Selfishness in the Individuals and Culture of Corruption: Theoretical Lens in Nepal's Empirical Cases

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Abstract

Power, a fundamental element in political analysis, is under scrutiny in this paper. Disruptions in power distribution or leader selection can cause both immediate and prolonged harm to the system. With this premise, this paper investigates the philosophical foundations underlying the emergence and expansion of self-serving actors and their significant influence on Nepal's governance system. Drawing from official data from secondary sources, the study tests the hypothesis that Nepal's governance is controlled by self-serving individuals through the coefficient of determination (R^2) analysis of relevant variables. While actors play vital roles, power itself remains intangible. The primary objective in power contests is the acquisition of resources. Favorable circumstances during these struggles often foster the development of self-interested individuals who become deeply embedded within the system. The research further concludes that the Nepali political system effectively facilitates the growth of selfish individuals, underscoring the urgency of the issue.
Keywords: corruption, power, selfish individuals, governance, Nepal

1.   Introduction

Power is a foundational element in political science, with thinkers such as Thomas Hobbes emphasizing its centrality through the concept of the social contract. Hobbes entrusted power to the state to avoid the chaos of the natural condition, yet this concentration of power did not remain exclusive to institutions. Individuals began to appropriate it for personal gain, often misusing it to accumulate resources. Such behavior aligns with the concept of selfishness, described by Fromm (1939) as a form of greed focused on maximizing personal wealth. Liberalism, while promoting individual freedom and autonomy, inadvertently creates

conditions for excessive individualism. According to the Oxford Learner's Dictionary, selfish individuals prioritize their own interests and disregard communal values, which can have detrimental effects on social cohesion in liberal societies.

Liberal doctrine champions the pursuit of individual happiness, freedom, and self-realization, often placing the individual above the collective. Political theorists, such as Butler (2019), argue that liberalism prioritizes individuals over social groups. However, Samuel P. Huntington (1965) contends that political institutions suffer when modernization is pursued without proper institutional development. In such contexts, political parties and actors become increasingly self-serving. The debate over whether institutions shape individuals or vice versa remains unresolved, providing an ongoing and engaging discourse in political and social theory.

Social contract theorists such as Hobbes and Locke provide differing interpretations of the relationship between individuals and authority. Hobbes viewed the state as a crucial mechanism to restrain human aggression and ensure order, while Locke envisioned a government grounded in the protection of life, liberty, and property (James, 1989). Locke emphasized that individuals enter into contracts to safeguard private property and limit governmental power. Similarly, Adam Smith's rational choice theory reflects how individuals act based on calculated self-interest, particularly in resource-scarce contexts (Levin & Milgrom, 2004). These ideas are echoed in economic and sociological theories such as exchange theory, which highlights interdependence shaped by individual rationality (Scott, 2000). Across traditions—from classical liberalism to modern rationalism—private property, individual agency, and limited governance remain key pillars of political thought.

During the unification of Nepal, his brothers proposed to King Prithvi Narayan Shah to share the conquered kingdom (Nepal, 2052). King Prithvi Narayan Shah, who was engaged in the campaign to unify Nepal, did not agree to them. Seeking a share of the winning state instead of engaging in the unification campaign is also an example of selfish individualism. Before the unification of Nepal, there appeared to be vested interests in Nepali society that did not hesitate to attempt to put public property in their own name. The state also re-disrupts public property, especially land, for those who are closely associated with state actors or the king. After the death of King Mani Mukanda Sen, the Palpa dynasty was divided into four states, and four sons started to rule (Ghimire, 2069 BS). The Nepalese proverb that everyone eats bitumen when they can find it for free can also indicate that the example of Nepali society breeds selfish individuals. During Nepal's Rana period of autocratic rule (1846-1951), the ruling Rana family controlled the state in an autocratic manner, with a hereditary Prime Minister. The Ranaa rulers enjoyed enormous personal power, and the use of state resources and funds for their own personal expenditures and extravagant lives was commonplace (Acharya, 2051 BS). The use of state assets to benefit individuals did not change after the establishment of the multi-party system in 1990 (2046 BS), which continued even with the subsequent political changes of the people's movement in 2006 (2062/63 BS).

Along with the promulgation of the new constitution in 2015 (2072 BS) and federal restructuring of the country, corruption has become a public discourse. This is particularly disappointing as it starkly contradicts the people's expectations, service delivery, and political commitments. Instead, it is more criticized for being more decentralized and institutionalized at the local levels, along with the dependent challenge of the elite-centric structures of federal and provincial governments. Faulty political commitments, aid dependency, rising public expectations, livelihood insecurity, and the impacts of modernization are some of the critical elements that have potentially fostered a culture of corruption in Nepali society after 1990 (Parajuli, 2023; Sapkota, 2023a).

Recent corruption scandals exposed over the last five years (2020-2025) are a clear example of the misuse of public assets, including the Wide Body case, the Omni case, the Giribandhu land case, and the Bhutanese refugee case, among many others. Similarly, the issues such as an increase in corruption, a decline in revenue collection, and questionable quality of public works seem to have been at the expense of personal interests and benefits (Khanal, 2081 BS). From many examples, it can be concluded that Nepal is a fertile land for breeding selfish individuals through the use of corrupt mechanisms (Bhul, 2023; Poudel et al., 2025). Therefore, corruption and its institutionalization with the selfishness of the individual have been a critical issue to investigate in a timely and scholarly manner in a more critical and academic perspective, on which this paper stands.

2. Methods and Materials

Following positivist approach, quantitative methods are used in this study for concluding the findings. Four hypothesis is drawn for easy to find the role of selfish individual in our system. They are:

> Hypothesis I: The primary source of corruption is abuse of authority. Is the federal budget being allocated to personal pockets? Are selfish individuals threatening the government as a result of budget expenditure?

> Hypothesis II: The federal government's estimated and actual collecting revenue is causing a resource shortfall. Is government revenue fostering selfishness?

> Hypothesis III: Beruju (arrears) is a result of government spending. Is the public expenditure system fostering a culture of selfishness?

> Hypothesis IV: Our budgetary system isn't robust due a higher prevalence of selfish individuals in the fiscal system.

Federal government budget allocation and CIAA complaints are used to test first hypothesis. This finding demonstrates that the misuse of the federal budget is growing corruption and complaints. In the process of testing hypothesis II, is using data from revenue collection and CIAA complaints. The misuse of revenue increases corruption and complaints. Beruju, real capital, and regular expenditure are being used to test hypothesis III. The relationship between capital expenditure and revenue is discovered for testing hypothesis IV. This statistic demonstrates the prevalence of selfish individuals in our fiscal system. Various tests demonstrate the relationship between selfish individuals and corruption in Nepal.

3. Results and Discussion

3.1 Conceptualizing the Selfish Individual

Classical philosophers such as Plato were deeply concerned with the relationship between individual rights and responsibilities. Plato's vision of the philosopher-king, ruling a well-ordered city-state, emphasized the cultivation of virtues among both rulers and citizens. In his model, justice existed at both the personal and city-state levels. However, his ideal was based on the context of small city-states like his proposed population of 5040, a scale that starkly contrasts with the complex, populous modern nation-states. Today's democratic societies promote individual liberties but often neglect the cultivation of civic duties. Plato categorized citizens as producers, helpers, and rulers, with rulers embodying wisdom and responsibility (Lu, 2019). This philosophical framework emphasizes the need for state structures to guide individual behavior; yet, contemporary liberal societies often separate rights from responsibilities, inadvertently enabling self-serving tendencies.

Historically, religious institutions served as a check on individualism by subordinating personal desires to divine authority. Religious wars and prolonged institutional dominance, particularly by the Church, were viewed by political philosophers as sources of conflict. Nevertheless, religious belief, grounded in faith rather than empirical reasoning, offered a moral compass and communal discipline. As William James (1902) observed, religious experiences often dissolved the boundaries of the self, fostering moral zeal and cosmic unity. Religious institutions, governed by divine laws, played a crucial role in discouraging self-centeredness and fostering collective virtue. However, the rise of liberal thought, coupled with intellectual and relational uncertainty in modern societies, has weakened this institutional control. McGregor et al. (2008) note that such uncertainty fuels both religious extremism and a retreat into individualism, laying the groundwork for the emergence of selfish behavior in secular spheres.

Following the decline of religious authority, Renaissance humanism reoriented social and political thought around the individual. The Renaissance emphasized values such as individualism, secularism, and materialism, fostering a cultural shift from institutional obedience to personal autonomy (Randall, 2008). Thinkers like Machiavelli further advanced this shift by promoting the concept of political realism. His treatise *The Prince* advocated for pragmatic, often ruthless leadership, asserting that political power could be maintained independently of religious morality (Latour, 1988). This transition, marked by the decline of religious authority, empowered individuals in the political process but also laid the foundation for opportunism and moral compromise. In contemporary politics, especially in fragile democracies like Nepal, selfish individuals have exploited institutional inefficiencies to gain power. As Khanal (2024) notes, widespread corruption has eroded public trust, enabling the emergence of informal power structures. In such contexts, the failure to link individual rights with civic responsibility fosters the breeding of selfish individuals who undermine both social order and democratic governance.

3.2 Theoretical Debates

Corruption is contested notion in conceptual and theoretical perspective. It is a key aspect of political philosophy which shaped by different paradigms, each offering a unique interpretation of governance (Sapkota, 2025, 2023b). It is not just a behavioral anomaly, but a deeply ingrained issue within the ideological and methodological frameworks of political systems. Liberalism sees corruption as a result of individual moral failure and the absence of institutional checks (Teixeira & Spinelli, 2024). Marxism, on the other hand, views it as a structural outcome of class domination and capitalist exploitation. Institutionalism focuses on the systemic weaknesses or inefficiencies within the governance apparatus. These diverse theoretical approaches underscore that corruption is not an isolated issue, but a reflection of broader philosophical and methodological orientations that shape public policy and institutional conduct.

Corruption can be understood through various theoretical lenses, among which the functionalist and rational choice theories are prominent. The functionalist perspective interprets corruption as a systemic response to rigid and inefficient bureaucratic structures, especially in developing societies, where it may functionally compensate for institutional shortcomings and facilitate the flow of services (Schulz, 2025). Conversely, rational choice theory posits that individuals engage in corrupt acts when the expected personal benefits outweigh the perceived risks or penalties, treating corruption as a deliberate and strategic decision based on cost-benefit analysis (Juraev, J. (2018, 1988). Together, these perspectives reveal both structural and individual-level dynamics underlying corrupt behavior.

Corruption literature frequently highlights the role of selfish individuals in undermining public institutions, such as state and government. Dobel (1978) argues that governmental corruption often originates from self-centered actors who prioritize private interests over public responsibility. As moral values and loyalty erode, individualism becomes the dominant behavioral norm. Such individuals may not immediately disrupt state systems, but over time, their behavior can distort the institutional purpose. The progression toward privatized and self-interested life undermines collective ethical standards, creating long-term risks for political stability.

Recent research examines how individuals who are inclined to be selfish cooperate strategically within corrupt networks. Monter et al. (2023), using the Multi-Agent Reinforcement Learning (MARL) model, show that such individuals form groups to distribute risk and enhance outcomes. These networks often rely on bribes and nepotism rather than trust-based collaboration. Kin selection theory (Keller & Chapuisat, 1999) reinforces this idea, suggesting nepotism as a natural extension of familial loyalty. Corruption becomes institutionalized when even anti-corruption mechanisms are manipulated by those they are meant to regulate. Kobis et al. (2016) and Dungan et al. (2014) note that interpersonal corruption benefits a few elites—namely, politicians and businesspeople—while harming collective interests. The failure to curb selfish impulses is a central challenge in instilling moral norms.

Several frameworks shed light on how selfishness drives systemic corruption. Mulgan (2003) contends that selfishness, rather than power itself, is the root of moral corruption. Barcham et al. (2012) and Smits (2018) also expose gendered aspects, where structural inequalities reinforce self-serving behavior under familial pressures. Fukuyama (2014) discusses the global relevance of these dynamics, comparing China's Confucian ideals with Nigeria's institutional failures. While principal-agent theory explains some forms of corruption through asymmetrical information (where one party has more or better information than the other) and weak accountability (lack of consequences for actions), collective action theory offers a broader lens. As Groenendijk (1997) and Persson et al. (2013) assert, corruption flourishes when individuals believe that collaborating in self-interest yields high personal gain and low individual risk. This shift from personal misconduct to collective selfishness marks a dangerous trajectory for governance and institutional integrity.

3.3 Empirical Cases and Statistical Measurements

Self-centered individuals often contribute to problems in the institution-building process. They continually attempt to exploit the system to further their own interests. The primary motivation of the selfish individual is self-interest. They continually seek ways to exploit authority and power for personal gain. According to the game theory of corruption, which posits that every corrupt person seeks to maximize their gains and the rules of the game are constantly broken during the winning phase, every corrupt person seeks to maximize their gains. Selfish people are continually striving for greater results. Misappropriation of public funds, tax evasion, crime, and corruption are the primary playgrounds for individuals driven by self-interest. They constantly exploit public property for personal benefit.

The selfish individual is the dominant breed under the neoliberal economic system. Classical liberal thought emphasizes individual freedom, whereas neoclassical liberalism emphasizes market freedom. Property rights are the starting point for self-interested individuals, and market freedom creates a suitable climate for growth. Another tool for those with a greedy nature is power. They amass wealth from the market and utilize it to gain power. Power for riches is economic corruption; power for wealth is political corruption. Politicians and self-serving individuals have always sought to win the game of the revolving door, a metaphor for the movement of individuals between the public and private sectors, often with the aim of using their public service to benefit their private interests. They are both profiting from each other, but their identities are unknown.

Political regimes produce selfish individuals. They are continually trying to exploit the system and increase the magnitude of the gain. The system has 'automatically failed' in the long run, but a selfish individual has attempted to paralyze it in the short run. The Nepali system is an excellent example for those whom greedy individuals have harmed. Rent seeking, which in economics refers to earning a high return without engaging in production, is the principal business of the selfish individual. They are continually attempting to collect rent from the system and meet their desires. In my study, I attempted to test my theory and came to a conclusion (Table 1).

Table 1:

Budget Allocation, Expenditure, Revenue, Arrears and the CIAA Complains

				Amount in Rs.00000	Numbers
Fiscal Year	Allocation of budget	Real budget Expenditure	Revenue collection	Beruju (arrears)	CIAA-Complains
2080/081	17513100	13934000	10827500	91597900	36186
2079/080	17938300	14213300	10106500	95602100	28067
2078/079	16475767	13100008	11164177	1197770	24331
2077/078	14746454	11966760	9787541	1150550	22625
2076/077	15329671	10911353	8413124	1043843	25152
2075/076	13151617	11104571	8396738	1329959	24085
2074/075	12789948	10872799	7322194	1410505	19488
2073/074	10489213	8372487	6154684	1209101	19580
2072/073	8184700	6010100	6592800	974369	24691
2071/072	6181000	5315583	4139299	566530	31213
2070/071	5172400	4350522	3571906	437195	22602
2069/070	4048247	3586380	2986976	366013	11298
2068/069	3849000	3391674	2471615	350751	8839
2067/068	3379000	2953634	2029473	276970	6145
2066/067	2859300	2596891	1799458	169292	4295
2065/066	2360158	2196619	1434745	167348	4149

Source: Office of the Auditor General (2024) and Commission for the Investigation of Abuse of Authority (2024)

The table presents a 16-year overview of Nepal's fiscal performance, covering fiscal years 2065/066 to 2080/081. It includes data on budget allocation, actual budget expenditure, revenue collection, disallowance (Beruju), and the number of complaints filed with the Commission for the Investigation of Abuse of Authority (CIAA). Over time, there has been a general increase in budget allocation and expenditure, with the highest allocation of Rs. 17,938,300,000 recorded in FY 2079/080. Despite this increase, substantial gaps remain between allocated and spent budgets, and revenue collection has consistently lagged behind expenditure. Notably, the Beruju amount surged dramatically in recent years, peaking at Rs. 91,597,900,000 in FY 2080/081, indicating significant financial irregularities. Correspondingly, CIAA complaints have also shown a rising trend, indicating an increasing public concern over corruption and the misuse of public funds. The data highlight persistent issues in fiscal governance, accountability, and institutional transparency, underscoring the urgent need for corrective measures.

Test of Hypothesis-I

Premise in this hypothesis is that central government allocation increases corruption. This analysis tests Hypothesis I, which posits that higher central government budget allocations are associated with increased levels of corruption, as indicated by the number of CIAA complaints (Table 2). Here, budget allocation functions as the independent variable (X), while CIAA complaints serve as the dependent variable (Y).

Table 2:

Relationship between Central Government Budget Allocation and CIAA Complaints (Allocation of Budget and Corruption: FY 2065/066–2080/081)

Parameter	Value
Best-fit Values	
Slope	0.001298 ± 0.0002944
Y-intercept	7015 ± 3281
X-intercept	-5,404,000
1/Slope	770.4
95% Confidence Intervals	
Slope	0.0006666 to 0.001930
Y-intercept	-23.00 to 14,050
X-intercept	-20,160,000 to 12,460
Goodness of Fit	
R Square	0.5813
Standard error of estimate (Sy.x)	6557
F-statistic (F)	19.44
Degrees of freedom (DFn, DFd)	1, 14
P Value	0.0006
Deviation from zero	Significant
Regression Equation	$Y = 0.001298X + 7015$
Data Summary	
Number of X values	16
Maximum number of Y replicates	1
Total number of values	16
Number of missing values	0

The regression results show a statistically significant positive slope (0.001298) with a p-value of 0.0006, which is well below the conventional significance threshold of 0.05. This indicates a meaningful linear relationship between the two variables. The R^2 value of 0.5813 suggests that approximately 58.13% of the variation in CIAA complaints can be explained by fluctuations in budget allocation. The positive slope and significant F-value (19.44) affirm that as government budget allocation increases, so does the incidence of corruption-related complaints. These results lend empirical support to the hypothesis that centralized fiscal expansion, without adequate checks and balances, may contribute to governance vulnerabilities and rising corruption concerns.

Test of Hypothesis-II

In this hypothesis, the assumption is that increased government revenue leads to increased corruption. As revealed in Table 3, in this test, *income* is the independent variable (X), and *CIAA complaints* serve as the dependent variable (Y).

Table 3:

Relationship between Government Income and CIAA Complaints (Revenue and Corruption FY 2065/066–2080/081)

Calculation and Result	
Best-fit values	
Slope	0.002224 ± 0.0004664
Y-intercept	6036 ± 3236
X-intercept	-2.714e+6
1/Slope	449.6
95% Confidence Intervals	
Slope	0.001224 to 0.003224
Y-intercept	-904.7 to 1.298e+4
X-intercept	-1.018e+7 to 2.923e+5
Goodness of Fit	
R Square	0.6190
Sy.x	6256
Is slope significantly non-zero?	
F	22.74
DFn, DFd	1, 14
P Value	0.0003
Deviation from zero?	Significant
Regression Equation	$Y = 0.002224 * X + 6036$
Data Summary	
Number of X values	16
Maximum number of Y replicates	1
Total number of values	16
Number of missing values	0

The regression analysis demonstrates a statistically significant positive relationship between government income and the number of corruption complaints lodged with the CIAA. With an R² value of 0.6190 and a highly significant P-value of 0.0003, the slope of the regression line is significantly non-zero, indicating that as revenue increases, the frequency of reported corruption cases also tends to increase. This robust statistical evidence supports the hypothesis that higher income levels may provide more opportunities or temptations for corrupt practices within the public sector, aligning with theoretical expectations in political economy and public finance literature.

Test of Hypothesis-III

This hypothesis posits that increased government expenditure is contributing to a rise in 'Beruju' (irregularities or unsettled financial transactions). In this regression analysis, real expenditure is treated as the independent variable (X), and Beruju is considered the dependent variable (Y). The assumption is that an increase in expenditure results in an increase in Beruju. The regression analysis reveals that the slope of the line is 4.024 with a standard error of ±1.581, indicating a positive linear relationship between expenditure (independent variable X)

and Beruju (dependent variable Y). The p-value for the slope is 0.0233, which is statistically significant at the 5% level. This suggests that the slope is significantly different from zero, providing strong evidence that higher expenditure correlates with higher Beruju (See Table 4).

Table 4:

Relationship between Real Expenditure and Beruju (Expenditure and Arrears FY 2065/066–2080/081)

Variable Group	Values
Best-fit values	
Slope	4.024 ± 1.581
Y-intercept	$-1.904\mathrm{e}{+7} \pm 1.408\mathrm{e}{+7}$
X-intercept	$4.731\mathrm{e}{+6}$
1/Slope	0.2485
95% Confidence Intervals	
Slope	0.6334 to 7.414
Y-intercept	$-4.924\mathrm{e}{+7}$ to $1.116\mathrm{e}{+7}$
X-intercept	$-1.396\mathrm{e}{+7}$ to $8.382\mathrm{e}{+6}$
Goodness of fit	
R square	0.3164
Sy.x (standard error of estimate)	$2.715\mathrm{e}{+7}$
Significance of slope	
F-statistic	6.480
Degrees of freedom (DFn, DFd)	1, 14
p-value	0.0233
Deviation from zero	Significant
Regression equation	Y = 4.024X - 19037278
Data summary	
Number of X values	16
Maximum number of Y replicates	1
Total number of values	16
Number of missing values	0

As the result shows, the coefficient of determination (R^2) is 0.3164, indicating that about 31.64% of the variance in Beruju can be explained by changes in expenditure. Although not exceptionally strong, this value still indicates a moderate explanatory power. The 95% confidence interval for the slope (0.6334 to 7.414) means that we are 95% confident that the true slope falls within this range, reinforcing the claim of a meaningful relationship. The equation of the regression line is Y = 4.024X - 19037278. Similarly, the F-statistic (6.480) and the degrees of freedom (1, 14) further validate the significance of the regression model. This robust support for Hypothesis III confirms a positive and significant association between expenditure and Beruju, providing a strong conclusion to our research.

Test of Hypothesis-IV

In this hypothesis, I propose that real expenditure increases revenue. In this test, the real expenditure is the X variable, and revenue is the Y variable. The hypothesis suggests that

increased real expenditure has a positive impact on revenue, and the regression model provides robust and reliable statistical support for this assumption (Table 5).

Table 5:

Regression Parameters and Model Summary for Real Expenditure and Revenue Relationship in FY 2065/066–2080/081

Parameter Type	Component	Value/Range	Interpretation
Best-fit values	Slope	0.7645 ± 0.04257	Indicates a strong positive linear relationship between real expenditure and revenue.
	Y-intercept	1.078e+5 ± 3.792e+5	Intercept is statistically uncertain; large standard error implies low precision.
	X-intercept	-1.410e+5	Theoretically where revenue would be zero; not a meaningful real-world value here.
	1/Slope	1.308	Represents the inverse of marginal effect of expenditure on revenue.
95% Confidence Intervals	Slope	0.6732 to 0.8558	Strong statistical support for a positive and significant slope.
	Y-intercept	-7.055e+5 to 9.211e+5	Large interval; intercept effect is uncertain.
	X-intercept	-1.348e+6 to 8.365e+5	Wide and inconsistent; not statistically reliable.
Goodness of Fit	R Square	0.9584	Model explains approximately 95.8% of variance in revenue.
	Sy.x	7.311e+5	Standard deviation of residuals; reflects model dispersion.
Significance Test	F	322.6	Very high F-value indicates strong model significance.
	Degrees of freedom (DFn, DFd)	1, 14	Standard structure for simple linear regression.
	P Value	< 0.0001	Extremely significant result; very low probability of slope being zero.
	Deviation from zero?	Significant	Confirms the slope is statistically different from zero.
Regression Equation	Y = 0.7645*X + 107785		Predictive model for revenue based on real expenditure.
Data Summary	Number of X values	16	Sample size is sufficient for simple linear regression.
	Maximum number of Y replicates	1	Each X has one corresponding Y value.

	Total number of values	16	No data imbalance; full utilization.
	Number of missing values	0	Clean dataset; no missing observations.

According to the data, the slope of 0.7645 suggests that for every unit increase in real expenditure, revenue increases by approximately 0.76 units. The high R-squared value of 0.9584, which indicates that real expenditure accounts for over 95% of the variance in revenue, provides a strong reassurance about the model's explanatory power. Additionally, the P-value (< 0.0001) strongly confirms that the slope is significantly different from zero, indicating a statistically reliable relationship. Although the intercept estimates are imprecise, this does not undermine the central finding: real expenditure has a significant influence on revenue generation in this dataset.

3.4 Analysis of the Results

The regression analysis conducted to test the first hypothesis unveils a statistically significant positive relationship between budget allocation and the number of CIAA complaints. The slope coefficient of 0.001298 indicates that for each additional unit increase in budget allocation, the number of CIAA complaints increases marginally by approximately 0.0013 units. The p-value of 0.0006 confirms the robustness of this association. The model accounts for about 58 percent of the variability in CIAA complaints ($R^2 = 0.5813$), suggesting that budget allocation is a moderately effective predictor of complaints. This relationship underscores the crucial role of budget allocation in potentially leading to an increase in complaints, possibly due to heightened scrutiny or greater opportunities for irregularities. Although the intercept estimate of roughly 7015 carries some degree of uncertainty, the overall regression model is statistically strong and provides valuable insight into the dynamics between budget allocation and CIAA complaints.

The analysis reveals a second hypothesis, a statistically significant positive relationship between revenue and the number of CIAA complaints. The slope of 0.002224 means that for every additional unit of revenue, the number of complaints increases by about 0.0022. The very low p-value (0.0003) confirms this association is unlikely to be due to chance, instilling confidence in the research. The model explains approximately 62% of the variation in CIAA complaints ($R^2 = 0.6190$), indicating a reasonably strong relationship between revenue and the number of complaints. This suggests that as revenue increases, the number of CIAA complaints tends to rise steadily. The intercept is estimated at 6036, but with a wide confidence interval, making it less reliable and of limited practical use.
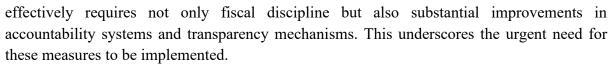
The regression results, based on testing the third hypothesis, indicate that an increase in federal government expenditure in Nepal is generally associated with a rise in Beruju (financial irregularities or deficits). Nevertheless, as government spending accounts for only 32 percent of the variation in Beruju, it is evident that other contributing factors—such as inadequate oversight, ineffective implementation, and institutional weaknesses also play a significant role. Therefore, addressing the budget deficit and improving public financial management

effectively requires not only fiscal discipline but also substantial improvements in accountability systems and transparency mechanisms. This underscores the urgent need for these measures to be implemented.

The regression analysis reveals, in support of the fourth hypothesis, a strong and statistically significant positive association between real government expenditure and revenue collection. Specifically, the slope coefficient of 0.7645 indicates that for every unit increase in government spending, revenue increases by approximately 0.76 units. The model's R-squared value of 0.9584 suggests that nearly 96 percent of the variation in revenue collection is explained by expenditure, highlighting a very high degree of explanatory power. Although the intercept is not statistically meaningful, the overall model is highly significant ($p < 0.0001$), indicating that the relationship is unlikely to have occurred by chance. These results imply that increased government spending, when effectively managed, may contribute to enhanced revenue generation, likely through expanded economic activity or improved tax compliance. However, since the revenue does not increase at a one-to-one ratio with spending, the findings also underscore the importance of ensuring spending efficiency and strengthening revenue mechanisms to maintain fiscal balance.

Based on the results of four hypotheses, selfish individuals played a significant role in the governance system. In Nepal, selfish individuals are implicated in the misappropriation of public property, corruption, and revenue embezzlement. The CIAA launched a case against illicit property acquisition as one of the primary concerns in the public sector. Another problematic issue for the governing system is the source of property. Earning money through illicit means is a fundamental feature of a greedy person. They are always focused on earning money outside of the system. Another persistent issue in the governance system is money laundering and illicit financial flows. Politicians are always selfish individuals who benefit from black money. The newest example of greedy individuals in Nepal is the fake Bhutanese refugee scam. This underlines the challenges faced in Nepal's governance due to the role of selfish individuals.

Summary and Conclusion

This paper concludes that selfish individuals have been controlling the Nepali financial system. Various hypothesis tests show that the governance system is controlling the invisible hand. Budget allocation for generally generates employment and money. However, in our system, the budget often leads to corruption, and as the budget size increases, so does the corruption. This result suggests that a selfish individual is participating in the budgeting process. Corruption begins with the budget allocation procedure. On the other hand, revenue is also linked to corruption. Budget and revenue allocation are intrinsically linked to corruption.
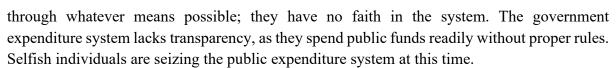
After evaluating the hypothesis, I found that spending is one of the most common origins of 'Beruju', a term used to describe the misuse or misallocation of funds for personal gain which ultimately leads to disallowance in a scientific accounting system. Beruju inevitably increases as we try to boost our spending. It means that the selfish disposition of individuals is reflected in the government expenditure system. Selfish individuals have attempted to gather resources

through whatever means possible; they have no faith in the system. The government expenditure system lacks transparency, as they spend public funds readily without proper rules. Selfish individuals are seizing the public expenditure system at this time.

The final hypothesis indicates that capital spending is unable to significantly enhance revenue. The primary goal of capital investment is to increase revenue and employment. Employment is created as a result of the capital expenditure process, which has a favorable impact on tax collection. The outcome painted a picture of our governance structure. Our system is not on the correct track. Our system's fundamental issues are elite capture and political dominance. In both ideologies, the concept of the selfish person was prominent. The two examples also paint an image of a selfish person.

In conclusion, In Nepal, selfish individuals are on the rise, yet there is no clear definition of what constitutes a selfish individual. The number of registered corruption complaints in the CIAA is growing by the day. Beruju has been a persistent issue for decades. The increased use of Beruju is posing significant challenges to Nepal's financial governance. Our standing in the 'CPI', the Corruption Perceptions Index, is likewise pitiful; in the CPI index of 2024, Nepal's score is 34 out of 100. Nepal's CPI index score has not changed significantly over the last two decades. Another issue in Nepal's financial system is low revenue collection. Due to the lack of inter-party democracy, selfish individuals are also active in the controlled party system. As a result, Nepal is headed to heaven for selfish people. Selfish individuals are the primary source of difficulties in Nepal's governing structure. In Nepal, broad public expectations, resource mismanagement, and corruption are all significantly interrelated. A hidden interest is often exploited within the system to enrich self-serving individuals while eroding public trust. It is far too late to address such issues. The public's dissatisfaction with the system is growing as expectations are consistently broken. The public's dissatisfaction with the system is growing as expectations are consistently broken.
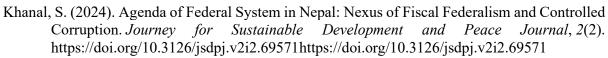
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