

## Why Civil Service Reforms fail? – A Case of Nepal

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### **Abstract**

*A number of civil service reform commissions have been constituted and recommendations made for strengthening Nepal Civil Service. Despite five decades of experiments with democratic practices, the behavior and mind-set of politicians and bureaucrats have not changed significantly to introduce civil service reforms on a result-oriented basis. The success of any civil service reform hinges on the political as well as bureaucratic will and commitment, and the utilization of reform in context is crucial for its success. This paper explores the main reasons why civil service reform in Nepal fails and suggests creating preconditions for its own success.*

### **I. Introduction**

- 1.1 Amidst the wider realization of the failure of the government to bring about changes in the efficiency of the government, a person no other than the Prime Minister himself vowed to come down heavily on the bureaucracy. At a time when the government seeks to devise and implement policies for augmenting the internal capacity of the government to improve the efficiency and the overall competence of civil services, improving governance and reducing corruption of civil service, and establishing processes for improving performance in key ministries, the progress achieved since the new Maoist-led government was in power is most distressing. Recently, the Maoist-led government has formed an Administrative Restructuring Commission (ARC) with nine members under the leadership of Minister for General Administration. How the Commission will fare remains to be seen.
  
- 1.2 Nepal provides a unique instance of a case where efforts for administrative reform are moving amidst radical political changes and instability. It also provides another illustration where all the leaders, politicians and members of the civil society speak unequivocally about the need to introduce far reaching administrative reforms, yet their contribution for carrying the reforms process forward has always been far less than what was expected of

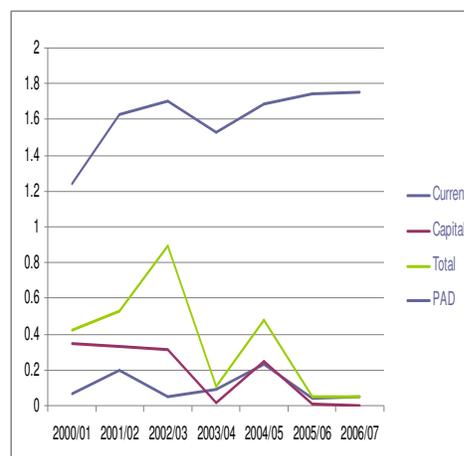
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them. Nepal which witnesses such paradoxes has a civil service that consists of the total strength of 105, 510 positions, (2006/07) with 0.4 percent employees of total population and 1.2 percent of total economically labor force defined as the population of 10 years of age and above (ISGR, September 2002, p.1). This strength is providing services to 27.0 million (2008) population of the country growing at the rate of 2.25 percent (1991-2001). (Annexes I and II).

1.3 The contribution of public administration (defense included) in the country's GDP can be seen from the following figure. The total (current and capital) expenditures for public administration (defense included) are less than 1.0 percent of the total between 2000/01 – 2006/07 and its contribution in terms of GDP is in the neighborhood of 1.8 percent during the same period.

**Figure 1: Total, recurrent and capital expenditures and contribution of public administration and defense (PAD) to GDP (as % of the total)**



1.4 Efforts for overall administrative reforms, of which civil service reform is a part, have been carried on as a regular phenomenon. Four administrative reforms commissions were set up during the period 1953 - 1975<sup>2</sup>. These Commissions were set up with specific objectives and all their reports contained a series of recommendations. But their implementation remained limited (annex III). It is fair to say that the recommendations of the Acharya Commission were largely implemented and its spirit of reforms continued to remain dominant for the next eleven years.<sup>3</sup>

<sup>2</sup> The Buch Commission, 1953; the Administrative Reorganization Planning Commission ( the Acharya Commission), 1957; the Administrative Reform Commission ( the Jha Commission), 1968 and the Administrative Reform Commission ( the Thapa Commission), 1975.

- 1.5 The post - 1991 reforms was a departure in its recent history as it witnessed a drastic change in the political system, from one of partyless government to that of multiparty democratic governance. Following the restoration of multiparty political system in the country, three important reforms initiatives subsequently followed. The High Level Administrative Reform Commission was set up in October 1991 under the Chairmanship of the Prime Minister Girija Prasad Koirala with a view to making the civil service “more efficient, motivated and responsible”<sup>4</sup>. The Commission submitted its report in April 1992. The Report contained as many as 116 recommendations; many of these were directly related to the civil service. It was estimated that three years would be required to implement these recommendations. But to –date several important recommendations remain unimplemented.
- 1.6 The governments after 1992 were not only least less interested to implement the recommendations intoto but in some cases took measure contradictory to what have been recommended in the Report. For instance, the Report recommended setting up unified civil service system but remains short of implementation. The Report recommended to reduce the number of civil servants to 77, 000 by the end of fiscal year 1993/94 from the then level of 102, 744 but subsequently it has reached almost the earlier level. The Report recommended to scale down the number of ministries form twenty –one to eighteen but on the contrary increased to twenty-four.<sup>5</sup> The creation of High level Human Resource Development Council is yet to be done. An Administrative Reform Monitoring Unit was set up with functions to help implement the recommendations of the Commission, to sort out the difficulties coming up in the course of implementation, to analyze the problems arising out of the implementation and to provide the government with policy-feed back on the basis of the findings of the analysis. But the Committee never became fully operational and nor was the Committee members appointed except the Secretary of the Committee to undertake day to day administrative functions. The recommendation for a creation of an institutional mechanism to continually monitor administrative reform measures remains valid.
- 1.7 Meanwhile, another study was undertaken by Janet Tay Pty. Ltd under the support of Asian Development Bank in May 1999. Its report “Civil Service

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Reform in Nepal” (March 2000) contained recommendations on three important elements - organizational reform of central government, reform of major sectoral areas, and civil service management reforms and decentralization. Its recommendations dealt with performance-reward issues such as linking rewards to performance, ensuring that pay is related to the value of the job, improve civil service leadership and management by creating Senior Civil Service Group, and provide a reasonable career path for Gazetted Officers. Some of the recommendations were way ahead of what the government was prepared to accept and implement and some were overtaken by the actual events that took place in the country such as the change in the government and its priority. This Report dealt extensively with the civil service issues and suggested many far-reaching changes. The Institutional Support for Governance Reform (ISGR), Final Report (January 2003) reports that "only parts of the Report were ever properly implemented, while other parts were overtaken by events or considered not practical at that time"(p. viii).

- 1.8 The ISGR was another study project undertaken with support, again from the Asian Development Bank .The project,( ISGR, TA No. 3622 – NEP), was implemented during June 2001- December 2002. This Report took the Janet Tae Report as the basis and further built on it. The Report in its first volume submitted as many as 12 broad recommendations which include the creation of a governance center, functional analysis of right sizing, more formal management method, specific follow – on TA activities, implementation arrangements, formulation of overall framework or "Master Plan" , bridging between the ISGR and follow – on TA, new job description, service delivery indicators, training and development and ethics component of the reform.
- 1.9 The latest effort in the series was Governance Reform Program (GRP) which was implemented by the government since June 2001and the project was terminated in July 2007. The program was an offshoot of the ISGR. A part of this report was implemented in six areas under the project Road Map of Governance Reform since December 2002. The six areas include improvement in information management, improvement of the proficiency and expertise of the civil service, reform in governance system and elimination of corruption, rightsizing the civil service, reducing corruption, development of indicators and procedural reform to improve work performance of some major ministries, and leadership development and

augmentation of the institutional capacity for implementation.<sup>6</sup> With the exception of creating a Change Management Committee in the Ministries under the Chairmanship of the Secretary, no other activities were implemented. Again, the verbal commitments were not backed by action, limping behavior was seen on the part of the bureaucrats and politicians, and frequent transfer of the Change Units staffs and co-ordinator took place. Other important reasons for the short fall in the implementation were resistance from the bureaucrats to implement changes, thereby causing the lack of ownership among them, the lack of total commitment to reforms on the part of the government, and lack of seriousness among shareholders. This can be seen reflected in the interaction programs where the participants normally ended up making superficial comments on reform issues (Thapa, n.d.).

- 1.10 Surprisingly enough, no efforts seemed have ever been carried out to measure or assess the impact of reform measures on the civil service. This has made it difficult to assess the shortcomings of the reports implementation or for that matter, for identifying the critical bottlenecks facing the Nepalese Civil Service system in the country. Nonetheless, the government also realized the lack of positive impact emerging out of the improvement in the implementation of the reform process, when it noted that

“various attempts of civil service reform in the past have not been able to enhance its performance as desired. There were several factors involved for this including the lack of strong commitment, absence of ownership of reforms on the part of the civil service, conspicuous absence of built-in incentive with the reform process, and inadequate communication among the stakeholders”.<sup>7</sup>

The government further noted that **i)** Broad-based political commitment is critical in deciding reform priorities and solutions; **ii)** A strong political will is necessary to cope with the resistance from internal stakeholders like bureaucracy and employees unions; **iii)** There is the lack of adequate participation from stakeholders (private sector, academics, and civil society) to ensure the beneficiaries' perspective and maintaining positive pressure on

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<sup>6</sup> Road map for Reform Measures under the Governance Reform Program, Ministry of General Administration (MOGA), 2007.

<sup>7</sup> A document prepared and circulated for discussion to The National Development Forum Meeting, February 4-8, 2002, Ministry of finance, April 2002, p.23

government to carry on the reform process, and **iv**). Administrative reforms implemented were implemented without due consideration to change management process. This is indeed a candid assessment of the reform process that manifests the reasons which characterize the implementation of the reform measures in the country.

## **II. An evaluation**

- 2.1. An objective evaluation of state of reform implementation to me reveals that
- i. The lack of political will of the government and the political instability are the two major factors for the shortfall in implementation. In the presence of these factors, even most pertinent and pragmatic recommendations for the reform of civil service enjoy less chances of their implementation. This is obvious to the donor agencies as much as to the government. In addition, no amount of efforts reforms will improve the efficiency, competency and the productivity of the civil service unless appointments, transfer and promotions are completely de-linked with the practice of political patronage and is made one entirely based on merit. This is simple and most often stated fact but is often ignored. When there are changes in the government or in the members of the Cabinet, the first and foremost victims are found to be the civil servants particularly at the higher levels. Changes in the government or in the cabinet member responsible for general administration are almost certain to be accompanied by changes in the Secretaries of the Ministries<sup>8</sup>. The root of the problem lies in an unethical politics, lack of vision in top political leadership, and mis-management. The political leadership lacks the commitment and the capability to provide the direction and leadership that are required for a competent and efficient civil service to emerge. The Nepalese Civil Service is on the way to become a dumping ground for the unemployed graduates, and the existing civil service community - less productive, less innovative, and less decisive.
  - ii. The reforms measures suggested are rarely implemented into to or that reform measures were never taken in as a complete package. Implementation has always been piecemeal and selective, thus making it

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<sup>8</sup> The Secretary stays at the Ministry so long as the Minister wants him/her to be in the position. He is always found to be at the mercy of the concerned Minister.

difficult to evaluate the entire package of reforms, as different components of reforms are interrelated, or to assess the impact of individual components of the reforms program on the totality of the Service.

- iii. It has not been the practice to evaluate the constraints faced by the past reform efforts, before new initiatives are undertaken and based on this, identify the future measures to be carried on for further reform. This lack of continuity has resulted in the government failure to derive value of money invested in the reform processes.
- iv. An objective assessment of the progress of reforms in its entirety is rarely performed, and,
- v. The lack of institutional coordination among institutions involved in the implementation of the civil service reform measures and lack of ownership has also affected the implementation of these measures.

### **III. Major problems of the Nepalese Civil Service:**

3.1. The Nepalese civil service is suffering from some major deficiencies. These deficiencies affect the overall functioning of the civil service. Unless these are addressed, these will continue to influence the functioning of the civil service. The past reforms initiatives have brought about a new set of problems while these continue to co-exist with the past ones. Taken together, these, with the passage of time, have become more intense, deep rooted and pervasive.

- i) ***Low morale and productivity.*** The values and ethics in the civil service are fast deteriorating. Chapter VII of the Nepal Civil Service Act, 1992 (including subsequent amendments) contains provisions on the code of conduct for the civil servants. Some of the important provisions are that the civil servants should not use political influence with an intention to achieve personal interests, participate in political activities, criticize the government, and join demonstrations and strikes. The civil servants are expected to demonstrate courtesy to the clients and are expected to uphold his/her conduct according to his/her service and position. But there is as yet no indication that an employee had been appreciated, promoted or awarded for his pursuance of the code of conduct or for following ethical values in the civil service nor has there been any cases

of disciplinary action against any civil servants for failing to uphold code of conducts and ethics. At times, the political parties openly invite the civil servants to join political rally to press the demands of the opposition parties, thus motivating the civil servants to break the code of conduct.

ii) **Measurement of productivity:** Productivity of the civil service is notoriously difficult to measure. As one crude estimator, the administrative costs as a proportion of program expenditure can be used. But it is hard to identify administrative costs in each of the development programs or the proportion of the administrative costs in the whole program costs. Hence, such a study based on quantitative assessment is few and far between. The Report on Secretaries' Colloquium on Productivity, Quality and the Civil Service (NASC, 1993) concludes that "there is a need to establish productivity indicators and quality standards for all ministries. These could be created through the National Planning Commission". Although much desired and discussed in various fora, efforts to introduce productivity measurement are rare. The government staff is more often branded as a regular drain on the country's coffers rather than as a dedicated group to provide services to the people. The productivity of the civil service and that of the public sector is as important to the economic performance as the productivity of the private sector. Public sector productivity is important for three main reasons. First, the public sector is a major employer. Secondly, the public sector is the major provider of services in the economy (affecting costs of inputs) and social services (affecting the labor quality). Third, the public sector is a consumer of tax resources. Changes in public sector productivity particularly that of civil servants can have significant implications for the economy. The national accounts statistics reveal that the contribution from the public administration (defense included) in overall GDP constitutes not more than 1.75 percent of the total (MOF, 2006). If one is to isolate the contribution of public administration, it will be considerably less, as the investment in defense has particularly risen at a faster rate because of a fast rise in the security expenditure. The gross value added annual growth rate from the public administration (defense included) widely varies between the fiscal years and the lack a consistent and secular growth trend persists. It was estimated to be around 1.35 percent at constant prices in 2006/07 only. Potentialities exist to raise its contribution in gross value added and accelerating its rate of contribution in the country's GDP. Likewise, the productivity of the civil service

appears to be the lowest for two reasons: a large number of civil servants is unproductive in the sense that either they are not skilful, competent, and well experienced to do the job they are expected to do or that they are less motivated for different reasons to take up their assignment with zeal and enthusiasm.

- iii) ***Uncertain prospects for career development.*** Civil servants suffer from uncertain prospects for career development. Merit and quality aspects are often compromised at the cost of efficiency, honesty, and hard labor. Insufficient linkages of merit to promotion in the career drives the staff to a point of total desperation, depriving them of whatever little courage, innovative and vigor that they possess.
- iv) ***The weak reward and punishment system:*** Despite emphasis in government policy documents, it hardly exists in a way that encourages the civil servants to shoulder additional responsibilities or take initiative to start innovative ways of doing things.
- v) ***Frequent changes in civil service rules and regulations along with changes in institutional structure.*** It is strange but true that in the name of updating, the Civil Service Act, 1992 were amended for the second time in 2007, with amendments in several other acts having its impact on the Civil Service Act.<sup>9</sup> Frequent changes in the Act and the Civil Service Regulations following it have contributed to the creation of instability in the procedures and practice of the civil service. The frequent amendment of substantive provisions of the Act and Regulations in itself is a source of instability in the overall civil service.
- v) ***Pervasive corruption at all echelons of administration.*** Anti- corruption mechanism has remained weakest, despite that the institution such as Commission for the Investigation of Abuse of Authority has been given a constitutional status. This is reflected in the massive corruption reported to have prevailed in the Nepalese civil service. The sources of unauthorized income include the issuance of citizenship certificate, land ownership certificate, etc.

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<sup>9</sup> Such Acts include Nepal Health Service Act, 1997, Act Relating to the Amendment of Some Nepal Acts, 2000, Act Relating to the Parliament Secretariat, 2001, and Act Relating to the Amendment of Some Nepal Acts, 2001.

#### **IV. Reasons why the past reform efforts failed?**

**4.1** Despite several reform measures implemented in the past, their positive impact on civil service is minimal. The reasons are many but the following are the major ones.

*a. Lack of political will and support to carry on the process of civil service reform:* Reforms usually start with political initiatives and are implemented by civil servants. However, political situation continues to remain unstable and the government has undergone frequent changes with the result that continuity in the efforts at the political level is often missing in the implementation. Civil service reform has never been the top priority agenda of the government.

*b. Bureaucratic resistance:* Bureaucrats in general are more negative towards reforms than politicians. Bureaucrats are found to react negatively towards attempts to implement such reforms unless reforms include the possibility of increasing their personal benefits. Bureaucrats are more conservative and resistive to change than their political masters, ministers, politicians, or people at large. One of the reasons is that, at the end of the day, it is the civil servant that has to take on the responsibility to implement new measures which means new and additional responsibilities, additional risks, departure from the existing system where they are accustomed to working with, and involves changes in the functions and responsibilities they consider as being not commensurate with existing perk and privileges or that they see less possibility for an increase in their perks and privileges. An example was the unsuccessful attempt to create a separate group for Economic Planning under the Nepal Economic Planning and Statistics Service largely because of the opposition from the civil servants themselves on the ground that the creation will create less prospect of their promotion to higher positions because of the limited positions at the higher echelon<sup>10</sup>. To this date, after almost one and half a decade, there is still no separate

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<sup>10</sup> Despite that it is widely recognized the importance of creating such a Group, the act of creating such a group has been hindered because of the lack of support from the civil servants themselves, with the result that agencies like National Planning Commission, Ministry of Finance and Ministry of Commerce and Supplies where most of the works are technical and semi-technical in nature and where the responsibilities demand specific knowledge and skills, these works are being done by civil servants of administrative cadre, with different educational background and experiences.

group for Economic Planning, despite that the Civil Service Act, 1992 and the subsequent amendments still maintain that provision.

- c. ***Civil service is more often viewed as a problem rather than as a solution.*** Several past studies failed to focus explicitly on the role of the bureaucracy – the very object and means in the implementation of these reforms. Bureaucrats always try to maximize their gains while formulating and implementing reform measures. This involves resorting to both ethical and unethical means to influence the pace and pattern of reform to suit their personal interests. This is an area where the conflict of interests between the civil servants and their political masters usually takes place.

If the bureaucrats feel that the reform hampers the realization of their interests, then they are found to react negatively towards attempts to implement such reforms. Still, some of the reforms may also include the possibility of increasing personal benefits for bureaucrats. The introduction of performance –based incentive systems may increase personal benefits and also efficiency for some but so far has not been successful or at best its impact is unclear.

- d. ***Politicization of bureaucracy:*** (i) In recent years, bureaucracy has been too much politicized. Chances of being appointed to the position of the Secretary or other similar positions, Departmental Head, chief of the public enterprises has become a zero-sum game to those that do not enjoy any proximity or sympathy with one or another political parties. The biggest source of political influence is in-built in the present Civil Service Act, which is amended to reflect that in the positions equivalent to Special Class/ Secretary, the Promotion Committee has to recommend candidates three times in number of the vacant positions and the government can appoint anybody from the list. This has motivated the civil servants to develop relationship with the politicians to exert his/her influence for promotion. In fact, the provision of the Act encourages political parties to derive benefits through such appointments. This is detrimental to the emergence of an apolitical civil service in the country. (ii) Politicians representing left-wing parties and those bureaucrats supporting these parties clandestinely or with some sympathy in their favor prefer more radical civil service reforms than politicians representing right-wing political parties and bureaucrats supporting these

parties clandestinely or with some sympathy in their favor<sup>11</sup>. Privatization, the introduction of market mechanisms, and downsizing the civil service are the product of right –wing parties and hence not popular agendas among the leftists.<sup>12</sup> The right-wing Nepali Congress Party introduced privatization as one of the chief economic policy but the Nepal Communist Party (Maoist) is openly against it or has reservations on the policy.<sup>13</sup> The Party believes that state enterprises need to be managed by the state. They believe that the state should manage the market. **(iii)** Dichotomy between politics and administration has grown more obscure. While the Civil Service Act, 1992 and subsequent amendments forbid any civil servant to exert undue political or other influence to serve own self interest (Art. 43) the Act prohibits participating in the politics. But those below the officer level can organize and become members of a Trade Union (Art.53). Many civil servants are found to be working under the political influence. In many of the issues that are directly related to the civil service, the trade union members hold different opinions and are dictated by the informal party affiliations. The political parties also use the civil servants for their own purpose. **(iv)** Many of the civil service or public service reforms carried out in the past-contained downsizing or right sizing provisions. This has created all the more difficult situation in terms of separating political influence on the civil service. Those who were fired from the positions are entirely based on political decisions rather than on any rigorous analysis of institutional needs or other objective criteria. This has further created a situation where corruption flourished, engulfing all levels - from the higher all the way down to the lower civil service levels. The government progress report on the implementation of governance reform programs documents that 7,344 positions were abolished between 2001-

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<sup>11</sup> Nepal's civil service act and regulations forbid the involvement of the bureaucrats openly in political activities or even become the member of such parties although, it is seen in practice that these bureaucrats often express alignment with one or other political parties.

<sup>12</sup> For details, please see the author's unpublished report entitled Towards a Common framework for Development submitted to Enabling State program/Department for International Development, (DFID) UK. Center for policy Dialogue, (CPPD), Kathmandu and the election manifestoes of the political parties for the Constituent Assembly election..

<sup>13</sup> Ibid, p.44.

2003<sup>14</sup>. However, no evidence exists that the elimination of these positions have improved the efficiency of the agency concerned or that the financial resources thus saved have been diverted to other capital expenditure; and (v) lack of clear –cut delineation of duties and responsibilities between politician and administrators. Politicization of the bureaucracy over the past years led to many anomalies in bureaucracy. The simple truth is that bureaucrats must be stopped from siding with one or the other political outfit for personal gains. Freeing their minds from politics and not allowing their political ideology to be reflected in the work place could go a long way in addressing many shortcomings in Nepal’s bureaucracy, the brunt of which is being borne by the innocent Nepalese.

- e. Inter-hierarchical rivalry:* At times, a conflict of interest regarding civil service reforms is visible between those serving at different hierarchical levels within the bureaucracy and within the level, as well as between the Gazetted and Non-Gazetted levels, since the Nepalese civil service is still based on class system. Despite policy provisions to implement a unified civil service system, it is yet to be implemented. The lower level civil servants complains that the reform process have benefited those at the higher levels of bureaucracy at the cost of those at the lower levels. Indeed, much of the reforms measures touch those at the Gazetted levels rather than at the Non-Gazetted levels.
  
- f. Disproportionate reform measures with the capacity of the government to implement them or that reform measures not sensitive to the known sources of resources including human, physical and others to implement them.* Past suggestions/recommendations are more radical and more demanding in terms of resources and effort rather than pragmatic, more than what the government is willing to endorse and commit to implement. Further, the full scale implementation of the recommendations was contingent on the subsequent TA support which the government expects to receive. Hence, recommendations /suggestions are less practical.

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<sup>14</sup> The progress report of the Ministry of General Administration, 2004.

**V. The tasks ahead –policies /programs**

5.1 In order to deal with those situations, policies/programs designed to address effectively the following issues need to be considered and implemented. Needless to say, that the implementation of such policies /programs need to be continually monitored and evaluated.

- a) A high level of political commitment is needed. Since reform to a greater extent is a political process, broad-based and continued political commitment needs to be fostered and nurtured in deciding reform priorities and solutions. This requires that the politicians need to be made aware of the consequences emerging out of the lack of reform measures and their implementation.
- b) It is necessary to have a change-friendly and change-oriented bureaucracy, reinforced by an increased managerial capacity of the bureaucracy to execute reform measures. This arises because of the fact that, in the past, a wide range of reforms measures were recommended, disproportionate to the capacity of the bureaucracy to implement them. Hence, it is important to consider the capacity of the administrative mechanism, resources availability; institutional arrangements to manage, coordinate and implement the reform process prior to recommending reform measures. This is a fact rarely considered by the past reform studies.
- c) Recommendations/suggestions need to be based on reasonable prediction of the time and resources required to implement reform measures. Past efforts have been less able to forecast reasonably the actual time, resources, and institutional capacity required for implementing suggested reform. In addition, the needed environment including politico-administrative set up for the successful implementation of the measures and the institutional approach needed towards implementing the recommendations that recognize change as a natural part of the reform process are rarely taken into consideration.
- d) A practical plan has to be an integral part of any reform measures to deal with resistance from internal stakeholders including the bureaucrats along with the external stake holders like politicians, the private sector, academicians, civil society and others. They must not only be consulted but also give an opportunity for their meaningful participation. This will provide the stakeholders' perspective to the reform process and help

maintain positive pressure on the government for executing the reforms, supported and demanded from both within the bureaucracy and by the people at large. The government needs to formulate a clear, long-term vision of reform in concrete detail, with quantitative targets, specific timetables and indicators of performance, endorsed by all the stake holders as well as updated continuously in a given period of time. It should be realized that the risks in terms of wasted efforts and investments and loss of credibility could be enormous even in terms of carrying such reform works at present or in future. Reforms should not be approached on a quick-fix basis. It is “worth doing only if it is well done” (Schiavo-Campo, 1996).

- e) A change management process must **i).** be anchored around a reform agenda developed by, or in collaboration with, and owned by all stakeholders, **ii).** address central and cross-cutting issues of poor performance based on historical experiences, and **iii).** Improve the general and specific skill needed for new processes and new ways of doing things.
  
- f) Bureaucracy in general seeks to promote stability, not change. Several empirical studies elsewhere also indicate that bureaucracies are notoriously difficult to change (Blau 1955; Crozier 1964; see also March & Simon 1993 and Mintzberg 1979 for overviews). This is also true for Nepal. To work efficiently, bureaucracies must be able to use a fixed set of rules for similar cases. Overtime, bureaucracies refine these rules through constant exploitative learning and incremental adjustment (see Levinthal & March 1993). By doing so, bureaucrats invest considerable amounts of time and expertise, creating a kind of ‘sunk cost’ (Tushman & O’Reilly 1996). This, in turn, makes change difficult because it sometimes implies that one will have to start all over again, investing in new rules while leaving behind those heavily invested in earlier. This is one of the general ideas behind organizational inertia – an inertia that may be particularly strong in bureaucratic organizations (Hannan & Freeman 1984). Likewise, bureaucracy is also found to have resisted change as elsewhere (Niskanen, 1971, 1973) Downs (1967) and even Von Mises (1945). In Nepal, both politicians and bureaucrats are found to act in varying degree to maximize personal benefits. When their interest converges, the implementation of reforms measures gets headway. The opposite is the case when there is a conflict of interest

between elected politicians (sponsors) and bureaucrats. Usually, the politicians and bureaucrats have different preferences.

- g) It has been also found that several politicians themselves are not very clear about their role in the administration. There are two groups of politicians – those who wish to wield administrative power, constantly violating even the power and authority granted to the bureaucrats by law and those who prefer to remain purely political figure, taking part in policy making. Politicians willing to take on the role of administrations by discharging administrative functions also contribute to creating confusion in the administration. On the other hand, bureaucrats are also found to behaving as politicians; seek to leave an impact on decisions of the political in nature. This desire of the politicians to control administrative power and the desire of the bureaucrats to try to influence policie has led to politicization of administration and administrationization of politics. Both are not desirable for the sound civil service system in the country. These developments have given rise to doubts on what we call ‘bureaucratic neutrality’. In many Western democracies, it is a highly valued ideal that bureaucrats shall not act in a partisan way, in the sense that it should not support any political party. But in Nepal it is fast losing its non-partisan character. The appointment of Chief Secretary and Secretaries of the Ministries are deeply influenced by the political orientation of the candidates rather than by any criteria based on merit. Taking a neutral stand among political parties no longer helps a perspective candidate to climb the ladder of the bureaucracy; the more so, the higher is the position.
- h) The bureaucracy is at times unable to perform for lack of authority. Even in cases, where authorities are delegated by the Ministers to their respective Secretaries of the Ministries, the nature and extent of the authority delegation differ widely among the Ministries. At other extremes, politicians are reluctant to delegate power to the bureaucrats. All this has led to the concentration of power on the politicians with the administrators turning into mere robots, with little or no chance, to decide independently. It is necessary that the Ministry of General Administration needs to be quite strong in terms of planning, monitoring, research, and analysis and has to be able to suggest innovative ways to support reform process. The Ministry needs to improve the research and policy dialogue with the stakeholders. They need to undergo thorough

review of the recommendations of previous commissions also in order to gain insights into the problems plaguing bureaucracy in the country.

## **VI. Concluding remarks**

- 6.1 The Nepalese civil service faces the challenges of an ever-changing nature. While these challenges may not always appear to be of the immediate “march or die” variety, how the country responds to them will go a long way to determining whether the civil service remains relevant, useful and respected.
  
- 6.2 With dramatic political and demographic change on the horizon, the increasing expectations of the people for quality service from the civil service, the demand for “cleanliness” and transparency in the administration, interconnectedness of people, issues and ideas between Nepalese and others, the continuous development of technology and media, are well known trends; they provide a pointed context for deepening civil service reform. These trends have serious implications. Shifting demographics, the rising unemployment in the labor market, and low productivity of the administrative machinery require leading edge and competitive employment practices to recruit quality entrants. If the civil service is to be able to respond to these challenges, improving capacity to attract, manage and retain a diverse public sector workforce is essential. Further, retention, knowledge transfer and succession planning strategies are vital underpinnings to a smooth transition in intergenerational leadership.
  
- 6.3 In to-day’s world, consistently networked government based on knowledge sharing is essential. The civil service needs to become ever more adept at sharing expertise, power and information with partners and stakeholders. At the same time, civil servants require the liberty and confidence to pursue innovative and partnered approaches to policy development and service delivery. Nepal still cannot boast of having effective civil service, which rightly prides itself on being a source of creative, professional policy advice. The emphasis has to be on improving and opening up policy-making processes. This includes not only how to provide timely, transparent and consultative policy processes, but how to better connect those who design policy and those who deliver it with the end users of the services.

- 6.4 Additionally, the pursuit of horizontal governance is equally required. Growing problems – demographic diversity, intergenerational change, public security, pervasive poverty, public education and health services – require growing coherence and coordination across government ministries/departments, jurisdictions and other sectors. Civil service needs to continue to provide public services as a high priority and to adapt their service delivery to keep pace with people’s expectations.
- 6.5 The government seeks to be deeply engaged in transforming public service skills, staff development and career mobility. This includes initiating efforts to re-engineer human resource systems to make them more agile, open and performance-based. Allied to this are major efforts to ensure that public services operate as real learning cultures: organizations that can effectively promote knowledge management (including institutional memory) and generate innovation from within.
- 6.6 To deal with the “trust deficit” public attitudes in bureaucracy, what is required is a long and hard attention to a continuing emphasis on quality service; the clear articulation and vigorous reinforcement of civil service ethics and values; and, the development of workable accountability models that balance oversight with innovation and initiative.
- 6.7 Currently, Nepal is engaged in restructuring the entire state and the government, in introducing the new system of governance, and reorganizing political bodies. It is appropriate that emphasis is placed in the professionalization of politicians with emphasis on enhancing their quality, experiences and knowledge. There is a lot of difference between street marching for the change in the political system and actually running the government with goals in mind to be achieved within a pre-specified period of time amidst constraints that are sometimes beyond what the state can do on its own. Politicians should be relieved from more detailed tasks to be able to concentrate on strategies, visions, objectives and performance control.
- 6.8 Ideally, the bureaucracy has to work following the norms of political neutrality, using its knowledge and competency while at the same time maintaining loyalty to the government in power. As political majorities shift, it should also be able to – within limits – alter its way of functioning in the way that the new majority is served.

6.9 As well as needing empirical refinement, the studies on civil service reform and change still need theoretical refinement. Most of the studies on civil service reform have been descriptive in their content, thus contributing little to more cumulative knowledge on the phenomenon. It seems strange how little overlap there is between the extensive research and theory on civil service reform and the practice in Nepal. I feel there is a need to enrich body of work on the role of bureaucracy in the reform process. Such studies could perhaps give more systematic knowledge about both the process and content of change in the civil service. Dr. Babu Ram Bhattarai in his first budget of the Federal Democratic Republic of Nepal says that “ We still have to travel a long journey .... and “the first step begins a thousand mile’s journey”<sup>15</sup> and let this first journey towards that long journey be begun with reform in the civil service system of the country.

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<sup>15</sup> Budget Speech of Fiscal Year 2008-09, Ministry of Finance, 2008, p. 57.

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**Annex I: The Growth of Permanent Posts in Nepal Civil Service, 1950-2006/07**

Fiscal year	No. of permanent posts*	Total population in million+	As % of total population	Rates of growth(decline) in permanent posts
1950	28,047	6.92	0.405	-
1960/61	27,272	9.32	0.293	(-0.3)
1970/71	44,856	11.43	0.392	3.1
1980/81	71,232	14.83	0.480	4.7
1990/91	100,632	18.27	0.551	3.5
2000/01	105,046++	23.15	0.454	0.4
2006/07	100,809**	26.43	0.381	(-0.4)

Source.: \**The Report of Administrative Reform Commission, 1992*, Annex iii, E.;  
+ Central Bureau of Statistics, *Statistical Pocket Book Nepal, 2006*, Kathmandu.  
+ +Till the middle of April, 2001 ( 42<sup>nd</sup> Annual Report of the Public Service Commission).

\*\* 48<sup>th</sup> Annual Report of Public Service Commission, Kathmandu.

**Annex II: The Year-wise Growth of Permanent Posts in Nepal Civil Service, 1990-2007/08**

Fiscal year	No. of permanent posts*	Total population in million+	As % of total population	Rates of growth(decline) in permanent posts
2000/01	105,046++	23.15	0.45	0.4
2001/02	106,548	23.70	0.45	1.4
2002/03	99,472	24.20	0.41	-6.6
2003/04	97,272	24.70	0.39	-2.2
2004/05	98,059	25.30	0.398	0.8
2005/06	99,959	25.90	0.39	1.9
2006/07	100,809**	26.43	0.38	(-0.4)

\* Annual Reports of Public Service Commission  
+Economic Survey, 2006/07. Government of Nepal.

**Annex III: Recommendations of various Administrative Reform Commissions and the status of their implementation**

Commissions	Year	Major recommendations (No)	Fully implemented (No)	4 as % 3
1	2	3	4	5
The Buch Commission	1953	10	2	20.0
The Administrative Reorganization Planning Commission ( The Tanka Prasad Acharya Commission)	1957	13	11	84.6
The Administrative Reform Commission (The Vedananda Jha Commission)	1968	8	3	37.5
Administrative Reform commission (The Dr. Bekh Bahadur Thapa Commission)	1975	17	4	23.5
The Adminstrative Reform Commission( the Koirala Commission)	1991	23	2	8.7

**Note:** The 1991 Report contained as many as 116 recommendations but here these recommendations were re categorized and only the major ones are included here.

**Source:** The Ten Year Vision for Nepal's Civil Service, Ministry of General Administration, 2008

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