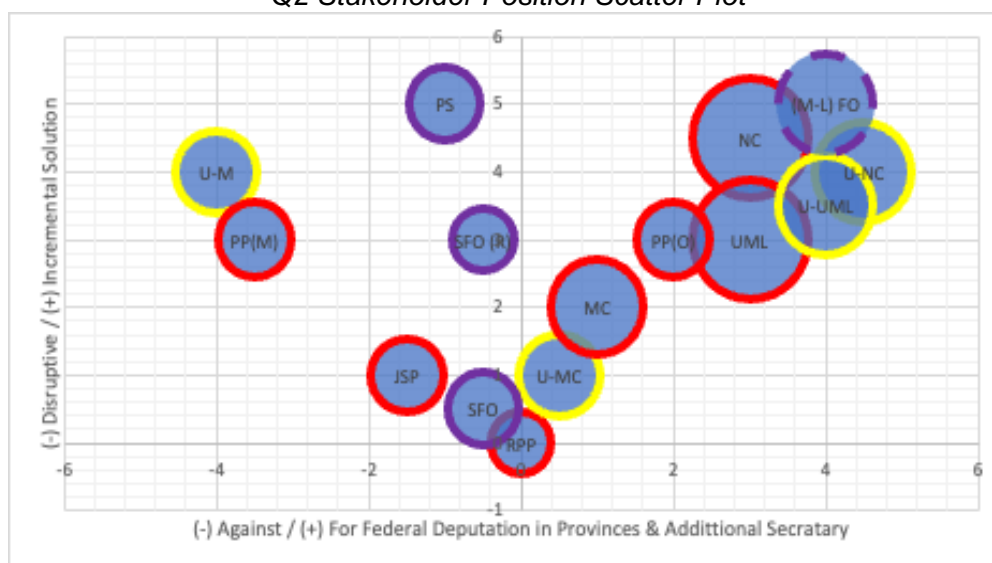
Graph Legend: Size of circle denotes actor power.
Red: Political Actors; Yellow: Unions; Purple: Bureaucratic Actors

Stakeholder	Perspectives / Interests / Positions
Nepali Congress	Adjustment appears discriminatory. There should be a pathway for employees adjusted at the lower levels to rise to higher positions. Options: 1. Employees should be given a one-time opportunity for interprovincial transfer or return to the federal level. 2. Quotas should be reserved for inter-tier competition.
CPN (UML)	Employees transferred to provinces and local levels should be defined within the federal civil service. Opportunities for them to return to the federal level should remain open.
JSP (Nepal)	Career development should not be hindered. Until provinces establish their personnel management systems, interprovincial transfers and other opportunities should be available.
RPP	Employees transferred to local and provincial levels should have an open pathway to return to the federal civil service.
Nepal Civil Service Employees Organisation (UML)	Those transferred should be given a one-time opportunity to transfer to the federal civil service. Age restrictions should not apply in inter-tier competition.
Nepal Civil Service Employees Union (NC)	Employees transferred through adjustment should have a one-time opportunity to return to the federal civil service. Similarly, federal employees should also be able to move to provincial and local levels if desired.
Nepal National Civil Service Employees organisation (MC)	Issues in adjustment should be addressed through the Civil Service Bill, ensuring open career development pathways.
Nepal Madheshi Civil Service Employees Forum (Madhesh)	Employees transferred to local and provincial levels should have an open pathway to return to the federal civil service or other provinces.

Senior Federal Gazetted Employees (First & Special Class)	Open pathways to return to the federal civil service through defined provisions such as inter-tier competition.
Federal Gazetted Third Class Employees	Open pathways to return to the federal civil service, but through open competition.
Integrated Employees (Province & Local)	Recognise employment tenure within provisions of federal law, preferential allocation of 10 percent inter-tier competition quota for return to federal.

Q2. Who will staff decision-making roles in the provincial bureaucracy?

Q2 Stakeholder Position Scatter Plot



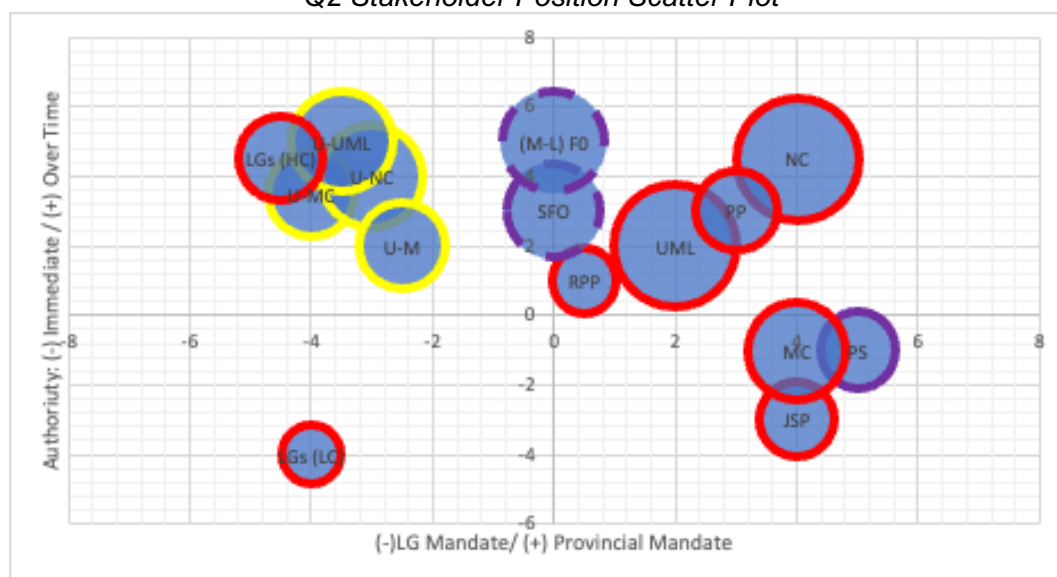
Graph Legend: Size of circle denotes power and influence on the reform.
 Red: Political Actors; Yellow: Unions; Purple: Bureaucratic Actors

Stakeholder	Perspectives
Nepali Congress	Federal deputation for a fixed duration. Deputation on Additional Secretary (Roster System with Reward)
CPN (UML)	All new appointments should start at the provincial and local levels. Additional benefits should be given to those going to lower tiers.
JSP (Nepal)	The Provincial Public Service Commission should actively recruit and manage staff. Trying to run provinces solely with federal employees weakens federalism.
RPP	Federal civil servants should be sent to provinces for management.
Provincial Politicians (Madhesh)	Federal civil servants should be sent to provinces; provincial politics has no control over those deputed from Kathmandu.
Provincial Politicians (Madhesh)	Federal deputation for a fixed duration, provincial staffing capabilities very limited
Nepal Civil Service Employees Organisation (UML)	To manage provincial employees, the position of additional secretary can be introduced (with a maximum tenure of 8 years) and assigned to provinces.
Nepal Civil Service Employees Union (NC)	There is no major shortage of employees at the provincial level. Chief Secretaries and Provincial Secretaries should be assigned from the federal level.
Nepal National Civil Service Employees Organisation (MC)	Employees are not attracted to provinces due to a lack of career growth opportunities. Legal barriers preventing career development should be corrected.
Nepal Madheshi Civil Service Employees Forum (Madhesh)	Staffing should be from provinces.

Senior Federal Gazetted Employees (Special Class)	Supportive, as it does not hinder their career.
Senior Federal Gazetted Employees (Inline to Secretary)	Resisting, as this will hamper their own promotion timelines
Mid-Low Gazetted Employees	Very supportive, improves their promotion timelines

Q3. Who will manage Chief Administrative Officers (CAOs) in local governments?

Q2 Stakeholder Position Scatter Plot



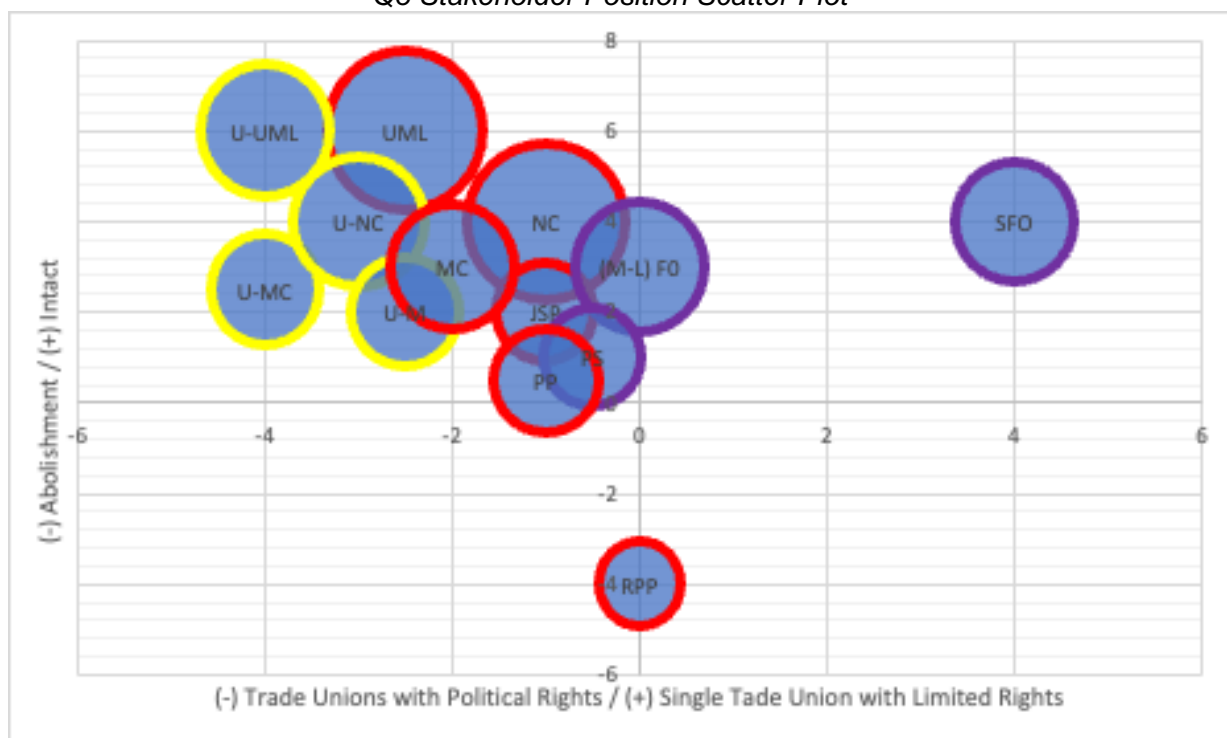
Graph Legend: Size of circle denotes power and influence on the reform.
Red: Political Actors; Yellow: Unions; Purple: Bureaucratic Actors

Stakeholder	Perspectives
Nepali Congress	A roster system should be created where provincial governments manage and deploy Chief Administrative Officers to local governments. Their performance should be evaluated by Mayors/Chairpersons. After five years, provinces should take full responsibility.
CPN (UML)	Until lower tiers develop the capacity to manage personnel, the federal government should send chief administrative officers.
JSP (Nepal)	The management of Chief Administrative Officers should be handled by provincial governments, as deploying federal officers has caused many issues.
RPP	To maintain a chain of command, federal civil servants should be removed from local governments. The federal government should deploy personnel to provinces, which will then manage Chief Administrative Officers.
Provincial Politicians (All)	Should be handled by the provincial government, not the centre.
Nepal Civil Service Employees Organisation (UML)	Chief Administrative Officers should be appointed from the federal civil service for five years.
Nepal Civil Service Employees Union (NC)	Federal civil servants should be assigned as Chief Administrative Officers for a certain period, preferably five years, before local governments take over.
Nepal National Civil Service Employees Organisation (MC)	Chief Administrative Officers should be assigned for at least two years.
Nepal Madheshi Civil Service Employees Forum (Madhesh)	Staffing should be from provinces. MoFAGA is only working as a deputation office.

ISSUE 2: POLITICISATION OF THE BUREAUCRACY

Q4. What is going to be the future of trade unions in the bureaucracy? Party-Affiliated *versus* Independent Trade Unions.

Q3 Stakeholder Position Scatter Plot



Graph Legend: Size of circle denotes power and influence on the reform.
 Red: Political Actors; Yellow: Unions; Purple: Bureaucratic Actors

Stakeholder	Perspectives
Nepali Congress	Currently undecided or holding a "dual view." While acknowledging the need for reform, the leadership remains silent/confused on whether to fully decouple unions from parties.
CPN (UML)	Believes partisan unions cannot be ignored. Suggests a threshold system for registration to limit the number of unions while establishing one Official Trade Union as the primary bargaining agent.
JSP (Nepal)	Acknowledges that political parties naturally want a presence within the bureaucracy, but remains unclear on whether unions should be partisan-based or a single shared entity.
RPP	Abolitionist stance. Argues that partisan trade unions should not be allowed at all and must be dissolved to ensure administrative neutrality.
Maoist Centre (MC)	Views union rights as a hard-won achievement of past movements. Strongly advocates for maintaining the current system, suggesting only minor "Code of Conduct" tweaks to handle "distortions."
Nepal Civil Service Employees Union (NC)	Advocates for the status quo. They believe the current system should remain, with potential issues addressed through a stricter Code of Conduct rather than structural dissolution.

Nepal Civil Service Employees Organisation (UML)	Denies being a "wing" of a party but resists "unnecessarily restrictive" registration. Supports the existence of one Official Trade Union for collective bargaining.
Senior Federal Gazetted Employees (SFO)	Highly Resistant to Unions. Advocates for the complete removal of partisan unions or, at most, a single, highly restricted professional association to prevent political interference in management.
Mid-Low Gazetted Employees (M-L FO)	Generally supportive of a single union or official bargaining agent to protect their rights from senior management, but wary of extreme political polarisation.
Nepal Madheshi Civil Service Employees Forum	Supports union rights but emphasises that these rights should extend effectively to the provincial and local levels as part of the federal transition.

ANNEX 2

MINISTRY OF FEDERAL AND GENERAL AFFAIRS (MoFAGA)					
Office of Minister					
Office of the Secretary					
INTERNAL MANAGEMENT DIVISION <i>Joint Secretary (Admin): 1</i>	FEDERAL AFFAIRS DIVISION <i>Joint Secretary (Admin): 1</i>	PERSONNEL ADMINISTRATION DIVISION <i>Joint Secretary (Admin): 1</i>	PLANNING AND DEVELOPMENT COOPERATION COORDINATION DIVISION <i>Joint Secretary (Admin): 1</i>	CAPACITY DEVELOPMENT DIVISION <i>Joint Secretary (Admin): 1</i>	ADMINISTRATION REFORM DIVISION <i>Joint Secretary (Admin): 1</i>
Internal Management Section <i>Under-secretary (Admin):1</i> <i>Under-secretary (Edu): 1</i> <i>Section Officer (Admin): 3</i> <i>Non-Gaz. 1st (Admin): 27</i> <i>Other Non-Gazetted</i>	Federal Affairs Section <i>Under-secretary (Admin):1</i> <i>Section Officer (Admin): 2</i>	Federal and Provincial Employee Administration Section <i>Under-secretary (Admin):1</i> <i>Section Officer (Admin): 2</i>	Planning and Monitoring Section <i>Under-secretary (Admin):1</i> <i>Section Officer (Admin): 2</i>	Capacity Development Section <i>Under-secretary (Admin):1</i> <i>Section Officer (Admin): 2</i>	Administrative Reform and Management Training Section <i>Under-secretary (Admin):1</i> <i>Section Officer (Admin): 3</i>
Financial Administration Section <i>Under-secretary (Acc):1</i> <i>Officer Ga. 3rd (Acc): 2</i> <i>Non-Gaz. 1st (Acc): 2</i>	Institutional Development Section <i>Under-secretary (Admin):1</i> <i>Section Officer (Admin): 2</i>	Local Level Employee Administration Section <i>Under-secretary (Admin):1</i> <i>Section Officer (Admin): 2</i>	Development Cooperation Coordination Section <i>Under-secretary (Admin):1</i> <i>Section Officer (Admin): 2</i>	Good Governance Promotion Section <i>Under-secretary (Admin):1</i> <i>Section Officer (Admin): 2</i>	Human Resource Planning Section <i>Under-secretary (Admin):1</i> <i>Section Officer (Admin): 2</i>
Legal Decision Administration Section <i>Under-secretary (Law):1</i> <i>Section Officer (Law): 2</i>	Local Level Coordination Section <i>Under-secretary (Admin):1</i> <i>Section Officer (Admin): 2</i>	Promotion Management Section <i>Under-secretary (Admin):1</i> <i>Section Officer (Admin): 2</i>	Environment and Disaster Coordination Section <i>Under-secretary (Admin):1</i> <i>Section Officer (Admin): 2</i>	Local Level Resource Mobilization Section <i>Under-secretary (Admin):1</i> <i>Section Officer (Admin): 2</i>	Employee Welfare Section <i>Under-secretary (Admin):1</i> <i>Section Officer (Admin): 2</i>
Information Technology Section <i>Under-secretary (Tech): 1</i> <i>Officer-Computer: 1</i> <i>Officer-Computer (Eng): 1</i> <i>Non-Gaz. 1st - Computer: 1</i>	Social Inclusion Section <i>Under-secretary (Admin):1</i> <i>Section Officer (Admin): 2</i>	Note on Service Categories: (Admin): Administration (Law/Judicial): Law/Judicial (Acc): Accounts			

ENDNOTE

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