

The Threat of the Deep State in the Nepali Context

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Abstract

This study examines the evolution, structure, and persistence of Nepal's deep state—a network of entrenched, unelected actors that continues to undermine democracy and governance. Rooted in the Shah monarchy's legacy, the deep state institutionalized power through the military, bureaucracy, judiciary, and elite patronage networks. Despite the restoration of multiparty democracy in 1990 and the establishment of a federal republic in 2008, informal power networks have persisted, adapting to new political frameworks and shaping policymaking beyond public accountability. The Nepali deep state is distinctive for its decentralized, multi-nodal structure, maintained by domestic elites and reinforced by external actors, including India, China, and Western donors, who often favor stability over genuine democratization. Mechanisms such as military autonomy, bureaucratic politicization, judicial manipulation, corporate-political alliances, and information control enable covert actors to maintain informal sovereignty, marginalize dissent, and limit transparency. Historical and contemporary case studies—including the 2005 royal coup, the 2006 People's Movement, the 2015 Constitution, and the 2025 Gen-Z uprising—illustrate the adaptability of these networks in responding to democratic pressures. The study highlights that governance in Nepal is heavily conditioned by elite capture, patronage networks, and geopolitical dependencies, which collectively obstruct meaningful reforms. Policy pathways to counter the deep state include civilian oversight of security institutions, judicial and bureaucratic reform, digital governance safeguards, youth engagement, and balanced foreign policy. By mapping these domestic and international networks and identifying structural vulnerabilities, the research contributes to understanding the persistence of informal authority in Nepal and offers insights to strengthen democratic accountability, inclusivity, and transparency.

Keywords: Deep state, democracy, governance, geopolitics, elite capture

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Introduction

As academics and decision-makers consider whether elected politicians or established power structures within state institutions are running democratic governments, the idea of the "deep state" has attracted international interest. The deep state has come to be associated with unelected military, intelligence, bureaucratic, and allied

elites that control politics from behind the scenes in nations like Egypt, Pakistan, and Turkey (Zahid, 2018). Bangladesh's bureaucratic environment and Pakistan's military have historically been identified as deep state actors in the South Asian context (Rashid, 2020). The deep state is highly evocative but rarely theorized in Nepal. Elite deals, manipulation of the security sector, and geopolitical patronage have defined Nepal's

politics from the centuries of the Shah monarchy to the shifting dynamics of the republican democracy that followed in 2006. The persistence of underlying interests has been demonstrated time and time again by large-scale uprisings like the People's Movement in 1990, the Jana Andolan II in 2006, and the most recent Gen-Z rebellion in 2025. This article argues that Nepal faces a genuine threat from a “deep state,” which operates through dispersed yet powerful networks of military leaders, judicial elites, economic oligarchs, foreign benefactors, and remnants of the monarchy. These hidden actors weaken accountability, manipulate elections, and suppress civic opposition, gradually eroding democratic governance from within. Although Nepal transitioned to a federal democratic republic in 2008, ongoing political instability and elite capture indicate that informal power networks continue to dominate policymaking. The persistence of such entrenched forces poses a serious structural challenge to inclusive governance and the overall process of democratization. Therefore, this study aims to theorize the concept of the “deep state” in the Nepali context, trace the evolution of its dynamics over time, and examine how these covert networks shape and influence governance and policymaking in the country.

Method and Methodology of the Research

This study adopts a qualitative research design to explore the evolution, structure, and influence of Nepal's “deep state,” a network of entrenched, unelected actors operating beyond democratic oversight. Considering the hidden, dispersed, and multi-nodal nature of informal power networks, qualitative methods are well-suited for capturing the complex interplay among military, bureaucratic, judicial, political, and external actors shaping governance in Nepal (Anderson, 2019).

The research is informed by a conceptualization of the deep state as a system with three interrelated components: institutional entrenchment, elite networks, and informal sovereignty. Institutional entrenchment refers to the persistent influence

of the military, judiciary, intelligence agencies, and bureaucracy across changes in political regimes. Elite networks denote strategic alliances among political families, business elites, senior officials, and foreign actors, resulting in concentrated power and resources among a few. Informal sovereignty highlights the actual decision-making power exercised by non-elected actors behind the scenes, despite formal legal authority being vested in elected representatives (Rashid, 2020).

This study is based on secondary data, situating Nepal's deep state within a broader theoretical and regional context. The research relies on a comprehensive review of academic literature, historical records, government reports, media articles, and policy analyses. Key historical and political events—including the Shah monarchy, the Panchayat era, the 1990 and 2006, People's Movements, the post-2008 republican transition, and the 2025 Gen-Z protests—are analyzed to conceptualize the persistence, adaptation, and contemporary manifestations of deep state networks. Comparative perspectives from other South Asian states further contextualize the uniqueness of Nepal's decentralized, multi-nodal structure of informal governance.

Data were analyzed thematically to identify recurring patterns of elite capture, bureaucratic politicization, military autonomy, judicial manipulation, and foreign influence. By combining historical, comparative, and document-based analysis, this methodology provides a comprehensive understanding of both the historical trajectories and contemporary operations of Nepal's deep state. It reveals the mechanisms through which accountability is undermined, inclusive governance is constrained, and informal power structures are sustained. Furthermore, this approach supports policy-oriented recommendations aimed at enhancing transparency, inclusion, and democratic consolidation in Nepal.

Theoretical Framework: Defining the Deep State

In academic discussions of governance, democracy, and state-society relations, the idea of the deep state has been gaining more

and more attention. Many people believe it to be a system of unofficial actors and imbedded institutions that influence political outcomes outside the purview of democratic accountability (Anderson, 2019; Rashid, 2020; Zahid, 2018). According to South Asian literature, the deep state is a dynamic constellation of relationships involving the military, intelligence, bureaucracy, political elites, and foreign supporters rather than a single, cohesive entity (Fair, 2014). When these forces work together, they wield what has been called "informal sovereignty," where elected officials are thought to rule yet are subject to invisible power structures (Zahid, 2018).

Commentators in Pakistan highlight the military's major position as the foundation of the deep state, which maintains power through direct coups and covert manipulation of foreign, security, and policy matters (Cohen, 2011; Jalal, 2014). The deep state in Bangladesh is centered on party-based patronage networks and bureaucracy, particularly higher public workers (Riaz, 2016). Similar to this, observers point to alliances between the judiciary, business elites, and military installations as the foundation of informal administration in Egypt and Turkey (Ozbudun, 2015; Kandil, 2012). According to these comparative findings, the deep state is essentially the intersection of elite networks that avoid democratic accountability and institutional continuity, even though it takes on diverse shapes depending on the situation.

The literature about Nepal traces the deep state tactics back to the monarchy's historical dominance over politics. The Shah monarchy institutionalized power through appointments based on patronage in the judiciary, security forces, and bureaucracy, according to Nepali political scholars (Whelpton, 2005). In addition to concentrating informal networks, the Panchayat system (1960–1990) denied formal democratic participation while maintaining royal authority (Baral, 2012). As seen by the relative lack of autonomy in the security and civil service sectors, embedded players continued to have disproportionate power even after multiparty democracy was restored in 1990 (Hachhethu, 2002).

After the monarchy was abolished in 2008, academics expected a more responsible republican government. However, research shows that rather than eliminating long-standing state practices, Nepal's democratic transition recreated them. State institutions were taken over by political elites, who were usually organized along caste, ethnic, and patronage lines and maintained informal hierarchies (Lawoti&Pahari, 2010).

As seen by the disputes surrounding the post-civil war integration of Maoist rebellions, the military retained a considerable degree of autonomy (International Crisis Group, 2010). Additionally, the judiciary's independence has been undermined by ongoing accusations of corruption and coordination with political parties (Thapa, 2016).

Furthermore, the impact of external alliances on domestic politics has been exacerbated by Nepal's geopolitical location between China and India. According to scholars, China and India have historically used elite negotiations, political patronage, and infrastructure development to exert influence, which has further included outside parties in Nepal's informal governance networks (Adhikari, 2019; Jha, 2021). Since external assistance for governance improvements frequently comes with the tacit endorsement of elite deals, the role of Western organizations and foreign donors further complicates issues. In this way, Nepal's deep state is supported by both external and domestic sources.

Mass resistance to informal control has received a lot of attention lately. Although the 2006 people's movement (Jana Andolan II) was viewed as a critique of monarchical authoritarianism, observers point out that its fallout allowed established elites to adjust and endure (Tamang, 2011). The frequent young protests, most notably the Gen-Z uprisings in 2025, witness to the growing disenchantment with leaders' lack of responsibility, manipulation, and corruption. These movements have gained momentum, but experts caution that the deep state usually reacts with deception, repression, and co-optation (The Guardian, 2025; Financial Times, 2025). This demonstrates how adept

clandestine actors are in maneuvering through novel political environments.

Although there is a wealth of comparative research on the deep state in South Asia, little is known about the Nepali situation. Few works attempt to describe how these institutions interact as part of a deeper state structure; most previous material on Nepal addresses monarchy, party politics, or outside players

separately. Second, whereas military over lordship is frequently highlighted in comparable studies (e.g., Pakistan, Egypt, Turkey), Nepal's deep state is more distributed, drawing from the military. Through the above mentioned literature analysis the author has developed the conceptual framework as:

Figure 1

Conceptual Framework of the Deep State in Nepal



Note: Using institutional entrenchment, elite networks, informal sovereignty, and foreign alignments, the framework illustrates how Nepal's deep state functions. Collectively, these factors uphold covert authority and erode democratic accountability.

The interweaving of official state institutions with unofficial power networks that function independently of elected authorities is

the best way to conceptualize the deep state. Three salient traits are identified by scholars:

Table1 Key Elements of the Deep State

Key Element	Description
Institutional Entrenchment	The deep state relies on enduring institutions such as the military, intelligence agencies, judiciary, and bureaucracy, which persist beyond elected governments.
Elite Networks	It sustains power through alliances among political families, corporate elites, and influential state officials.
Informal Sovereignty	While the people hold legal sovereignty, real decision-making often occurs behind the scenes through covert actors and institutions.

The table 1 identifies three crucial components that explain how the deep state operates and maintains its power within a political framework. Institutional entrenchment refers to the deep state's dependence on

powerful and durable institutions such as the military, intelligence services, judiciary, and bureaucracy, which retain influence despite changes in democratic administrations. These institutions provide stability and continuity,

allowing the deep state to influence governance outside of political cycles. Elite networks are strategic connections developed between political families, business elites, and senior state officials. Through these ties, resources, power, and influence are shared, ensuring that decisions benefit a select few rather than the general public.

Finally, informal sovereignty highlights that, while legal sovereignty rests with the people and their chosen representatives, real decision-making frequently occurs behind the scenes. Unelected and covert players frequently influence or set critical policies, undermining the efficiency of legitimate democratic institutions. These characteristics show how the deep state uses institutional strength, elite cooperation, and informal power channels to impact political outcomes from within the system.

The Deep State's Historical Development in Nepal's Monarchical Legacy

The Shah dynasty ruled Nepal for centuries, establishing deep state procedures long before the phrase became a topic of scholarly discussion. The army, the court, and the bureaucracy were all under the direct authority of the king, and elected institutions had little to no say in important choices (Whelpton, 2005). Palace control continued despite the emergence of party politics in 1951 because the king continued to have significant influence over the state's main institutions. Monarchical authority was further cemented under the Panchayat rule (1960–1990), which established an insular system in which opposition was repressed and national policies were set by unelected officials (Baral, 2012). Through the institutionalization of the blending of caste privilege, monarchy, and established elite networks, these trends solidified Nepal's deep state.

Openings for Democracy and Continuity (1990–2005)

In 1990, multiparty democracy was restored with the aim of dismantling covert power arrangements. Scholars contend that the monarchy remained at the core of power despite the growing political diversity

(Hachhethu, 2002). Overbearing positions in government were held by politicians who were most supportive of the palace, while the three armies continued to feel fondness for the three monarchs and resisted complete submission to civilian authorities. According to Lawoti and Pahari (2010), bureaucratic networks persisted in operating through patron-client networks, which restricted openness and accountability. The existence of deeply ingrained informal networks hindered revolutionary reforms, notwithstanding the system's formal democracy at the time.

The Royal Coup of 2005

The 2005 royal coup by King Gyanendra demonstrated how resilient Nepal's deep state is. With the help of the military and security agencies, the monarchy eliminated elected representatives by dissolving parliament and taking direct control (International Crisis Group, 2005). The episode illustrated how long-standing networks had stifled democratic ambitions and controlled constitutional frameworks. According to observers, the coup was more of a sign of long-standing unofficial domination patterns than a singular incident (Jha, 2014). The coup demonstrated Nepal's strong deep-state foundation, which consists of the army, bureaucracy, and monarchy.

The Federal Constitution and the Republican Era (2006–present)

Nepal's democratization was further solidified with the 2008 overthrow of the monarchy and the 2015 adoption of the federal constitution. However, deep state dynamics changed rather than vanished. Supposedly democratic political parties have increasingly been used as instruments of elite capture and patronage (Tamang, 2011). The security apparatus, which enjoyed autonomy in the defense and rehabilitation of former Maoist militants, opposed total transparency (International Crisis Group, 2010). Similarly, for decades, the court has been charged with weakening the rule of law by assisting commercial and political elites (Thapa, 2016). These patterns show that even as Nepal transitioned to a republican system, its institutional structure still had strong informal networks.

Deep State Mechanisms in Nepal

By definition, the deep state in Nepal refers to the hidden power networks influencing or controlling the state from beyond the circle of democratic institutions. Even after declaring Nepal a democracy and a federal republic, the sway of the military, bureaucracy, intelligence agencies, political elites, and business circles makes up the powerful unelected groups. Such agents operate through patronage, political manipulation, and control of important institutions. These mechanisms' outcome is weakened transparency, accountability, and governance where the interests of the elite prevail over major policy decisions. Thus, the deep state reflects the gap between Nepal's formal democratic structure and the country's informal power dynamics.

Power in the Military and Security Sector: Nepal's army nevertheless operates autonomously in defense, disaster relief, and international relations in spite of official civilian supervision. Its historical institutional autonomy was demonstrated by its failure to properly absorb Maoist soldiers following the civil war (Adhikari, 2019).

Politicized Bureaucracy: Administrative appointments are frequently determined by party loyalty rather than qualifications. At the expense of impartiality and public service, this politicization turns bureaucrats into instruments of elite deals (Baral, 2012).

Judicial Manipulation: Political meddling and corruption scandals have continuously threatened the sacred judiciary. Its susceptibility to vested interests is demonstrated by contentious constitutional nominations (Thapa, 2016).

Business-Political Alliances: Oligarchic business families in Nepal have a disproportionate amount of power in contracts, resource distribution, and infrastructure deals. These partnerships obscure the distinction between corporate benefit and governmental policy, demonstrating unstated sovereignty (Jha, 2021).

Information Politics: To quell dissent, the deep state increasingly uses censorship, monitoring, and disinformation. Smear attacks against activists and online manipulation

during the 2025 youth protests demonstrated how information politics is employed as an informal control mechanism (The Guardian, 2025).

Foreign Patronage: Elite deals are facilitated by Nepal's strategically exposed location between China and India. Through aid, commerce, and political influence, both superpowers and foreign donors have an impact on domestic outcomes, with a preference for supporting established elites over democratic institutions (Adhikari, 2019; Jha, 2021).

Royal Takeover Case Studies, 2005

The king's expulsion of parliament and declaration of direct rule demonstrated how easily a military-monarchical coalition may undermine democracy. According to academics, the coup demonstrated how the deep state may use constitutional ambiguity to bolster authoritarian governance (International Crisis Group, 2005).

The People's Movement (2006)

Although the 2006 popular revolt resulted in the overthrow of the monarchy, its aftermath demonstrated the resilience of long-standing networks. With the overthrow of the monarchy, the military and political elites swiftly reclaimed informal dominance, but this demonstrated the tenacity of deep state networks (Tamang, 2011).

2015's Federal Constitution

The 2015 constitution-making process was characterized by elite negotiating, the exclusion of marginalized voices, and transactional geopolitics, despite being praised as a democratic triumph. Under the pretense of federalism, the procedure, according to critics, repeated preexisting power dynamics (Lawoti&Pahari, 2010).

The 2025 Gen-Z Uprising

The conflict between established power and democratic ambitions was made clear by the Gen-Z demonstrations against youth unemployment, corruption, and online censorship. To demonstrate the deep state's flexibility in the face of fresh opposition, analysts see elite scapegoating, disinformation, and institutional manipulation (The Guardian, 2025; Financial Times, 2025).

The case serves as an illustration of both the tenacity of covert authority and the capacity of young activists to undermine unofficial authority.

The Nepali Deep State's Geopolitical Aspects

The deep state dynamics of Nepal are significantly shaped by its geopolitical location between China and India as well as by the long-standing engagement of Western funders. Nepal is a small landlocked country whose sovereignty has always been mediated by outside alliances that elites take advantage of. According to scholars, the Nepali deep state is a hybrid structure supported by both foreign and internal networks rather than being entirely domestic (Adhikari, 2019; Jha, 2021).

A defining characteristic of these relations has been India's historical domination over Nepal's political, economic, and security affairs. Since the 1950 Treaty of Peace and Friendship, India has demonstrated its might through open border agreements, trade dependency, and strategic military control over Nepal (Muni, 2016). To secure their own political survival, Nepali elites frequently adjusted policies to suit New Delhi's desires, especially inside the monarchy and later within major political parties (Whelpton, 2005). The unofficial blockade in 2015–2016 and the trade blockade in 1989 showed how Indian pressure could significantly influence Nepali politics, establishing circumstances that established players in Kathmandu might use to their advantage in negotiations (Lawoti&Pahari, 2010).

The emergence of China in the twenty-first century has provided a second patronage axis. Beijing strengthened relations with Nepali parties and the security sector after the monarchy was abolished, prioritizing stability above pluralism and providing infrastructure assistance through the Belt and Road Initiative (BRI) (Song, 2020). The Chinese presence gives Nepal's elites leverage to counter India, but instead of bolstering democratic institutions, it also encourages opaque deal-making and elite-to-elite agreements (Shrestha, 2021). As an illustration of how foreign influence interacts with ingrained

domestic players to limit democratic accountability, consider China's involvement in party unification objectives and the repression of Tibetan agitation in Nepal (International Crisis Group, 2020).

This situation is further complicated by Western benefactors. For many years, Western actors have attempted to promote democratization and development through aid, non-governmental organizations (NGOs), and governance reform initiatives. However, scholars warn that reliance on donors has led to "NGO/INGO," in which resources are seized by professional networks and urban elites instead of reaching underserved communities (Tamang, 2011). By strengthening established players that mediate donor cash and development goals, this strategy unintentionally strengthens the deep state (Shrestha&Bhattarai, 2018). Furthermore, donors tend to accept elite deals in the name of stability, which strengthens informal sovereignty even while they support transparency and the rule of law.

Thus, India, China, and Western donors are important external actors in a broader geopolitical matrix that includes Nepal's deep state. These factors typically create rival avenues of patronage that political, military, and administrative elites may easily manage rather than upending long-standing networks. The outcome is a layered sovereignty in which elite agreements established by both local and foreign parties usually override democratic goals (Jha, 2021; Adhikari, 2019).

Risks to Democracy and Governance

The establishment of democracy and good governance in Nepal is fundamentally threatened by the continuation of deep state networks. When unelected actors make policy, democratic accountability is steadily undermined. Parliament's function is diminished and democratic supervision is weakened when established networks seize control of policymaking, whether through external alliances, elite pacts, or military action (Anderson, 2019). Elections thus cease to be actual tools for influencing policy and instead become rites of legitimacy.

When the judiciary is answerable to informal authority, the rule of law is undermined. Public confidence in judicial impartiality has been undermined in Nepal due to persistent claims of politically driven appointments and decisions (Thapa, 2016). The judiciary becomes into an extension of political and elitist interests rather than acting as a check on the abuses of the executive and legislative branches. This weakens the rule of law and creates room for selective justice, where elites get away with it but regular people are left vulnerable.

When decision-making is influenced by elite bargains, policy stability is jeopardized. Policies frequently change based on which party or outside sponsor is in power at any particular time, rather than taking into account long-term citizen desires (Lawoti&Pahari, 2010). This instability deters foreign investors and development planning, weakens institutional memory, and feeds cycles of short-termism that strengthen dependency. When people consistently find that institutions are working for elites rather than the general public, civic trust is damaged. Apathy among some groups of people and radical mobilization among others have been fueled by disenchantment with political parties, the legal system, and bureaucracy (Tamang, 2011). The emergence of youth-led demonstrations, such as the Gen-Z protests in 2025, illustrates the growing disconnect between the reality of elite manipulation and the expectations of citizens for democratic accountability (The Guardian, 2025).

Deep state politics has long been a victim of inclusive governance. Established networks perpetuate discriminatory patterns along caste, class, and regional lines in spite of constitutional guarantees of inclusion and federalism (Adhikari, 2019). The ruling elites monopolize power over public resources and outside favors, and marginalized groups are often shut out of decision-making processes. This restricts Nepal's democratic experiment's capacity to bring about change and solidifies inequity.

The deep state is most pernicious when it assimilates and adapts to new opportunities rather than merely opposing democratic

reform. Even well-intentioned civil society action, federalism, or donor-led governance reforms have a propensity to become enmeshed in the exact systems they were intended to oppose. Therefore, when democracy is undermined from within, the danger is not just institutional stagnation but also the normalization of informal sovereignty. Nepal runs the risk of continuing to be a democracy in name only, concealing deep-rooted authoritarian inclinations, unless structural reforms are implemented, including bolstering checks and balances, depoliticizing the security sector, guaranteeing judicial independence, and empowering marginalized communities.

Comparative Instruction

The deep state dynamics of Nepal are both similar to and different from those of its neighbors in South Asia. With the armed forces controlling almost all aspects of foreign policy, security, and politics, Pakistan's deep state is increasingly focused on military supremacy (Cohen, 2011). The military is one of the many established actors in Nepal's more decentralized version. Bureaucratic entrenchment, in which government personnel are politically selected and act as intermediaries of elite agreements, is Bangladesh's administrative counterpart of Nepal's patronage system (Riaz, 2016).

While caste hierarchies and regional differences have historically been used in Nepal to maintain elite rule, Sri Lanka serves as an example of how elites use ethnic nationalism as a source of informal sovereignty (Uyangoda, 2011). A warning example of how deep states can completely destroy democracy and undermine all forms of civilian administration is Myanmar, with its long-standing authoritarian military regime (Callahan, 2003).

Nepal's multi-nodal deep state, in which no one institution has a monopoly on power, is what makes it unique. Rather, governance is shaped by a confluence of networks that go beyond the military, bureaucracy, court, political parties, business elites, and foreign supporters. Nepal's deep state is especially robust because of this dispersed yet cohesive structure, which ensures the continuation of

informal sovereignty by compensating for the decline in one actor's power with the tenacity of others.

Foreign Forces and the Deep State of Nepal: Due to its geopolitical location between China and India and its continued interactions with Western donors, Nepal is a place where foreign influence plays a major role in the establishment of the deep state. According to scholars, in order to maintain informal sovereignty, outside players aim to operate indirectly by bolstering established domestic networks rather than directly (Adhikari, 2019; Jha, 2021).

Over the past 20 years, China's influence has grown, particularly since the republican transition. Through the Belt and Road Initiative (BRI), Beijing offers political support, development aid, and infrastructural investment, creating alternative networks of elite patronage. Instead of really democratizing institutions, this has allowed Nepalese bureaucratic, military, and political leaders to resist Indian pressure and maintain informal control over the government (Song, 2020; Shrestha, 2021).

International organizations and Western funders have a significant impact on Nepal's governance environment. Donor funding is usually enabled by entrenched elites who redirect resources and aid to loyal clientele in the name of advancing democracy, development, and human rights. This process, known as "NGO-ization" of governance, strengthens rather than fractures elite networks, particularly in metropolitan regions and politically astute zones (Tamang, 2011; Shrestha&Bhattarai, 2018).

Collectively, these external factors contribute to Nepal's deep state resilience by giving elites control over material resources, legitimacy, and strategic assets. Therefore, in order to maintain informal sovereignty, the foreign influence combines with local power structures, undermining the development of democracy and rendering the Nepali state extremely vulnerable to elite takeover.

KP Oli's Anti-India Stance and the Deep State in Nepal: Former Prime Minister KP Sharma Oli's tenure (2015-2021) exemplifies how the deep state can interact with populist

nationalism and foreign policy rhetoric. Oli's speech and policies were frequently presented as asserting Nepalese sovereignty over India, especially following the 2015-2016 unofficial border blockades, which he saw as an infringement on Nepal's independence (Jha, 2017). While such positions gained domestic support, academics believe that they were mediated by established networks inside the military, bureaucracy, and political elite, demonstrating the deep state's ability to affect foreign policy narratives (Adhikari, 2019).

The deep state in Nepal used Oli's anti-India stance to solidify local power. The army and security forces, which have historically been sensitive to geopolitical pressures, supported nationalist framing while ensuring that major policy decisions were still influenced by elite networks rather than parliamentary supervision (Whelpton, 2019). Bureaucratic and political elites that supported Oli's government frequently used nationalist emotion to legitimate patronage appointments and crush dissent, demonstrating how external alignment and domestic networks can combine to reinforce informal power (Lawoti&Pahari, 2010).

However, anti-India rhetoric highlighted the deep state's limitations. While it increased nationalist sentiment and political support, it made no significant changes to the structural limits of elite capture, bureaucratic favoritism, or judicial manipulation. Critics believe that Oli's hostile approach encouraged other actors, particularly China, to grow their influence through economic investment and diplomatic engagement, bolstering alternative patronage networks (Song, 2020; Shrestha, 2021).

In conclusion, KP Oli's anti-India stance demonstrates how the Nepali deep state may use nationalist feeling to defend informal sovereignty. Rather than attacking entrenched networks, such foreign policy posturing frequently reinforces their legitimacy, allowing the convergence of military, bureaucratic, political, and external actors to continue, limiting democratic accountability and institutional transparency.

Suggestions for Policy: Comprehensive changes that improve democratic

accountability restrict elite capture, and return power to the people are necessary to end the deeply ingrained mechanisms of the Nepali deep state. A road map for promoting more transparent, inclusive, and robust governance is provided by the following suggestions.

Civilian Security Oversight: Legislative committees with investigative authority, frequent reporting, and open defense budgets must establish parliamentary oversight of the Nepal Army and intelligence services (Jha, 2014). Unchecked influence eroding democratic accountability threatens the military's disproportionate autonomy, which is justified in the interest of national security. Strong citizen monitoring guarantees that elected governments, not secret elite circles, control defense policy.

Reform of the Judiciary

Elite bargaining and politicized appointments have always threatened judicial independence. Restoring public trust requires transparent, merit-based processes, ideally carried out by an impartial judicial panel. To keep courts from becoming politicized as instruments of oligarchic or political agendas, reforms must include strict conflict-of-interest rules, mandatory asset declarations, and performance-based performance appraisals (Hamal, 2021).

Professionalization of the Bureaucracy

In Nepal, hiring and promoting civil servants is still much politicized, and officials are frequently rewarded for their loyalty rather than their abilities. Patronage networks can be weakened by implementing formal, rule-based hiring, training, and career advancement procedures. To make sure that bureaucrats work for citizens rather than political parties, it is imperative to implement a performance audit system, cut down on political transfers, and increase the Public Service Commission's autonomy (Pandey, 2019).

Measures to Promote Transparency and Combat Corruption: The interdependence of the commercial and political elites has facilitated corruption, opaque contracts, and resource grabs. There has to be stricter disclosure laws pertaining to

public procurement, parliamentary wealth, and campaign money. The Commission for the Investigation of Abuse of Authority (CIAA) and other anti-corruption organizations need to be depoliticized and given the authority to conduct independent investigations. Accountability would be further improved by digital transparency technologies as open contract portals (Transparency International, 2022).

Reform of Digital Governance

The necessity for fair digital governance is highlighted by the increase of censorship, surveillance, and misinformation in Nepal. Laws can combat disinformation and cybercrime while preserving privacy and freedom of speech. With the help of independent digital regulators, civic society watchdogs, and partnerships with IT firms, ethical guidelines can be developed. However, as was evident during the 2025 youth protests, safeguards against the abuse of digital governance to suppress dissent should be put in place (The Kathmandu Post, 2025).

Involvement of Youth

Although they continue to be marginalized in institutional politics, Nepal's sizable youth population has been a driving force behind recent protests. The intergenerational divide can be closed by institutionalizing youth involvement through autonomous civic spaces, policy think tanks, and advisory groups. Young people would be constructively involved in government and mobilized during emergencies if civic education programs and youth quotas were implemented (Adhikari, 2020).

Equilibrium in Geopolitics

Nepal's geopolitical vulnerability necessitates a more balanced foreign policy that lessens elite reliance on China, India, or Western benefactors. Nepal must improve institutional foreign policymaking through parliamentary oversight, open treaties, and regional diplomacy rather than permitting foreigners to use foreign patronage to support domestic power. Major parties' agreement on foreign policy can deter extra-regional forces from pitting the elites against one another (Baral, 2019).

When combined, these reforms highlight that dismantling deep state networks involves integrating accountability, openness, and inclusivity into the governing framework itself rather than substituting one dominant clique for another. Nepal can only strengthen its democracy against the covert mechanisms of authoritarian persistence by lowering elite capture and guaranteeing genuine popular participation.

Conclusion

Nepal's deep state represents a complex, adaptive network of entrenched institutions, elite alliances, and informal power structures that persist across political regimes—from the Shah monarchy to the federal democratic republic. Despite democratic transitions in 1990 and 2008, unelected actors—including military leaders, bureaucrats, judicial elites, business oligarchs, and foreign patrons—continue to influence policymaking, capture institutions, and sustain elite privilege, undermining transparency, accountability, and civic participation. Historical events, from the 2005 royal coup to the 2025 Gen-Z protests, illustrate the persistence and adaptability of these networks in response to democratic pressures.

Nepal's deep state operates through military autonomy, bureaucratic patronage, judicial partisanship, corporate-political alliances, and foreign influence, particularly from India, China, and Western donors, creating a multi-layered sovereignty where domestic and external elites jointly constrain democratic governance. This enduring structure fosters inequality, perpetuates exclusion along caste, class, and regional lines, and limits the effectiveness of constitutional commitments to federalism and social justice. Political parties often replicate deep-state practices, co-opting reformist agendas for survival rather than dismantling informal authority.

To transition from a procedural democracy to substantive civic empowerment, Nepal requires comprehensive institutional reforms. These include strengthening civilian oversight of security institutions, depoliticizing the bureaucracy, ensuring judicial independence,

fostering youth engagement, promoting ethical digital governance, and implementing a balanced foreign policy. Only by dismantling entrenched networks, restoring institutional integrity, and empowering citizens can Nepal consolidate democratic governance and build a system that is genuinely accountable, inclusive, and transparent.

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