# 1.0 Introduction

Corruption is not a new phenomenon in the world, but it has existed for centuries. Corruption has its roots in every walks of life and on every level in society. Many countries have fought their way out of a corrupted lifestyle, this is typical in the Western world but corruption is still a huge problem for many countries, especially in the Third and developing World. Corruption is a major issue, and it affects societies and economies on a global scale. Corruption can cover a wide range of areas of abuse, such as bribery, extortion and fraud (Rohwer; 2009), but mostly it is defined as “*the abuse of entrusted power for private gain”* (DFID; 2013). Every country is fighting different levels and degrees of corruption, and in most cases, it is high-level authorities who are the most corrupted people, which is also why corruption is typically called a *‘white-collar’* crime (UN’s Convention against Corruption). Corruption creates diffusion and chaos in political systems, and it puts democracy and its leaders at risk of destroying national development. This is especially an important point when it comes to the developing world, since corruption is more extensive and has a greater impact on the countries in this part of the world. Corruption is widespread and most commonly found in African and Asian countries, due to lack of proper development and leadership. The political and legal systems do not work properly which create a halt in the countries’ development, prosperity, and future and not least in the trust from the people.

However, as mentioned, many countries want to, and are trying to break out of the vicious circle that corruption creates, this includes Nepal as well which is the country this paper will focus on. Nepal has experienced corruption for centuries, due to their long history of dynasties and corrupt rulers. Nepal has a long history of autocratic ruling and a suppressed population. It has affected all levels of the society. The reasons for corruption vary, and this paper will examine the reasons behind Nepal’s high level of corruption. Nepal is one of the more corrupted countries in the world and as said above, this paper will look at the reasons behind the corruption and it will also try to answer what changes need to take place in order to create a better society for Nepal.

In the beginning of the 21st century, Nepal lived through some troubled times, especially politically, and the troubles were enforced especially after the murder of the royal family in 2001. The situation became even worse when the new king abolished the parliament, and re-instated himself as head of the government. However, after a protest from the Maoist party, the king was forced to re-instate the House of Representatives, which eventually completely abolished the monarchy in 2008 (Gayley: 2001). These incidents exacerbated the tense political situation even more. Corruption has since then increased poverty and distrust towards the government has grown throughout the nation. High-level authorities have chosen to ignore the issue, and the population and the country as a whole are the ones suffering. For many ordinary people, but not least for high-level authorities corruption have become a way of life and a way to survive and rise to a higher status. Since the government has not shown keen interest in changing this way of life, Nepal will fall even further behind, which will lead to less international support, and more importantly that the poorest areas in the country never will recover from poverty and hunger.

According to numbers from Corruption Perception Index (CPI) 2014, Nepal is ranking 126 out of 175 countries, which means that corruption in Nepal has increased compared to the numbers from 2013, where it ranked 116. Nepal scores 29 out of 100, where zero is highly corrupted and 100 is very clean (CPI) compared to 31 out of 100 in 2013 (CPI). This is not the progress Nepal could have hoped for and anticorruption organizations have been fighting for.

There are international and national organizations that are fighting corruption, but since corruption is increasing, it could indicate that governance and rule of law in Nepal are not working properly or are simply lacking.   
Therefore, this paper’s research question will be as follows,

***Why is Nepal suffering from such a high level of corruption?***

In help to answer this question and to get a thorough examination of the problems, I will add and examine two sub-questions:

*- What is the public opinion about the corrupt system?  
- Can we speak of good or bad governance in Nepal?*

The paper is structured by introducing and explaining methodology, which includes explanations of choice of topic and country, choice of theory and empirical material. Then the theoretical framework, where the chosen theory will be explained. Afterwards, an analysis and discussion will follow and lastly a conclusion to gather the findings.

# 2.0 Methodology

# *This section will contain explanations for choice of topic and country, choice of theory, the empirical material, choice of analytical strategy and critical reflection on the methodological choices.*

The paper strives to examine the high level of corruption in Nepal and some of the main reasons behind it. Nepal has been suffering from corruption for a long time and research shows that it is not improving, but worsening (CPI; 2014). This problem affects the entire nation, and stops any development the country so strongly needs such as better infrastructure and the eradication of hunger and poverty. The United Nations former UN Secretary-General Kofi Annan once stated, “*Good governance is perhaps the single most important factor in eradicating poverty and promoting development*” (Annan, the UN; 1998). *Good Governance* has entered into the global stage and this will provide poorly governed countries the opportunity to change and improve. The public opinion will come into consideration with statements from ordinary Nepali people from street interviews, and statements and answers from a questionnaire taken by high-educated people, and I expect them to have a more thorough knowledge of the Nepali society. Education is important, and especially in Nepal, because it helps understanding how the society operates, and not least how the political system works. These statements are that of ordinary people who are non-educated I am expecting them to have less knowledge of how the society operates. References to some of the major international organizations such as the World Bank and the United Nations will also be made.

The analysis will consist of several sections concerning the main areas where corruption takes place such as; the political and legal system, the educational system, and the media, the public opinion, the international community, and the last section will be about transferability. There will then be a short summary to briefly sum up the main points. The discussion section will be a discussion of anticorruption efforts, the political system with focus on governance in Nepal, and improvements towards good governance. In the discussion section, I expect to find that bad governance rules in Nepal and that better governance can bring change to the Nepali society. That change should begin in the political system, but it will take time and a huge change in the political mind-set needs to take place. It will not be an easy task, but *Good Governance* could create prosperity. There will also follow a brief summary after the discussion to summarize the focal points. At last, a conclusion to gather all the findings and answer the main research question.

The paper will concentrate on corruption in Nepal. However, there will be more focus on the political arena, since it is here that corruption is most damaging, and most often, where corruption begins. The affects and impacts are significant and if changes should happen it should probably begin within the political system.

*2.1 Choice of country and topic*

The choice of country came out of a personal interest. I have been to Nepal several times as a tourist, as a volunteer and as an intern working in a local NGO that works with anticorruption. The country has an interesting history including a long history of corruption, especially in the political sphere, hence, the topic. The country and topic are both interesting to investigate further, especially after knowing how much corruption which exists in the country, and how much it delays future developments. The country is in great need of development as a third world country and a decrease in corruption can change many things for Nepal. Therefore, the topic for this paper is chosen in order to obtain a better understanding of the reasons behind Nepal’s corruption and lack of governance.

*2.2 Choice of theory*

The topic, Corruption, has determined the choice of theory. The theories of *Governance* and hereunder-*Good Governance* have a well-suited approach when it comes to corruption, because corruption and battling corruption are usually found under governance programs. The theory will be able to give an overview of the situation in Nepal and give the reader an idea how these two subjects of corruption and governance interconnect. Governance or the lack of governance is a huge issue, especially in the Third World where societies struggle and development is at a stall. In this paper, the theory of *Governance* and *Good Governance* will be able to shed light on the problematic issues in Nepal, and why corruption might be such a problem, and it will assist with answering the research questions.

The principal-agent model will be discussed briefly and will be used as a second theory. This model is an approach that suits topics like corruption, because we see an agent that hires or bribes a second party (principal) to execute a task. The agent is only considering his/hers own interests. It gives a good view on the relationship between the two parties, as well as how people will do almost anything to achieve a higher status and do anything to get some extra cash. As mentioned, this model will be used as a helping tool to *Governance* in the analysis, because it can give a good view of the situation and relationship between the people and the ruling elite. A relationship which Governance also looks at.

*2.3 Choice of empirical material*

Due to a previous stay in Nepal working with anticorruption, the paper will mainly consist of primary data, such as street interviews with ordinary people, questionnaires from well-educated people within the Nepali society. However, there will also be secondary data, from websites such as local Nepali homepages, research articles, books concerning Nepal, governance and the political system, and reports from Transparency International Nepal and Norwegian Norad. Statements from bigger international organizations like the United Nations (UN) and the World Bank (WB), since these are the two main international players trying to put corruption on the political agenda. There will also be statements from Transparency International (TI) and the sub-division working in Nepal, Transparency International Nepal (tinepal). This will give a broader view of the specific situation in Nepal, and give different perspectives of the situation.

The mix of primary and secondary data will be able to give a coherent picture of the issue this paper is focusing on. It is important to keep in mind that the secondary data was not collected or interpreted for this specific paper, so it is imperative to stay as objective to this information as possible.

This empirical material will help understanding the situation, which Nepal finds itself in, and from this, the reader can create a wider knowledge on corruption and the hurdle Nepal is suffering from.  
However, the access to information on corruption in the neighboring countries, India and China, is not difficult, but to find information about corruption in NEPAL is much tougher. Nevertheless, due to Nepal’s political history and the huge level of corruption, and not to forget their signature on the United Nations Convention against Corruption, information is available, but it requires a little more research. The research is typically concerned with the national level, and how politicians deceive the system. Due to my internship last year in Anticorruption Movement Nepal, I am in the possession of more primary material then I otherwise would have been.   
I would have liked to be able to find more specific information on how the poor sector of the population suffers and what it does to their daily lives and how they might see a future for Nepal, but it has not been possible. Nepal is not an easy country to get information and documents out of, especially when it comes to corruption. No one wants to admit that they are corrupt and lack of transparency makes it very difficult. Rules are not being respected, and you practically have to become corrupt to be able to get your hands on this information.

*2.4 Choice of analytical strategy*

Since corruption consists of such a wide spectrum, I have decided to divide the analysis into several sections, so it is easier to achieve a more comprehensive understanding of the issue Nepal. It will also be easier to expand on the different aspects of the situation and get a more thorough examination of each section. This will be done in accordance with the chosen theory, which will be described below.

*2.5 Critical reflection on the methodological choices*

I am aware of some critical reflections in the choice of methodology. I do use some already existing empirical material, which could cause bias, which is important to keep in mind. However, most of the material is created for the exact purpose of this paper. Nevertheless, it is essential to remain critical and interpret the material as objectively as possible to avoid too much bias. It is important to be critical of all the sources and be aware that their views might be coloured, because of their opinion about the government, and the entire system.

As mentioned earlier, I use street interviews from ordinary people. I will only use three interviews, since they were all more or less similar in their stories. The questions focused on the political system and their opinions on the entire system. The interviewed focused more on their own personal lives and their survival in a corrupt society, than on the political system. This was not an easy task to perform, because people in Nepal are reluctant to reveal their own part in corruption. Therefore, it was not easy for them to open up to me. I had to gain their trust and show my identification card, so they could see that I was working for an anticorruption organization and not for the government or the Commission for the Investigation of Abuse of Authority. Knowing that it was hard for them, made me act cautiously and with respect and humbleness, I did not push them, and I was happy with whatever they could tell me. Since I do not speak Nepali or Hindi I had a translator with me, the public relation associate in the organization, and I explained to them who he was and why he was there. I was forced to explain a little about governance and that the politicians were corrupt and about Nepal’s lack of development, before I could ask them my questions. I found these interviewees on the street, randomly, two of them were walking together, they apparently came from the same area, and they worked in the same places. I asked them where they would be most comfortable talking to me, whether it be in a café, at my office or somewhere more public. They usually said in public, in one of the big squares around town. I told them that it was for work and that I would include it in my final report for school, and they showed great appreciation for this. The interviewees were ordinary men working to provide for their families.

It paints a picture of their opinion about their government, and what they have to go through on a daily basis, which is a picture I find interesting and want to include in this paper. The interviews were conducted in order to achieve a better understanding of the opinions about the Nepali government. I did these interviews in person in Nepal. However, from my previous stay, I made friends and I asked them if they could help me with a questionnaire. I wanted to circulate it to well-educated people in Nepal to hear what they had to say about it all, because I already had three less educated men’s opinion. So, I sent the same questions, but when I received the answers, they showed another picture, or gave a broader perspective of the situation in Nepal. They were more elaborate and put forward valid points on corruption, which I did not find surprising. They are well educated and most of them are doctors or within the medical world. These are some of the best-educated people in Nepal, and have a better knowledge about the society than others have. Furthermore, during their education they work in urban and rural areas, so they meet all kinds of people, and this gives them a better knowledge of the society in general.   
I will use both of these types of interviews to point out the opinion from people from different walks of life, and also to discuss the corruption in Nepal, and how it affects not only the people, but also the country. One could argue that the sources are not representative, but limited to only two groups of the Nepali society: the ordinary uneducated people and the well-educated elite – all chosen randomly – and this may not give an entirely true and accurate picture of the public opinion, but this is the only material I could get my hands on.

# 3.0 Theoretical framework

# *This section will define the chosen theory, which I will use in the project. I will not describe the entire theory, but I will only present what is relevant for my specific analysis.*

# 

**3.1 Governance**

Governance is a broad term used in many different ways and it represents all processes of governing, whether undertaken by a government, market, or civil society (Bevir; 2013). Governance is a broader term than government because it focuses not only on the state and its institutions, but also on the circumstances for rule and order in social practices (Ibid), but also on values, because governance is also a cultural phenomenon (Jabeen; 2007). These values are based on liberal democracy, free markets and bureaucracy (Ibid). However, these values are known to be Western values, and they might not be so compatible with South Asian culture. Nevertheless, in this specific paper *Governance* will be understood as the government’s way of executing rule of law and the relationship between the state and the civil society; how the state engages its citizens in the political life, like participation. Rule of law includes equality, because the laws should count for everyone on an equal basis (Ibid), and it is a term that is one of key concepts to good governance. Government can be described as an institution and its ability to make decisions and capability to enforce them into the society, whereas governance focuses more on the development of governing, on social dimensions and on creating conditions for rule of law (Stoker; 1998). Traditionally, the term ‘governance’ was perceived to be a synonym to government; however, recently, governance has acquired a new meaning (Jabeen; 2007). Governance now refers to new processes, methods, or ways of governing society (Ibid).

The notion of *Governance* came up around the Second World War, and especially since the 1960s the concept was embraced in organizations concerning economics and business (Pierre; 2000). Through the 60s and 70s *Governance* was formed in the lines of the development of neo-institutional economics, but even more through the disputes on the calamities of the welfare-state and the poor centralised policy-making (Stripple and Hannes; 2013). These disputed matters then created a basis for a normative treatise of *Good Governance* (Ibid).

However, it is only within the last twenty years that the two concepts of *Governance* and *Good Governance* have been commonly used in the so-called academic and donor communities (Caluser and Salagean; 2007). A focus of the two concepts will show the main differences. The academic approach, which focuses mainly on the study of the different ways in which power and authority relations are structured in a given society (Ibid). The common understanding of *Governance* is the controlling of resources and policy-making by means of exercising authority, hereby meant power (Ibid). Then there is the donor community’s approach, which puts emphasis on the role state-structures play in ensuring social, economic and policy equity and accountability through open policy processes (Ibid).

There is no general accepted characterization of the term, but this is reimbursed by identification of several principles, which can strengthen *Good Governance* (Ibid). These principles usually include rule of law, transparency of decision-making, accountability, and effectiveness (Ibid). These are important principles in Nepal’s case, and by analyzing the corruption situation in Nepal using these concepts, it will become clear what Nepal is fighting against.

What can also be discussed under *Governance* is the principal-agent model, which can be described as a relationship between two parties, where one party (agent) hires another party (principal) to perform a specific task (Stoker; 1998). This specific model is a well-suited approach when it comes to corruption, because a mismatch between the two parties occurs, when the agent is often an authority and the principal is an ordinary man. The agent will do about anything to enhance his/hers interests, and the principal will benefit from receiving a certain amount of money. What occurs with these relations is an asymmetric relationship, because the agents or the public officials are in possession of more information and knowledge then the principal or ordinary man, so the principal will usually be left in the dark of the agent’s agenda. The principal will never have the same opportunities as the agent. It also talks about a goal conflict between the two actors, meaning that the two parties have different goals for a certain development or area. They want the opposite of the other. This asymmetric relationship is noticeable in Nepal, and it is this relationship and personal gains the principal-agent model will assist the Governance theory with clarifying.

South Asia, which Nepal is a part of, is a region rich in culture and tradition and poor in governance and human development. South Asian countries have many similarities in terms of the objectives, structure, functions, attitudes, and standards of governing bodies despite variations in forms of

Government (Jabeen; 2007). However, Nepal’s difference is that they were not occupied by the British, so they did not have a legacy of colonial administrative system with centralization, formalism, secrecy, elitism, rigidity, and social isolation at its core (Ibid). However, it still affects Nepal, and they are like other South Asian countries among the lowest group of countries in terms of human development and quality of governance (Ibid). Generally in colonial times, the priority was not to develop the political and economic institutions, but more to serve the interest of the colonial powers such as retrieving natural resources and use work force (Ibid). After the colonial times, the now independent countries inherited the undeveloped system that they had seen and been under control off (Ibid), and this development has not seen much progress since then. There has been no guidelines towards how to govern a country and people politically, and the consequences are a corrupt society where governance could have a hard time to develop. Though never colonized, all this affects Nepal as well, because they had close relation with the British (Ibid), and Nepal followed more or less in the footsteps of the rest of South Asia in their progress. This indicates that Nepal’s political history and the lack of governance go a long way back, and even under British control did governance rule in South Asia.

**3.2 Good Governance**

*“The concern for Good Governance in developing countries, was originally born out of donors’ frustration with ineffective management of aid, coincided with the shift from government to governance in developed countries”* (Jabeen; 2007). The concept of *Good Governance* arose mainly because practices of bad governance, which was most often characterized by corruption, unaccountable governments and lack of respect for human rights, and the need to intervene in such cases, had become extremely crucial (Caluser and Salagean; 2007). *Good Governance* has since then become an important component on the political agenda (Ibid).

Good governance is a term covering how public institutions conduct public affairs and manage public resources (Asia Foundation; 2012). Good governance initiatives aim to ensure that the views of minorities and the vulnerable populations are considered, and corruption is minimized (Ibid).

*Good Governance* has been said to consist of a set of guidelines for politico-administrative practices in some distinct ways. Firstly, it is a specific way of thinking about how to govern, or simply how to conduct public governance (Bang & Esmark; 2013). However, it also has a political agenda, i.e. a particular set or even hierarchy of policy issues as well as a way of framing these issues (Ibid). What *Good Governance* is concerned with is transparency in the decision-making process, which provides freely available and accessible information for the public (Caluser and Salagean; 2007). Therefore, transparency provides the people with the opportunity to access information, which will have an impact on their daily lives, and on their understanding of the society.

Furthermore, two other important aspects are accountability and responsibility. The decision-makers, whether it be political, economic or business should be held accountable and responsible for their actions to each other, and not least to the people affected by it. However, concepts like participation and state efficiency are also important when talking about good governance.

Governments are not the only actors involved in governance, but non-governmental organizations, the media and the civil society can also play a role depending on the level of government. In rural areas, actors such as chiefs and associations of peasant farmers are also involved, and this is evident in Nepal, since the majority of the population is farmers. The lack of good governance is increasingly considered as a root cause of inequity within society, as it undermines the trust and shared values that govern a given society (Ibid). This collapse of trust weakens the judicial, legislative and executive functions and allows corruption to flourish.

Neil Webster sees governance as equality in politics, with strong representatives who represent the population through election (Webster; 2001). A government, which can provide services, security and protection to its people, a government who will act in their citizens’ best interest and in the country’s best interest. *Good Governance* should not have anything to do with pursuit for power, staying in power or control the national resources. It should be about the relation between the rulers and the ruled; a symmetric relationship and not an asymmetric one (Ibid).

However, the Nepali people had high expectations of reformation and *Good Governance* after the democratic government came into power in 2008, with the Maoists in front (Bastola; 2011); the people and the nation’s wishes could come first, but the outcomes were different. Instead of *Good Governance*, a well-functioning democracy, and social justice, the Nepali people are facing corruption, instability, injustice (Ibid).

If we look at international organizations such as the World Bank and the United Nations, they have also looked towards *Good Governance* in their fight against corruption. The World Bank’s definition of the concept is as follows,

“Good governance is epitomized by predictable, open and enlightened policy-making, a bureaucracy imbued with a professional ethos acting in furtherance of the public good, the rule of law, transparent processes, and a strong civil society participating in public affairs. Poor governance (on the other hand) is characterized by arbitrary policy making, unaccountable bureaucracies, unenforced or unjust legal systems, the abuse of executive power, a civil society unengaged in public life, and widespread corruption” (World Bank).

The World Bank stresses economic institutions and public sector management, here including aspects like transparency, accountability and responsibility [(Gisselquist](http://unu.edu/author/rachel-gisselquist); 2012). There are several issues that are treated under governance programs including election monitoring, combating corruption, and transparency of government accounts (Ibid). The United Nations Development programme defines Governance, and Good Governance as follows, *“as the exercise of economic, political, and administrative authority to manage a country’s affairs at all levels”* (UNDP, 1997). Key concepts were defines as, participatory, transparent, promotes equity and equality, operates by rule of law, accountable, to name a few (Ibid).

However, there are many definitions of *Good Governance,* but in this paper, the term will be understood as described above. The key concepts between the citizens and the state; transparency, accountability, responsibility and rule of law. These aspects will be mentioned throughout the analysis, and they will help to show the situation in Nepal and what needs to be changed in order to achieve a more prosperous country.

To be able to fully understand the key concepts, brief definitions of them will be given. This will help to comprehend what is behind the terms and why these concepts are important to this paper.

Transparency will be understood as “*lack of hidden* [*agendas*](http://www.businessdictionary.com/definition/agenda.html) *and* [*conditions*](http://www.businessdictionary.com/definition/condition.html)*, accompanied by the* [*availability*](http://www.businessdictionary.com/definition/availability.html) *of full* [*information*](http://www.businessdictionary.com/definition/information.html)[*required*](http://www.businessdictionary.com/definition/required.html) *for* [*collaboration*](http://www.businessdictionary.com/definition/collaboration.html)*,* [*cooperation*](http://www.businessdictionary.com/definition/cooperation.html)*, and collective* [*decision making*](http://www.businessdictionary.com/definition/decision-making.html)*”* (BusinessDictionary.com)  
Accountability will be understood as “*the* [*obligation*](http://www.businessdictionary.com/definition/obligation.html) *of a government to* [*account*](http://www.businessdictionary.com/definition/account.html) *for its* [*activities*](http://www.businessdictionary.com/definition/activity.html)*, accept* [*responsibility*](http://www.businessdictionary.com/definition/responsibility.html) *for them, and to* [*disclose*](http://www.businessdictionary.com/definition/disclosure.html) *the* [*results*](http://www.businessdictionary.com/definition/result.html) *in a* [*transparent*](http://www.businessdictionary.com/definition/transparent.html) *manner”* (Ibid)*.*Responsibility “*a* [*duty*](http://www.businessdictionary.com/definition/duty.html) *or* [*obligation*](http://www.businessdictionary.com/definition/obligation.html) *to satisfactorily perform or complete a* [*task*](http://www.businessdictionary.com/definition/task.html) *(*[*assigned*](http://www.businessdictionary.com/definition/assign.html) *by someone, or created by one's own* [*promise*](http://www.businessdictionary.com/definition/promise.html) *or circumstances) that one must fulfill, and which has a consequent* [*penalty*](http://www.businessdictionary.com/definition/penalty.html) *for* [*failure*](http://www.businessdictionary.com/definition/failure.html)*”* (Ibid)*.*

Rule of law *“Absolute predominance or supremacy of* [*ordinary*](http://www.businessdictionary.com/definition/ordinary.html)[*law of the land*](http://www.businessdictionary.com/definition/law-of-the-land.html) *over all* [*citizens*](http://www.businessdictionary.com/definition/citizen.html)*, no matter how powerful.* [*Legal duties*](http://www.businessdictionary.com/definition/legal-duty.html)*, and* [*liability*](http://www.businessdictionary.com/definition/liability.html) *to* [*punishment*](http://www.businessdictionary.com/definition/punishment.html)*, of all citizens, is determined by the ordinary (regular) law and not by any* [*arbitrary*](http://www.businessdictionary.com/definition/arbitrary.html) *official* [*fiat*](http://www.businessdictionary.com/definition/fiat.html)*,* [*government*](http://www.businessdictionary.com/definition/government.html)[*decree*](http://www.businessdictionary.com/definition/decree.html)*, or wide discretionary-powers.* [*fundamental rights*](http://www.businessdictionary.com/definition/fundamental-rights.html) *of the citizens (*[*freedom*](http://www.businessdictionary.com/definition/freedom.html) *of the* [*person*](http://www.businessdictionary.com/definition/person.html)*,* [*freedom of association*](http://www.businessdictionary.com/definition/freedom-of-association.html)*, freedom of speech) are rooted in the* [*natural law*](http://www.businessdictionary.com/definition/natural-law.html)*, and are not* [*dependent*](http://www.businessdictionary.com/definition/dependent.html) *on any* [*abstract*](http://www.businessdictionary.com/definition/abstract.html) *constitutional* [*concept*](http://www.businessdictionary.com/definition/concept.html)*,* [*declaration*](http://www.businessdictionary.com/definition/declaration.html)*, or* [*guaranty*](http://www.businessdictionary.com/definition/guaranty.html)*”* (Ibid).

Another term connected to good governance is *good enough governance,* which is a goal of good governance. This term can be defined *“as a condition of minimally acceptable level of government performance and civil society engagement that does not significantly hinder economic and political development and that permits poverty reduction initiatives to go forward”* (Gindle; 2004). This has to be conceptualized for each individual country, and it can provide a more realistic and manageable agenda. However, with this very new term, there are questions to keep in mind, such as ‘when is governance good enough for a country?’(Jabeen; 2007), and who decides this?.

# 4.0 Historical background information

Nepal is a landlocked country in between India, China and Tibet with the Himalaya in the northern part with Mount Everest, the highest mountain in the world. It is one of the poorest countries in the world with a massive lack of infrastructure, which makes transportation crucially difficult, and in the rural and mountainous areas, where the majority of the people live and work, way of transportation is limited. Nepal is rich on traditions, religion and culture, but what haunts the country is corruption. The Human Development Index (HDI) is a measurement for assessing long-term progress in three basic dimensions of human development: a long and healthy life, access to knowledge and a decent standard of living (HDR; 2014). This information is published in an annual report; the Human Development Report (HDR). The focus will mostly be on the access to knowledge, since education is important in Nepal. According to the HDI, the access to knowledge is measured by, 1) *mean years of education among the adult population, which is the average number of years of education received in a lifetime by people aged 25 years and older* (Ibid). 2) *Expected years of schooling for children of school-entry age, which is the total number of years of schooling a child of school-entry age can expect to receive if prevailing patterns of age-specific enrolment rates stay the same throughout the child's life* (Ibid). The HDI is measured on a scale from zero to one, where one is the best (Ibid). The report shows that Nepal has shown progress in the HDI value since 1980, from 0.286 to 0.540 in 2013 (Ibid). This is in the low human development category, and it positions Nepal at 145 out of 187 countries and territories (Ibid). The expected years of schooling and the mean years of schooling have both gone up, and stayed stagnant since 2011 (Ibid). So, people get more education nowadays than a few years ago, and they live longer, according to the report (Ibid), and this has a positive effect on Nepal’s human development. However, the report also states that it is difficult to compare the numbers from previous years, due to modifications and updates of the fundamental data and variations to goals (Ibid). Nevertheless, the numbers still indicate an improvement in Nepali’s standard of living.

Nepal used to be a country divided in 75 kingdoms, and each king ruled his own territory. Kathmandu Valley was divided into three smaller kingdoms, fighting for control over a united Nepal. The control over their territory and citizens relied on so-called ‘nobles’, and these nobles controlled the private armies and large landholdings (Federal Research Division; 2005). Some of these nobles were political leaders, and their names would end with the word *‘malla’,* which means “wrestler” in Sanskrit (Ibid). Malla also gave the name to the ruling times, so there will be referred to ‘malla’ rulers, because the nobles had much influence on the ruling. However, many states outside Kathmandu Valley fought each other and engaged in various, shifting alliances with Malla kingdoms (Ibid). The most prominent Malla ruler was Yakshamalla, who ruled from 1428 to 1482 (Ibid). What is important to mention with him is that he ended elite power struggles in Kathmandu Valley and extended his influence outside the region (Ibid). This started a time of autocratic rule in Nepal. Since Yakshamalla, there have been several rulers, but two dynasties stand out, the Shah dynasty and the Rana dynasty. Shah managed to obtained financial assistance and artilleries from India and created alliances with neighboring states or purchased their neutrality (Ibid). In 1768, Gorkha troops (hillside states who struggled for power during the later Malla period), entered Kathmandu during religious festivities and took it without a fight (Ibid), and laid the foundations for a united kingdom. Shah succeed in defeating all three Malla kingdoms by 1769 and he continued his conquests, conquering eastern Nepal by 1773 (Ibid)**.** Shah died in 1775 (Ibid). After his death, his heirs neglected the issues of which he had fought hard for, such as national administration and they engaged in sectarian power struggles (Ibid). Internal administration and foreign affairs were under the charge of the prime minister, and the earliest prime ministersattempted to increase their own power by creating rifts among royal family members or by collaborating with some royal family members to liquidate enemies (Ibid). As powerful families fought for power, Nepal’s political and economic development suffered tremendously (Ibid), something that has so deeply rooted in the early times that the development is still suffering.

Until 1846 there was infighting among royal competitors (Ibid), until a military leader, Jang Bahadur Kunwar, created a dynasty of hereditary prime ministers that would rule until 1951, which isolated Nepal (Ibid). The Rana dynasty turned into a parallel monarchy in which the distinguished authority was the prime minister (Ibid). The monarchy was more or less reduced to a ceremonial position, which legitimized Rana rule, and monarchs were either exiled or kept under house arrest (Ibid). During this time widespread nepotism and ineffective management, made political development difficult, and nonetheless, development in the more rural areas suffered from local kings and land owners who acted as dictators (Ibid). However, the Rana rule did manage to provide development, such as establishing schools, but they were intended to the elites.  
So for many decades, Nepal was ruled by an autocratic system, both within each kingdom and later in a Nepal under one king. The political agenda was power and to get as many advantages as possible. The more power and land you control, the more powerful and ruthless you would be towards the people. Nepal was more or less ruled by the higher middle class or the elite class.   
Schools had not been seen before the Ranas. Therefore, the people were uneducated, and the kings and landowners made sure that education was not an option, because an educated population would be harder to control. Already, several centuries ago, corruption could be discovered in the ruling system, and the leader’s main purpose was to maintain power or get more. Therefore, corruption is not a new phenomenon in Nepal’s history, and this history offers an idea of how rooted the corruption is embedded.

Nepal consists of several different classes of ethnic groups, and one of them is the Newars. It is said that they have lived in the Kathmandu Valley since the 4th century AD, developing a Hindu-Buddhist culture (Samyak; 2015). RAJPUT warriors from India later established the Gurkha principality, and in 1769, they conquered lands beyond the present-day borders of Nepal. After infiltrations into northern India where the Gurkhas were defeated, Nepal lost part of its territory to British India but retained its independence and enjoyed close ties with the British (Ibid).

Nepal has experienced political troubles for decades, but I will try to give a brief overview of the most important events.

India's independence in 1947 and China's occupation of Tibet in 1950 helped to strengthen the political opposition in Nepal, where King Tribhuvan secretly sympathized with the main opposition force, the new party Nepali Congress (NC) ([ABN](http://www.denstoredanske.dk/User:ABN) & [JElk](http://www.denstoredanske.dk/User:JElk), n.a). In 1951, it came to a revolution against the Rana regime, and NC got an important position in the administration (Ibid). However, the first couple of years after was trouble, mainly because NC was experiencing internal friction. It was not long before tensions between the king and the new prime minister, BP Koirala from NC, developed into an open conflict. In 1960 the king had Koirala arrested along with most of the NC's leadership. The parliament was dissolved, political parties banned and the king appointed his own government (Ibid). Then later a quarrel with India ended with India closing off most borderlines from 1989 to 1990, and the result was an economic crisis, which fueled demands for political reforms (Samyak; 2015).

In the years from 1996-2006 the Nepalese Civil War, or the so-called [People's War](http://en.wikipedia.org/wiki/People%27s_War) by the Maoists took place. It was an armed conflict between government forces and [Maoist](http://en.wikipedia.org/wiki/Maoist) fighters in [Nepal](http://en.wikipedia.org/wiki/Nepal). The [Communist Party of Nepal (the Maoist)](http://en.wikipedia.org/wiki/Unified_Communist_Party_of_Nepal_(Maoist)) launched the war in 1996, with the aim of overthrowing the [Nepalese monarchy](http://en.wikipedia.org/wiki/Kingdom_of_Nepal) and establishing a '[People's Republic](http://en.wikipedia.org/wiki/People%27s_Republic)'. It all ended with the [Comprehensive Peace Accord](http://en.wikipedia.org/wiki/Comprehensive_Peace_Accord) signed on 21 November 2006 (Basnett; 2009).   
Nevertheless, what triggered one of the most horrible incidents in Nepal and what led to even more political instability was when the heir to the throne, Crown Prince Dipendra, killed the entire royal family in 2001 (Ibid). The massacre triggered a massive distrust of the political system, because the government handled the incident poorly by not doing anything. The new appointed king, Gyanendra had little popularity, which was deteriorating drastically. The people were unhappy with the king and government, but still, the king decided to dissolve the parliament from 2002-05 and to install his own ministers, which meant that he took back all the power (Ibid). After massive nationwide protests in 2006 he was, however, forced to reinstate the parliament (Ibid). The Maoists and the government reached a ceasefire the same year, which formally concluded ten years of civil war. The Maoists won the election in 2008, and their first task was to establish the republic of Nepal, whereby king Gyanendra was deposed as king.

Ever since 1990, Nepal has been in a constant political crisis with growing corruption, which has put a stop to the country’s direct actions against its economic and social problems (Samyak; 2015). Today, Nepal is a republic with a president and a prime minister who is in charge of the nation, a nation still affected by the People’s War.

Corruption in Nepal has a long history, which can be traced back several centuries and corruption is deeply rooted within the system. It has become a way of life. For many corruption is a way to rise to higher status; they buy their way up the ranks. Nepal’s political system and its politicians are some of, if not the most corrupted people in Nepal ([Bhattarai](http://trn.gorkhapatraonline.com/index.php/op-ed/8135-political-corruption-why-is-the-barometer-rising-pranav-bhattarai.html); n.a). Nepotism also known as favoritism, is also practiced and especially in the political system, where high public officials favor family instead of work ethics and work potential. It will reinforce them in their position and help them rise higher in the hierarchy because they have a strong support group behind them, and this creates corruption within the system. Politicians in Nepal will do just about anything to stay in power, and many of them buy their votes from the people and promise them new opportunities for their vote. What the ordinary people do not know is that the politicians, or at least most of them, do not think of what is best for the people or the country, but they only think of power. Corruption and politics go hand in hand in Nepal, and it has done so for a long time, and it will continue this way, if nothing changes this pattern.   
The Dane, Rune Bennike, a postdoctoral scholar at the Department of Cross-Cultural and Regional Studies, at the University of Copenhagen, wrote his Ph.D thesis on governance and the requirements of local self-government in Nepal (Politiken 17th May; 2015). In an article in the Danish newspaper Politiken, he writes that,

“Nepal har en lang tradition for centraliseret politisk styring ledet af gamle mænd. De seneste syv år har det været besluttet, at Nepal skal bevæge sig hen mod at blive en føderal stat, med den lokale selvstændighed, som mange har ventet på, har været blokeret af politisk uenighed blandt landets eliter i Kathmandu” (Bennike; 2015).

This is another example of Nepal struggling within the political system and the elites having problems agreeing on the country’s future. Most of the processes in Nepal take a lot longer than it usually would or should, but that is the way of life in Nepal. It does, however, stalls future developments.

To ameliorate the political climate and fight corruption Nepal has instigated the Commission for the Investigation of Abuse of Authority (the CIAA). Since 2007, this constitutional institution has been authorized to investigate and review cases against any person holding a public office and their associates who are indulged in the abuse of authority by way of corruption or inappropriate behavior. They have caught several public officials, and they are taking more action nowadays than earlier. Many local NGOs, like the one I was working for, is not authorized to take action, but they usually get the needed information and evidence and then take it to the CIAA. Since corruption also occur at the CIAA, battling corruption in Nepal becomes very difficult. Nevertheless, Nepal did sign the United Nations Convention against Corruption (UNCAC). The UNCAC is the most thorough and complete international anticorruption convention to date, and with this commitment in 2007 Nepal has made progress in fighting corruption, but slowly. There have been several complaints to the CIAA, and they (red. CIAA) have solved more cases in the recent years, but the corruption still increases (CIAA.

Nepal does have good anticorruption laws, but the problem lies within the legal system, which is weak and cases within political corruption are not taken seriously and many of these cases die out before an investigation is carried out. So many of the cases never make it to court.

# 5.0 Analysis

*This section of the paper will consist of a section about the main areas where corruption takes place, and followed by a section about the public opinion on corruption in Nepal. Finally a section about the international community and their work with corruption and anticorruption efforts will follow.*

## 5.1 Corruption in Nepal

Corruption is a major issue in Nepal and it exists on every level in the society, but where it is most critical and most damaging is in the political sphere. The politicians and the public officials who are in charge of the country are more focused on their own personal interests and securing themselves financially than considering what is best for the nation and its people. The principal-agent model focuses on this asymmetric relationship, here between the politicians and the public. The asymmetric relationship consists of the politicians who are in possession of more information, but deliberately do not share this, which leaves the public in the dark.

In November 2014, Adam Graycar, professor at the Australian National University and Flinders University wrote a book about corruption, *Understanding and Preventing Corruption,* and he was invited to talk about it at the World Bank. He talks about “*corruption in the making of policy and corruption in the implementation of policy”* (Graycar; 2014). In line with this, he mentions that corruption is when someone is failing to do something one should do, and that people do wrongdoings on purpose and in an improper manner (Ibid). This general statement will most likely fit many cases of corruption, and Nepal is no exception. Corruption is flourishing in Nepal, and it has done so for a long time.

5.2 The political and legal system

Political corruption has a long history in Nepal, as the information in the historical background information section might indicate. It has become a way of life and a way to survive, so to speak. The corrupt politicians are so powerful that anyone beneath them is afraid of them, because they have the resources to dismiss them and put them out of a job. A former Prime Minister once said, “*political parties’ leaders and high-level officials protect corruption perpetrators and they are leading the country into a frightening condition”* (Bhattarai; 2013), and “*corrupt officials were so powerful that he feared they would force him from his position”* (Ibid). Powerful leaders are so terrifying that they are able to, literally, push people out of office. This gives an idea of who is actually running the country.

Furthermore, the CIAA has been without a Chief Commissioner for several years, “*it is disagreements among political parties and strategies by corrupt politicians who want to remain in office”* (Bhattarai; 2013). This explains why the CIAA had a period of five years without a Chief Commissioner. The politicians did not find it in their interest to appoint a new Chief Commissioner, a top post within an anticorruption organization, a job that could result in several politicians losing their job. When they finally found somebody, they chose a person within the political sphere, who had fought his way up the ranks and therefore might have got his hands dirty.

There is a well-established nexus (cooperation) among leading politicians, businessmen and high level government officials. This nexus appoints officials in the National Bank and other big national projects and institutions such as the CIAA. This nexus has also invested directly and indirectly in the media business that tactically helps deceive and ill inform the public on this abuse of power. Businessmen fund political campaigns, and in return politicians create policies that benefit the businessmen. Politicians show more loyalty to big businessmen than to the general public. This only creates an even more corrupted system, and not least, a vicious circle with no progress for transparency, one of the key concepts of the theory.   
If we look at the ruling system in the time of the dynasties and then at the more modern Nepali system, not a lot has changed. The king has been replaced by the government, and the nobles are replaced by businessmen, and they belong by definition the higher middle class or the ruling class. It can be argued whether or not they still control the public, and they probably do to some extent, but many go to school and become better educated, and the higher education people get, the more difficult it will be to keep them in the dark as to politics. Bad economy, however, forces many young boys and girls out of school to help around the house. Money is scarce in most households, and every penny counts, so in that sense, it can be argued whether the ruling elite still keep some group of the population uneducated, and then in that sense control them in that way. As stated before, a well-educated population is more difficult to control than an ignorant one, and more people will probably want to take part in the political life. The internal fighting of status and power occur in the modern Nepal as it did in the dynasty time, and the agenda is still the same; gain more power and control.

Another example of a politician with a tarnished reputation is the newly appointed Home Minister Bamdev Gautam (tinepal; 2014). His own party had at one point publicly named and shamed him as the *‘corrupt number one’* during a mass meeting in Kathmandu (Ibid). Furthermore, his party linked him with the infamous ‘gold smuggling scandal’ (Ibid). Now, the same party has decided to pick him as the Home Minister. Why? No answer (Ibid).

“It is not that no one in our government cares about holding these leaders accountable. There have been efforts to report and put corruption in the spotlight, although law-makers agree about corruption, they dare not publicly name government officials”(Ibid).

This is another example of why corruption is difficult to fight. In this case law-makers being afraid of mentioning names, because they might risk losing their jobs if they do. A few lines above, a vicious circle is mentioned, and this incident with the Home Minister is a good example of this, because even though he is corrupt and he was shamed of this, and it was publicly known, he remains within political boundaries. This shows little integrity from political parties, and as the theory states, responsibility and accountability are key concepts, and Mr. Gautam is not held responsible or accountable for his actions. This also shows a major lack of governance in the political arena, and not least in the legal system, since no one showed interest in prosecuting him. It seems like the political parties and politicians can do more or less anything they want without any consequences.

One of the other problems that come with such a corrupted society and system is that everyone can be bought, and this is a real problem within the legal system. In a speech by former Prime Minister Mr. Lokendra Bahadur Chand, he states,

“The government is serious towards improving governance and creating corruption free environment. The Commission for the Investigation of Abuse of Authority (CIAA) has already taken steps against corruption at all levels including political leaders” (Chand).

Nevertheless, most of the cases involving politicians and public officials never see a courtroom, but they end up in black holes and most accused people walk. It is too easy to buy court officers or assistants to slip cases to the bottom of the pile or simply replace it somewhere where no one will find it. The CIAA might be able to report that they are doing progress, but the result is still lacking, and it is here the problem lies. There are no consequences and no one follows up on the serious cases of corrupted politicians. The risk of being punished is minimal and officials are more than willing to take that risk. As the theory of Governance states, governance is about the state and civil society relationship, and conditions for executing rule of law, and this is difficult to find in Nepal. As Webster argues, there are inequalities between the state and the citizens. If we look more specifically on Nepal, Neil Webster has argued,

“If governance is linked to the equality of citizens in the actions of the state, then in Nepal the inequalities in the quantity and quality of the services provided and the benefits distributed by the state to different social and cultural groups and communities bear witness to a fundamental gap in governance” (Webster; 2011).

So he puts emphasis on the inequalities of politics, which as stated above shows a gap in Nepal when it comes to the relationship between the state and its citizens. This is the major issue on the national level where it is more a pursuit for power rather than connecting with the democratic system and serving it. It is all about staying in power (Ibid). The inequalities are smaller on the local level, where the local officials still interact with the citizens even though there is a lack of political resources (Ibid). If we look at the HDI which is also concerned with inequalities, it states that the decrease in human development due to inequality is given by the difference between the HDI and the inequalities, and can be expressed as a percentage (HDI; 2014). As the inequality in a country increases, the loss in human development also increases. The reports for Nepal show that the loss is 28.8%, so that means that the overall HDI falls to a value of 0.384 (Ibid), which is below the average for South Asia. This fits with what Webster argues and it provides evidence that there are inequalities within the Nepali society.

In the less served/rural districts, there are several hundred people on government payroll, including people serving in courts, but in Kathmandu the government is more complex than a hundred people and there are several institutions to keep track of, such as the legislative, executive and judiciary branches (Asia Foundation; 2012).

“(…)As result of this investment there is a system of government that is capable of opening its doors to the public each day –that the efficiency, accountability, and responsiveness of these agencies is at a less than desirable level is something else. In addition to this formal structure of the state, Nepali citizens rely on a range of informal arrangements to fill the void created by a weak state. Clearly, states rarely function the way they are meant to and often the government, for various reasons, even breaches its own procedures. In other instances, because of unfunded mandates and lack of human resources many functions of the government are never executed” (Ibid).

Nepal is spending many resources to uphold a government that is responsible for serving the public with basic services, but this is more on the outside, because as soon as you dig a little deeper this is just a façade. Neil Webster also argues that Nepal could be another failed state due to the lack of representative governance that currently afflicts the state in Nepal (Webster; 2011). The current governance is lacking to provide the citizens with basic services and security, but the challenges for the state to change is deeply rooted in institutional and structural features of the political and economic system in Nepal (Ibid). The lack of proper rule of law creates distrust between the state and the people, but also between the state institutions (Jabeen; 2007). What is also important to keep in mind is that the current government was formed so they could rewrite the constitution, which has been pending for a long time. After finishing the constitution an election was supposed to happen, but the constitution is still awaiting, and the government seem happy to prolong their tenure and enjoy their power and influence.

Poor governance and corruption can be seen as obstacles to Nepal’s development because both prevent valuable resources from much-needed investments areas such as infrastructure and services, including healthcare (United States Institute of Peace; 2011). International funds usually aimed at increasing stability in the country are instead being pocketed through bribery, embezzlement or similar actions (Ibid). The same resources are sometimes sidetracked when political favoritism, nepotism or even poor transparency allow funds towards projects that may not be what the people need the most, for instance when a shopping mall is built and the public is more in a need of a health center (Ibid). This is just one of many areas where the public need is devalued. Security is another major issue in Nepal, and many Nepali people feel that the security forces are failing in providing security.   
Through my internship, I discovered that it is only recently that judges are no longer safe from prosecution according to the law. It indicates that previously the judiciary system lacked good governance, because judges were never even prosecuted. This has been a huge issue, because judges are the people, who are convicting the corrupt and the criminals, and many people found it unconstitutional to have corrupt judges behind the bench. However, to my knowledge no judges have been prosecuted so far, because the judges still protect each other.

When talking about the political and legal system it is important to notice is the way many officials come into power. Favoritism is very popular in Nepal. The chosen family members or close friends do not necessarily have the right education to fulfil their position, but it is a way for high authorities to secure their own status and future. Responsibility is another key factor in the theory, and it seems like the politicians hold very little respect towards their office, and the same can be said about their integrity. Everything is integrated into politics as all government bureaucrats are handpicked by political parties with the main goal directed towards financial accomplishments. The politicians are supposed to be governing the country, but instead they are governing their own interests. As the academic approach focuses on the different ways in which power and authority relations are structured in a given society, and that governance is understood as the controlling of resources and policy-making by means of exercising authority, hereby meant power. All the major financial decisions have to be approved by politicians, which creates the basis for a weak government, which favor the rich people.   
To put it simply, the government and not least the legal system is poorly managed. As the quote from the Asia Foundation in the theory section said: states rarely function, the way they are supposed to and that the government, for various reasons, even breaches its own procedures. In other instances, because of unfunded mandates and a lack of human resources many of the government’s functions are never executed. This is according to the information above evident in Nepal, a government that is not executing rule of law or even upholding proper political conduct. The political system lacks transparency, accountability and effectiveness due to the severe political corruption, and these concepts are important in Nepal and for the society as a whole, because the society is suffering from it.

## 5.3 Media sector

As earlier mentioned, politicians and businessmen invest in the media sector, which creates an even bigger gap between the state and its people.   
The media is said to be the fourth institution among the legislative, the executive and judiciary institutions, the one that is supposed to hold the other three accountable for their actions, a similar form of checks and balances. They should inform the people of irregularities from the government and other governmental institutions. However, Nepal has TV, radio and newspapers under government control, which again indicates a lack of transparency. The official media was legally obliged to remain neutral to the political parties during the general elections, but an independent monitoring of its performance found it heavily tilted in favour of the party in power (Shrestha; n.a). The Nepali press has two broad divisions, a public sector and a private sector (Ibid). The public sector is under the government’s control and it keeps stories on corruption away from the front pages. However, the private sector is full of stories on corruption (Ibid). The eKantipur Daily has several headlines concerning corruption, such as, *“*[*Former SWC treasurer faces corruption charge*](http://www.ekantipur.com/2014/01/01/top-story/former-swc-treasurer-faces-corruption-charge/383263.html) *”* (eKantipur; 2014), *“*[*Police intervene sleepless protest against corruption in the Capital*](http://www.ekantipur.com/2014/01/17/capital/police-intervene-sleepless-protest-against-corruption-in-the-capital/384025.html)*”* (Ibid), and *“7 govt employees under CIAA net for corruption”* (Ibid). Nevertheless, the public take all the stories with a pinch of salt, because they (red. the stories) more or less slaughter the political parties and their code of conduct. It is the management, which has the last word when it comes to the publication or suppression of corruption stories (Ibid). “*A daily newspaper dropped a news relating to a telephone purchase deal by the Ministry of Information and Communication because the minister himself held some shares in the publication agency of the newspaper”* (Ibid). This is what many newspapers deal with on a daily basis, which in the end leaves the public no wiser. This is again the opposite of what the theory says and good governance seems far away. The media is not an objective institution and their broadcasts are not reliable as they could be. When the media is under the government’s control, it is another way to increase corruption in an already corrupt society, instead of the media being the political watchdog. The news leaves a poorly informed public and it is worsening the transparency and accountability of the government. The public has troubles finding out the truth of what is going on in the country, when they can hardly rely on the media. This is a major lack of governance, since the relationship between the state and the civil society is more or less non-exciting, as the theory otherwise focuses on and finds important. This is another way for the politicians to leave the public in the dark and create or widening the gap in an asymmetric relationship. As mentioned in the theory section, the donor community’s approach puts emphasis on the role state-structures play in ensuring social, economic and policy equity and accountability through open policy processes. The media is usually the institution that broadcasts both the good and the bad stories about the government, but in Nepal, the bad news is limited, since so many politicians have shares or stocks in the media, and they are therefore secured by that. There have even more some cases where journalists published articles on corrupt politicians, where upon these journalists lost their jobs and were prosecuted for doing their job. With the media under government control there is a limited amount of organizations or institutions left to keep the government responsible for their actions. The principal-agent model is well-suited in this situation, since an asymmetric relationship exist between the media, state and the civil society. The civil society is in the possession of less information, and the media is no longer transparent in their broadcasts, which worsens the trust in the higher authorities.

## 5.4 Educational sector

However, there is corruption in other areas than the political system which is just considered as the most destructive for the country, and where changes are most likely to begin.   
In terms of sector wise composition of the corruption complaints received by the Commission of the CIAA, the highest numbers of complaints, *2300 complaints*, were from the Ministry of Education (13%) (Karki; 2015).

So, the education sector is another important area where corruption is a serious issue, because the educationed system is supposed to educate new generations, whom many anticorruption agencies would like to see say no to corruption and show that the honest way is always best. As Transparency International Nepal states, *“For schools to educate the corruption fighters of tomorrow they need to be free from corruption themselves”* (tinepal; 2013). Corruption is dangerous for the educational system, because it hinters high quality education and learning, and in the end it might even result in the complete breakdown of the educational system. In the educational system the three concepts of governance theory: responsibility, accountability and transparency are very important. Education is one of the key sectors that can have a huge effect on the development in Nepal, including corruption.

The corruption complaints range from primary school all the way up to the university level. Some of the most common corruption offences are bribery and embezzlement (Karki; 2015). There have been some cases whereemployees receive bribe money or extra benefits while granting license to run colleges from the Higher Secondary Education Council(Ibid). This happens in many colleges and universities all over Nepal. Karki, Chief Commissioner of the CIAA, keeps going, “*Similarly, cases found during investigation included: submission of fake academic certificates to get jobs in academic professions; to secure promotions or to secure the position of the chair in the School Management Committee”* (Ibid). It is usually people holding top positions who are the corrupt people, and then paying employees a good amount of money for their help as the first example suggests. It is an easy way to make some more pocket money, and these cases show no sense of responsibilities towards students or the system itself. The educational sector suffers from bad governance. There is no relationship between the state and the civil society like the theory otherwise suggests there should be in order to achieve better governance, and it is this (red. the civil society) that especially suffers from this line of corrupt activities. These cases might sound terrible, but some people pocket even more money by corrupting people in believing that certain schools exist,

“District education officers, school inspectors, school principals along with the chairpersons of the school management committee collude to operate fake schools. Together, they pocket the money set aside by the government for teachers’ salaries and allowances, scholarships for students, administrative expenses, and infrastructure” (The Kathmandu Post; 04-02-2015).

This illustrates that several people come together in order to make money reassuring that the educational system will lack financial support, a support that is strongly needed. By committing this kind of corruption, the lack of infrastructure of money to needed sectors such as the educational and health sectors damages the entire nation and the future of the nation. Again, in accordance with the theory and Webster’s argument about inequalities, the incidents in the quote above will probably create an even bigger gap in the already existing inequalities within Nepal. The HDI report shows 44.0% of inequalities in education in Nepal in 2013 (HDI; 2014), which puts Nepal at a crucial percentage, because it affects the overall human development index in Nepal’s case, as well as creating irresponsibility towards the entire system and a lack of governance in the educational community. Very few of these corrupted people ever see the inside of a courtroom, which is a lack of governance from the legal system, which can worsening the asymmetric relationship between the state and the public.

To make things even worse, in 2010 Nepal's Education Minister Ram Chandra Kuswaha was removed from his post amid allegations of corruption (BBC; 2010). The consequences of these allegations meant that international donors withdrew their funding for schools in Nepal, a funding they cannot afford to lose. There is a lack of governance in the education sector. The theory focuses on the donor community approach which is about how the state-structures play a role in ensuring the social dimension in policy making. In the education sector, this is an important dimension, because with ministers, principals and teachers being corrupt, Nepal’s upcoming generations will not be able to see a bright future ahead of them, and the chances that they, themselves, will end up corrupt are big.

## 5.5 Public opinion

The Nepali public has very little trust in their government and the way they govern the country. It is very little information that actually reaches the society, and this lessens the belief in the authorities. There have been, however, an increase in complaints made to the CIAA and local NGOs, like the one where I did my internship, Anticorruption Movement Nepal, but results are invisible to the majority of the public, and they do not see or feel much difference. In Nepal, people work to live, work means survival. The salaries are so low that people are forced to have more than one job to be able to pay rent and provide for their families. The street interviews revealed this too, since two of the interviewees, who will only be known by their last names Mr. Kumarstha and Mr. Paudel worked three jobs and the last one Mr. KC worked two jobs. The two first worked as waiters during the day, cleaners after closing hours for three hours at a hospital, and they sorted trash early in the morning. Mr. KC has his own shop, and after hours, he cleaned at a nearby restaurant. All of them said that they were rarely home with their families, got very little sleep, but they were able to provide for their families and give their children an education. Mr. KC’s wife helped in the shop, but otherwise she was a housewife.   
They all agreed that corruption is bad for the country, but when I inquired more precisely into political corruption they either shrugged, answered elusively or turned their heads. I got the impression that they did not know enough about the political system or were interested enough in it to give specific answers. They clearly preferred to talk about their own private lives, admitting that they had taken bribes and done illegal favors for some high authorities, for the single reason to earn more money. This is, of course, corruption on a smaller scale. They told me that they did these favors for years for persons they did not want to name, because they were afraid what would happen to them if somebody found out.

However, Mr. Kumarstha and Mr. KC stopped performing these favors a few years ago, because they could no longer see themselves in the eye, they wanted to be a good role model for their children and Mr. Kumarstha’s wife got a part time job. Mr. Paudel was still forced to do it, because he had a sick wife to care for and he had to pay for her medicine, which costs a lot of money. They were all doing their best to be honest men, but they needed to survive, and it was the only way. They also told me that they had very little confidence in the government, because they felt that they were forced into being corrupt, and the solution was simple; raise salaries. However, Mr. Paudel gave me the impression with one of his side comments, which, to me, indicated that he was happy to gain from a corrupt society, and he would continue, because he did not care where the money came from as long as he got some fast cash. They know that their government is corrupt, and that they are not held responsible or accountable for their action. All three men stated that the politicians were protecting each other, and the politicians make the rest of the population follow in their footsteps. Corruption has become a way of life for many people, and most of them are not proud of it, but it is the only way to survive in the Nepali society.

My three interviewees also agreed to the fact that the government hinters the country’s development, because money is being pocketed instead of reaching the society improving the bad infrastructure and education. This is another sign of bad governance. When asked about how they felt about changes within the Nepali society and the political system, they more or less all said and agreed that they would like to see improvements within the society and a change in the political system; however, they believe that the politicians are content with the current situation. According to the Principal-Agent model, a goal conflicts exist between the two actors, which fits in the case. The politicians like to uphold status quo and the people like change. The public has less access to information and resources than higher authorities do, so an asymmetric relationship will prevail. The politicians, who are in the possession of more information, only act as long as it is in their interests or favor these and very little benefits the rest of the society.

As Webster argues, there are huge inequalities in the Nepali society, and it is the politicians, who provide this unbalanced society and distrust from the public. Mr. KC told me that, if the politicians were to change their behavior, give their people a feeling of a just, and equal society, the trust and hope of a better future can be restored. Then he and others would feel less inclined to disrespect rule of law. As it is now politicians give the public incentives to be corrupt by letting corruption be a desirable solution and therefore, many people think and say to themselves, *if I don’t do it, somebody else will*, and why shouldn’t you be the one to make some extra money for your family? So the Nepali society is trapped in a sort of corrupt circle, where no one has the incentives to change their behavior (Wills; 2014). The principal-agent model claim is that actors choose the situation that is best for them without considering others or the consequences, and in some cases this situation is corruption. As mentioned before, this might not be the most desirable choice, but it is a way of life, a way to survive in a corrupt society. The politicians are not making the situation better or they are not trying to change the asymmetric relationship, change status quo, or act beyond their own interests.   
Transparency could change a lot in Nepal, and what my three interviewees also agreed after explicitly explaining it, was that transparency was indeed a way or at least a beginning to change the society, and maybe that way the public would speak up about corruption, if they actually saw change. The people of Nepal are not too happy with the current system, and when I told the three men that Nepal ranked 126th on the Corruption Perception Index, they were not surprised, but they were embarrassed. *“This have to change if Nepal should ever have a bright future. The government needs to change, and someone should teach them the word ‘no’”* (Mr. Kumarstha; 2014).   
I sent questionnaires to well-educated people in Nepal, and they more or less all agree that some of the main reasons behind the high level of corruption in Nepal are political instability, lack of proper education and punishment and an inefficient legal system. As my three other interviewees stated Dr. Thapa also stated that one of the reasons why corruption increased in the last few years was that *“the basic salary of government/private employee is not enough to afford modern amenities with increasing inflation”* (Dr. Thapa; 2015)*.*Clinician and medical research Scientist, Sapkota explained that,

“There had been two large election for the Constitutional Assembly during last decade, and these election campaigns were very costly and they were backed up by the same leading businessman who didn't bother to pay taxes to the government. Backing up for elections makes politicians loyal to businessmen and there always a room for exemption of tax payments and policy level corruption. Definitely, politicians have been acting in a way in which they are more loyal to big businessman than to the general public” (Dr. Sapkota; 2015).

The Constitutional Assembly has not been drafting a long awaited constitution, and all energies seem to being invested in vain to these efforts, as Sapkota puts it. He continues by mentioning the post-war era which had established a monetary supremacy. Quite controversial, it was the communists fighting for a utopian communist society and bombarding the consumeristic capitalists, but the results were that the newly rich people became the leading figures in investments and taught society the supremacy of capitalism (Ibid). The quote, among many things, shows great tendency of bad governance in the government, lack of good state structure and bad relations between state and public, since the politicians are more loyal to corrupt businessmen instead of the population. Physician and researcher Pandey mentions something very important,

“Nepal has always run as an extractive enterprise where people with the means to extract financial gains out of the system will continue to do so without impunity. Part of the reason why the present government is seen to be so corrupt is partly because while the Prime Minister is not corrupt, he is not able to impose ethical standards to members of his cabinet. And the members of the cabinet, especially those from the Communist Party of Nepal – UML, have been blamed, from time and again to be very highly corrupt individuals that engage in corruption for their personal gain as well as their party’s gain” (Pandey; 2015).

If a corrupt cabinet surrounds the Prime Minister, it makes his job even harder because the cabinet will focus more on their own interests instead of the people. This damages not only the political system, the decision-making, the prosecution process, but also the trust from the public. The cabinet and the government execute bad governance, and the system lacks ethical standards, which hurt the development and the people. What Pandey also states is that “*the people suffer tremendously, to the extent that they do not believe the state is there for their benefit”* (Pandey; 2015). This indicates that the people have very little faith in their government, and the way they rule, and that they (the people) are more less left to themselves.

Physician Khatiwada mentions the media and that they play a big role and they should be independent and not be biased, and he states that law and order should be an independent body that can hold the politicians responsible and accountable for their actions, instead of the judiciary body protecting and sparing the politicians. Transparency should rule in all political areas and on all levels. Another issue Dr. Jha, Dr. Thapa and clinician Sapkota also mention is brain drain. Jobs in Nepal for young people are limited, developmental activities are struggling and it is hard for the government to provide jobs and make use of qualified persons, which result in many young people going to the Middle East to find jobs (Sapkota; 2015). As Dr. Thapa said, “*this will push Nepal even back in terms of development”* (Dr. Thapa; 2015). They all have good jobs, and they also experience corruption in their profession, and they see what corruption does to people and systems.  
The government is not popular in Nepal, and concepts of the theory such as state-structure, decision-making and rule of law seem to be prioritized low in Nepal, which leaves the relationship between state and society crucially weakened.

To briefly summarize, the findings of the interviews, it showed that the well-educated people were more precise in their answers and had a broader knowledge on the political system and the general society, whereas the uneducated people outlook is more limited. This probably has something to do with their level of education.

## 5.6 The international community; the United Nations and the Convention against Corruption and the World Bank

The international community, such as the United Nations (UN) and the World Bank (WB), is very active in the fight against corruption. Their work mostly involves the flow of information on corruption instead of using violent enforcement. Many people are not educated or have the knowledge about corruption and what it does to their society and nation, and one of their (red. the UN and WB) goals is to open people’s eyes and educate people on corrupt behavior.

Corruption has been described as a disease, as a cancer with deep roots within the Nepali society. A cancer that is difficult to treat. UNCAC is the first globally negotiated treaty concerning fighting corruption and explicitly includes asset recovery as a fundamental principle (UNCAC; 2004). Some of the resolutions of this Convention are, *“to promote and strengthen measures to prevent and combat corruption more efficiently and effectively, and to promote integrity, accountability and proper management of public affairs and public property”* (UNCAC; 2004). The first one mentioned cannot be considered strong in Nepal, however, the Nepali government might have taken new initiatives to fight corruption in the recent years, but major results are still to be seen. It can be argued whether the politicians act according to the Convention or not. They do not seem to be respecting it or show any kind of responsibility towards the signature to the Convention in 2003, which also states that when fighting corruption, “*each country, shall in accordance with the fundamental principles of its domestic law, take such measures as may be necessary to enhance transparency in its public administration”* (UNCAC; 2004). The problem is that Nepal has a weak state where domestic laws are weak, due to a weak judiciary branch, and the politicians are not interested in transparency or at least they do not enhance it even more. If so, it could suggest a more symmetric relationship between the actors and create better relations between the state and civil society. This is what the principal-agent model looks at, and in this case, it could create a more trustworthy government, but instead the politicians promise new changes, but as soon as they have been elected or re-elected, due to bought votes, then they forget all these new changes. This happens in many countries around the world. As soon as the politicians are in office in Nepal they are not very visible to the public eye, because too much spotlight is too much attention and a higher risk of being caught.

“The reluctance of our government in ratifying UNCAC signaled a message to the global community that the government is not interested in fighting corruption and the political will of the leadership comes into question. Guesses are being made as to the reason for this delay. One of the obvious reasons could be the “fear factor” of the politicians that the UNCAC may affect their sources of income” (Uprety: n.a).

Nepal signed the Convention in 2003, but they did not ratify it until 2011, which is an important point, because it shows the little willingness and responsibility towards changing behavior. The quote indicates a goal conflict from the principal-agent model. The politicians would hurt themselves by passing the convention, since it would bring more attention to their actions. It also shows that Nepal might not be willing to combat corruption or even respect the Convention to the fullest. If Nepal shows a lack of interest, then the rest of the international community might end up dismissing Nepal all together, which could mean an even more destructive future. The UNCAC encourages the key concepts, transparency and accountability, which the Governance theory mentions and which implicitly encourages symmetric relations.

The World Bank is another international organization that is working towards a world without corruption. They have created the World Bank Group, which has been a development partner in Nepal for several decades, and they provide financial, technical assistance and advice (World Bank Group; 2011). For the upcoming decade, the Group’s support focused mostly on agriculture and infrastructure development in telecommunications, highways, power, and water supply and sanitation (Ibid), which are some of main issues that Nepal is fighting with at the same time as corruption. What the Group provides is to consider the people, because they are the best authorities on their lives and their development needs (Ibid).

In a talk about speaking up against corruption, the World Bank Group President Jim Yong Kim announced that corruption was the developing world’s enemy number one (World Bank; 2013). A former president of the World Bank declared corruption a cancer, but cancer can be treated (Ibid). The President also said in his speech,

“Every dollar that a corrupt official or a corrupt business person puts in their pocket is a dollar stolen from a pregnant woman who needs health care; or from a girl or a boy who deserves an education; or from communities that need water, roads, and schools (Ibid).

Instead of developing Nepal, educating people, or eradicating poverty and hunger, the politicians do whatever is the best for themselves and thus, the country and its people become the victims. This is opposite of what the Governance theory emphasizes, which is state-structure, rule of law and focus on the civil society. Nepal’s state structure is weak because of weak laws to keep the political system in line. As mentioned in the beginning of the paper, Koi Annan said that good governance is perhaps the most important factor when it comes to eradicating poverty and promoting development. However, it will be difficult for the international community as a whole to support the Nepali government, because it is so corrupt and shows little willingness to change their behavior and provide better governance in the entire system, and the international organizations cannot be sure where the financial help will end up.

## 5.7 Transferability

Nepal has a lack of governance and not least good governance, but it cannot be forgotten that the term Governance came about in the Western world after World War II with stable and well-functioning democratic political systems and a participating civil society. This not an easy concept to transfer to other regions of the world, especially to a region that has not been through the same development stages as the West. The consequences might be different or even more serious, and this goes mostly for the poor people (Jabeen; 2007).

“The good governance agenda of international development agencies tends to be generic, imitative, and ambitious and it largely fails to take account of the institutional and developmental context of developing countries. Developing countries are being asked to do everything, which works in developed countries, and consequently the good governance agenda in the developing world has grown long over the years” (Ibid).

Often Western countries or big international organizations wish to ‘force’ westernized values down over the developing world without considering the context of the development in the Third World. They differ from each other, and not least, they are very different from Western countries, so it is not easy to transfer certain values or even democracy. Several times the organizations or donor countries forget to monitor the development,

“It appears, however, that the issue of transferability of the notion of good governance to developing countries is not being adequately attended to, while formulating a reform agenda mostly backed by international donors” (Ibid).

It will take time to achieve any kind of good governance in the Third World similar to that which rules in the Western world, but it will also require help and support. The international organizations might have a vision for the Third World, but they should be aware of the long time and the consequences they put the country and its people through, especially in a country like Nepal where corruption is so widespread. What works in the Western world might not always work in the Third World due to the differences in development or the lack of it, and because of colonial times. Good governance also means different things to different actors, so what the international community sees as good governance, might not be what the Nepali government or the people consider good governance. There are certain measures to keep in mind when dealing with the individual country, such as their past development, and state structure.

The Nepali government is not executing rule of law to the fullest, and rule of law is one of most important factors when it comes to good governance. A transition to good governance and hereby-proper rule of law will take time. The rest of the world cannot fight corruption in Nepal by forcing democracy and good governance down their throat, thinking that since it works for them it will work for Nepal as well.

## 5.8 Summary

Nepal is suffering from severe corruption in the political, legal, and educational systems as well as in the media sector. Politicians put their own interests above that of the country and the people even though they are supposed to work for their people. Businessmen express opinions that are based on political loyalty, and because they focus on the loyalty and politicians rely on this loyalty, they fail to represent the views of the Nepali people. Since the risks of being caught are minimal, they do not seem to want to change their behavior, and it has become a way of life and a way of maintaining power. Corrupt people lack a sense of responsibility towards their profession. The public and the society suffer, and the public has little faith and trust towards its government. The media is having a hard time to publish stories on corruption because most of them are under government control. The international community is fighting against corruption, and they work towards eradicating poverty and hunger in Nepal, and raising living standards for the Nepali people.

# 6.0 Discussion

*This section will consists of a discussion of anticorruption efforts, the political system with focus on governance in Nepal, and improvements towards good governance.*

6.1 Anticorruption initiatives

Anticorruption initiatives have been exercised in Nepal, but the problem remains the same. Many Nepali people have filed complaints to for instance the CIAA, but they are waiting for the anticorruption agencies, or the special armed police force to take the complaints seriously and to begin inquiries. Since anticorruption initiatives are mainly political, because they challenge power and status quo, many authorities are weary when it comes to fronting high public officials. The CIAA is a constitutional body, which makes it even more difficult for the agency to take action, and many cases never make to court or get ‘lost’ in miraculous ways, because it is monitored by the government. Since this is the case, it could indicate that the political situation in Nepal is unstable and unable to change, because of poor governance in the political and legal system. Not to forget that death threats and fear of losing their jobs hinder anticorruption agencies and campaigners from doing their job.   
The anticorruption organization I was working in as an intern had no authority to take action, but it took complaints that would then be investigated with the sole purpose of finding evidence and making a casefile that would then be handed over to the CIAA. The organization had two television programs to reach the citizens in their homes, and they were able to call in, live, and ask for advice or turn in a complaint. This happened on a daily basis, but as soon as the files left the office, there was no way of following up on them. There are several thousand NGOs in Nepal, and many work within the field of anticorruption, but as the paper indicates corruption is a major issue in Nepal, and it needs to be dealt with from many angles and different people.

Another aspect anticorruption organizations, focus on is the public. Corruption cannot only be fought from the top down, but a bottom-up approach is also necessary, which means that the civil society needs to be a part of this transformation or development. The public is encouraged to speak up against corruption and their government. As two of my questionnaires answered about governance in Nepal, *“We need honest people from top to bottom and vice versa”* (Thapa; 2015). *“Good governance can change Nepal, but while it is tempting to expect a top down change for the better, I always believe it works better from the bottom up, where ethically upright citizens demand more out of people who run the state”* (Pandey; 2015). Many people are complaining to the CIAA, and the public is one of the more important actors when it comes to fighting corruption, because they see and feel the consequences of a corrupt society, and they should deserve better. People need to be a lot louder and make themselves heard in order to have a chance to challenge the status quo and pressure the government to the limit, so there is no other way than openness and better governance. If many Nepalese people began to speak up about corruption, it would not only hold political leaders accountable but it could also help in creating a better society for the future.

Anticorruption laws cannot conquest this *cancer* by itself, but it should be the responsibility of all groups in the society, including the government, non-government organizations, the media, and the ordinary man to join forces against and collectively combat this deeply rooted disease (Ghimire; n.a). Without a strong legal system, and proper rule of law the anticorruption legal framework, which consists of several different initiatives to control and prevent corruption, cannot be implemented effectively (Norad; 2011), and then Nepal might never come out of this vicious circle it finds itself in.

Professor Adam Graycar also discusses *why* and *how*, to measure corruption. The idea of measuring corruption is in his opinion *“to draw attention to the issue of corruption and promote the need to take action to reduce corruption”* (Graycar; 2014)*.* He talks about what is being corrupted, and he mentions events, process and the culture (Ibid), and that it is corruption in the decision-making and implementation of public policies (Ibid). The guardians of corruption are in his view political leaders, laws, education and anticorruption agencies (Ibid), and since all these are more or less lacking in Nepal, corruption can flourish in the society, because no one is holding anyone responsible. Governance is poor, which makes opportunities great for people to become corrupt. He emphasizes education as a means of preventing corruption, but not only communal based education, but also within government agencies (Ibid), since they need to be educated on corruption and good governance. In this way it could be possible to improve governance and as he says, *“to develop positive, transparent workplace cultures”* (Ibid). Good governance creates fewer opportunities for corruption, because better surveillance will exist among the institutions.

## 6.2 Political system

There has been and still is a strong tendency throughout the political system not to put the awareness of corruption on the political agenda, because of fear that some leaders or members of parties might be associated with certain corruption cases (Bhattarai; 2013). An anticorruption activist, Kedar Khadka, states that the vacant position of the Chief Commissioner of the CIAA was a deliberate political strategy (Ibid), because without a Chief Commissioner the chances of getting caught was second to none. Mr. Khadka also mentions that, *“anti-corruption campaigners face threats and harassment, so people prefer to turn a blind eye to it instead of filing a report against corruption”* (Ibid), and the following statement is in line with the previous quote,

“Campaigns against corruption, being against the interest of the political power, we, the campaigners, and our families are threatened with murder. There was an attempt to murder me inside the chamber of a government minister in the recent past” (Ibid).

Powerful people in charge have the resources to ‘remove’ people who are challenging their power. They usually have a network behind them to back them up and support them, and it is also these networks that are able to block any challenges from individuals or smaller groups who wish to challenge their power (Norad; 2011). Prosecution against politicians rarely happens, due to above mentioned reasons, and also because there is a fear a that the government might crumble, and that will leave Nepal in an even more disastrous situation. A weak government is better than anarchy.

Another problem within the political system and among politicians is that there is an underlying political settlement about the rules of the game, and this creates incentives for corruption (Norad; 2011), because many politicians see themselves above the law. The report from Norad also states that in Nepal, “*power is concentrated in small ruling elites that is supported by a growing intermediate sized group of government officials, and a growing upper-middle class together with merchants”* (Ibid).This has similarities to the ruling times of the Rana dynasty, where a strong upper-middle class supported and influenced the king. Rule of law is weak and in some people’s mind non-existent, and this creates incentives for poor governance. The lack of good governance will bring Nepal in a worse position on the Corruption Perception Index in the coming years, if the government keeps up with its current governance. *“Lack of focus of the state on good governance has adversely affected efficiency, transparency, accountability and even international image. Every day, the country is moving towards the whirlpool of rampant and blatant corruption”* (Bhattarai; 2013). As discussed in the section about the international community in the analysis, the international community can end up withdrawing its financial support and other donor countries might do the same, because Nepal shows no willingness to change its behavior. The illegal use of public office for private gains, which is one of the crimes of corruption, will damage circumstances for transparency and accountability, and eventually the legitimacy of governance (Norad; 2011). Nepal is suffering from poor governance and therefore also a lack of transparency and accountability. However, the relationship between the Nepali state and its citizens have undergone some transformations in the past 50-60 years (Asia Foundation; 2011). From 1951 with the end of the Rana regime, political changes occurred, and for the first time the Nepali government expanded its role to include the delivery of public goods and services to its citizens (Ibid). During the Rana reign various institutions had been established to reach its citizens, particularly for collecting taxes and maintaining law and order (Ibid), and taxes could be another way for the powerful people in charge to bend the subjects to their will. Maintaining law and order was probably more to keep the people under control, as mentioned in the historical background information section about the time of the Rana regime.

As mentioned before, Nepal is still waiting to become a federal state, and this change could bring new chances for Nepal. According to a research project on Nepal on a ‘New Nepal’, equality is at the front of people’s minds when thinking of a ‘New Nepal’ (Nightingale; 2009), as is equality for the entire country on all levels of the society. Political dominant people speak more elusively about equality, and with the information given throughout the paper so far, it leaves the impression that too much equality can hurt their political career. As the project also states,

“The old, *‘thulo manches’* (headmen), need to be brought down to the level of everyone else and that people who did not have access to power need to be brought up There is a greater sense that governance needs to reflect the needs and wishes of all the people, rather than a political elite” (Ibid).

This is in line with what Neil Webster argued about equality, and the focus in this quote is that the ordinary people of Nepal should be in focus, which would make Nepal more democratic, and bring about better governance. In many people’s eyes, Nepal needs a political change and a new attitude towards governance, and this should not only come from the top, but also from the bottom. It is the people’s right to acquire democracy, and to have a voice in the society.

Nepal lacks a well-functioning system of checks and balances, and it contributes to the poor governance, because the different institutions do not control or hold each other accountable. Since the current government was not chosen by the public, it keeps the public from participating in the political life, and it does not improve the relationship between the state and the people. These issues, together with the information in the analysis about Nepal’s systems, it can be questioned how well the Nepali society is governed. It is clear that governance is lacking in major areas such as transparency including access to information for the ordinary citizens, very few elections in the recent years, accountability where politicians and businessmen can do more or less as they please. Another thing that could be done as a beginning is to make anticorruption agencies, such as the CIAA, a complete independent institution without political monitoring, and so for example that politicians have no control on the Chief Commissioner position. This could bring some major changes to the country, and eventually it could also force a more prominent legal system, because anyone benefitting from status quo is effectively blocking any challenges to the system for any future changes (Norad; 2011).

## 6.3 Summary

There are several anticorruption initiatives in Nepal, and many of them are working towards engaging the public, because corruption needs to be fought from below as well as from the top. The public should be able to hold their government accountable for their actions and fight for more openness. Politicians see themselves as above the law, and they even have control over who should be Chief Commissioner of the CIAA, and they also have the power and influence to remove people from office if they fight against them, which makes them a terrifying group to get involved with.  
There are improvements to be made in order to enhance the situation in Nepal, and checks and balances between the institutions could be a good beginning.

# 7.0 Conclusion

It can be concluded that Nepal suffers from severe corruption and not least bad governance throughout the entire system. This affects the entire country and the development within the country. Nepal has a long history of corruption which can be traced back several centuries when Nepal was ruled by an autocratic system, especially the Ranas. Nepal has experienced severe political instability since the beginning of the 21st century, and this instability has only got worse. Corruption is like a plague on the country eating up the nation slowly. Corruption is a vicious circle to come out of, and Nepal is one of the poorest countries the world, which only makes it harder. The basis of this paper is to find out why Nepal is suffering from such a high level of corruption, and whether good or bad governance rule in Nepal. The main focus was on the political system, because it is one of the most important areas when it comes to corruption and where to intervene, if not the only one.

This is done by looking at Nepal’s history and then drawing lines up to the modern Nepal, and analyzing several areas where corruption takes place and where it damages the society the most. In order to do this the Governance theory is taken into consideration and used throughout the analysis. Good Governance is also in focus, and the principal-agent model is mentioned as an assisting tool in order to better comprehend the situation in Nepal, and to get a broader perspective.

In Nepal, corruption is used as a survival strategy, and this goes for everyone. The powerful leaders, who are the most corrupt people, gain power, influence and status by being corrupt, and it is a way to stay in power. The ordinary man survives by doing favors and taking favors, because it is way to put food on the table and pay the rent. However, many Nepalese do not like that they are more or less forced into corruption, and many see a simple solution: raise wages. Corruption is not seen on the political agenda, because many politicians wish to ignore the issue, due to their corrupt behavior. Power is concentrated in a very small elite in Nepal, who is so powerful that they have all the right resources to remove people from office if they challenge the status quo. So many Nepali people never raise their voice against corruption, which only suppresses the population even more. The legal system is another important area where corruption is so damaging to the country. The system is weak, and the amount of corruption cases which make it to court are limited, because people protect each other or people are bought to dismiss cases. Due to this level of corruption, Nepal also suffers from lack of transparency, accountability, responsibility, rule of law, participation, proper state-structures and efficiency. The people are kept in the dark, because not even the media are a reliable source, because most of them are under government control and supervision.

Anticorruption agencies exist in Nepal, and the biggest one is the Commission of the Investigation of Abuse of Authority. They investigate and prosecute corrupt people, but their results still remain to be seen. Other agencies and not least the international community focus on education as the means to escape this corrupt lifestyle. Education is the best way to enlighten people and make them aware of the consequences of corruption. However, not everyone has the opportunity to go to school in Nepal, because they are needed in the house. This leaves a major part of the population uneducated and less aware of the mechanisms in the society. This is evident in the conducted interviews and questionnaires. The educated people had more elaborate answers, whereas the poorly educated persons mostly talked about their own experiences which indicate less knowledge about the system. It painted a rough picture of the public opinion towards the system, and it was not a positive one. It is clear that an asymmetric relationship between the state and the people exists. A population who would like to see change and prosperity, and a government who prefer status quo. The government govern the country badly, since they do not consider anyone but themselves. This leaves a system, a people and a nation suffering and it creates distrust among the population. The lack of transparency, accountability, but even more rule of law indicates that in Nepal bad governance rule. The state is weak; politicians pocket financial aid money instead of improving infrastructure and building a strong society.

Nepal is suffering from high level of corruption because of a long history of political instability, no one is held accountable for their actions, and very few are prosecuted. The risk of being caught and punished is small, so it is not a factor people fear. Politicians make corruption a lifestyle and force people into corruption, because there is no other way to pay rent or provide for their families.

So unless the government improve its governance and begin to focus on an equal society, the country will never see progress or prosperity. The development will stagnate and the future is uncertain.

# 8.0 Last words

I will briefly add some last words about recent incidents in Nepal.

In April 2015, a devastating earthquake hit Nepal ranking 7.8 on the Richter scale, which is the most devastating earthquake in 81 years. The capital, Kathmandu, is more or less in ruins. People lost their homes, loved ones and the city lost some of its most treasured landmarks dating back several centuries. Thousands of people lost their lives and villages ceased to exist. People were living in open spaces around the city, afraid to go back into their houses. Rescue teams work around the clock to rescue people out of the ruins, dead or alive. Hospitals were overcrowded and medicine became a strong necessity, together with water, food and shelter. Aftershocks hit the country days later, terrifying the people and making the rescue even harder.   
For days after the massive earthquake rural villages were out of reach due to weak infrastructure and bad communication. Trekkers on Mount Everest were killed due to avalanches and the surviving ones were stuck, needing food and water.

Nepal was in a national crisis.

International organisations and foreign countries sent help in the form of financial help, food, water, medicine supplies and rescue teams. However, this help had trouble entering the country due to aftershocks that closed the airport that consist of one landing strip, and lack of airport personnel. They eventually got into the country and made a huge difference, and the country saw hope.

What went wrong in this tragedy was the government officials. Nepali politicians appear to be trying to leverage the disaster and the aid money attached to it to reinforce their hold on power, *“There are questions of the accountability for the government to spend funds effectively*,” said Ashish Thapa, executive director of Transparency International Nepal (Groves; 2015). International organization send financial help and aid workers to Nepal, but after days or even weeks where the funds still have not reached the needed areas many began to question the decision-making from politicians. As a senior United Nations official, stationed in Nepal said, “*“There were too many bureaucratic procedures in place when they should have been removed for emergency and humanitarian purposes,”* (Ibid), and he continued“, *“There’s a bit of red tape and then there’s more than red tape, which is corruption”* (Ibid). The financial aid reached the politician’s pockets, or at least a good amount of it. So even in a time of crisis and national devastation politicians are still corrupt, stealing money that the people and country need to be able to get back on their feet. They destroy the country and the rebuilding of the society. This shows to go how far politicians will go to financially support themselves and this is simply unacceptable in a time of need. How can someone be so selfish when they see people who lost everything?

The Nepali Times newspaper wrote on their facebook page, “*If you have faced any bureaucratic hassles while trying to organise relief efforts, please send us your stories”* (Nepali Times; 2015). This just goes to show, again that people are aware of the corrupted behavior concerning the earthquake aid.

# References

ABC & JEIk (n.a), *“Nepal – history”.* Latest author the editors. [Online] Available from <http://www.denstoredanske.dk/Geografi_og_historie/Sydasien/Bhutan_og_Nepal/Nepal_(Historie)> [Accessed 5th April 2015].

Asia Foundation (2011), “*Political Economy Analysis of Local Governance in Nepal, with special references to education and health sectors”* The Asia Foundation, Bhat Bhateni, Kathmandu. [Online] Available from <http://asiafoundation.org/resources/pdfs/analysislocalgovernancenepal.pdf> [Accessed 21st May 2015].

Asia Foundation (2012) *“A Guide to Government in Nepal - Structures, Functions, and Practices”.* [Online] Available from <https://asiafoundation.org/resources/pdfs/AGuidetoGovernmentinNepal.pdf> [Accessed 27th April 2015].

Bang, Henrik & Esmark, Anders (2013) “*A system theory of Good Governance”* Paper prepared for ICPP, Grenoble, Panel 45/session 1. [Online] Available from <http://www.icpublicpolicy.org/IMG/pdf/panel_45_s1_esmark.pdf> [Accessed 5th April 2015].

Bastola, Yadab (2011), “*Challenges for good governance in Nepal”.* [Online] Available from <http://www.internationalpeaceandconflict.org/profiles/blogs/challenges-for-good-governance-in-nepal#.VT5K3mdEjIU>[Accessed 27th April 2015].

BBC News (2010), “*Nepal education minister removed over corruption claims”* 24th February, South Asia. [Online] Available from <http://news.bbc.co.uk/2/hi/8534665.stm> [Accessed 6th May 2015].

Bevir, Mark (2013), “*A Theory of Governance”* University of California, Berkeley. Global, Area and International Archive. [Online] Available from <https://escholarship.org/uc/item/2qs2w3rb> [Accessed 4th April 2015].

Bhattachan, Krishna B (2005), “*Nepal: From absolute monarchy to “democracy” and back — The need for Inclusive Democracy”* The International Journal of INCLUSIVE DEMOCRACY, vol.1, no.4 (July 2005)**.** [Online] Available from <http://www.inclusivedemocracy.org/journal/newsletter/vol1_no4_nepal.htm> [Accessed 3rd April 2015].

Bhattarai, Tara (2013). *“Political corruption inside Nepal continues as government investigations falter*”. GPI – WNN Justice, Women News Network. [Online] Available from <http://womennewsnetwork.net/2013/06/07/political-corruption-nepal/> [Accessed 1st May 2015].

Business Dictionary. *Over 20.000 terms. Clear. Concise. Comprehensive.* Accountability. [Online] Available from <http://www.businessdictionary.com/definition/accountability.html> [Accessed 11th May 2015].

Business Dictionary. *Over 20.000 terms. Clear. Concise. Comprehensive.* Transparency. [Online] Available from <http://www.businessdictionary.com/definition/transparency.html> [Accessed 11th May 2015].

Business Dictionary. *Over 20.000 terms. Clear. Concise. Comprehensive.* Responsibility. [Online] Available from <http://www.businessdictionary.com/definition/responsibility.html> [Accessed 11th May 2015].

Business Dictionary. *Over 20.000 terms. Clear. Concise. Comprehensive.* Rule of law. [Online] Available from http://www.businessdictionary.com/definition/rule-of-law.html [Accessed 11th May 2015].

Caluser Monica and Salagean Mariana (2007), “*Good Governance in Multiethnic Communities. Conditions, instruments, best practices ways to achieve and measusre good governance at the local level”* Ch.2. p.11-17. A joint publication of the Ethnocultural Diversity Resource Center and the King Baudouin Foundation. [Online] Available from <http://www.edrc.ro/docs/docs/11-17.pdf> [Accessed 24th March 2015].

Chand, Lokendra Bahadur (2002): *Speech by Rt. Hon'ble Prime Minister Mr Lokendra Bahadur Chand at the meeting with the Representatives of International Development Agencies.* [Online] Available from <http://www.mofa.gov.np/en/news/detail/178> [Accessed 1st May 2015].

Commission for the Investigation of the Abuse of Authority (2015). Home page. [Online] Available from <http://ciaa.gov.np/en/commissioners/chief-commissioner.html> [Accessed 12th May 2015].

Department for International Development (2013), *“DFID’s Anticorruption Strategy for Nepal”* UKaid from the British people. Ekantakuna, Lalitpur, Nepal. [Online] Available from <https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/213921/anti-corruption-strategy-np.pdf> [Accessed 22nd May 2015].

Editorial Desk, The Kathmandu Post (2015), “*Curbing corruption in Nepal's education”* Asia News Networks, We know Asia Better. [Online] Available from <http://www.asianewsnet.net/Curbing-corruption-in-Nepals-education-71369.html> [Accessed 7th May 2015].

eKantipur.com (2014-05-09), *“7 govt employees under CIAA net for corruption”* Ekantipur report. [Online] Available from <http://www.ekantipur.com/2014/05/09/top-story/7-govt-employees-under-ciaa-net-for-corruption/389352.html> [Accessed 3rd May 2015].

eKantipur.com

Gindle, M. (2004), *“Good Enough Governance: Poverty Reduction and Reform in Developing Countries. Governance”,* An International Journal of Policy Administration and Institutions 17(4): 525-548.

Gayley, Holly (2001), “*Gyanendra’s Test, Nepal’s Monarchy in the Era of Democracy.”* NepalDemocracy, Gateway to Nepali Politics and Civil Society. Friedrich Ebert Stiftung. [Online] Available from <http://www.nepaldemocracy.org/institutions/nepal's_monarchy.htm> [Accessed 3rd April 2015].

|  |
| --- |
| Ghimire, Krishna Jeevi(n.a)**,** *“Corruption Control: Challenges and Efforts in Nepal”* |

Deputy Attorney, Office of the Attorney General, Nepal. [Online] Available from <http://www.icac.org.hk/newsl/issue21eng/button2.htm> [Accessed 20th May 2015].

[Gisselquist](http://unu.edu/author/rachel-gisselquist), Rachel (2012) *“What good governance means?”*  United Nations University, Article. [Online] Available from <http://unu.edu/publications/articles/what-does-good-governance-mean.html> [Accessed 6th April 2015].

Graycar, Adam (2014). “*Understanding and Preventing Corruption”.* Speech, World Bank, Washington DC. [Online] Available from <http://siteresources.worldbank.org/PUBLICSECTORANDGOVERNANCE/Resources/285741-1233946247437/Graycar_World_Bank_20November2014.pdf> [Accessed 12th May 2015].

Groves, Stephan (2015), *“Aid for Nepal is falling way short amid concerns for corruption*” Global Post. [Online] Available from <http://www.globalpost.com/article/6556633/2015/05/21/aid-nepal-falling-way-short-amid-concerns-corruption> [Accessed 26th May 2015].

* May 22, 2015

Human Development Report (2014), “*Sustaining Human Progress: Reducing Vulnerabilities and Building Resilience Explanatory note on the 2014 Human Development Report composite indices Nepal”* UNDP. [Online] Available from <http://hdr.undp.org/sites/all/themes/hdr_theme/country-notes/NPL.pdf> [Accessed 13th May 2015].

Karki, Lokman Singh (2015), *24’th Annual Report 2013/014 of CIAA*. [Online] Available from <http://lokmankarki.com/24th-annual-report-2013014-ciaa/> [Accessed 4th May 2015].

Library of Congress – Federal Research Division (2005), “*Country Profile: Nepal”* [Online] Available from <http://lcweb2.loc.gov/frd/cs/profiles/Nepal.pdf> [Accessed 14th May 2015].

Nepali Times Newspaper (2015), Media and News. Facebook. [Online] Available from <https://www.facebook.com/nepalitimes?fref=nf> [Accessed 29th April 2015].

Nightingale, Dr. Andrea and Dr. Rankin, Katharine (2009), “*Landscapes of Democracy: the cultural politics of governance in Nepal”* in collaboration with Dr. Hemant Ojha and Dr. Bishnu Upreti. University of Edinburgh and University of Toronto. ForestAction. NCCR north, south. [Online] Available from <http://www.ajnightingale.com/cms/uploads/brief_001.pdf> [Accessed 21st May 2015].

Norad (2011): “*Corruption and Anti‐Corruption in Nepal Lessons Learned and Possible Future Initiatives.”* Report 18/2011, Norwegian Agency for Development Cooperation, Olso, Norway. [Online] Available from <http://www.norad.no/en/_attachment/382811/binary/199080> [Accessed 20th May 2015].

Pierre, Jon (2000) *“Introduction: Understanding Governance”* in *Debating Governance: Authority, Steering, and Democracy*, (ed.) Jon Pierre, p. 1-12. Oxford: Oxford University Press.

Rohwer, Anja (2009), *“Measuring corruption: A comparison between the Transparency International’s corruption Perception Index and the World Bank’s Worldwide* *Governance Indicators”.* From CESifo DICE Report 3/2009. [Online] Available from <https://www.cesifo-group.de/portal/pls/portal/docs/1/1192926.PDF> [Accessed 12th March 2015].

Rotberg, R.I. (2004) *‘Strengthening Governance’*. Washington Quarterly38: 71-81. [Online] Available from <http://www.boell.de/sites/default/files/assets/boell.de/images/download_de/demokratie/Strengthening_governance_Rotberg_2004_en.pdf> [Accessed 26th March 2015].

Samyak (2015), A Brief History of Nepal. Nepal Home Page. [Online] Available from <http://www.nepalhomepage.com/general/history> [Accessed 7th May 2015].

Shrestha, Aditya Man (n.a), *“Case Studies from Nepal on Media and Corruption”* [Online] Available from <http://webcache.googleusercontent.com/search?q=cache:d8vHRn9YGT0J:iacconference.org/documents/9th_iacc_workshop_Case_Studies_from_Nepal_on_Media_and_Corruption.doc+&cd=1&hl=da&ct=clnk&gl=dk> [Accessed 7th May 2015].

Stoker, Gerry (1998) “*Govnernance of theory: five propositions”* Blackwell Publishers, UK and USA. [Online] Available from <http://catedras.fsoc.uba.ar/rusailh/Unidad%201/Stoker%202002,%20Governance%20as%20theory,%20five%20propositions.pdf> [Accessed 5th April 2015].

Stripple, Johannes and Hannes Stephan (2013) *“Global governance”* in *The Handbook of Global Climate and Environmental Policy* (ed.) Robert Falkner, p. 146-162. West Sussex: John Wiley & Sons, Ltd.

United Nations (K. Annan) (1998). Annual Report of the Secretary-General on the

Work of the Organization, 27 August. [Online] Available from <http://www.un.org/Docs/SG/Report98/ch2.htm> [Accessed 26th March 2015].

United Nations Convention against Corruption (2004). United Nations Office on Drugs and Crime, Vienna. United Nations, New York. [Online] Available from <http://www.unodc.org/documents/treaties/UNCAC/Publications/Convention/08-50026_E.pdf> [Accessed 11th May 2015].

United Nations Development Programme (UNDP) (1997), *“Reconceptualizing Governance”,* Discussion paper 2. Management Development and Governance Division Bureau for Policy and Programme Support United Nations Development Programme New York. [Online] Available from <ftp://pogar.org/LocalUser/pogarp/other/undp/governance/reconceptualizing.pdf> [Accessed 22nd May 2015].

United States Institute of Peace (2011), National Peace Essay Contest Awards Program  
Governance, Corruption and Conflict. Simulation on Nepal. Scenario and Background. [Online] Available from <http://www.usip.org/sites/default/files/files/Nepal_Simulation_Scenario_and_Background.pdf> [Accessed 7th May 2015].

Uprety, Sudeep (n.a): *“Corruption Menace: Perceptions and Perspectives in Nepalese Context”.* [Online] Available from [http://www.academia.edu/3441069/Corruption\_Menace\_Perceptions\_and\_Perspectives\_in\_Nepale se\_Context](http://www.academia.edu/3441069/Corruption_Menace_Perceptions_and_Perspectives_in_Nepale%20se_Context)[Accessed 11th May 2015].

Wills, Thomas (2014), *”Corruption, Society and Politics in Nepal: a series of discussions”* Transparency International Nepal. [Online] Available from <http://www.tinepal.org/tmp-content/uploads/2014/09/Corruption-and-Nepal_-Discussions.pdf> [Accessed 1st May 2015].

World Bank (2011), *“Nepal and the World Bank: Four Decades of Development Partnerships”*. News, Feature Story. February 2011. [Online] Available from <http://www.worldbank.org/en/news/feature/2011/02/02/nepal-and-the-world-bank-four-decades-of-development-partnerships> [Accessed 14th May 2015].

Yurendra, Basnett (2009), “*From Politicization of Grievances to Political Violence: An Analysis of the Maoist Movement in Nepal”* Development Studies Institute. London School of Economics and Political Science, London. Working Paper Series, No. 07-78. [Online] Available from <http://www.lse.ac.uk/internationalDevelopment/pdf/WP/WP78.pdf> [Accessed 6th May 2015].