

Nepal's Quest for Stability after the Youth Protest

Puspa Sharma

Summary

Nepal's political transition in the aftermath of the September 2025 youth protest is encouraging although there are challenges. If managed well, Nepal can show how political disruptions can be channelled towards positive change and stability.

The 8-9 September 2025 protest in Nepal, termed the [Gen-Z protest](#), sent shockwaves across the world. The sudden, unimaginable turn of events during the two days and the political vacuum thereafter left a deep sense of confusion and frustration. In the immediate aftermath, there was a [pessimistic outlook](#) on the economy. As a result of vandalism on several business establishments and business people's private property, there was fear of their morale being dampened. Fears abound of capital flight and subdued investments. There was also fear of the possibility of a [significant impact on tourism](#). The World Bank projected [Nepal's economy](#) to increase by only 2.1 per cent, down from its earlier projection of 4.6 per cent, due to the unrest.

However, conditions have not been as dire as feared. The government's [preliminary findings](#), based on field data, show the total physical damage to public and private property to be around NPR78 billion (S\$717.6 million), [much less](#) than earlier assumptions. In October 2025 – the next month of the protest – [tourist arrivals increased](#) by 3.3 per cent compared to the same month the previous year. The unrest certainly disrupted the economy and added to the existent subdued economic activities in the country. However, the impact was not too substantial as feared.

Developments have been encouraging on the political front as well. The [interim government](#) is committed to holding the general election on 5 March 2026 as announced. Preparations for the same appear encouraging. The [tripartite meeting](#) between the government, the youth that were part of the uprising and representatives of the political parties that these youth abhorred earlier, was a sign of positive development.

The youth unrest was particularly against corruption and bad governance. It has shaken up the erstwhile political parties in several ways. Before the turmoil, the Nepali Congress party, which was the largest party in the dissolved lower house, had intended to extend the term of its current central committee and hold its regular convention in about a year. However, due to intense pressure from within the party, fuelled by the youth protest, the party's central committee unanimously decided, after weeks of squabbles, to hold the [convention before the election](#) to reestablish its credibility in the changed context.

The Communist Party of Nepal (United Marxist Leninist) [CPN (UML)], led by K P Sharma Oli, prime minister at the time of the Gen-Z protest, has also decided to hold its [general convention a year earlier](#), on 13-15 December 2025. Similarly, there have been [splits, mergers and dissolutions](#) in a few parties, including the Communist Party of Nepal (Maoists)

led by Pushpa Kamal Dahal (also known as Prachanda). Several [new political parties](#), with both old and new leaders, have also sprung up and registered with the Election Commission to contest the upcoming elections.

These changes signal that the youth protest could be a critical juncture in Nepal's politics. There could be significant changes in Nepal's political scene in the coming days. What that will look like depends on several factors.

First, there are doubts on reforms of the established political parties. Whether they will be able to hold their conventions as scheduled, and who emerges as the party leader with what kinds of policies, will perhaps be the major deciding factor in whether these political parties can reestablish their credibility among the people. The emergence of new political parties has significantly added to their challenges.

Second, all the major political parties, except the CPN (UML), have officially decided to contest the upcoming elections. However, they are concerned that the [environment for the election](#) has not been conducive. Several inmates who escaped during the movement are still at large. Many looted weapons have also not been returned. Clashes have erupted between the youth and party cadres. Successful holding of the election will depend on the capacity of the interim government to provide a free, fair and fearless environment.

Third, the CPN (UML) and several individuals have filed [writ petitions](#) at the Supreme Court against the unconstitutional steps taken in forming the current interim government and the dissolution of the lower house of parliament. On 7 December 2025, some leaders of the [Nepali Congress](#) party also filed petitions seeking the reinstatement of the lower house. In case the Supreme Court reinstates the lower house, the situation might take a completely new turn.

Fourth, Oli, on the one hand, has publicly [decried the commission](#) formed to investigate the incidents of 8-9 September 2025, calling it fake. He has said that he would not cooperate with the commission's investigation. On the other hand, some of the youth, who emerged as leaders of the protest movement and were instrumental in forming the current interim government, have [resented](#) that the government has not been functioning as per the mandate. Of their several demands, one is to [immediately arrest Oli](#), irrespective of the commission's ongoing work, for the killings of young protestors. Sticking to their own stance by either side poses a challenge to the possibility of a smooth political transition.

Fifth, some of the youth leaders have also put forth demands that are unconstitutional and beyond the mandate of the interim government, such as the [direct election of an executive head](#). They have threatened that they will not let the election happen if their demands go unmet. These are recipes for confrontation and the worsening of the election environment. After all, unless the Supreme Court reinstates the dissolved lower house, election is the only way forward. Even the [CPN\(UML\) has not shied away](#) from it.

In sum, Nepal's political transition appears largely positive and encouraging. However, there are also chances of disruptions. All stakeholders in Nepal should accept the youth movement

as a watershed in Nepal's business-as-usual politics and cooperate with each other to chart a new course for the country.

.

Dr Puspa Sharma is a Senior Research Fellow at the Institute of South Asian Studies (ISAS), an autonomous research institute in the National University of Singapore (NUS). He can be contacted at puspa.sh@nus.edu.sg. The author bears full responsibility for the facts cited and opinions expressed in this paper.