

AI, Fake News, and the Future of Democracy in Nepal

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Abstract

Nepal's democratic fragility is worsening as AI reshapes how informations are generated, shared, and trusted. In a state already plagued by political dissatisfaction and institutional distrust, the rapid dissemination of AI-generated mis/disinformation exacerbates a pre-existing public trust crisis. Social media, long a means for civic engagement, is now blurring the line between mobilization and manipulation, particularly while digital literacy remains frighteningly low. As voters struggle with distinguishing authentic content from deepfakes and algorithm-driven distortions, electoral processes become more susceptible to manipulation. These conditions not only diminish trust in democratic institutions but also foster echo chambers in which emotional reactions dominate factual understanding. The risk is heightened when monitoring mechanisms lag behind technology advancements, and public discourse is driven more by viral outrage than educated debate. Without purposeful measures to establish digital resilience through ethical regulation, education, and inclusive policymaking, Nepal risks devolving into a performative rather than participatory democracy. The challenge today is not only technological, but also highly political: preserving truth as a public good in an age of synthetic realities.

Introduction

Nepal's increased use of social media has changed the terrain of political discourse (Bhattarai, 2023), where increased connectivity has reshaped how citizens, particularly the younger generations, engage with politics. The Virtual walls of Social Media have undoubtedly exposed them to new ideas, enabling digital activism, and offering platforms to organize, express dissent, and demand accountability in ways that weren't possible before.

A considerable amount of the political content consumed online is mostly unconfirmed and unverified (Center for Media Research, 2022), adding to an overall crisis of information confidence.

In the digital age, virtual seeing and hearing are no longer a trustworthy indicator of truth (*Discerning the Truth in a Digital Age*, n.d.). The rapid growth of artificial intelligence has enabled the creation of hyper-realistic graphics and synthetic audio, allowing for the more precise manufacture of entire events and identities (George & George, 2023).

Given Nepal's still-fragile democratic institutions (Friedrich-Ebert-Stiftung, 2021), the effects of this technological revolution are especially felt here.

Though democracy was adopted with widespread public support and high expectations, there is currently an evident disparity between those aspirations and the system's effectiveness.

The widespread dissatisfaction with the state institution as a whole (Das, 2025) has created an environment where distorted information can easily gain momentum. Nepal's limited digital literacy compounds this vulnerability.

While the country has struggled for years to build foundational competencies in navigating online spaces (Sigdel, 2025), the emergence of AI-generated content has introduced a more complex challenge, i.e., discerning credible information in environments designed to confuse (Nasiri & Hashemzadeh, 2025).

The spread of manipulated content not only misinforms but also actively undermines trust in democratic processes (Gerbrandt, 2025).

Elections, as the central instrument of democratic legitimacy (*Election - Representation, Voter Choice, Accountability*, n.d.), are especially sensitive to these changes. The quality of information provided to voters has a direct influence on political outcomes (Vössing, n.d.). Social media platforms, previously viewed as tools for public participation, have now blurred the distinction between communication and manipulation.

Democracy Status in Nepal

Nepal has seen conspicuous political shifts in recent decades, evolving from a partyless panchayat and monarchy through a decade-long armed conflict to now a federal democratic republic.

While the adoption of the 2015 Constitution and periodic elections represent milestones of democratization, Nepal's democracy still remains fragile and transitional.

Nepal has been classified as a hybrid regime, with persistent governance weaknesses such as electoral irregularities, judicial interference, and authoritarian tendencies, as per the Economist Intelligence Unit (The Economist Intelligence Unit, 2016).

Furthermore, the country's democracy score has dropped significantly from 5.18 in 2017 to 4.9 in 2022 (Dhakal, 2024), highlighting the continued issues.

Although Nepal has held regular elections, formal procedures alone do not provide real democracy (Schmitter, 1991); strong voter education, political accountability, and citizen empowerment are required.

Nepal's Information Crisis

Nepal's information issue can be viewed via two interconnected perspectives. First, there is the increasing proliferation of fake news, particularly during election seasons, which can now be manufactured and disseminated more readily using AI, as exemplified by the viral video circulated during the protest at Tinkune, Kathmandu on March 28, 2025 (Setopati, 2025), which appeared to show tear gas being fired on stage while the national anthem was playing, though in reality the incident never occurred, as the video was generated using deepfake technology, and such manipulated content not only misleads the public but also fuels distrust and resentment toward authorities, ultimately eroding democratic processes and distorting public discourse.

Second, a significant portion of the populace lacks the digital literacy necessary to interact with a media landscape that is evolving quickly.

1. Electoral Disinformation and the Rise of AI

Nepal has yet to witness large-scale electoral interference caused by powerful AI, but the distribution of fraudulent and misleading content during the 2022 federal and provincial elections was prevalent.

In 2022 General Elections, despite the absence of big coordinated disinformation tactics, many voters were exposed to distorted videos, manipulated photos, and bogus political circulars (Adhikari, 2022). These were not high-tech manipulations, but they were nonetheless effective. What makes this even more concerning is how quickly this type of content can now be generated using simple AI technologies.

Visual and audio modification no longer necessitates specialist knowledge or extensive resources (Simonite, 2020). Anyone with basic access can create compelling information that distorts reality.

In a politically heated environment like an election, the ability to quickly propagate misleading information can have a significant impact on public opinion and confidence, with a high chance of the public being both cynical and manipulable.

The technology is rapidly changing, but oversight systems are straining to keep pace. The threat lies not only in the current circumstances but also in how easily and swiftly the situation could escalate.

2. Digital Literacy and Structural Vulnerability

Beyond the immediate dangers posed by fake news, Nepal has a more serious and structural challenge, i.e., digital literacy. Nearly 56% of the population is under the age of 30 (National Statistics Office, n.d.), making them the most engaged online demographic.

Though more than two-thirds of the overall population reside in urban areas with relatively reliable internet connectivity, media literacy remains uneven (Digital Rights Nepal, 2024).

The majority of the literate population has only received a primary education, creating serious concerns about their ability to navigate an information ecosystem inundated with AI-generated content. Since 2008, internet users have increased from 300,000 to 36 million (Bhattarai, 2023).

However, increased access has not ensured informed use.

Further, Nepal has an overall literacy rate of 76.3% but a considerable digital divide (Pokharel, 2024), with approximately 31% of the population deemed digitally literate (*Digital Divide Threatens Nepal's Vision for a Tech-Driven Future*, 2024).

The disparity highlights a key vulnerability in the age of AI-powered information flows. The capacity to read and write does not imply the ability to critically engage with digital platforms, particularly when

those platforms are inundated with algorithmically amplified misinformation and seductive AI-generated content (Williamson, 2024).

Critically, the architecture of social media algorithms is designed to prioritize engagement over accuracy, often showing users content that, regardless of its harmfulness, abuse, or falsity, aligns with their pre-existing beliefs and biased opinions, thereby limiting their ability to critically assess the information and situations.

This “confirmation loop” makes it easier for people to cling to orthodox or exclusionary views rather than challenge or educate themselves, reinforcing societal divisions. Social media is designed to reward attention-grabbing content, not accuracy. For many users, emotionally charged posts and misleading headlines often carry more influence than verified facts.

Recognizing this risk, the government has recently taken some important steps. In its 2082–2083 budget, it allocated Rs 740 million for improving digital literacy and promoting responsible use of artificial intelligence. These are positive developments, but they will only make a real difference if they are implemented in ways that reach underserved communities and focus on practical, long-term learning.

Building digital skills is not just about protecting individuals from misinformation. It is about strengthening democracy itself. Without the ability to engage critically with information, citizens cannot meaningfully participate in political decision-making.

And when misinformation spreads faster than understanding, democracy risks becoming a performance rather than a process.

Public Frustration with the system

Public dissatisfaction with Nepal's political system has persisted since the Second People's Movement in 2006. The transition to democracy raised lofty expectations, but these were frequently disappointed. Over time, a schism has developed between the elder political elite and the younger populace, who now constitute a sizable majority.

The distinction is not just based on age. It indicates a deeper communication deficit. Many young people do not know how to contact their elected officials, nor do they believe that doing so will result in a substantial response. In this atmosphere, social media has emerged as the key platform for political activity. It provides greater visibility and immediacy than traditional political channels.

However, the transition to online expression has not always resulted in positive effects. When frustrations are neglected or rejected by institutions, they may explode in potentially dangerous ways.

In Nepal, this involves unethical hacking of vulnerable digital infrastructures, insulting authorities with viral memes, and publishing online content geared more at derision than reform. These activities suggest a deeper alienation.

Citizens are not only unhappy; many have stopped identifying with the system entirely.

There are two major repercussions from this disconnection.

First, it creates space for the misuse of artificial intelligence tools. Several individuals, especially disgruntled teenagers, start exploiting AI to create extreme or deceptive content. These acts may appear to be digital resistance, but they have serious implications, including personal reputational risk, legal exposure, and long-term harm to democratic discourse.

Second, in an environment where media literacy is lacking, unsubstantiated news spreads quickly. Emotionally charged posts are frequently mistaken for facts on platforms that value attention above veracity. This allows people to easily affirm their existing beliefs. If someone sees frequent assertions that the government is corrupt or incompetent, they are more inclined to believe it without questioning the source.

Both patterns feed directly into electoral behavior. Some citizens withdraw completely, resulting in low voter turnout. Others cast votes based only on what they see online. Candidates with a strong social media presence gain visibility and influence, while others with fewer resources or a more principled approach are overlooked. The quality of political participation declines as performance and visibility take precedence over substance and policy.

The public trust in state institutions, a base for democracy to thrive, seems to be lacking critically in the context of Nepal.

In a system where frustration grows and facts are blurred, democracy begins to erode. When citizens feel unheard and unrepresented, voting no longer feels like a tool for change. It feels like a formality. And when that happens, the real danger is about disconnection and not just about misinformation.

Regulating AI

AI is more than just the replication of biological intelligence. It is the science and engineering of designing systems capable of reasoning, learning, and doing activities that would normally need human cognition. While its uses are numerous and frequently helpful, AI has also presented new hazards, notably in the political realm.

One alarming example is what experts refer to as the "Facebook to Politics" (FfP) model (Kane, 2019). Political campaigns employ social media analytics to create psychological profiles of their users. As research has demonstrated, Facebook's data capabilities have been used to target voters with emotionally charged content and personalized advertisements, gradually influencing beliefs and behavior over time.

This focused impact can undermine electoral openness and fairness, particularly when it leads to the spread of inaccurate or inflammatory information.

Generally, elections should be free, fair, and transparent. However, in the digital age, these concepts face enormous challenges. The situation is even more acute in countries like as Nepal, where regulatory frameworks are still being developed and internet literacy is low.

AI has indisputable benefits, like improved service delivery and more access to information. However, Nepal cannot afford to deploy these technologies without a plan. The country urgently requires a regulatory structure that is consistent with global norms while also addressing local realities. Digital illiteracy, a lack of institutional competency, and a reactive rather than proactive approach to policy have all contributed to the nation's vulnerability.

However, policy responses should be measured and inclusive. Proposing extensive restrictions, such as overly broad social media laws that restrict political speech or information access, would be detrimental. Such measures risk alienating the generation most involved in civic engagement via digital platforms.

The government must do more than just control content; it must also comprehend the underlying issues. The longer these tensions are ignored, the more likely they will materialize in disruptive or destructive ways.

Several AI governance policy from the globe offers valuable lessons for Nepal in this regards, for instance, the European Union's GDPR framework contains provisions like Article 22 that govern automated decision-making and profiling, placing limits on how AI systems can make decisions that affect individuals, while Singapore's Model AI Governance Framework promotes ethical AI deployment with clear guidelines for fairness and explainability, enabling trust without heavy-handed regulation. Further, Canada's Directive on Automated Decision-Making requires federal agencies to conduct Algorithmic Impact Assessments based on system risk levels, with the goal of identifying and reducing harms such as bias, discrimination, and opacity, thus promoting accountable and transparent AI governance in the public sector.

As Nepal's digital generation gains political awareness online, the system must adapt alongside them.

Regulation should not discourage participation; rather, it should foster trust, improve literacy, and strengthen democracy's base in an ever-changing technology context.

Learning from other countries

The increasing use of AI for or in electoral campaigns across South Asia has exposed significant concerns for democracy.

These are no longer hypothetical concerns, but rather the experience of neighboring countries, demonstrating how rising technology can disrupt democratic processes in real and destructive ways (Iqbal & Mushtaq, 2024).

During the 2024 elections in Pakistan, AI-generated videos and voice messages impersonating political leaders were widely distributed and used to spread false announcements of boycotts, candidate

withdrawals, and inflammatory remarks, causing voter confusion, undermining public trust, and distorting the electoral landscape.

Further, in Bangladesh, deepfake videos were used to discredit opposition leaders and misinform the public about electoral procedures, which helped the ruling party tighten its control over public narratives and curb genuine political participation.

Again, in India, political parties had actively recruited social media influencers and used AI-powered content strategies to create emotionally charged, attention-grabbing material.

These efforts are often used to exploit personal data to tailor messages to specific psychological profiles whose impact is not only persuasive but also manipulative by limiting voters' capacity to make independent, well-informed decisions.

As elections have become more about snatching votes and less about earning them, AI tools become more and more dangerous in this regard. These regional cases offer two major learnings for Nepal. First, the tools of AI are already being used to manipulate electoral behavior and distort democratic discourse, and Nepal is no exception to this. Second, political actors themselves are often seen as the drivers of this manipulation by weaponizing AI to control narratives.

For Nepal, the implications are more serious. Despite the rapid growth in internet access, the country still struggles with digital disparities where Urban areas benefit from relatively stable connectivity, while many rural areas continue to lack basic digital infrastructure, creating a clear information gap where individuals from underserved regions are often the most vulnerable to misinformation, especially when presented in convincing deepfakes images, videos or audios.

Nepal's situation is particularly potentially dangerous since it is caught between two extremes. On the one hand, if it fails to regulate AI tools and digital platforms, the country risks becoming a hotspot for unchecked disinformation and exploitation; on the other, without a proper framework to embrace new technologies, Nepal may fall further behind in leveraging the legitimate benefits of AI for public administration, education, or inclusive development.

This reality is already taking shape. AI-generated disinformation has the potential to reinforce pre-existing beliefs, creating echo chambers where users are only exposed to content that aligns with their biases. In such environments, critical thinking is always discouraged, making it even harder for people to form opinions based on facts rather than emotional or misleading content.

Both results are harmful, but they are not mutually exclusive. While unregulated space allows room for manipulation, excessive control, especially in the lack of openness and accountability, can hinder innovation and limit democratic participation.

Nepal's current trajectory of low digital literacy, insufficient institutional safeguards, and rising political dissatisfaction further exacerbates this balance.

Thus, the solution here is not to reject technology, but to build a regulatory system that is transparent, rights-based, and inclusive, that must recognize the real harms AI can cause in electoral and civic spaces, while also enabling innovation that genuinely serves the public good.

In the absence of this kind of intentional approach, Nepal risks becoming both digitally irrelevant and digitally exploited.

Analysis and Conclusion

Public frustration with Nepal's democratic institutions is growing, as shown not only by frequent protests but also by the large number of people leaving the country. In the fiscal year 2023/24, over 741,000 Nepalis went abroad for work (REPUBLICA, 2025).

In just the first eight months of 2024/25, more than 530,000 left, while on top of this, many are choosing to settle permanently outside Nepal. In the past two years, 137,000 Nepalis migrated for good, and in 2024 alone, 66,835 left permanently (REPUBLICA, 2025).

These figures reveal a deep loss of hope in Nepal's future, highlighting the serious challenges facing its democracy. Without effective policies to address these issues, Nepal risks pushing vulnerable groups further away from participating in democracy, especially by widening the digital divide. Transparency and active citizen involvement are known to build greater trust in government institutions. Therefore, digital literacy programs are crucial not only to reduce the spread of misinformation but also to empower people to think critically about the information they encounter.

Fake news has become a global problem with serious consequences. The threat grows when false information is made to look convincing, especially through AI-generated content, which makes it harder for people to spot lies. A 2019 Ipsos survey, done for the Centre for International Governance Innovation, interviewed over 25,000 people in more than 25 countries. It found that 86% of online users worldwide believed they had encountered fake news, admitted to believing the news was true at least once, and nearly nine out of ten of those had believed false information at least once (Simpson, 2019).

Even though Nepal was not part of this survey, the situation here is likely more vulnerable. Compared to many of the countries surveyed, Nepal has weaker infrastructure and lower digital literacy. This makes the country's already fragile democracy even more at risk as it struggles to keep up with fast-changing technology and the dangers of misinformation.

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