

SADF Podcast S4E3 Edited Transcript

Podcast - Youth Power: Reshaping Nepal's Future

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This transcript has been lightly edited for clarity, grammar and readability while preserving the substance and character of the original conversation. Views expressed by the speakers are their own.

Tapas Kanti Baul

Welcome back to the South Asia Democratic Forum Podcast. I'm your host, Tapas Kanti Baul.

Today, we turn to Nepal at a pivotal moment. The country has just witnessed one of its most dramatic political shifts following the 2026 general election, with the Rastriya Swatantra Party, or RSP, securing an unprecedented majority.

Nepal's governance, regional diplomacy and democratic trajectory now stand at a major crossroads.

To help us understand these developments, we are joined once again by someone whose expertise our listeners deeply value: Dr Pramod Jaiswal, Research Director at the Nepal Institute for International Cooperation and Engagement.

Dr Jaiswal is a leading scholar on South Asian politics and China–South Asia relations, as well as an experienced academic and policy analyst with extensive regional expertise. He has served as regular and visiting faculty at universities across Nepal, China, Bangladesh and Thailand, and has held several international research positions. He has also authored and edited numerous books on China and South Asian affairs.

We are very pleased to have him back with us today to help unpack what Nepal's new political chapter means for the country, the region and its people.

Dr Jaiswal, welcome back to the podcast. It is a pleasure to have you with us again.

Dr Pramod Jaiswal

Thank you for the kind invitation.

Tapas Kanti Baul

Nepal has just witnessed one of its most dramatic political shifts since the 1990s.

What, in your view, were the driving forces behind the Rastriya Swatantra Party's landslide victory?

And there is a consequential question here as well. Traditional political giants such as the Nepali Congress and CPN-UML suffered historic losses. What does this tell us about voter sentiment and the broader political mood in Nepal?

Dr Pramod Jaiswal

Since democracy was restored in Nepal in 1990, we have never seen a single political party receive such an extraordinary mandate.

The Maoists received a very strong mandate in 2008, but even then they did not obtain a simple majority. This is the first time a single political party has achieved a majority of this scale, coming very close to a two-thirds majority. The RSP is only two seats short of that threshold.

That makes this election historic.

Since 2008, Nepal has had a mixed electoral system combining proportional representation and direct elections. Because of that system, almost every political party assumed that it would be extremely difficult for any single party even to obtain a simple majority.

Yet the RSP has come very close to two-thirds.

Nobody expected them to win such a large number of seats—not even the RSP itself. Some of the most optimistic estimates suggested perhaps 160 seats, and even those predictions were not taken entirely seriously. They ultimately won 182.

There are several reasons for this, but I think the most important is prolonged political instability.

Since Nepal became a democracy, we have not had a stable prime minister or a stable government. The average lifespan of governments has been less than two years. No government has completed a full five-year term.

That has had major consequences for development.

Governments introduced plans and projects, but often collapsed before they could implement them. Investment suffered. Development projects stalled. Considerable public resources were repeatedly spent on elections and political transitions.

Political instability therefore became associated with the failure to deliver.

There was even growing concern that democracy itself might fail in Nepal, and royalist forces were attempting to benefit from that sense of chaos and frustration.

But people still had faith in democracy. They did not want democracy to fail. I think that is one reason why, this time, they gave such a strong mandate to one party: they wanted stability within a democratic system.

The second major factor was corruption.

Since the restoration of democracy, virtually all the major political parties have faced allegations of corruption. People became deeply frustrated by corruption and poor governance.

The RSP was able to make governance and corruption control central elements of its political agenda, and that was very appealing to voters.

The third factor was generational.

If you look at the established political parties, almost all were headed by leaders over the age of 70. Many of those leaders had already been in power five or six times and had failed to deliver the changes people expected.

There was therefore very little hope attached to those traditional political figures.

People wanted someone younger, dynamic and educated—someone with the energy to bring change.

After the Gen Z movement, that demand became particularly powerful, and the RSP was able to respond to it.

So I think those are the major factors behind the party's extraordinary victory.

They are also the reasons the traditional parties failed. They could not provide stability. They could not address the aspirations, desires and dreams of young people. And they failed to control corruption.

As a result, almost all of the major historic parties have been severely weakened.

Even the regional parties suffered.

In Madhesh, for example, people had placed enormous hopes and expectations in Madhesi parties. But once those parties entered government, many voters felt that they too became associated with corruption, nepotism and the same political practices as the established national parties.

They were no longer seen as fundamentally different.

So even many regional parties were swept aside.

The RSP therefore became the major alternative into which people placed their trust, and the response was extraordinary.

Tapas Kanti Baul

Two questions arise from that.

First, after such a long period, Nepal now has a single-party majority. What opportunities and risks does this create?

And secondly, given Nepal's recent political instability, what can people realistically expect from this government?

Dr Pramod Jaiswal

In terms of opportunities, I think this is enormous.

For the first time in Nepal's democratic history, we may have a prime minister and a government capable of serving a full five-year term.

That should accelerate development projects.

Whatever plans and policies the government adopts, it will actually have the time and parliamentary strength to implement them.

In the past, governments would adopt plans and policies, begin the implementation process and then collapse. That should not be the situation this time.

People are therefore hopeful that, for at least five years, there can be greater investment, policy continuity and visible change. Development projects that the government wants to implement may actually be completed.

People also expect better governance and stronger corruption control because those are precisely the commitments on which this government campaigned.

The government can no longer say, "We do not have enough support," or, "We do not have a majority."

It has almost a two-thirds majority.

If it has a serious reform agenda and needs changes in legislation, it is only a small number of votes short of the two-thirds threshold. If a proposal is credible, it should be possible to gain the additional support required from other members of Parliament.

So the size of the majority removes many of the excuses governments have used in the past.

The RSP has promised better governance, corruption control, digitalisation and several reforms that appeal strongly to young people. Institutionally, it should have the opportunity to implement them.

That is the great opportunity.

But there are also significant risks.

The first is expectations.

A very large majority creates very large expectations. After such a long period of instability, people expect this government to deliver.

If those expectations are not met, the resulting frustration could be even greater.

The second risk concerns experience.

The RSP is a new party and includes many young people. That can be a strength, but it also raises questions about whether some members have enough experience to govern effectively.

For many of them, it will inevitably be a learning process.

Another important question concerns the internal balance of power within the party.

Balen Shah, who is expected to become prime minister shortly, joined the RSP only a few months ago.

The party itself is headed by Rabi Lamichhane, another extremely important and popular political figure. Balen is also extremely popular.

So the internal relationship between Rabi Lamichhane as party leader and Balen Shah as prime minister could become challenging if they are unable to maintain a workable balance.

If internal disputes, ego, competition for power or personality clashes begin to emerge, that could create serious divisions inside the party.

We have seen that happen before in Nepal, particularly among left-wing parties.

There was a time when Nepal had more than 50 leftist parties, many of which had very few ideological differences. Often the divisions were essentially the result of personality clashes between leaders.

That can happen in Nepali politics.

So there is a risk that, if the RSP fails to manage its internal relationships, political instability could return—even to the point where the prime minister might lose support within his own party.

However, I think the new leaders are aware of these dangers.

I have seen them making quite responsible statements. They understand the internal problems I have just described.

They are discussing them and trying to prepare for them.

They also understand that if they fail to deliver, their own survival in Nepal's political system could become very difficult.

Gen Z voters are angry and frustrated.

If they can give an extraordinary mandate to a new party, they can also take that mandate away.

We have seen that happen before.

In 2008, the Maoists became the largest party and won around half the seats in Parliament. At the next election, their position was dramatically reduced.

Nepali voters have already demonstrated that they are prepared to punish parties that disappoint them.

I think the RSP understands that.

Its leaders know both the challenges they face and the consequences if they fail.

Because many of them are young, technologically literate and able to connect with younger citizens, I am hopeful they will perform better than what we have seen in the past.

Tapas Kanti Baul

From what you have said, several policy priorities are already emerging: bureaucratic reform, decentralisation, digital governance, anti-corruption measures and economic restructuring.

Which of these do you think the government will prioritise? And how feasible are these reforms within Nepal's existing institutional and bureaucratic constraints?

Dr Pramod Jaiswal

They are all important, and they are all challenging.

But if the new government is going to deliver, it has to deliver through the bureaucracy. And the bureaucracy can only work effectively if corruption is controlled.

So bureaucratic reform and corruption control are interconnected and, in my view, should be the first priorities.

A professional and efficient bureaucracy can accelerate development. A bureaucracy that is relatively free from corruption can also produce much better development outcomes.

The new leadership has already stated clearly that it intends to create strong mechanisms for corruption control.

How effectively the government performs will therefore depend considerably on the bureaucracy.

But I think the situation is different from the past.

This is a young and very vocal political generation. The bureaucracy will understand that the government is likely to remain in office for five years.

In the past, bureaucrats might have assumed that a government would survive only a few months or perhaps a year or two. They could delay, resist or simply wait for the political situation to change.

That is harder now.

They may be able to delay the government for a few months, but they cannot reasonably expect to do so for five years.

So the bureaucracy itself will have to think about how it can adapt to and support this government.

There is also pressure from Gen Z.

Both Gen Z and the RSP are very vocal political forces.

Young people have shown that they are prepared to mobilise publicly if government fails to deliver. That creates pressure from the street as well as from elected representatives.

The new Parliament itself also contains many younger representatives. There are more than 50 members under 40 and a significant number between 40 and 60.

That creates a very different political environment.

Of course, reforming the bureaucracy remains difficult. But if the government succeeds in bureaucratic reform and corruption control, many of its other priorities become easier.

Digitalisation is one example.

Greater digitalisation can reduce opportunities for corruption because it reduces the role of intermediaries and middlemen.

Employment, foreign direct investment and development are also connected to these reforms.

If Nepal develops a stronger bureaucracy and improves corruption control, foreign investment should become more attractive.

Greater FDI can generate employment.

Employment, in turn, can support development in other sectors.

So all these reforms are interconnected.

But if I had to identify the starting point, I would say **bureaucratic reform and corruption control**.

Tapas Kanti Baul

Nepal also faces long-standing economic challenges: dependence on remittances, rising debt, unemployment and structural weaknesses in the economy.

Which of those challenges do you expect the new government to tackle first?

And what should its strategy be for creating meaningful employment opportunities for Nepal's young population?

Dr Pramod Jaiswal

I think employment is the issue through which the government can most clearly demonstrate change to the public.

There is massive unemployment.

Nepal therefore needs foreign direct investment. It also needs to improve infrastructure, because better infrastructure can itself stimulate economic growth.

I expect the government to invest considerable energy in securing support from India, China and other partners, including the United States and Western countries, for connectivity and infrastructure projects.

Those projects can accelerate development while also helping Nepal attract FDI and generate employment for young people.

I think these will be among the government's principal priorities because they can produce visible changes in the country.

Beyond that, Nepal has two major sectors with enormous potential: **tourism and hydropower**.

I think the government understands this.

It needs to focus on hydropower development and expand the tourism sector. Both have significant potential to create employment and generate revenue.

Remittances are also important, but the international environment is becoming more uncertain.

There is considerable instability in parts of the Middle East, and migration policies are changing in other countries, including the United States. These may become less favourable environments for migrant workers.

Large numbers of Nepalis currently travel to Gulf countries and elsewhere for work. In future, opportunities abroad could become more limited, which could contribute to declining remittances.

The state therefore has to create greater employment opportunities at home.

Otherwise, declining remittances—combined with factors such as rising oil prices—could have a serious impact on Nepal's economy in the years ahead.

Creating jobs inside Nepal therefore has to become a central government priority.

Tapas Kanti Baul

That brings us to Nepal's foreign policy.

How do you expect the new government to navigate the country's delicate balancing act between India and China?

Do you foresee changes in how Nepal engages with large-scale initiatives such as the Belt and Road Initiative, or in its approach to Indian infrastructure and trade agreements?

Dr Pramod Jaiswal

I think this government may actually face less geopolitical pressure than previous governments.

In the past, when a democratic party such as the Nepali Congress was in power, China sometimes had reservations because of the party's historical orientation.

Similarly, when communist parties were in power, they were often perceived as being closer to China, which could create concerns for India and others.

The RSP does not have the same kind of ideological affiliation or historical geopolitical identity.

It has clearly stated that development will be its central focus.

So I think it will be willing to engage with any country that can contribute to Nepal's economic development.

If China offers useful infrastructure projects, Nepal will be interested. If India offers projects, Nepal will accept them. The same applies to other countries.

The government will welcome partners that can bring foreign direct investment, scholarships, technology or other contributions to Nepal's development.

Regarding the Belt and Road Initiative, Nepal has consistently made one point clear under successive governments: it cannot afford to take on very large debts.

Nepal is a small economy.

If we take very large loans from any country—not only China—we risk creating a serious debt burden.

The issue is not simply Chinese money. A very large loan from India, the United States or any other country could also become unsustainable if Nepal cannot repay it.

The current economy is not strong enough to absorb unlimited debt.

So I think the government will remain cautious about accepting very large loans from China or elsewhere.

But grants are different.

If China offers grants or projects that do not create an unsustainable debt burden, Nepal has little reason to reject them.

I therefore expect this government to focus strongly on economic connectivity and to seek support from many different countries.

It may face relatively limited geopolitical pressure because the government has been welcomed by China, India, the United States and others. At the moment, all of them appear comfortable engaging with it.

If the government also succeeds in controlling corruption, international actors will become more interested in investing in Nepal.

Nepal may be a small country, but it enjoys enormous goodwill internationally.

It also maintains good relations with countries around the world.

Despite the political transitions and insurgency Nepal has experienced, the country has remained relatively peaceful and safe.

Compared with many other regions experiencing severe instability, that is an important advantage.

Tapas Kanti Baul

Many senior leaders from the traditional parties lost their seats.

How do you think this will reshape relations among the political parties during the new parliamentary term?

Do you expect the RSP to adopt a collaborative posture towards the older parties, or will it try to establish a completely new political tone?

Dr Pramod Jaiswal

At the moment, I do not think the RSP will feel a strong need to engage closely with the other political parties because it simply does not need their support.

It will probably try to present itself as a distinct, clean and performance-based political party.

Because it has such a large majority, building alliances with other parties will not be an immediate priority.

For the traditional political parties, however, I think this election will force major reform.

Many senior leaders who are over 65 or 70, particularly those who have now lost elections repeatedly, may have to step aside.

Some have already announced that they will not contest elections again.

That means we are likely to see new faces emerging across Nepal's political parties.

There will be considerable internal reform.

Take the Nepali Congress, for example. Gagan Thapa, who had become party president only a few months earlier, resigned today and accepted responsibility for the electoral defeat.

Now new leaders will emerge through the party.

There may be setbacks for some time, but these parties have five years before the next election. That gives them an opportunity to rebuild themselves.

The same applies to CPN-UML.

One of its major problems has been K. P. Sharma Oli and the political circle around him. He became increasingly distant from the aspirations of the public, and the party received an extremely damaging electoral verdict as a result.

Party leaders will need some time—perhaps several months—to fully accept what has happened.

But eventually, I think the older generation will have to make space for younger leaders, and the party will undergo reform.

At the same time, this places enormous pressure on the RSP.

Its leaders have seen how dramatically voters can punish parties that stop listening to the public.

They have seen through the Gen Z movement how quickly anger can mobilise, and how a government can disappear in a matter of days.

So despite having enormous power, I think the RSP will be careful not to become intoxicated by that power.

The party leadership will probably try to maintain discipline and ensure that its elected representatives actually perform.

Rabi Lamichhane himself has made this point. He has said, in effect, that they are not there forever and that they have to deliver.

I think the new generation of political leaders understands that responsibility.

Tapas Kanti Baul

You have identified several challenges: economic difficulties, institutional constraints and also political uncertainty, particularly because the prospective prime minister joined the party only a few months ago.

With all those challenges in mind, if you were to outline a **best-case scenario** and a **worst-case scenario** for Nepal over the next five years, what would they look like?

Dr Pramod Jaiswal

The best-case scenario would be one in which Balen Shah, as prime minister, concentrates on governing.

He has said that his major priorities will be development, corruption control and good governance.

He has also indicated that he does not intend to interfere excessively in party affairs. Rabi Lamichhane, as head of the party, would manage the political organisation while Balen focuses on running the government.

If they can maintain that division of responsibilities successfully, I think it could produce the best possible outcome.

Nepal could experience substantial economic development over five years.

The country has enormous opportunities.

We are situated between two rising Asian powers, both of which are major economic and military powers and both of which have rapidly expanding middle classes.

That creates enormous potential for Nepal in sectors such as tourism and hydropower.

Nepal could also attract investment from countries around the world because it enjoys excellent international relationships. There is virtually no country with which Nepal has seriously hostile relations.

That is an important strategic advantage.

So if the prime minister focuses on governing effectively while the party leadership manages party affairs, Nepal could make significant progress.

The worst-case scenario would be a serious clash between Rabi Lamichhane and Balen Shah.

If they are unable to work together, internal divisions could emerge. Other figures inside the party could then become involved in those struggles, creating the sort of chaos we have seen in Nepalese politics in the past.

The party could even split.

We have seen political parties with very large majorities fragment and eventually disappear. That happened with several communist formations.

So, in the worst-case scenario, a party that today has nearly a two-thirds majority could become politically irrelevant within ten or fifteen years.

That is possible if internal conflict overtakes the mandate it has received.

Tapas Kanti Baul

Finally, Dr Jaiswal, what message would you offer to Nepal's young people, whose mobilisation has reshaped the country's political trajectory?

Dr Pramod Jaiswal

I think Nepal's young people have already delivered their message.

They have given a clear political mandate.

They have made it clear that they want development—particularly economic development that creates opportunities for young people.

They want investment.

They want start-ups.

They want employment opportunities.

They want corruption control and good governance so that they themselves can contribute to Nepal's development.

Many young Nepalis have even said that they would be willing to return to Nepal and work for their country if those opportunities existed.

So the message is already clear.

There is another message as well.

Young people have demonstrated that if political leaders do not perform, they can remove them.

It does not necessarily take very long.

Nepalese youth have become more united in recent years, and technology has played an important role in that.

Smartphones and digital platforms have connected them. They may never physically meet people living in different corners of the country, but technology allows them to organise and act together.

So the message to government is powerful: **if we can make you powerful, we can also remove you from power.**

And young people have also made clear what they expect in return.

Now it is the responsibility of the political parties and the government to fulfil what they promised to the public and to Gen Z.

If they fail to do that, we already know what the consequences can be.

Tapas Kanti Baul

Absolutely.

That brings us to the end of another episode of the SADF Podcast.

Our sincere thanks to Dr Pramod Jaiswal for joining us once again and for bringing such depth, clarity and regional understanding to today's conversation.

His analysis helps illuminate the complexities of Nepal's post-election landscape and both the opportunities and challenges that lie ahead.

We hope today's discussion has given our listeners a more nuanced understanding of Nepal's political transformation and its broader implications for South Asia.

As always, SADF remains committed to fostering informed dialogue on democracy, peacebuilding and regional affairs across the subcontinent.

Thank you for tuning in. I'm your host, Tapas Kanti Baul.

Stay with us for upcoming episodes as we continue exploring the stories and actors shaping South Asia's future.

Until next time, take care and stay engaged.

Thank you, Dr Jaiswal.

Dr Pramod Jaiswal

Thank you so much.