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Political Elite Formation and State Power Structure in Post 2006 Nepal: A Critical Analysis

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Abstract

Purpose: This research paper is aimed at studying the process of transition of political power in Nepal from a monarchial form of governance to the establishment of a federal democratic republic from 2006-2026 as an illustrative example of how the phenomenon of the distribution of power operates and what role the process of elite formation plays during political transitions in transitional states. The purpose of the research is to explore whether the political power is really dispersed among broader elite groups.

Methodology: The research is conducted through the use of the descriptive and conceptual-analytical methodology and relies exclusively on the use of secondary data. These include peer-reviewed scientific articles, official governmental reports and documentation, as well as historical records of the period of political transition in Nepal, which took place during two decades (from 2006 to 2026). The framework used for analysis combines classical elite theory and contemporary theories of the state.

Conclusion: The political change in Nepal is a testament to how resilient the elites are in sustaining their dominance despite substantial institutional reforms. Federalism has brought about new formal mechanisms for inclusion without upsetting power relations. The paper finds

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that in order for true democratization to happen, it is important not only to reform formal institutions but also informal socio-political networks as well.

Contribution: The current paper provides a framework that looks at both formal institutions and informal power networks to explain elite domination in federal democracies in Nepal after 2006.

Keywords: Elite formation, federalism, political power, state structure, power dynamics

Introduction

For a state like Nepal which has and is still undergoing major political transition, the dynamic role between politics, class and institutions remains instrumental aspect of political studies. Given its complex political history marked by monarchy, civil strife, democratic movements, and federal restructuring, Nepal is an interesting case study for political analysts and researchers given its checkered and long history of democratic movements from the overthrow of Rana regime in 2007 BS till the Gen Z movement of 2082 BS. Time and again Nepal's political power and its structure has undergone multiple transformation in quest for justice and equality. The country's first-ever Constituent Assembly elections were held in 2008, and Gyanendra Shah was deposed, the last monarch in his nearly 240-year-old dynasty (Sahneiderman et. al., 2016). This research reflects on the political power and its distribution in Nepal and role of class politics, especially the influence of elite class. Among independent national states, distinctly different political practices are associated, first and foremost, with different types of political elites (Higley, 2001, p. 181). This paper is yet another contribution to the political study and comparative analysis of state power and state formation.

Power in Nepal has historically been concentrated within a narrow segment of society. It has often been shaped by factors such as caste, class, regional affiliation, and access to state resources. From the centralized rule of the monarchy to the dominance of party elites in the current democratic era, control of political power has been unevenly distributed. Contemporary monarchies can be divided into three categories. In the modern, parliamentary monarchy, the monarch reigns, but rule is carried on by a cabinet formed by political parties and re sponsible to a popularly elected parliament (Huntington, 1996, p. 763).Even after the abolition of the monarchy and the establishment of a federal democratic republic, many questions about the inclusiveness and representativeness of power structures remain. This study aims to critically examine the nature of power distribution in contemporary Nepal by analyzing how formal institutions interact with informal networks, patronage systems, and socio-cultural hierarchies. Nepal, which is a country of more than sixty ethnic groups, one hundred languages, and half a dozen religions, has witnessed exclusion, discrimination, and domination of various groups in many spheres including socio-cultural, economic and political (Lawoti, 2010, p. 18). It will also explore how these dynamics influence governance outcomes and public trust in state institutions.

Another important dimension of this study is the formation of elites, as it provides insights into who holds power, how they acquire it, and how they maintain it. Political elites in Nepal have

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traditionally emerged from dominant social groups. They are the dominant group of the region, whether this dominance is looked at from the viewpoint of religious status, or economic or political power, or as an all-encompassing valuation (Clarke, 1985, p. 194). They often reproduce existing inequalities within the political system. However, recent political changes, including the promulgation of the 2015 Constitution of Nepal, have presented new opportunities for broader participation and representation. Institutional design can incentivize deliberation and create conditions that are more conducive to its practice and growth, and which are self-reinforcing (Breen, 2018, p. 3). Marginalized groups, including women, ethnic minorities, and historically excluded communities, have gained increasing visibility within political institutions. Ethnic diversity is one of the main features of Nepal (Pun, 2026).Given the underlying transformation that exist in role and leadership in politics, this paper explores the issue of enlistment and influence of the elite class.

The introduction of federalism in the new Constitution of Nepal provided major changes in the governance system and political structure and state power by promoting power decentralization, local autonomy, justice, equality and political and social representation. Limited autonomy and confusion in devolution of power have been real obstacles to federalism in Nepal. A crucial variable affecting the achievement of such a balance and the internal political dynamics of federations has been the executive-legislature relationship within the shared institutions (Watts, 1998, p. 125). How this change in governance structure and introduction of federalism has impacted the governance system and political hierarchies with regard to elite class has been key area of analysis of this research paper.

This paper not only explores the relations between elite class and state power but also showcases the complexities and contradictions inherent in the country's political transformation. A comparative observation and analysis have been made to increase understanding and contribute to the broader issues related to political system, good governance and democratic practices. The paper will benefit and further promote debate among researchers, scholars and policy makers in building a just, equitable and prosperous Nepal.

Research Objectives

This study aims to:

1. Analyze the nature and distribution of political power in Nepal following the People's Movement of 2006
2. Examine the social and political factors underlying the persistence and influence of political elites
3. Assess the extent to which the 2015 Constitution's federal provisions have transformed political power structures
4. Investigate the relationship between formal political institutions and informal networks like patronage, kinship, and party affiliation in shaping Nepal's power structure

The theoretical and analytical approach to understanding Nepal's political system over a recent period of time (2006-2026) gives uniqueness to this study. This paper describes the relationship that exists between political power, state institutions and class through combined and integrated

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analysis. It also shows how both state institutions and informal structures both continue to influence and impact political framework in Nepal. The study is expected to increase academic and theoretical understanding of a society like Nepal which has gone through major political transformation.

Literature Review

The argument made by theorists in the likes of Vilfredo Pareto (1900), Gaetano Mosca (1896), and Robert Michell (1927) that in any political system the concentration of power is directly rest with the elites of the society has been well established. This argument is taken further by Michell by asserting that oligarchy becomes a real nature of democratic institutions in which he termed as 'iron law of oligarchy'. The dominance of elite class in power structure is often obvious in their controlling role and access to state institution, public and state resources and setting up politic narratives. Even in a system calling itself all-inclusive and participatory, these elites seem persistent through both informal and formal democratic structure. As Warren has pointed out that the political elite class uses political parties to wield their strategic influence rather than representation. (Warren, 2008, p. 400).

A review of literature shows that the political power and state structure in a transitional state are shaped and influenced by continuous interaction and interplay between history, public and state institutions and socio-economic conditions. According to Lindber (Lindberg, 2001, p. 181), different stakeholders have varied interests and intent in their participation in state institutions. This is very true in the political landscape of South Asian countries where historical legacy combining both colonial and feudal, inequality and oppression inherent in social hierarchies is telling on how political power is distributed. The centuries of monarchial rule, deeply embedded class division, religious differences have together crafted and shaped Nepal's state power and governance. The coercive elements inherent in a hegemonic system are laid bare, if, and when, the ability of the ruling classes to organize consent weakens (Basu, 2007, p. 135). The People's Movement of 2006 was pivotal in Nepal's political history that uprooted centuries old monarchy thereby dismantling traditional and social power structures and allowing for a more participatory and equitable politics. In spite of these institutional changes including the promulgation of new Constitution in Nepal that promotes secular society, federalism and inclusive participation, there still exist deep structural and economic inequalities that continue to shape power relations.

Past literature has attempted to analyze the relation between state, political power and elite formation where it is clearly evident that the decision and policy making process were and continue to be dominated and influenced by the upper caste groups and economic elites such as that of Kathmandu. This Kathmandu-centric model of decision making in policy development has long pushed marginalized communities of remote geographic regions such as Karnali, the Far West, and the rural Terai, further into poverty, lack of opportunity and entrenched inequalities (Shrestha, 2025, p. 62). Of late scholars and researchers have focused more on the inclusive and participatory policies as well as democratic reforms carried out as

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per constitutional provisions. The geographical, cultural and ethnic diversity is a feature of Nepalese society (Bhul, 2023, p. 39). To a great extend the 2015 Constitution of Nepal has principally and legally made it mandatory to ensure participation of women, ethnic minorities, and other marginalized groups in the state institutions. In spite of these foundational changes, scholars are still not certain whether this has made any meaningful progress and reduce the influence and dominance of the elite class.

Economic inequality, caste and gender discrimination, religious and territorial disparities have plagued Nepalese society for the longest stretch of time (Devkota, 2024, p. 53). Federalism as highlighted in the 2015 constitution of Nepal envisions a Nepal that is federal, secular and inclusive. The promulgation of the constitution was a seminal moment when Nepal transition from feudal monarchy to a federal democratic republic (Aryal, 2026, p. 13). This shift has offered especially women and disadvantaged communities to participate in political processes. However, even with this mechanism in place, implementation of constitution is not a bed of roses as there are still issues of power decentralization and weak institutions. The federal political system will be appealing and resilient if policies strengthen the provincial government (Bhul, 2024, p. 1761).

Formal institution aside, the role of informal institutions is also of significance as it is a route used by elites to wield political power as it provides access to resources and opportunities, and directly influence decision-making process. In countries like Nepal, where semi feudal and elite dominance still exist, patronage, clientelism, and kinship-based networks often exist sided by side with formal institutional arrangements(Moreno-Luzón, 2007). The management of natural resources and its access to local population and marginalized communities is vitally important when it comes to policy and political decision making (Theesfeld et. al., 2017, p. 676). Indeed, it is argued by the scholars to really investigate the political power and structures, it is imperative that researchers understand the role and dynamics of these informal political channels. Literature review of recent studies in Nepal still points out to the existence of patronage system that is at play in consolidating the relations between political centers and elite and maintaining elite dominance.

In the democratization processes, issues of political inclusion and representation are vitally important for effective and good governance. The key feature of any resilient and peaceful state is how inclusive and participatory is the governance and political systems of any country (Menocal et. al., 2019, p. 84). Both political and policy-oriented efforts have been made to make state institutions more inclusive of women and marginalized communities. Women, indigenous communities, Madhesi, Dalits in Nepal have raised their voices time and again for social inclusion and political participation (Gurung, 2009, p. 1). But it is evident that descriptive representation, tokenism failed to bring about meaningful transformation in the lives of these marginalized groups which has led to further debate on intent, policies and action of the government state institutions.

According to Delican (2012), the classic elite theories Pareto`s circulation of elites, Mosca`s theories of ruling class, and Michel`s theory of iron law of oligarchy agrees on that elites and

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aristocrats come into power and all necessary policies and means are used in order to continue to ruler and protect their privileges. Elitist theorists not only introduced elites but also contributed on better understanding of political life of societies. The key is power due to powerful is the leader in society. There is domino effect in the power relations by area and regions. Local, regional and global with the effects to each other is global phenomena (Oberst el al., 2016). South Asian impacts around India through its religious culture and political culture in the regional power dynamics is as usual impacts.

The well-functioning power relation relies on specific social, political, and economic structures that support inclusive governance and equitable development. Intergroup equality, strong political institutions, the emergence of a middle class, a diminished role of the military, economic diversification, and the influence of globalization, are all crucial for sustaining true democratic practices. In Nepal, the road to democracy is still nascent, shaped by the legacy of monarchical and oligarchic rule under the Ranas and kings (Silwal, 2025). The power shifts from one to other elites due to multiple impacts of power exercise capabilities.

Subedi and Maharjan (2021) emphasized on the class and caste are two main significant dimensions in social stratification in India and Nepal. It is the essence that focuses on caste and class-based discrimination and its empirical impacts in the dynamics of power. Federalism is a good political alternative in democratic countries where there are big and diverse societies and communities. Ethnic, regional and class-based concerns are rising provocatively exploding in Nepal while introducing federalism (Paudel, 2017). This aspect highlights in relation with positive aspects of federalism and hurdles in the way to get in to the federalism in Nepal.

The impact of political patronage networks and Clientism on resource allocation and economic inequality impacts in socio-political structure reformation (Sumanaratne et al., 2025). It is as politicization of resource allocation and it contributes directly to the persistence of economic inequalities and power disparities. Politically aligned constituencies consistently receive greater investment and better services, while opposition strongholds are often neglected. Such unequal distribution of state resources not only entrenches existing social and economic divides but also undermines public trust in state institutions and weakens the legitimacy of democratic governance.

There are certain gaps in the studies that clearly suggest for further research on this topic One such gap is the failure of researchers to analyze political power, state and elite formation is interconnected, interacting and interdependent rather than as a separate entity. Secondly studies lack to cover the existing dynamic relations between formal institutions and informal channels such as patronage and kinship. Through integrated conceptual framework, this paper attempts to bridge this gap of knowledge as well as spur further studies in this topic.

Methodology

Research Design and Approach

The study methodology of this paper is based on descriptive and conceptual approach. If draws all of its information from secondary sources, i.e., journal articles, books and government

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reports. By identifying the long-term political and structural transformations that have taken place in Nepal this paper offers a coherent dialogue on power, politics and elites through context-specific, time-based interpretation and analysis.

Selection Criteria for Secondary Source

The selection criteria for secondary sources for this particular study revolve around the themes of political power and structure, governance and political elite. Journal articles, academic books, policy documents such as Constitution, government reports and research papers published by research organizations and think tanks are chosen with attention to its relevance following a strict academic rigor. These documents are authoritative and of high significance and methodology for offering unbiased, balanced analysis.

Sources were selected based on: (a) relevance to political power, state structure, or elite formation in Nepal, (b) academic rigor and authority, (c) publication within the study period (2006-2026), and (d) availability of DOI for verification. Government reports, constitutional documents, and policy papers were included based on institutional authority.

Time Period Covered

This study covers a period of political transition in Nepal starting from People's Movement in 2006 to Gen Z movement of 2082. This period is unique in Nepal's political history during which Nepal moved from a monarchy to the promulgation of a republic Constitution based on federalism, inclusion and secularity, which reflects a dramatic and major change in power structure and distribution in Nepal.

Analytical Framework for Comparison

The study undertakes historical-contemporary and comparative analysis of political power, state structure and elite formation. In its analysis the study primarily takes into account the classical and contemporary elite theory, along with state theory to analyze political power, political elites and their dynamic relationship and interaction.

This study employs an integrated analytical framework combining classical elite theory (Pareto, Mosca, Michels) with contemporary state theory and institutional analysis. The framework allows examination of both formal institutional arrangements and informal power networks. Analysis proceeds through: (1) historical-contextual mapping of political transformations, (2) structural analysis of power distribution across governance levels, and (3) network analysis of elite formation and circulation patterns.

Limitation of the Methodological Approach

Since this study will only be accessing secondary sources for its analysis, so it is not without limitation. The secondary sources are based on journal articles, academic publications, policy reports and government dossiers which though provides a room for providing review of the existing interpretation and analysis it lacks in producing original information and empirical generalizations that could add a novel idea. To avoid the trap of being biased or reproducing old interpretation, the author has tried to tap into varied and multiple sources, both national and international.

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Results and Discussion

On this section is presented the key analysis and findings of this study by establishing under broader theoretical and contextual frameworks. The results showcase the empirical observations from secondary sources and then proceed to lay the discussion based on relevant theories. It situates the Nepalese experience within this comparative and regional perspective providing thorough analysis, interpretation and critical perspective on the understanding of political power and elite formation.

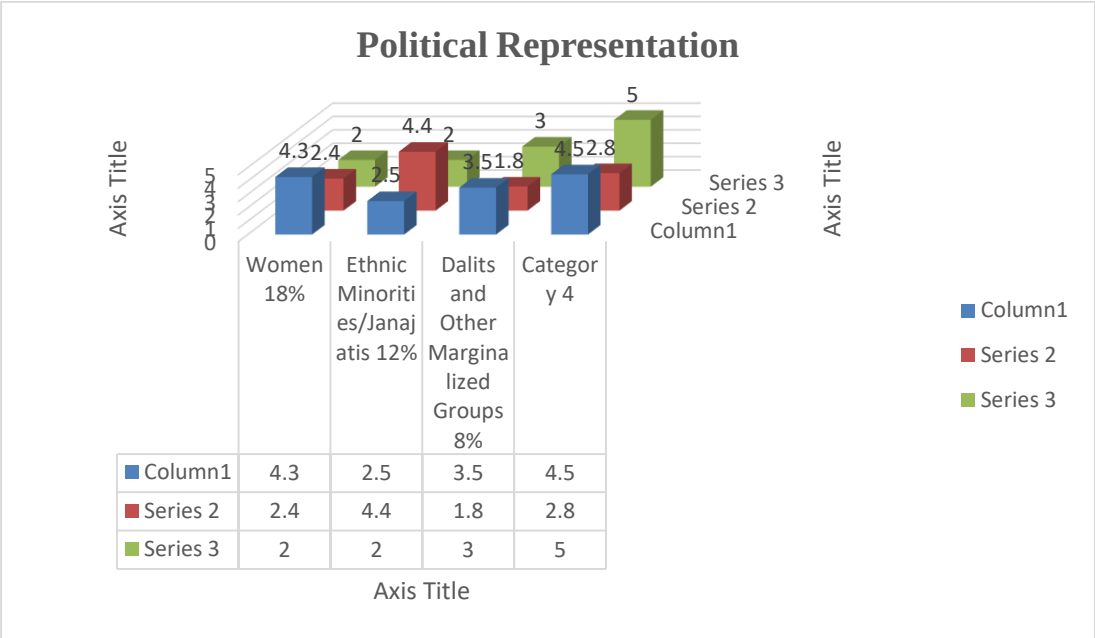
Results

Distribution of Political Power in Nepal

Analysis of the sources shows that despite the formal transition to a federal democratic republic, political power in Nepal remains highly concentrated in a small segment of society. The historical legacy of monarchical and centralized rule continues to shape the political landscape. Upper caste groups, urban elites, and politically established families dominate key positions at both the national and provincial levels. The underlying political, economic and social structures and power dynamics that cause these systemic issues are wide-ranging (Chaney, 202520). While the abolition of the monarchy and the promulgation of the 2015 Constitution of Nepal introduced formal mechanisms aimed at increasing decentralization and representation, these measures appear to have only partially disrupted long-standing patterns of power. Informal networks, including patronage systems, kinship-based relationships, and party-based hierarchies, remain highly influential in determining access to decision-making positions. As a result, the structural distribution of power continues to favor historically dominant social groups. This reflects both the persistence of elite dominance in post-monarchical Nepal and the slow pace of political transformation.

Chart 1

Distribution of Political Representation by Social Groups: Post-2015



	Women 18%	Ethnic Minorities/Janajatis 12%	Dalits and Other Marginalized Groups 8%	Category 4
Column1	4.3	2.5	3.5	4.5
Series 2	2.4	4.4	1.8	2.8
Series 3	2	2	3	5

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Note: Showing the proportion of political representation in parliament, the executive, and provincial assembly.

This distribution highlights the further resilience of elite dominance in Nepal's political system, even in a formal federal context. It shows that, despite nominally increased access for marginalized groups to structural reforms, informal networks continue to shape political outcomes, ensuring the continued concentration of power within historically privileged classes. Elites have recently enjoyed a revival of interest as a focus of empirical investigation (Woods, 1998, p. 2101). Consequently, understanding political power in post-monarchy Nepal requires not only an analysis of formal institutions and constitutional arrangements but also an identification of the enduring impact of informal social hierarchies, patronage practices, and established elite networks.

Quantitative analysis of political appointments, party leadership roles, and legislative representation shows that approximately 60-65% of high-ranking political positions are held by elites from historically dominant groups. Despite formal policies designed to ensure inclusion and equitable representation, marginalized communities, including Dalits, indigenous groups, and women, collectively hold only 35-40% of these positions. These limitations enable upper caste groups to dominate, while individuals born into lower castes, particularly Dalits, face systemic oppression and exclusion (Adhikari, 2024, p. 61).Such unequal distribution highlights the gap between constitutional ideals and political reality. It shows how formal institutional reforms have often been undermined or mediated by existing socio-political hierarchies. The introduction of quotas and affirmative action policies has created new opportunities for underrepresented groups. These measures have not yet translated into proportional influence in policymaking or resource allocation, leaving informal power dynamics largely intact.

Elite Formations and Circulation Pattern

Studies of elite formation show that political leadership is shaped by a combination of historical privilege, socio-economic background, education, and party affiliation. Historically dominant groups, particularly the upper caste elite, have maintained considerable control over political and bureaucratic positions, using both formal institutions and informal networks to consolidate power. After the successful conclusion of the pro-democracy movement in the spring of 2006, various political forces set up an interim Parliament, drafted an interim constitution, held Constituent Assembly elections and abolished the monarchy (Parajulee, 2010, p. 87). While the post-2006 political transition has opened up new avenues for marginalized communities, the emergence of these new actors has been gradual and uneven in nature. Inclusive policies, constitutional provisions, and affirmative action measures have provided entry points for women, Dalits, and ethnic minorities. However, the overall composition of the political elite continues to reflect established hierarchies. Indigenous Peoples should benefit from rights to prior consultation in any policies, plans, programs, and activities (Sherpa, 2025, p. 64). Social and family networks, combined with established party structures, often facilitate the circulation of the same individuals or families into leadership positions, which limits the diversification of

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political representation. This continuity underscores the resilience of elite reproduction in Nepal. Formal reforms alone have not produced a substantial democratization of leadership positions.

As summarized in Table 1, an analysis of historical trends in the representation of upper-caste elites indicates that the dominance of upper-caste elites has declined slightly over the past two decades. In particular, from 70% in 2006–2010 to 60% in 2016–2026, they still occupy the majority of key political and bureaucratic positions. Ethnic minority elites and women have experienced steady increases in representation, reflecting the partial success of inclusion measures. Yet the representation of Dalits and other marginalized groups remains low. In some periods, their share of elite positions has been low or declining. The Dalit movement must emerge as a movement for genuine emancipation, aligning with all social action groups engaged in a politics of transformation, mobilizing them all for a fundamental defeat of the Brahminic social order (Kothari, 1994, p. 1594). These trends highlight the limited circulation of elites in Nepal. New entrants have often occupied symbolic roles rather than positions with substantive influence on policy or governance. While the diversification of political leadership has progressed, it remains uneven and limited. It is shaped by persistent socio-cultural hierarchies, informal power networks, and structural constraints that favor historically dominant groups.

Table 1

Composition of Political and Bureaucratic Elites (2006-2026)

Category	Representation 2006-2010	Representation 2011-2015	Representation 2016-2026	Trends Observed
High Caste Elite	70%	65%	60%	Gradual Decline, Still Dominant
Ethnic Minority Elite	10%	12%	15%	Slight Increase
Women	8%	15%	20%	Steady Increase
Dalit and Other Marginalized	12%	8%	5%	Limited Representation Persists

Impact of Federalism on State Structure and Governance

The introduction of federalism in Nepal, formally established through the 2015 Constitution of Nepal, represented a transformative change in the country's state structure by decentralizing power from the central government to the provincial and local levels. The federal framework is designed to increase political inclusion, address historical grievances, and provide greater autonomy to previously marginalized communities. Floods, landslides, droughts, and glacial melting are increasingly disrupting agriculture and rural economies, pushing many households to make difficult decisions about survival (Magar, 2026, p. 41). While the 1990 restoration of

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democracy highlighted identity and inclusion, marginalized ethnic groups continue to struggle against a historically centralized and exclusionary state (Silwal, 2025, p. 8). Analysis of secondary sources shows that the distribution of executive power and legislative representation has been reshaped across the three tiers of government. In this regard, the federal level holds 50% of executive power and 45% of legislative seats, the provincial level controls 30% of executive power and 35% of legislative representation. Local governments collectively hold 20% of executive and legislative power (Table 2). While the federal government remains historically dominated by established elites, the provincial and local structures have provided new opportunities for women, ethnic minorities, and other marginalized groups to participate meaningfully in governance. This indicates a partial success of the federal reform agenda.

Table 2

Distribution of Executive Authority and Legislative Seats

Governance Level	Executive Authority	Legislative Representation	Note
Federal	50%	45%	Dominated by Historical Elite
Provincial	30%	35%	Increasing Inclusion of Women & Minorities
Local	20%	20%	High Participation from Local Leaders

At the provincial level, data show a gradual but significant increase in the representation of women, ethnic minorities, and other marginalized groups, reflecting institutional mechanisms introduced by federalism, such as reserved seats and proportional representation. Local government, particularly municipal and village councils, have emerged as platforms where local leaders, often drawn from historically underrepresented communities, exercise decision-making authority and influence policy implementation. These new governance spaces have allowed for a degree of political empowerment that was previously unattainable under highly centralized monarchical and unitary state structures. However, the expansion of formal authority has not eliminated informal hierarchies, as local elite capture, patronage networks, and socio-cultural influence continue to influence who gains access to resources, administrative positions, and political decision-making.

Despite these positive changes, the implementation of federalism has faced several challenges, which highlight the complex interplay between institutional design and socio-political reality. Structural inequalities, capacity constraints, and ambiguity in the division of power between federal, provincial, and local governments often lead to unequal policy outcomes. Furthermore, while formal mechanisms have opened up avenues for previously marginalized groups, informal practices such as nepotism, political clientelism, and established party hierarchies persist at all levels of governance, limiting the real empowerment of new elites. Overall, the

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results suggest that federalism has facilitated the entry of new actors. Political participation at the sub-national level has increased, but structural inequalities and informal power networks continue to shape the exercise of power. This illustrates that both institutional reform and restructuring of socio-political hierarchies are necessary for meaningful political transformation in Nepal.

Discussion

The persistence of elite dominance

The findings indicate that despite formal democratic reforms, historically established elites continue to dominate Nepal's political landscape. Upper caste groups, urban elites, and politically established families retain a disproportionate share of power at the federal level. They control key executive and legislative positions. This persistence can be understood through the lens of elite theory, which emphasizes the notion that power is inherently concentrated in the hands of a few, regardless of the formal structure of the state. Informal networks, including patronage, kinship ties, and party hierarchies, enable these elites to reproduce their influence across generations. This limits substantive changes in governance. Despite constitutional provisions and quota systems intended to promote inclusion, elites often adapt to reforms by including nominal representation of marginalized groups and retaining decision-making authority for themselves.

Moreover, the resilience of elite dominance reflects structural and historical legacies. Nepal's long history of monarchy and centralized rule has produced institutional hierarchies that continue to shape political behavior. In terms of social stratification, particularly caste and ethnic divisions, economic power interacts with elite influence to reinforce elite influence. The results section shows that despite declining percentages, upper-caste elites still hold a majority of key positions (60% in 2016–2026). This suggests that formal reforms alone may not fully disrupt established hierarchies. This finding further emphasizes the importance of analyzing both formal institutions and informal socio-political networks when assessing the distribution of power in transitional democracies. The persistence of elite dominance has important implications for governance and political legitimacy. When power remains concentrated in historically privileged groups, the interests of marginalized populations are often underrepresented in policymaking and resource allocation. This can further perpetuate inequalities and limit the effectiveness of inclusive policies. By understanding the mechanisms by which elites maintain dominance, scholars and policymakers can play an interventionist role aimed at promoting more equitable political participation and democratization.

The dynamics of elite formation and circulation

Research highlights that elite formation in Nepal is influenced by a combination of socio-economic background, historical privilege, education, and party affiliation. While the post-2006 period has seen the entry of new elites from marginalized groups, their presence has often

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been limited to symbolic or niche areas. This reflects limited elite circulation. Traditional elites continue to occupy strategic positions in political, bureaucratic, and party structures, suggesting that access to leadership is shaped as much by informal networks as by formal meritocratic mechanisms. Table 1 illustrates this trend, which shows only a gradual increase in representation among women and ethnic minorities. Dalits and other marginalized groups remain underrepresented.

Moreover, the limited circulation of elites highlights the challenge of translating formal inclusive policies into concrete changes in governance. The organizational strengths of networks are seen to lie in rational cooperation rather than culture, weak ties rather than strong ties, popular resistance and transgression of boundaries rather than submission to communal norms (Meagher, 2009). While affirmative action and quotas create opportunities, their effectiveness is mediated by the ability of dominant groups to maintain informal control over socio-cultural norms, established party hierarchies, resources, and networks. Recognizing these dynamics is essential to understanding how digital culture shapes social power, cultural visibility, and collective identity (Magar, 2026, p. 123).New entrants can gain visibility. But without access to decision-making power, their ability to influence policy outcomes is severely limited. This dynamic reflects a broader pattern observed in transitional democracies, where elite adaptation often preserves underlying power structures despite institutional reforms. Elite formation in Nepal demonstrates an interplay of historical continuity and incremental change. While some progress has been made in diversifying the political leadership, the slow pace of elite turnover suggests that democratization is a gradual and competitive process. For policymakers, this suggests that achieving genuine political inclusion requires not only formal reforms but also structural interventions aimed at reducing reliance on protection networks, promoting education and capacity building for marginalized groups, and increasing transparency in the political selection process.

Federalism and Decentralization: Opportunities and Challenges

The adoption of federalism in Nepal's 2015 constitution was a landmark turning point in it that it effected devolution of power to local level making them autonomous. This new change of state structure provides greater opportunity to women and marginalized groups for political participation in federal, province and local (Acharya & Zafarullah, 2020, p. 127). Through participation these weak groups could now exert their political power and effect changes that are beneficial for greater community. Table 2 shows that this arrangement of power at both local and central level has promoted justice, equality, transparency and participatory decision making. This further interprets into good and inclusive governance.

Informal mechanisms such as patronage, socio-cultural hierarchies and kinship that allows for elite dominance in state structure and political power are still the challenges for the effective implementation of federalism. In order to bring about effective transformation, these complex and hidden informal networks that are sustained by historically existing socio-economic hierarchies must be addressed and dismantled. The duality of the practice of federalism in Nepal is that though it promotes equal participation it is still dominated by elite class.

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Implications and Research Direction

The findings of this research have further contributed to broader dialogue on the role of state institutions, political power and elite dominance and to identify political action and policies that is more inclusive and participatory. Instead of focusing on adding more legal provisions and legal instruments, policy makers would do well to focus on alternative strategies such as capacity building, transparency, timely and fair delivery of justice and dismantling of the informal and formal nexus between political power and elite class.

This paper encourages further research and inquiry into the topic especially on elite formation and cohesion and the relation between formal and informal networks. This study can be viewed on a broader South Asian landscape looking at the deep inter relation between state institutions, socio-economic condition and elite class. More studies based on both empirical quantitative and qualitative data must be carried out on what policy initiatives is required under federalism to make state institutions and polices more inclusive of women, minority and disadvantaged groups.

Conclusion and Recommendation

Conclusion

This study is analysis of power, elite formation, and state structure in Nepal, and reveals the continuing dominance of elite through formal and informal networks. Even in the existence of progressive document such as secular and federalism-based Nepal Constitution 2015 there is more to be achieved. It is true that women, ethnic minorities, and other marginalized groups have more access now to resources and opportunities, but caste and religious discrimination, socio-cultural hierarchies still exist. For Nepal to see a meaningful transformation and participation, the state needs to promote good governance, equality and full participation.

The study also has promoted further debate on elite dominance, democratic practices, and political power structures. Federalism has created new avenues for inclusion, particularly at the provincial and local levels, but elite dominance persists in state mechanisms. The study places emphasis in analyzing both formal institutions as well as informal power dimension to bring effective transformation, genuine participation of marginalized groups and women, promote justice and transparency.

Recommendations

For Policymakers:

- Strengthen implementation mechanisms for constitutional inclusion provisions.
- Address informal power networks through transparency and accountability measures
- Invest in capacity building for marginalized groups to enable substantive participation

For Researchers:

- Conduct empirical studies on elite circulation patterns
- Investigate the effectiveness of federal institutions in promoting inclusion
- Comparative studies across south Asian transitional democracies

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For Civil Society:

- Monitor and advocate for meaningful representation beyond tokenism
- Support grassroots political participation

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