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The Turmoil in Kathmandu, the Road Ahead for Nepal

Context

- The **political turmoil in Nepal following the Gen Z protests of September 2025 marks a significant turning point** in South Asia's democratic landscape.
- Unlike previous uprisings in Nepal that were largely steered by political parties, **this movement was spearheaded by the younger generation**, frustrated with systemic corruption, elite domination, and lack of economic opportunities.
- The **resignation of Prime Minister K.P. Sharma Oli, the swearing-in of former Chief Justice Sushila Karki as interim Prime Minister**, and the dissolution of parliament **reflect both the fragility and resilience of Nepal's democratic framework**.
- Placed against the backdrop of wider regional unrest across South Asia in the 2020s, **Nepal's transition underscores broader themes of generational change**, institutional weakness, and the struggle for political legitimacy.

Regional Context of Turbulence

- The **upheavals in Nepal cannot be examined in isolation** and the wider South Asian region has experienced a wave of political instability throughout the decade.
- **Myanmar reverted to military rule in 2021**; Afghanistan fell to the Taliban the same year; Sri Lanka's Aragalaya protests of 2022 toppled President Gotabaya Rajapaksa.
- Also, **Pakistan witnessed widespread protests in 2023** following the arrest of Imran Khan; and Bangladesh's Sheikh Hasina resigned under pressure in 2024.
- Although **these events share common threads**, particularly the role of disillusioned youth and high youth unemployment, each country's crisis stems from its unique political trajectory.
- **Myanmar and Pakistan remain dominated by their militaries**, Afghanistan continues its cycle of failed foreign interventions, while Sri Lanka and Bangladesh suffered from entrenched dynastic rule.
- **In all cases, however, young populations have emerged as catalysts** of change, challenging authoritarianism, corruption, and political inertia.

Nepal's Distinctive Path

- Nepal's political journey diverges from its neighbours in significant ways.

- **Since the 1990 Jan Aandolan**, which curtailed monarchical powers and introduced multi-party democracy, **Nepal has seen frequent government changes**, seven since the adoption of the 2015 constitution alone.
- This **apparent instability masked deeper continuity**: the same handful of leaders, from Oli to Prachanda to Sher Bahadur Deuba, repeatedly rotated in office, entrenching corruption and stalling economic growth.
- **The Maoist insurgency (1996–2006)** and subsequent peace process transformed Nepal into a republic in 2008, but the promise of stable, inclusive governance has not been realised.
- Instead, **the 2025 protests reflect a rejection not just of a government, but of an entire political class** perceived as self-serving and unaccountable.

The Interim Government and its Challenges

- The **intervention of the army in facilitating talks and ensuring security**, along with President Ramchandra Paudel's reliance on military mediation, **underscores the fragility of civilian political authority in Nepal**.
- The **appointment of Sushila Karki as interim Prime Minister marks a cautious step towards restoring stability**.
- Her **three stated priorities, ensuring elections on March 5, 2026; investigating police excesses and protest violence**; and tackling high-level corruption, are ambitious yet fraught with difficulty.
- Nepal's judicial system lacks mechanisms for fast-track prosecutions, and political gangs infiltrating the protests complicate accountability.
- More significantly, **calls for constitutional amendments risk destabilising the fragile consensus built since 2006**.
- **Proposals to abolish federalism or alter proportional representation would alienate marginalised groups** such as the Madhesis, Janjatis, and Tharus, potentially reigniting ethnic tensions.

Youth, Democracy, and the Question of Legitimacy

- At the heart of Nepal's crisis **lies a generational divide. Youth unemployment, exceeding 20%, fuels resentment against a political elite seen as benefiting from cronyism** while ignoring structural reforms.
- **The Gen Z protests highlight a hunger for new political platforms**, but the challenge remains whether these movements can institutionalise themselves into coherent parties capable of governing.
- The **upcoming elections provide both opportunity and risk**. Established parties require time to undergo internal renewal, which veteran leaders may resist.
- **At the same time, new youth-led forces may struggle with organisation**, while pro-monarchy factions could attempt to exploit disillusionment.
- **Thus, the March 2026 elections will be a critical test** of whether Nepal can transition from protest-driven change to durable democratic renewal.

India's Role and Regional Implications

- **India**, often accused of meddling in Nepal's affairs, has **so far responded with restraint**.

- **Prime Minister Narendra Modi's congratulatory call to Sushila Karki signalled goodwill** without overt interference.
- Given the turbulence across South Asia, **stability in Nepal is in India's interest.**
- **A fair and peaceful electoral process would serve as a counter-example to the democratic backsliding** seen in neighbouring states.

Conclusion

- Nepal's **current phase of political transition encapsulates both the promise and peril of generational change** in South Asia.
- While **the Gen Z protests have succeeded in breaking the monopoly of entrenched elites**, the task ahead lies in converting popular anger into institutional reform without destabilising the fragile democratic consensus.
- The **March 2026 elections will be decisive: if conducted fairly, they could herald a new era of accountable governance**; if undermined by opportunism or constitutional adventurism, they risk plunging Nepal back into cycles of instability.

The Turmoil in Kathmandu, the Road Ahead for Nepal FAQs

Q1. What triggered the Gen Z protests in Nepal in September 2025?

Ans. The protests were triggered by frustration with corruption, lack of accountability, and high youth unemployment.

Q2. Who became Nepal's interim Prime Minister after K.P. Sharma Oli resigned?

Ans. Former Chief Justice Sushila Karki was sworn in as the interim Prime Minister.

Q3. Why are constitutional amendment proposals seen as risky in Nepal?

Ans. They risk alienating marginalised groups such as the Madhesis, Janjatis, and Tharus, potentially sparking new unrest.

Q4. What are the main priorities of the interim government?

Ans. Its priorities are to conduct elections on March 5, 2026, investigate police excesses and protest violence, and address corruption in high office.

Q5. How has India responded to Nepal's political crisis?

Ans. India has shown restraint, with Prime Minister Narendra Modi offering support and congratulations to the interim leadership.

Source: **The Hindu**

Shaping the Next Chapter of the Indian Story

Context

- The **leadership of Prime Minister Narendra Modi has often been praised** for its charisma and organizational skill.
- Yet, beneath the spectacle lies a deeper, less acknowledged trait, **an ethic of discipline, preparation, and systemic thinking.**
- This **professionalism, developed through decades of public service as Chief Minister of Gujarat** and later as Prime Minister of India, forms the foundation of his governance style.
- **Modi's approach, as seen through policy choices and personal habits, highlights a distinctive emphasis on action,** inclusion, and institution-building, rather than mere rhetoric.

PM Modi's Approach Towards Governance

• Vision Anchored in Duty

- What sets Modi apart is **not simply his ability to capture public imagination but his consistent transformation of vision** into functioning systems.
- His **work ethic is evident in his rigorous preparation**, as illustrated by personal anecdotes of meetings where hours of study precede discussions.
- This **discipline reflects a larger philosophy: governance should not rest on symbolic gestures** but on outcomes that make a tangible difference to citizens.
- This **ethic framed his Independence Day address**, which went beyond celebration to outline a charter for shared work.
- **Citizens, scientists, states, and start-ups were invited** to participate in the project of Viksit Bharat (a developed India).
- The **speech emphasised practical ambitions, in deep technology, clean energy, and resilient supply chains**, with Jan Bhagidari (people's participation) as the method.

• Policy as a Living Instrument

- A **central feature of Modi's governance has been treating policy as adaptive and responsive** rather than static.
- The **simplification of the Goods and Services Tax (GST) illustrates this method.** By reducing tax slabs and minimizing friction points, the reform lowered compliance burdens on small businesses and ensured quicker benefits to consumers.
- The **focus was not on abstract fiscal calculations but on the experience of everyday citizens** and traders.
- This **adaptability also reflects cooperative federalism**, the ongoing dialogue between the Centre and states within the GST Council.
- Rather than preserving rigid uniformity, policy here becomes **a living instrument, tuned to the rhythm of the economy.**
- It is **governance designed for responsiveness** rather than permanence on paper.

• Citizen-Centric Systems

- Perhaps the most transformative legacy of recent years lies in **the creation of systems that empower citizens at scale.**
- The **triad of digital identity (Aadhaar), universal bank accounts, and real-time payments** has redefined inclusion by embedding it into infrastructure.
- **Benefits now reach verified citizens directly,** reducing leakages and ensuring predictability for small businesses.
- **Data, not anecdotes, shapes policy design. The principle of Antyodaya, uplifting the last citizen,** is not just a rhetorical flourish but a litmus test for every programme reaching the Prime Minister's Office.
- **A striking example of this citizen focus was seen during the launch of India's first bamboo-based 2G ethanol plant in Assam.**

Some Other PM Modi's Commendable Governance Approach

• Clarity in Economic and Strategic Statecraft

- This clarity **extends beyond domestic policy** to India's external engagements.
- In energy, **India has pursued a diversified supplier basket,** ensuring affordability and stability during global volatility.
- **Negotiations abroad were guided by a simple but powerful brief:** secure supplies, protect consumers, and prioritise national interest.
- **National security has been approached in the same manner,** without unnecessary drama but with resolve and restraint.
- **Operations are defined by clear objectives,** operational freedom for security forces, and protection of civilians.
- Once again, **the ethic is evident:** outcomes matter more than posturing.

• A Distinctive Work Culture

- **Behind these decisions lies a distinctive working style.** Modi cultivates an environment where discussions are rigorous but respectful, where the best argument, not the loudest, prevails.
- **Preparation is rewarded, responsibility is clearly assigned, and follow-up is relentless.** In this culture, drift is not tolerated, and performance is measured against defined metrics.
- This **ethos points to a broader philosophy** of institution-building.
- **Modi's birthday coincides with Vishwakarma Jayanti, a symbolic reminder that lasting monuments in public life are not statues** or spectacles but institutions, platforms, and standards that endure.
- **For citizens, this translates into services delivered efficiently and affordably.** For businesses, it means clarity of policy and predictability.
- For the state, **it means systems that withstand stress and evolve over time.**

Conclusion

- **PM Modi's leadership is defined by an ethic of hard work, attention to detail,** and a citizen-first orientation.
- **By embedding inclusion into infrastructure, treating policy as adaptive,** and developing a culture of rigorous preparation, **Modi has sought to build durable institutions rather than transient symbols.**
- In doing so, **he is shaping not just the current political moment but potentially the next chapter of India's developmental story.**

Shaping the Next Chapter of the Indian Story FAQs

Q1. What distinguishes Narendra Modi's leadership style according to the analysis?

Ans. Narendra Modi's leadership is distinguished by discipline, rigorous preparation, and the ability to turn vision into durable systems rather than relying on spectacle.

Q2. How does Modi treat policy-making?

Ans. Modi treats policy-making as a living and adaptive instrument, designed to respond to real conditions rather than remaining static on paper.

Q3. What role does technology play in Modi's governance approach?

Ans. Technology in Modi's governance is used to create citizen-centric systems, such as digital identity, bank accounts, and real-time payments, which ensure inclusion and reduce leakages.

Q4. How is national security described in his working style?

Ans. National security under Modi is described as firm yet restrained, with clear objectives, operational freedom for forces, and protection of civilians.

Q5. What lasting legacy does Modi aim to build according to the text?

Ans. Modi aims to build enduring institutions, platforms, and standards that provide reliable benefits for citizens, businesses, and the state.

Source: **The Hindu**

China's WTO Concession and Implications for India

Context:

- **China's announcement** at the UN General Assembly that it will **no longer seek Special and Differential Treatment (SDT)** in future WTO negotiations marks a significant shift in global trade dynamics.
- This decision **comes amid US tariff pressures** and criticisms of SDT exploitation.
- The development has **direct implications for India**, which continues to rely heavily on SDT flexibilities to safeguard its agricultural and social welfare priorities.

SDT and China's Tactical Retreat:

- **What is SDT?**

- SDT refers to provisions within World Trade Organisation (WTO) agreements that **grant developing countries** and **Least-Developed Countries (LDCs)** special rights and **more favorable treatment**.
- These include **longer implementation periods, preferential access to markets**, and support for capacity building to help them participate in global trade and economic development.
- The aim is to **recognise the differing economic capacities** between developed and developing nations and create a more equitable trading system.

- **China's retreat:**

- China's decision, while **preserving its self-declared developing country status and all existing perks** (such as lenient subsidy caps), is a tactical retreat amid long-standing US objections to the practice.
- While the WTO lauded it as a breakthrough for reform, sceptics see it as symbolic **window-dressing**, allowing China to **deflect criticism without dismantling its agricultural and industrial advantages**.

Implications for India:

- **Rising external pressure:**

- President Donald Trump has announced a fresh salvo of **100% tariffs on branded and patented pharmaceutical products** and also announced broader tariffs on furniture, kitchen cabinets, and trucks.
- Growing calls for India to **shed its developing country status** as its economy expands.

- **India's dependence on SDT:**

- SDT, which is rooted in the GATT legacy, **offers flexibilities such as higher tariffs and longer compliance periods**.
- These concessions are crucial for protecting vulnerable populations in a country where **per capita income ranks 136th globally**.

Agriculture at the Core of the Debate:

- **Agriculture employs** around half of India's workforce and underpins the **food security of 1.4 billion people**.
- Under the WTO's Agreement on Agriculture (AoA), the trade-distorting **Amber Box** caps subsidies at **10%** of production value for developing countries (versus 5% for developed ones).
- **India leverages Article 6.2** exemptions for input subsidies to low-income farmers, channeling over \$40 billion annually through mechanisms like **Minimum Support Prices (MSP)** for staples such as rice and wheat.

- These support the **Public Distribution System (PDS)**, distributing subsidised grains to 800 million beneficiaries.

Hypocrisy of Developed Nations:

- **The 1986-88 reference prices:** Inflate India's reported Aggregate Measurement of Support (AMS), often exceeding the 10% threshold — drawing fire from the US and the Cairns Group for alleged market distortion.
- **Double standards of developed nations:** They provided \$850 billion in global farm subsidies in 2023 (as per OECD estimates), protecting their own programmes through **Green Box loopholes** for research and environmental aid.

Risks of Forced Graduation from SDT:

- Phased AMS reductions **could slash subsidies by 20-30% over a decade**, leading to a 10-15% drop in rural incomes and heightened food price volatility.
- **Malnutrition**, affecting 35% of children under five, might worsen, undermining the National Food Security Act.
- Recent WTO disputes, like the 2023 sugar subsidy panel, underscore these vulnerabilities.

Strategic Options for India:

• Agriculture:

- **India should strive to lead the G33 coalition** to extend the 2013 Bali Ministerial's interim "peace clause" on public stockholding beyond 2023, shielding MSP and PDS from WTO disputes until 2030.
- **Transition input subsidies** to Green Box measures (research, climate-resilient crops).
- It can also advocate for **updating AoA reference prices** to reflect current market realities.

• E-Commerce:

- **India should join plurilateral e-commerce talks**, offering commitments on consumer protection and cross-border data flows in exchange for tariff-free access to developed markets.
- Expand the **Open Network for Digital Commerce (ONDC)** to empower MSMEs in global e-commerce, and reduce reliance on SDT tariff protections.
- **India should propose tiered data regulations in WTO talks**, allowing developing nations longer transition periods to comply with global standards, preserving India's Personal Data Protection Act.

• Selective SDT phase-out:

- **Reduce** protections in non-core sectors for better market access.
- **Retain** exemptions for agriculture and vulnerable sectors.
- **Use** Green Box funds for cold storage and processing to boost exports.

- **Intellectual property:**

- India must **maintain compulsory licensing and patent opposition** provisions under **TRIPS Article 31**, citing public health needs for 1.4 billion people (as affirmed in the Doha Declaration, 2001).
- **India should offer phased alignment** with stricter IP rules in non-critical sectors to secure concessions in other areas of strength.
- **India should increase Green Box-style funding** for biotech innovation, reducing dependence on generic exports while preserving access for low-income populations.

- **Reforming SDT framework:**

- India should propose a tiered SDT framework based on per capita GDP or sectoral competitiveness, allowing India to retain agricultural protections.

Conclusion:

- India faces **mounting pressure to reduce dependence on SDT**, but its demographic, agrarian, and developmental constraints make **abrupt withdrawal risky**.
- India's **services dominance** (55% of GDP) offers leverage, and **reforms like DBT** (covering 90% of fertiliser subsidies) can also help.
- **A calibrated strategy** can safeguard food security while boosting global competitiveness.
- Rather than resisting inevitable change, **India must proactively shape WTO reforms**, positioning itself as a middle power that bridges growth and equity in global trade governance.

China's WTO Concession and Implications for India FAQs

Q1. Why is China's decision to forego SDT in future WTO negotiations significant?

Ans. It signals a tactical retreat under US pressure, reshaping WTO reform debates and increasing pressure on other emerging economies like India.

Q2. How does SDT support India's developmental priorities?

Ans. SDT allows India flexibilities such as higher tariffs and longer compliance timelines, which are vital to protect its agriculture-dependent workforce and ensure food security.

Q3. What challenges does India face if coerced into graduating from developing country status at the WTO?

Ans. Forced graduation could mandate subsidy cuts of 20–30%, reduce rural incomes, heighten food price volatility, and worsen malnutrition.

Q4. What is the role of agriculture in shaping India's stance on WTO negotiations?

Ans. Agriculture employs ~50% of India's workforce and sustains MSP and PDS programmes, making SDT crucial for protecting farm subsidies.

Q5. What strategies can India adopt to balance its reliance on SDT with global trade obligations?

Ans. India can extend the Bali “peace clause,” shift subsidies to Green Box categories, negotiate flexibilities in e-commerce and data regulation, etc.

Source: **IE**

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