

Debt, Disillusionment, And Dissent: A Comparative Study of the Indian Subcontinent's Political Economy

Ratul Kashyap¹, Galo Miwu²

¹Mizoram University

²University of North Bengal

ABSTRACT: The recent trends of crisis in 3 nations, Nepal 2025, Bangladesh 2024, and Sri Lanka 2022, have raised concerns for economists and political thinkers alike. The fall of the Nepal Government has been used as a metaphor in many countries equating the crisis with low-flung anarchy as well as youth-led revolutions. It is fascinating to discover that some identical economic indicators, such as the youth unemployment index, the Gini value, and the foreign remittances rates, serve as some of the areas where the 3 countries share similarities. The introduction of coming-of-age terms like Gen-Z, along with Digital Activism, has initiated a whole new discourse on the political economy of the Indian Subcontinent. An attempt has been made to theorise the protest of the youth and their causes of dissent. The genesis and nature of the protest in Nepal are examined thoroughly, followed by the analysis of the economic indicators for these three countries.

KEYWORDS: Nepal, Bangladesh, Sri Lanka, Unemployment, Economy, Gen-Z.

INTRODUCTION

Nepal has been thrust back into political turmoil after Prime Minister KP Sharma Oli stepped down on Tuesday, September 9, 2025, in the wake of two days of violent anti-corruption demonstrations that claimed at least 22 lives, plunging the nation into another cycle of uncertainty. Every time an uncertainty looms over the people of Nepal, it seems like the worst has come, but the next turn of events eclipses the past. Nepal is not an isolated incident of the failure of democratic institutions. In the past 3 years, we have witnessed the fall of democratically elected governments in Sri Lanka in 2022, locally called *Aragalaya* (the Struggle), and Bangladesh in 2024, also called the student-People's Uprising. With a GDP of 42 billion \$ (2024) and GDP per capita income of 1447.3 \$ (World Bank Open Data). The overall unemployment rate in Nepal stands at 10.7%; the unemployment rate among youths aged 15-24 is a staggering 22%. The World Bank states that Personal remittances, received (% of GDP) for Nepal is 33.1% which signifies the extent of dependency on foreign remittances. Amidst the dependency on remittances, the government decided to ban almost 26 major social media platforms, which were also one of the major communication paths between the Non-Residents of Nepal (NRN). This single action is considered the escalation point between the protestors and the security forces. However, the violent nature of the protest can be attributed to the aftermath of the death of 19 youths (the figures are from 9th September; the actual figures are yet to be made official); the firing on the protesting public, mostly comprised of students, became the trigger point. Nepal has a complex election structure, which was implemented in 2008 and institutionalized by 2015 with the enactment of the Constitution. Nepal's Federal Parliament is built on a mixed electoral system that tries to give both direct voice to the people and space for inclusion. In the lower house, the House of Representatives, with 275 seats, voters cast two kinds of votes: one to choose local candidates under First-Past-the-Post (165 seats), and another to support a political party under Proportional Representation (110 seats). This means people not only select who represents their area but also influence how much space different parties get in parliament. The upper house, the National Assembly, has 59 members, most of whom are elected indirectly by provincial assemblies and local bodies, with a few nominated by the President. The system is designed to ensure that women and marginalized groups are fairly represented—at least one-third of members must be women—while also encouraging coalition politics. In this way, Nepal's parliament reflects both the diversity of its society and the democratic aspirations of its people. The peculiarity of the election results in no parties getting a clear majority, hence various alliances need to be brokered, resulting in a very unstable government. The results are visible as there have been 14 Government changes in 17 years. (Singla, 2025) A benevolent approach was undertaken to conduct the elections, but it had practical issues, which were misused by the politicians in power. The constant switching of alliances had already frustrated the voters of Nepal. Nepal ranked 108 out of 180 countries in the Corruption Perception Index (Corruption Perceptions Index, Transparency International), which shows the extent of corruption prevalent in the country.

Debt, Disillusionment, And Dissent: A Comparative Study of the Indian Subcontinent's Political Economy

REVOLUTION AND NEPAL

Nepal is not new to revolutions; the 10-year-long struggle by the Maoist groups from 1996 to 2006 showed the might and persistence of the mass of Nepal. The September 2025 protests, also propagated as the 'Gen Z protests', will go down as one of the most impactful student protests that toppled the government. Another symbolic representation was many students actually coming out in their uniforms to play their role in the protest. What stands out is the impact social media has as a propagator of information as well as the representation of freedom rights. It was the social media platforms that ignited the public debate regarding the lavish lifestyle lived by the offspring of politicians. The perception of the gap as perceived by the people of Nepal started to cause backlash over the offspring of the politicians, also called 'Nepo Kids'. As the relative deprivation theory suggests, people become politically active and revolt when they perceive a gap between what they think they deserve and what they actually get (Gurr,2011). The deliberate attempt made by the Nepali youth all over social media, exposing the representation of a lavish lifestyle, engaged a very wide audience. Reports suggest that Nepal has 14.3 million social media users, which accounts for 48.1 % of the population of the country (Kemp,2025). The high rate of unemployment within the age group of 15-21 further created the ignition required for the unrest. The duality of the situation was the banning of the 26 major social media platforms on September 4, 2025, as the ban was not only seen as a way to protect the 'Nepo kids' but was a direct attempt to silence the voices. However, it turns out that banning the social media apps was not an overnight decision; the government has given social media giants a week to register with the government, starting August 28. Following this, the apps were banned on 4th September, and the social media companies were asked to appoint a local grievance office. The ban represents state control over digital spaces, an attempt at surveillance, restriction, and suppression of dissenting voices, which showcases Foucault's theory of power. The demand for the inclusion of a local grievance officer for social media creates a digital Panopticon, which refers to Foucault's idea of a prison in which the inmates are not aware that they are being watched (Foucault, 1975). The movement started as a passive resistance, a march towards the parliament led by an NGO named Hami Nepal and its founder, Sudan Gurung (Gandhi,2025).

INDIA NEIGHBOURHOOD CRISIS AND ITS UNCANNY RESEMBLANCE.

Even though Nepal, Sri Lanka, and Bangladesh do not share a boundary, they all share borders with India and have strong ties with India. Even though all of the countries were considered 'democratic', the ground reality showed unwarranted misuse of power, and the basics of democracy were questionable. What unfolded in Nepal seems to be a replay of events in Bangladesh and Sri Lanka. The scale of protest and nature of the protest vary across space and time among these three nations; here, we will discuss the parallel features in the downfall of these countries. There are certain economic indicators that these three countries closely track, such as GDP growth rates. In 2024, Nepal's GDP growth rate was 3.67 %, Bangladesh's was 4.22 %, and Sri Lanka's was 4.21 %, which later plummeted to -7.35 % in 2022 (World Bank). It should be noted that Sri Lanka's conditions were way worse when we see the ground realities, as they suffered from an acute shortage of fuel, domestic gas, and other essential amenities. The other indicator is the Gini Index, which measures the income distribution on a scale of 0 (perfect equality) to 100 (perfect inequality). Bangladesh in 2022 had a value of 33.40, Sri Lanka 37.7 in 2019, and Nepal 30.0 in 2022 (World Development Indicators, WDI). It has to be noted that the mentioned years of Gini value do not match the protest years, but that's the nearest data available for the mentioned countries. The data clearly signifies the level of inequality that persisted in the countries. What is more astonishing is that Nepal had a Gini value of 58.5 in 2019, which shows the high level of disparity in the pre-COVID period. Even though the GDP growth rate and the Gini value do not signify the genesis of the protests, they show the parallel economic growth and conditions of the countries before the protests. The composition of the youth protesters is another significant area, as in all the protests, the role of the Youth was indispensable. Latest footages and images showcase even school children participating in Nepal Gen-Z protests. The interesting fact to note is the rate of Youth unemployment, which refers to the share of the labour force ages 15-24 without work but available for and seeking employment. Bangladesh had 15.7 % in 2023, Nepal stood at 20.82% in 2024, and Sri Lanka at 25.24% in 2022. These figures are well above the world average of 13.57% (Global youth unemployment rate from 2000 to 2024). It shows the unavailability of jobs for the neediest section of society and the ire it can cause due to the unavailability of these opportunities. The final discourse is the optimal use of social media and the propagator of digital activism. According to Karatzogianni, "Digital activism is defined here as political participation, activities, and protests organized in digital networks beyond representational politics. It refers to political conduct aiming for reform or revolution by non-state actors and new socio-political formations such as social movements, protest organizations, and individuals and groups from civil society, that is, by social actors outside government and corporate influence" (2015). One of the supporting factors for the rise of social media can be shown by the mobile cellular subscription per 100 people, which is a widely used indicator that reflects the active mobile phone penetration and telecommunication access given to a region. Nepal in 2022 had 133.27, Bangladesh had 114.36 in 2023, and Sri Lanka had 142.28 in 2023. These numbers match the numbers of the most populous countries, like China, which stands at 128.25 in 2023, to a developed country like Germany, which has 124.66 as of 2023. However, we need to keep in mind that the data does not signify digital activism directly, but showcases the scope of availability of digital resources. The availability of digital connectivity ensured that public opinion, ideas could be easily circulated which led to instant mobilisation of the protestors. According to literature on the use of social media during the Sri Lanka protests or the *Agralaya* movement, social media giant Facebook acted as a public

Debt, Disillusionment, And Dissent: A Comparative Study of the Indian Subcontinent's Political Economy

space of protest for the initiation and maintenance of the crowd (Rathnayaka, 2023). It was through the social media outlets that the photos and videos of the 19 deceased in the case of Nepal and the death of Abu Sayeed in the case of Bangladesh spread and got an instant reaction. So, if other countries possess the same economic standings, will they be the breeding grounds for protests, too? The answer is 'unlikely', because there are various countries which has the same values of economic indicators. One prime example is Pakistan which has identical numbers, so what has prevented the same turmoil from occurring in Pakistan? We need to keep in mind that Pakistan experienced a turmoil in Nov, 2024 over Imran Khan arrest. However the army was able to contain it, it also highlights one feature of protests which have rocked the other neighbouring nations of India. It has been noticed that perceived lack of voice in the political system in a country translates into nonviolent uprisings on the (Nassif, A, et al ,2020). It does imply that Nepal, even though it had a ruling democratic government, was based on weak alliances and a weak government at the Center. On the other hand, Sri Lanka and Bangladesh were considered democratic, but the ruling governments were closer to autocracy than to democracy.

CONCLUSION

Nepal's Gen-Z protest has initiated a new discourse on political movements and youth movements led through social media. The ripples were felt in India too as narratives spread on social media, praising the Nepal Gen-Z on one hand and threatening the ruling power on the other. In a significant step, Union Home Minister of India, Mr Amit Shah, has asked the Bureau of police Research and Development to prepare a standard operating procedure after studying all post-independence protests, after 1974 (Manral, 2025). The fact that the three movements did not have a clear leader or were not politically motivated by the opposition parties creates a new, uncharted territory for the state to deal with. Moreover, it is also fascinating to see that the use of social media has significantly reduced the financial strain to mobilise protests and has reduced the time period to disseminate information. It is clearly evident that all three protests had a very different genesis, and the reaction to the issues varied accordingly. However, the similarities in the protests are noteworthy, namely, the economic conditions of the countries, the nature of the protest, which was non-violent at most, but resulted in huge infrastructure destruction. Finally, the protests were led by the youth empowered by the digital access of social media outlets.

REFERENCES

- 1) World Bank Open Data, World Bank, <https://data.worldbank.org>
- 2) Singla, Anmol (2025): 14 governments in 17 years: How Nepal has struggled with political instability for decades, *First Post*, 10 Sept, <https://www.firstpost.com/explainers/nepal-protests-political-instability-14-governments-17-years-history-13932388.html>
- 3) Corruption Perceptions Index, Transparency International, <https://www.transparency.org/en/cpi/2023>
- 4) Kemp, Simon (2025): Digital 2025: Nepal, *Data Reportal*, 3 March, (<https://datareportal.com/reports/digital-2025-nepal>).
- 5) Gurr, T. R. (2015): *Why men rebel*: Routledge eBooks. <https://doi.org/10.4324/9781315631073>
- 6) Foucault, M. (1995): *Discipline and Punish: The Birth of the Prison*: Vintage.
- 7) Gandhi, Swati (2025): Who is Sudan Gurung, the man behind massive Gen Z protest in Nepal?, *Business Standard*, 9 Sept, (https://www.business-standard.com/world-news/nepal-social-media-ban-genz-protest-sudan-gurung-hami-nepal-125090900932_1.html).
- 8) World Development Indicators (WDI), World Bank Group data 360, (http://data360.worldbank.org/en/dataset/WB_WDI?country=BGD)
- 9) Global youth unemployment rate from 2000 to 2024, Statista (<https://www.statista.com/statistics/269636/global-youth-unemployment-rate/>).
- 10) Karatzogianni, A (2015): *Firebrand Waves of Digital Activism 1994-2014*, London: Palgrave Macmillan.
- 11) Rathnayaka, S and A.M.S. Achala Abeykoon (2023): "The Galle Face Protest (2022) in Sri Lanka and Social Media Activism through Facebook," *Journal of Multidisciplinary and Translational Research (JMTR)*, Volume 8, Issue I, pp 103-111.
- 12) Nassif, A, et al (2020): Perceptions, Contagion, and Civil Unrest. Policy Research Working Paper; No. 9416, World Bank.
- 13) Mahender Singh Manral (2025): "To prevent future agitations by 'vested interests', Amit Shah orders study of protests since 1974", *Indian Express*, 15 Sept, (<https://indianexpress.com/article/india/for-sop-amit-shah-asks-police-research-dept-to-study-past-protests-funding-10250206/>).



There is an Open Access article, distributed under the term of the Creative Commons Attribution – Non Commercial 4.0 International (CC BY-NC 4.0) (<https://creativecommons.org/licenses/by-nc/4.0/>), which permits remixing, adapting and building upon the work for non-commercial use, provided the original work is properly cited.