

China, the shrinking dragon

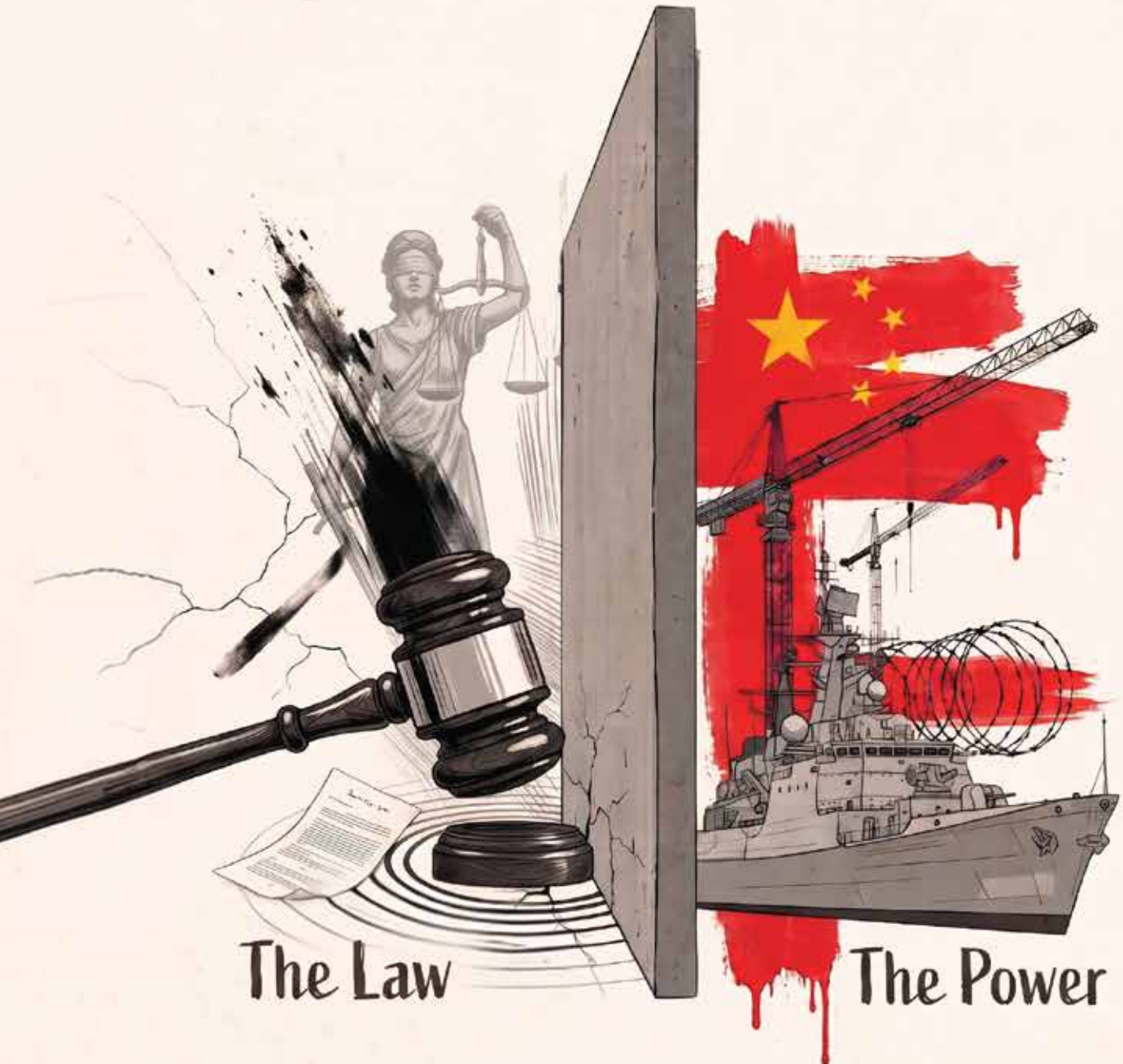
Gen Z's Asian awakening

All change at Tata?

Democracy Asia

September 2026

Water disputes across *Asia*





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In 2016, a court in The Hague ruled against China. Beijing ignored it.

Ten years later, the judgement that was supposed to constrain China has done little to prevent its transformation of the South China Sea. Reefs have become military bases, shipping lanes have become strategic assets, and a vast stretch of contested water now sits within Beijing's expanding sphere of influence.

China did not need to fire a shot to change the balance of power. It built, negotiated, waited, and let its neighbours adjust to each new reality.

The result may be one of the clearest lessons in modern statecraft: sometimes the most consequential victories are won long before anyone declares a war.

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Water and international law are prominent themes in this edition: the disputed waters of the South China Sea where China lays claim to territory within its ‘nine-dash line’, notwithstanding a 2016 ruling by the Permanent Court of Arbitration in The Hague that the claim had no basis in law. At the time it seemed like a victory for the Philippines, which had contested China’s claim. The ruling versus the reality suggests that action and military might are more powerful than international law.

Our second water report, on the Indus Waters Treaty, has similar resonance. India has unilaterally suspended the international treaty to punish its

co-signatory, Pakistan, for what Delhi claims is cross-border terrorist action in Kashmir. Again, it seems as if the actions of government have overridden a painfully negotiated treaty over the sharing of the waters of Punjab, a name derived from the Persian *panj* (five) and *ab* (water). The region, now divided between India and Pakistan, is these days considered to be home to six rivers: the Ravi, Beas and Sutlej, predominantly in India, and the Indus, Jhelum and Chenab, which are mainly in Pakistan.

Among other reports we have an eye-witness account from the Iranian city of Shiraz during the anti-government uprising in January. We consider how the future of Japan’s monarchy, one of the world’s oldest, is imperilled by a shortage of male heirs. In China there are worries about the impact of a declining population – partly a result of the

country’s previous ‘one-child’ policy, though also an outcome of gender imbalance and changing social practices, such as later marriage and a preference for smaller families.

We take a first look at the Central Asian republic of Uzbekistan, famous for its cultural heritage around Samarkand, Bukhara and Khiva – and also as the birthplace of Babur, regarded as the founding father of India’s Mughal empire. Fast forward more than five centuries, and we consider how Gen Z, those born around the turn of the millennium, are changing the face and possibly the substance of politics across South Asia, in Sri Lanka, Nepal, Bangladesh and now India.

“From disputed waters and shifting borders to changing societies and a new generation making its political voice heard, Asia is confronting important questions about power, identity and the future. This month, we explore the forces reshaping the region – from international tensions and demographic change to technological progress, business and the growing demand for change.”

In Business, we report on pending changes at the top of the Tata empire with the decision by Executive Chairman N. Chandrasekaran to step down. The dramatic decision is still being played out. As John Elliott reports, it looks as if the Tata family is taking back control. We look at the miracle microprocessor producer that is Taiwan, now taking advantage of

heightened demand for sophisticated ‘chips’ as a result of the drive toward AI.

Finally, in Bookshelf this month we consider the works of one of India’s most prominent writers, Arundhati Roy, who is also regarded as an activist. It may be Gen Z who are out on the streets demanding change but writers can also exert powerful influence on society, not least in such areas as the environment.

Nicholas Nugent

Myanmar

Myanmar's military-backed government released photographs on 3 August showing detained former leader Aung San Suu Kyi meeting Arnaud de Baecque, the International Committee of the Red Cross's resident representative in the country, the first confirmed meeting she has had with a foreign representative since being detained in 2021. The meeting followed mounting international concern about her health, after years in which the military kept her whereabouts and condition secret. The ICRC confirmed the visit followed its standard protocols for detainee visits, including the chance to speak with her in private, though it declined to disclose what was discussed. Suu Kyi had her sentence reduced by one sixth as part of a wider amnesty following Min Aung Hlaing's election as president.

Pakistan-Saudi Arabia-Turkey
Turkey, Saudi Arabia and Pakistan signed the Mecca Joint Deterrence Agreement on 7 August, committing each state to treat an armed attack on any one of them as an attack on all three. Pakistani officials described the pact as purely defensive and open to other countries. Analysts cautioned against reading it as a NATO equivalent despite its collective-defence clause. The agreement builds on the mutual defence pact Pakistan and Saudi Arabia signed in September 2025, and brings together Turkey's

defence-industrial capabilities, Saudi's financial weight and Pakistan's nuclear-armed military.

Bangladesh

Bangladesh's Parliament elected Bangladesh Nationalist Party secretary-general Mirza Fakhrul Islam Alamgir as president on 20 August, in the country's first contested presidential vote since 1991. Alamgir, 78, won 255 votes against 88 for Liberal Democratic Party chairman Oli Ahmad, the nominee of an eleven-party opposition alliance led by Jamaat-e-Islami. The vote followed the resignation of former president Mohammed Shahabuddin, a close ally of ousted prime minister Sheikh Hasina, who cited serious illness after facing sustained pressure to step down. The presidency is largely ceremonial but carries constitutional powers including those of appointing the prime minister and chief justice.

India

Hundreds of Tibetan exiles staged a protest in New Delhi on 20 August against Beijing's new Ethnic Unity and Progress Law, with many demonstrators shaving their heads and chanting slogans against Chinese president Xi Jinping. They argued the legislation threatens Tibetan language, culture and religious practice and lays a legal basis for what they call 'forced assimilation'. China maintains the law, in force since 1 July, is intended to foster development, patriotism and unity among its 56 officially recognised ethnic groups.

Japan-Russia

Japanese prime minister Sanae Takaichi condemned Russian president Vladimir Putin's first visit to the disputed Kuril Islands on 13 August, calling it 'absolutely unacceptable' and reiterating that the islands, which Tokyo calls the Northern Territories, are Japanese territory under both history and international law. Moscow responded by summoning Japan's ambassador to protest the remarks as anti-Russian. The dispute over the islands, seized by the Soviet Union at the end of the Second World War, has blocked a formal peace treaty between the two countries for eight decades.

Indonesia

President Prabowo Subianto used his second State of the Nation address on 14 August to strike an upbeat tone after a turbulent year, telling Parliament that Southeast Asia's largest economy grew 5.61 percent in the first quarter and 5.45 percent across the first half of 2026, the strongest such growth in thirteen years, and could reach 6 percent by year's end. He used the same speech to attack corruption and waste among bureaucrats, state firms, police and the military, continuing a hard-edged governing style that has followed a year of aggressive economic restructuring, including the replacement of a long-serving central bank governor and a technocratic finance minister.



China's transformation of Mischief Reef into a heavily fortified outpost reflects Beijing's gradual expansion of its presence in the South China Sea, reshaping the strategic balance without a major war. Photo: Ezra Acayan/Getty Images

The South China Sea: Beijing's victory without war

It is ten years since the Permanent Court of Arbitration in The Hague delivered what appeared to be a landmark victory for international law. In a sweeping judgment, the court rejected China's claims to almost the entire South China Sea ruling that Beijing's so-called 'nine-dash line' had no legal basis. The Philippines, which brought the case, had won – or so it seemed at the time. Now it seems less clear cut, as Humphrey Hawksley reports.

After the court's ruling on 12 July 2016, China, not surprisingly, refused to recognise the court's decision and continued to build military bases on remote islands and reefs with implications that reach far beyond Asia. In all, Beijing now has more than twenty-five militarised outposts with sophisticated weaponry on both sides of a trade route that is central to the global economy.

The South China Sea has become a strait of sorts. To the east, the bases are concentrated on the Spratly Island chain; to the west on the Paracel Islands. With a blend of military muscle and diplomacy, China now controls a waterway that carries more than ten times the traffic of the fractious Strait of Hormuz and at least as much oil and gas.

But unlike with Iran and the US, the manner in which China has achieved its aim offers lessons to both the developing world and the West on how to get what you want on the modern international stage. Three years after the 2016 court decision on China, a similar ruling against a leading Western democracy unfolded in a very different way.



The Permanent Court of Arbitration in The Hague, which ruled in 2016 that China's expansive claims in the South China Sea had no legal basis. Beijing rejected the ruling and continued to strengthen its position in the disputed waters. Photo: Mediation Centre/File photo

The International Court of Justice, the principal judicial body of the United Nations, found that Britain's control over a swathe of the Indian Ocean was illegal and sovereignty must be handed to Mauritius. Known as the British Indian Ocean Territory, this maritime area includes the American-run base on Diego Garcia, raising questions as to whether military advantage should be forfeited in favour of international law. Like China, Britain initially ignored the ruling. But the global reaction was swift, sharp and ferocious.

Three months later, in the United Nations General Assembly, a hundred-and-sixteen governments demanded that Britain unconditionally withdraw from the Indian Ocean, with the added 'sting' that

many traditional allies either voted against Britain or abstained. Of a hundred and ninety-three UN members, only six supported Britain.

Beijing, on the other hand, received no such reprimand. The Philippines had recently elected Rodrigo Duterte to the presidency who was pro-China and did not push the UN, whereas Mauritius did. If a vote had gone ahead, China would certainly have won. According to the Asia Maritime Transparency Initiative, some sixty governments would back China, with eighty-eight remaining neutral and forty-five, mostly Western democracies, opposing Beijing.

In short, sixty per cent of UN members opposed Britain's colonial-era Indian Ocean claim, while seventy-seven per cent supported or shielded China over its modern-day South China Sea claim. The



China's nine-dash line marks its disputed claims across much of the South China Sea. Map Illustration: InsightsIAS

implications go far further than any ongoing debate about international law.

In this current climate of rival influence and systems of government, America's propensity for war is losing ground. China, on the other hand, is adhering closely

followed a strategy known in defence circles as salami slicing, slow step-by-step implementation, making it near impossible for opponents to draw red lines.

Much of the groundwork was carried out during the Obama

supporting sustained air and naval operations. China has shifted military geography, extending the reach of its air force, navy and missile forces hundreds of miles from its mainland

Washington has failed to persuade South East Asian governments to present unified opposition against China which insists on dealing with each government separately. Currently, only the Philippines is mounting resistance, around Scarborough Shoal off the coast of Luzon and Second Thomas Shoal roughly four hundred miles to the south in the Spratly Islands. Confrontations with Vietnam have subsided. Indonesia occasionally dispatches patrols to escort Chinese ships away, while Malaysia shadows Chinese activity in disputed waters. None of this has weakened Beijing's resolve. China's reach is simply too great with an implicit warning: accept reality or risk your economy.

Viewed from Washington, this South China Sea policy underpins an aggressive expansion that needs to be contained. From Beijing, however, the policy secures supply routes ensuring that, whatever the threat, it has the means to keep open the South China Sea if needs be. China's thinking has most recently been underpinned by shipping disruption through the Strait of Hormuz prompted by America starting a war with Iran.

For decades, the assumption was that such sea lanes would remain protected by American naval supremacy and international law, anchored within the concepts of Western democracy. Today, those assumptions have been shredded.



Mischief Reef has been transformed from a small Chinese outpost into a major military installation, illustrating Beijing's strategy of gradually expanding its control while avoiding a decisive confrontation. Photo: Vantor/Handout/Reuters

to the much-cited strategist Sun Tzu that the supreme art of war is to subdue the enemy without fighting.

The Chinese national flag was first planted on the Spratly Island's Mischief Reef in the mid-Nineties, and its initial structures were ostensibly shelters for fishing boats. There

administration which believed the costs and risks of using force to stop China outweighed the likely benefits. Three decades after planting that flag, Mischief Reef has a three-thousand-metre runway, hardened aircraft shelters, a deep-water harbour, radar and communications facilities and extensive barracks capable of



A Chinese vessel cuts across the path of a Philippine Coast Guard boat in disputed waters, illustrating the increasingly assertive maritime encounters between Beijing and Manila in the South China Sea. Photo: Aaron Favila/AP

But, unlike Iran, China has little interest in jeopardising South China Sea trade as a leverage of war. One-third of global maritime trade passes between its island military bases, including oil to power the big economies of China, Japan and South Korea. Container ships carry the products of Asian factories to Europe, North America and, increasingly, to the wealthier markets of the Global South.

Shutting down or disrupting this flow would risk China's future and all that it plans to achieve, including bringing in the money needed for its military. The

island-building, combined with rapid advances in Chinese missile and naval capabilities, is already changing American military thinking for Asia. If conflict did break out, strong voices within the defence community argue that, rather than fight and suffer losses, the US Navy should initially retreat out of range.

From a safe distance, it would choke off China's energy imports while using submarines, long range bombers and special forces to wear down its ability and resolve. The stakes for both

China and the U.S. are so high and the risks so great that such a scenario is unlikely to unfold.

Therefore, the sway Beijing now holds over Asia and its trade routes could be viewed as a modern masterclass in diplomatic, commercial and military influence.

The South China Sea may become a defining lesson of twenty-first-century statecraft, a victory that belongs not to a nation that fought a war, but to one that reshaped a strategic landscape before any shot was fired.

Humphrey Hawksley, a former *BBC* correspondent, is author of *Asian Waters: The Struggle over the Indo-Pacific and the Challenge to American Power*.



The River Indus rises in Tibet, flows through the Indian region of Ladakh - seen here - before entering Pakistan at Gilgit-Baltistan. Photo: Nicholas Nugent

The Indus Treaty's suspension: whose water is it anyway?

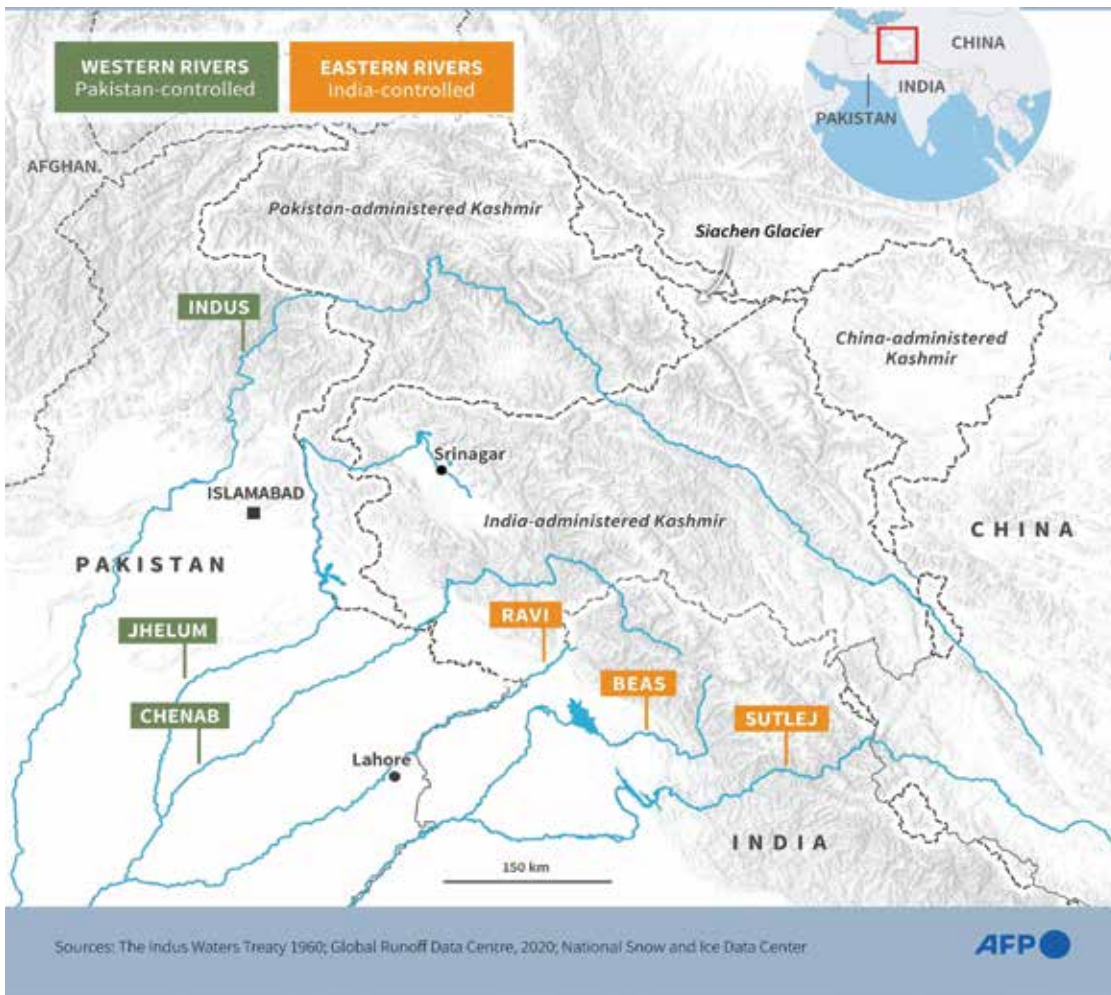
The Indus Waters Treaty was designed to divide a shared river system between two countries. Putting it in abeyance has intensified a legal and political confrontation with downstream Pakistan, where the Indus system is bound up with food and water security. But it has also exposed another layer of river politics within India. Water expert Udisha Saklani reports.

For nearly 65 years, the Indus Waters Treaty between India and Pakistan has been a durable feature of an otherwise volatile India-Pakistan relationship. Signed in 1960, after nine years of negotiations under World Bank mediation, the Indus Waters Treaty remained in force through wars, military stand-offs and repeated breakdowns in diplomatic relations between the nuclear-armed neighbours.

The treaty divides the six main rivers of the Indus basin between the two countries. India received unrestricted use of the eastern rivers – the Ravi, Beas and Sutlej – while the western rivers – the Indus, Jhelum and Chenab – were reserved largely for Pakistan, with India retaining specified rights for irrigation and hydropower. Geography helps explain the stakes. Pakistan is the downstream state on the

three western rivers allocated to it, the Indus, Jhelum and Chenab, all of which pass through India or Indian-administered territory before entering Pakistan.

The long-standing arrangement which the treaty provided was thrown into uncertainty on 23 April 2025. A day after gunmen killed 26 people near Pahalgam in Jammu and Kashmir, India announced that the treaty would



Map illustration: AFP

Pakistan has continued to pursue the dispute through the treaty's legal mechanisms. A Court of Arbitration constituted under the treaty held that India's decision to place the treaty in abeyance could not suspend proceedings or deprive the Court of jurisdiction. India rejects the court's competence, favouring instead the treaty's separate 'neutral expert' mechanism for resolving technical differences. The two mechanisms operate independently under the treaty, leaving India and Pakistan pursuing different legal tracks

be held 'in abeyance', linking the decision to what it alleged was Pakistan's support for cross-border terrorism. Pakistan denied involvement. More than fifteen months on, India's stand has not shifted and in July its foreign ministry said the freeze would continue until Pakistan 'credibly and irrevocably' ends its support for 'cross-border terrorism'.

Pakistan has challenged the suspension on legal grounds, arguing that the treaty contains no provision for unilateral suspension. Article XII allows modification or termination through a duly ratified agreement between the two governments. After the suspension, Pakistan's National Security Committee described Indus water as a 'vital national interest' and warned that any attempt to stop or divert

water allocated to Pakistan would be treated as an 'act of war'. The anxiety is not rhetorical. The Indus Basin Irrigation System is the backbone of Pakistan's agricultural economy, and irrigated land supplies more than 90 per cent of the country's agricultural production.

even as the treaty itself remains in abeyance from India's perspective.

The treaty suspension has largely been reported as an India-Pakistan confrontation. But it has also opened another, less visible, question within India. If India is eventually able



India's suspension of the Indus Waters Treaty has turned a long-standing water-sharing arrangement into a new source of confrontation with Pakistan. Photo: Pixabay/India TV



Tarbela Dam on the Indus River is a major part of Pakistan's water infrastructure, supporting irrigation and water security downstream.

to make greater use of the western rivers, where should that water go?

One possible answer began to emerge soon after the suspension when India's water ministry launched a feasibility study on a 113-kilometre canal linking the Chenab in the Himalayan territory of Jammu and Kashmir with the Ravi-Beas-Sutlej river system further south. Officials described the proposal as a way of moving 'surplus flows' towards the northwestern Indian states of Punjab, Haryana and Rajasthan. Jammu and Kashmir pushed back immediately with its chief minister questioning why water should be sent to Punjab while Jammu itself faced shortages. He also criticised the treaty itself as being 'most unfair' for the people of Jammu and Kashmir.

Punjab and Rajasthan have made their own claims to additional water. That makes even the idea of 'surplus' water politically contested. Water described as available for diversion south is

also water Jammu and Kashmir says it needs locally. India has institutions for dealing with disputes over shared rivers. But political claims over water can emerge well before any formal process begins, as an older dispute illustrates. The Sutlej-Yamuna Link (SYL) canal was designed to carry Ravi-Beas water to Haryana, but remains unfinished despite Supreme Court orders, a dedicated water tribunal and decades of negotiation.



The Chenab Bridge spans the Chenab River in Jammu and Kashmir, one of the western rivers at the centre of India's water-sharing dispute. Photo: COWI

At the centre of the dispute is a familiar argument over how much water is actually available and who is entitled to it. Punjab maintains that there is no longer enough surplus water to share.

This is more than a technical proposal to move water between river systems. It shows how quickly the possibility of greater Indian use of the western rivers is being drawn into older domestic struggles over scarcity and entitlement. A question long framed through India-Pakistan relations is now also becoming one of allocation within India. Greater Indian use of Chenab water would not make those disputes disappear; it would raise questions over whether that water should first benefit Jammu and Kashmir, Punjab or states further downstream. More fundamentally: who gets to define what counts as 'surplus'? And which existing claims should take priority?

Canals and dams may take years to build, but the struggle over where the water belongs has already begun.

Dr Udisha Saklani is a lecturer in human geography and climate at King's College London.



Emperor Naruhito and Empress Masako, whose family stands at the centre of Japan's debate over the future of the Imperial succession. Photo: 首相官邸ホームページ/CC BY 4.0

Japan's chrysanthemum paradox

Japan stands at a historic crossroads. Deep within the stone walls of the Imperial Palace, an existential crisis is unfolding that pits 1,500 years of tradition against the demographic realities of the 21st century. At the heart of this controversial debate is an increasingly urgent question: should women be allowed to ascend the Chrysanthemum Throne? From Tokyo, Yoshiteru Uramoto reports.

For centuries, Japan's imperial line has been presented as a symbol of continuity, stability and national identity. But today, the future of the world's oldest continuous monarchy is being shaped less by ceremony than by demography. Under a post-war law that allows only male-line succession, the Imperial Family is shrinking to the point where officials fear the dynasty may eventually run out of heirs. The government has now moved to ease the pressure – but without abandoning the core principle that only men may inherit the throne.

While the world's oldest continuous monarchy is steeped in Shinto rituals and ancient lineage, its future is currently dictated by the rigid 1947 Imperial House Law. Enacted during the post-World War II allied occupation, it stipulates that only descendants of the male line can inherit the throne. Today, that law has created a succession bottleneck so narrow it threatens to end the dynasty entirely.

The schoolgirl's question

The growing disconnect between the law and modern

society was captured in a poignant exchange reported by the *Mainichi* evening paper. During a public forum, an elementary school girl posed a naive but devastating question: 'Why is only a male the symbol of Japan?' The response from the nation's leading intellectuals was telling. Professor Hidetsugu Yagi of Reitaku University and Professor Kisara Kimura of Tokyo Metropolitan University – both experts on the constitution – struggled to answer. While acknowledging the 'gross inconsistencies' and 'irrationality' of the current

system, they could only refer to a fear of losing ‘unique traditional values’. Their failure to provide a clear answer to a child reflects a government paralysed by its own reverence for a male-only past.

Compromise, but not a change

Under the administration of Prime Minister Takaichi, the government is moving to address the royal ‘manpower’ crisis without touching the controversial core of male-only succession. The proposal submitted to the Diet offers two primary palliatives. First, it suggests that female members should be allowed to stay within the Imperial Family after marriage. Currently, princesses are stripped of their titles if they marry commoners, a rule that has rapidly depleted the family’s ranks. Second, it suggests reinstating male members from former princely branches – stripped of their status in 1947 – through adoption.

Crucially, an imperial official recently commented that these adopted males could eventually serve as emperors. This strategy aims to protect the ‘male-line’ at all costs. However, critics like Takenori Noda of the *Mainichi Shimbun* argue that this is a desperate measure to secure the lineage while ignoring the



A modern portrait of Empress Go-Sakuramachi, Japan’s last reigning empress, who ruled from 1762 to 1770.



Japanese Prime Minister Takaichi is overseeing reforms aimed at preserving the Imperial Family’s male line amid a succession crisis. Photo: Prime Minister’s Office of Japan

obvious solution: allowing the emperor’s daughter to lead. The chief Cabinet Secretary, responding to concerns about the ‘adoption plan’, made clear that this revision does not exclude or restrain discussion of future women female emperors and palace families.

A history of exceptions

Traditionalists argue that male-only succession is an ‘unbroken’ cultural pillar. Yet, history tells a more nuanced story. Japan has seen eight reigning empresses, such as Empress Suiko in the 6th/7th centuries and Empress Go-Sakuramachi in the 18th century. While conservatives dismiss these as ‘regents’ or ‘stop-gaps’, their existence proves that the throne has, in times of crisis, relied on women to maintain the state’s symbolic centre.

Today’s crisis is purely mathematical. The family currently has only three heirs: the Emperor’s brother, Crown Prince Akishino; his elderly uncle, Prince Hitachi; and his

nephew, Prince Hisahito, now 19. If Hisahito does not have a son, the line ends. This pressure on a single teenager has led many, including the respected historian Masayasu Hosaka, to argue that the current model violates the spirit of Japan’s modern constitution, which prizes human rights and gender equality.



Prince Hisahito is currently the Imperial Family’s only young male heir. Photo: Imperial Household Agency of Japan/AP



Princess Aiko has become a focus of growing public support for a reigning empress. Photo: Yuichi Yamazaki/Getty Images

The 'Aiko' factor

While the government remains cautious, the Japanese public is not. An *Asahi Shimbun* survey conducted in May showed that 72% of respondents support a reigning empress. The focus of this popular support is Princess Aiko, the 24-year-old only child of the incumbent, Emperor Naruhito.

Aiko is immensely popular, and tabloid newspapers are filled with stories reflecting a 'rising expectation' for her to fulfill a symbolic role. Liberal parties, including the Japanese Communist Party, have amplified these calls, pushing for a revision that would align the monarchy with modern Japanese values. They argue that a monarchy that excludes women is increasingly seen as a relic rather than a unifying symbol.

The International Context

Japan stands as an outlier among

modern constitutional monarchies. Others like the United Kingdom, Sweden and the Netherlands have all moved to 'absolute primogeniture', where the eldest child succeeds regardless of gender. In 2015, the UK officially ended centuries of male preference, a move that was seen as vital for the monarchy's survival in a democratic age.

In Japan, the debate is more than legal; it is a battle for national identity. The Shinto religion, closely tied to the throne, emphasises a specific type of purity and continuity. For traditionalists, allowing a 'female-line' emperor (the child of a princess and a commoner) would be an irreversible break with the past.

Japan has taken a major step to reshape the future of the Imperial Family. On 17 July the Diet passed the bill to revise the

Imperial Household Law changing both marriage and adoption. It is the first revision to the main body of the law in more than 75 years. The Takaichi Government has bought itself a few decades of time through adoption and status retention. However, they risk losing the 'healthy symbolic status' of the emperor as a figure who balances the nation toward a peaceful future.

The revision of the Imperial Household Law is a mirror reflecting Japan's broader struggle with modernisation: whether the Chrysanthemum Throne can adapt to the 21st century or remain a prisoner of the rigid 1947 Imperial Household Law. The clock is ticking on a dynasty that has survived eras of war and revolution, but now faces its greatest challenge: the simple reality of equality.



The Takamikura, Japan's Imperial Throne, at the centre of the country's debate over the future of succession. Photo: Prime Minister's official residence (首相官邸)/CC BY 4.0

Yoshiteru Uramoto, formerly Assistant Director General of the International Labour Organisation, holds an MPA from Harvard Kennedy School and has taught at Sophia University, Tokyo.



China's shrinking population is putting growing pressure on its economy and workforce. Photo: Quan-You Zhang/Unsplash

The shrinking dragon: China's population crisis

Three years ago, China lost its status as the world's most populous nation to India, a crossover driven as much by India's continued growth as by China's population shrinkage. Rahul Jaywant Bhise examines measures Beijing is using to fight a demographic decline that is alarming the country's leaders.

China will shed nearly 60 million people over the next ten years – roughly the population of France – according to the Rhodium Group. The country's population fell for a fourth consecutive year in 2025: births totalled just 7.92 million, while deaths, at 11.31 million, were the highest since 1968. Total population fell by 3.39 million, to just over 1.4 billion.

Some of this was already locked in by earlier policy, some reflects social change. The one-child policy, in force from 1980 to 2015, reshaped family size for a generation, but the more recent slide owes less to policy than to shifting social attitudes. The

number of women aged 15 to 49 fell from 360 million in 2010 to 310 million in 2022, while the average age of a woman's first marriage rose from 24 to 28 over roughly the same period. A smaller, later-marrying cohort produces fewer babies most years, regardless of what Beijing does. By contrast, the number of people over 60 is expected to reach 402 million by 2040, according to the World Health Organization.

Beijing has applied four distinct tools this year in response, each acting on a different timeline. Officials and demographers do not agree on which is likely to matter most.

Money is the most visible: a nationwide subsidy of 3,600 yuan (about \$534) a year per child under three launched in July 2025, reaching 25 million children and costing an estimated 180 billion yuan nationally once local schemes are included. One study found a comparable subsidy raised stated intentions to have children by 8.5 percentage points – a real effect, but a modest one, and a measure of intent rather than actual births. Yanzhong Huang of the New York-based Council on Foreign Relations calls the measure 'performative at best' since it does not touch the real cost of raising a child to age 18, an

China's population, 1980–2035

The population peaked in 2021 and is expected to keep shrinking through the next decade.

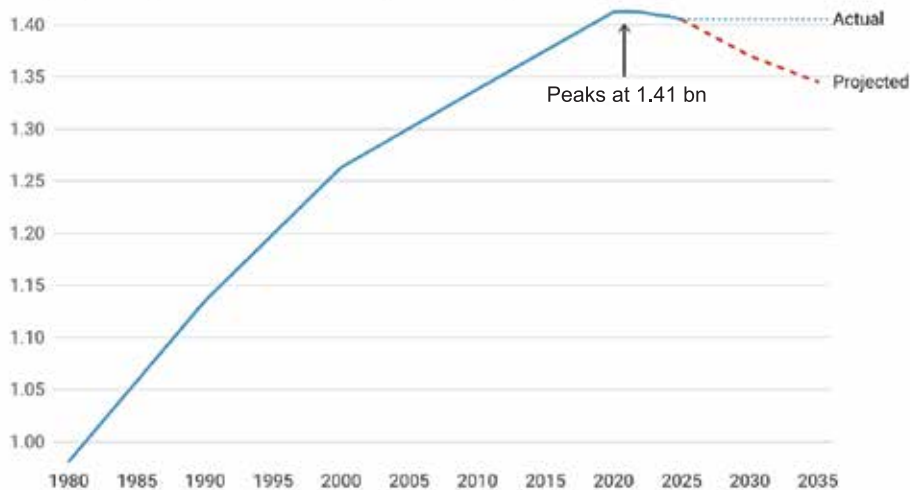


Chart: Rahul Jaywant Bhise for Democracy Asia • Source: China National Bureau of Statistics (1980–2025); Rhodium Group projection (2030–2035) • Created with Datawrapper

estimated 538,000 yuan, more than six times China's GDP per capita.

The comparison that should worry Beijing more than Huang's line is that Japan tripled its family-policy budget between 2016 and 2025, and its fertility rate – the average number of children a woman has over her lifetime – fell anyway, from 1.44 to 1.20. South Korea has spent heavily on similar measures since 2006, and its fertility rate fell even further, to 0.72, the lowest in the world. A review of 37 countries by

Tomáš Sobotka, of the Vienna Institute of Demography, found that no developed country has reversed a long-run fertility rate stuck below the replacement level through policy alone. Against that record, China's spending is not just unproven; it's small.

The second tool cost nothing. In May 2025, China scrapped a rule – in place since 1986, as part of the *hukou* system that has controlled rural-to-urban migration since 1958 – requiring couples to marry where their

household was registered. For the more than 370 million people who have moved from the countryside to cities that had meant a trip home just to get married. Marriages rose 22.5% year-on-year in the third quarter of 2025. China's own demographers disagree on how much credit the change deserves: Yuan Xin of the China Population Association attributes the rise to the whole package of reforms working together, while Xiujian Peng of Victoria University in Melbourne doubts any of it 'moves the needle' much without deeper change. What is clear is narrower: a decades-old bureaucratic rule was taxing family formation, and removing it cost the state nothing, whatever share of the credit it deserves.

The third tool skips births entirely. From January 2025, China began raising the retirement age over 15 years – to 63 for men, up from 60, and to 58 for women, up from 50 – while also raising the minimum pension-contribution period from 15 to 20 years, phased in from 2030. It works on the right timeline, since it does not need a birth today to help a workforce gap next decade. The ratio of working contributors to retirees, near 2.5-to-1 now, is projected to fall below 1.3-to-1 by 2035, against the 1.67-to-1 the pension system needs to stay balanced. With this reform factored in, estimates of when the main urban pension fund runs dry have shifted from 2035 to around 2044 – later, but still not solved.

The fourth and least-discussed tool is robotics. China already installs roughly 85% of the world's humanoid robots. One scenario has it deploying up to 24 million by 2035, offsetting



Beijing is offering childcare subsidies to encourage families to have more children. Photo: AP



China is raising the retirement age as its working-age population shrinks. Photo: Reuters

60% of a projected 37-million-person decline in the working-age population. That's a real dent, not a fix, and one concentrated in factories rather than the hospitals and classrooms an ageing population will need staffed.

The most overlooked front is geographic. Of China's 31 provincial-level regions, 24 lost population in 2025; the seven that grew did so mostly through migration, not births – Shanghai's population grew only because net inflows of over 100,000 people more than offset a natural decline of 57,000. Sichuan, Anhui, Hubei, Liaoning and Heilongjiang posted the sharpest losses. The fiscal mechanics matter: migrants pay pension contributions where they work, usually a rich coastal province, but can only draw full benefits where they are registered, usually the poorer province they

left. In 2023, just four provinces generated pension surpluses large enough to fund the national pooling system created in 2022; Guangdong alone contributed 115.8 billion yuan. Three deficit provinces received 180 billion yuan back – more than half their total tax revenue. Analysts already question how long Guangdong can keep subsidising the rest if its own population starts ageing in turn.

India's own trajectory is a reminder that this is not only a China story. The UN's World Population Prospects projects India's population will peak at around 1.7 billion in the early 2060s before it begins to decline. Population growth is not a one-way escalator: societies grow as death rates fall faster than birth rates, then shrink again once birth rates catch down – a pattern demographers

have described since the 1920s as the demographic transition. China simply reached its turning point first.

None of these four tools moves on the timeline the crisis needs. A child born today doesn't join the workforce until the 2040s, by which point the pension system's own maths will already be under strain. Only delayed retirement and robots act in time, and neither fully replaces the other. The stakes reach beyond China's borders: a shrinking Chinese consumer base and workforce will ripple into Asian supply chains and the export and commodity markets built around Chinese demand.

If two of the region's most determined spenders, Japan and South Korea, have not found a way back from this after twenty years and hundreds of billions of dollars, China's neighbours should be questioning how the world's second-largest economy can manage without one.



China is turning to robotics to offset the impact of a shrinking workforce. Photo: VCG

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An illustration of the January 2026 uprising, when protests over the cost of living spread across Iran and confronted the Islamic regime with its deepest challenge in years.

Living and dying in Shiraz during the January uprising

The war between Iran and the US and closure of the Strait of Hormuz have deflected attention from the political situation within Iran. The international conflict followed anti-regime protests in January across the country focussed on the high cost of living, which led to a ruthless crackdown by the Islamic regime. Several thousand protestors were killed when the security forces turned their guns on their own people, according to human rights organisations, and at least 26 of those detained have subsequently been executed. Others charged with offences such as ‘waging war against God’ and ‘speeding corruption on earth’ have been sentenced to death, including some in the south western city of Shiraz. Amir Golestani, who was in Shiraz to mourn and bury his father at the time, was an eye witness to street protests in Shiraz.

My father died in Shiraz just as Iran was beginning to rise again. The moment he didn’t answer his phone I felt the world tilt. A friend broke down the door and found him lying cold and still in the kitchen as silent and frozen as he was. That same day I had read a tweet that

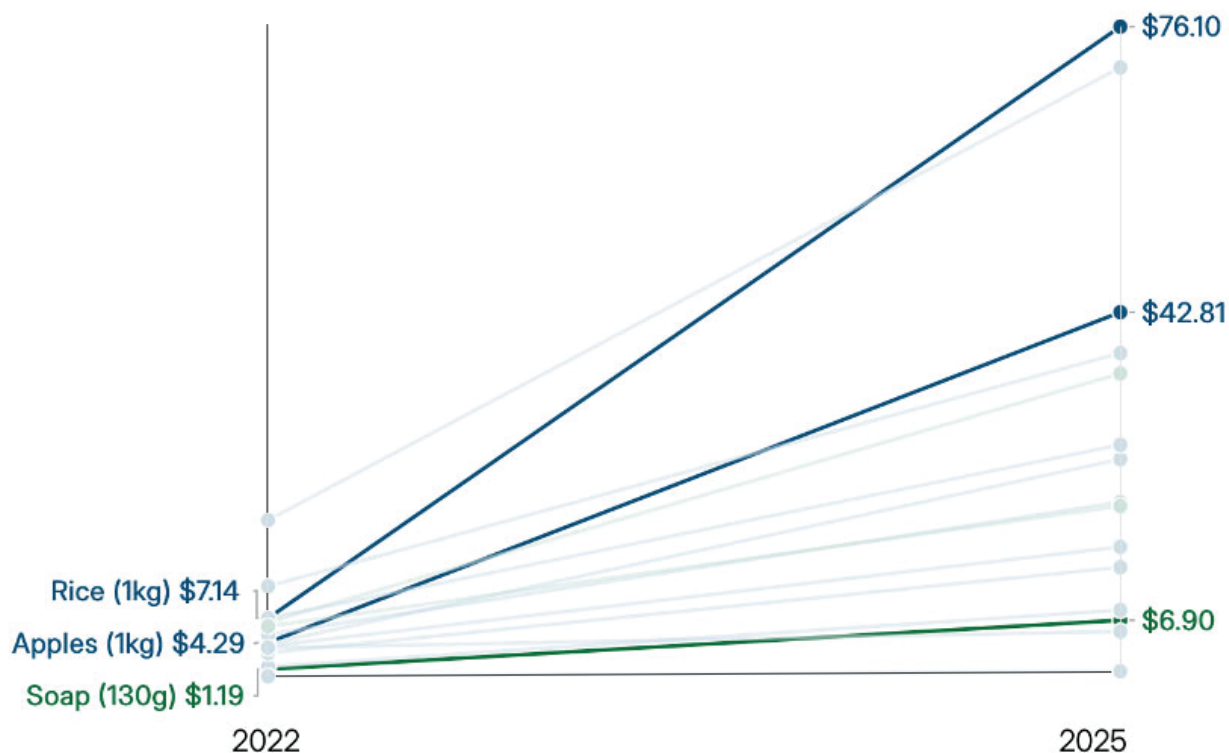
filled me with dread: ‘*A new cycle of protests is forming in Iran.*’ Strikes and protests were reported to be spreading from Tehran’s sprawling bazaar across the country.

My father’s death and the country’s unrest arrived together,

two shocks fusing into one deep, burning ache. His life mirrored Iran’s upheavals: born in Abadan in the southwest, he lived through the Anglo-American coup of 1953, the boom of the 1960s, the 1979 Revolution, the eight-year war with Iraq, the abortive pro-reform Green

Iran's soaring cost of living

■ Food ■ Non food



Soaring prices added to the economic hardship that fuelled Iran's January 2026 protests, turning the cost of living into a wider source of public anger. Graph Source: The National

Movement in 2009, the bloody November 2019 crackdown, and the Woman, Life, Freedom uprising of 2022. He was blissful when the nuclear deal, known as the JCPOA, was signed in 2015. He was scared during the unrest of 2019, disgusted in 2022 by the regime's brutality. He laughed under Israeli bombardment in June 2025, reassuring me over the phone, 'Everything is okay... don't worry'. He had witnessed a coup, a pandemic, two wars, and a revolution. And now he was no longer.

When I landed in Shiraz, my cousin handed me the keys to my father's car. I stayed with my mother, who had arrived from another city, at my aunt's house on Moali'abad Street, already tense and restless. At night, the streets were clogged with cars.

Armed Security forces stood beside their motorcycles in black uniforms, bulked-up shoulders, hidden faces – alien, as if they belonged to no city, no people. We buried my father on 31 December. After the burial, I returned to his apartment, stepping through the clothes my mother had laid out to donate. I could no longer tell where grief ended and unrest began.

On 3 January, the Supreme Leader spoke of putting 'rioters' in their place – a green light to shoot. Strikes and unrest spread. A video circulated of a protester on Moali'abad splashing gasoline on an officer and setting him ablaze. People laughed nervously, but the laughter was brittle, edged with fear. On 6 January, gunfire echoed through my father's window. Chants mixed with the

sound of gunshots. Shiraz had risen. The next nights were a blur of tension. A call on Iranians to protest, by the exiled former crown prince Reza, spread by word of mouth. Even older, pro-regime people took it seriously.

On 8 January, my mother and I drove toward a family friend's house. The city was tightening like a fist. Armed security forces on motorcycles passed us. Groups in black moved toward Park Intersection. My mother begged me to turn back, but I wanted to see. When we reached the crossroads, flames engulfed it. A black mass of people filled the boulevard. The chant 'Death to the Dictator' rose above everything. I reversed the car as my mother trembled beside me.



A protestor holds a portrait of Reza Pahlavi during demonstrations in Tehran, reflecting the competing visions of Iran's political future that emerged during the January uprising.

Back in our alley, women's voices echoed from windows: *'Death to Khamenei,' 'This is the Final Battle,' 'Pahlavi will Return'*. I felt pulled toward the burning intersection, toward the epicentre of the city's rage. My mother pleaded, *'Your dad just died, don't look for trouble.'* But I couldn't stay

inside. I walked toward Park Intersection. A disabled teenager in a wheelchair chanted with a raspy voice. Barricades – uprooted bus stops and street signs – blocked the roads, yet there were no security forces. Their absence felt ominous. People moved rapidly, gathering, lighting fires,

shouting, but still no sign of the Revolutionary Guard or the hated militia, the Basij, despite their bases being close by.

Inside the family home, surrounded by chatter and confident predictions that 'the regime will fall tomorrow,' I felt estranged. My father's death, the burning streets, and the forced normality collided painfully. Returning home around 1am, we drove through streets strewn with broken glass and the smell of burnt rubber and plastic. It felt like the aftermath of a storm.

The next day, the 9th, the city bore the scars: scorched boulevards, welded ATMs, shuttered banks, blackened asphalt. At a nearby café, the young barista told me she had been trapped in a dead-end alley by Arabic-speaking forces – echoing rumours that the regime had brought in fighters belonging to its proxies in Iraq and Lebanon. She said she escaped only because one Iranian officer told her, 'Go,' allowing her to escape. Her terror mirrored my own disorientation.

That night, chants erupted again. In my father's flat, I packed his belongings while my mother prayed over the Quran. I played his guitar, repeating the melody he taught me as a child: *'This is a political song, don't sing it in school.'* The notes blended with the sound of gunshots and screams from the alley. Grief could not settle; it was constantly broken by the roar outside.

Drawn out again, I entered a world transformed: masked faces, hurried steps, suspicion in every glance. Fires burned at both ends of our narrow side



A state tax building burns during protests in Tehran in January 2026. Photo: Majid Asgaripour/Reuters

street. An old woman with a walker urged me forward: *'Don't be afraid, they've taken everything from us.'* Gunfire erupted near Park Intersection, sending a flood of people running back towards me. I was swept into the tide,

homecoming it turned out to be, dad,' I whispered. Someone spray-painted on the asphalt: *'Khamenei is a Murderer'* and *'Long Live the Shah'*. A young protester said, *'It's useless this way. We need a leader.'*



Iran's nationwide internet blackout cut protesters and the wider public off from the outside world during the uprising. Illustration: Center for Human Rights in Iran

trapped between fire and a dead-end alleyway.

A masked man pacing like a conductor of collective fury led the chants - *'Death to the Dictator,' 'Pahlavi will Return'*. The sounds of gunshots were drowned by the chanted slogans. *'Shame on You'* and *'Basiji, IRGC, you are our ISIS'*. I thought of my father. 'What a

Right then, a shot rang out so close it felt as if it were aimed directly at us. Someone yelled at me loudly: *'Get inside, get inside!'* The sea of people surged back amid screams of *'Shame, Shame'*. We kept the door open for runners to come inside. The sound of gun fire was constant now and wouldn't stop, and were was followed by a sound like an explosion nearby.

'Come on, kill us, come on, you bastards!', the man leading the chants screamed. He dashed toward the top of the alley, then returned. Turning to me, he said, *'keep the doors open!'* The following day and night everything seemed to have returned to normal. The internet had been cut off since the night before. There was no information as to what was happening across the city or indeed the country. I went alone to my father's grave to see his gravestone and bid him farewell. Amid all my personal emotions, I told him, *'Iran will be free, dad, but you aren't here to see it'*.

The next day, on a rainy morning, I embraced my mother and headed to the airport. Leaving Iran, I carried both griefs, the private one and the national one, across borders. It took me ten days just to comprehend what had happened to us. The torrent of lonely young souls flooded in on my screen; we finally understood what blood had been spilled in every single alley in Iran. Thousands had been killed in the streets of Tehran and other big and small cities and towns across the country. The regime had turned its guns against its own people in an incomprehensible way.

And through it all, I kept hearing my father's lullaby: *'Sleep, my boy... the whole world is a fleeting tale.'*

Amir Golestani is the pen name of an Iranian writer based in Europe.



Young protesters gather at Jantar Mantar in New Delhi during the Cockroach Janta Party demonstrations, turning anger over exam leaks, unemployment and political accountability into a youth-led movement. Photo: Vipin / AP

Gen Z's Asian awakening

From India's Cockroach Janta Party to uprisings in Bangladesh and Nepal, digitally networked movements are learning to disrupt and hold accountable political authority. Turning disruption into durable democratic change will be harder, reports Madhavi Ravikumar.

Across continents, a generation once described as politically disengaged is moving from screens to streets. From New Delhi, Dhaka and Kathmandu to Nairobi and Rabat, young people are challenging governments over corruption, unemployment, inequality and the growing distance between democratic promise and lived reality. Their movements are often leaderless, digitally networked and fluent in the political language of memes, hashtags and popular culture. They can mobilize with extraordinary speed, bypass traditional parties and turn seemingly local grievances into

wider demands for accountability. Yet their successes raise a harder question: can a generation remarkably effective at disrupting political power translate viral mobilization into lasting democratic change?

India offers a revealing answer. In July, tens of thousands of young Indians occupied New Delhi's Jantar Mantar under the banner of the Cockroach Janta Party (CJP). Triggered by serial leaks of the National Eligibility cum Entrance Test (NEET) papers affecting two million students, the protests crystallised deeper grievances: graduate

unemployment, a broken examination system, and a political culture that treated youth aspiration as disposable. What began as a satirical Instagram response to a Chief Justice's reported comparison of unemployed youth to 'cockroaches' forced the resignation of the education minister, only the second cabinet exit under public pressure in twelve years of Narendra Modi's rule.

'I am a Cockroach,' declared Sparsh Chetri, a 24-year-old student in Hyderabad. 'We students had one main demand

— accountability. And we have achieved that.’ But it was 18-year-old Avanshika Singh, filming the police crackdown on the 20 July march to Parliament, who captured the movement’s distinctly digital character: ‘Today, we rang Parliament’s doorbell and ran... If nothing, we are televising our revolution.’

The Indian episode was deliberate and bounded. Unlike the upheavals in neighbouring countries, CJP focused on specific demands – ministerial accountability, compensation for families of students who died by suicide, and protection from legal reptilians – while remaining predominantly non-violent. Yet its symbolic force was substantial. ‘This government is evading all responsibility towards the youth of this country,’ said 20-year-old Ipshita Gulyari. ‘Modi had messed with the wrong generation.’

The humiliation was political as much as symbolic. For more than a decade, Modi’s authority has rested partly on an image of decisiveness and political invulnerability, a leader who sets the terms of public debate rather than responds to pressure from the street. The CJP inverted that relationship. The resignation demonstrated that



Young protesters gather in Kathmandu during Nepal’s 2025 Gen Z uprising, sparked by anger over corruption, political privilege and restrictions on social media. Photo: AP



Students take part in Bangladesh’s July 2024 uprising, which began with opposition to government-job quotas before expanding into a broader challenge to Sheikh Hasina’s government. Photo: Rajib Dhar/AP

even a dominant political establishment could be made to retreat.

A Generation Running Out of Patience

The Indian achievement gains sharper relief when set against more dramatic Gen Z triumphs in other regions. India’s Gen Z did not overthrow a government, nor did it seek to. Its achievement was narrower but politically significant: it forced accountability from within an unusually dominant political order. Bangladesh offers a more dramatic comparison. The 2024 July uprising began with student opposition to discriminatory government-job quotas but broadened after deadly police violence into a revolt against Sheikh Hasina’s rule. Hasina fled and an interim government took office. Yet the student-led National Citizens’ Party later struggled electorally, illustrating an emerging paradox: street power does not automatically translate into institutional power.

Nepal’s 2025 upheaval was even more compressed. A government ban on social media amid anger over corruption and ‘nepo kids,’ triggered mass demonstrations

and Prime Minister K.P. Sharma Oli’s resignation. ‘Maybe we didn’t change everything,’ said Rakshya Bam of the Nepal Gen-Z Front. ‘But we changed how people imagine what’s possible.’ Sri Lanka’s 2022 Aragalaya movement, propelled by economic collapse and dynastic misgovernance, had already established a model of digitally coordinated resistance that helped oust the Rajapaksas.

Beyond Asia: A global grammar of youth revolt

The generational revolt extends beyond Asia. Kenya’s 2024 anti-Finance Bill protests forced President William Ruto to withdraw controversial tax proposals, while Morocco’s Gen Z 212 movement turned anger over unemployment and failing public services into the resonant slogan, ‘We want hospitals, not stadiums.’ In Serbia, students transformed a railway-station disaster into a wider challenge to corruption and institutional failure. These movements should not be treated as a single global Gen Z revolt, but their shared political grammar is striking: digitally connected young citizens are turning specific grievances into broader challenges to inequality, corruption and elite impunity.



Kenyan Gen Z protesters demonstrate against the government's Finance Bill in 2024, forcing President William Ruto to withdraw the proposed tax measures. Photo: EPA

The movements should not be romanticised, according to Professor Rumela Sen of Columbia University who sees in them 'a very democratic, sincere aspiration for political inclusion, economic justice, and holding their elected representatives accountable.' Yet a generational disconnect remains. As Meenakshi Ganguly of Human Rights Watch observes, 'The youth in South Asia is not able to find anything to connect them to their political leaders.'

Harvard political scientist Erica Chenoweth's research on nonviolent campaigns offers a sobering counterpoint: success rates have declined since 2010, partly because contemporary movements often lack the sustained grassroots organisation and strategic clarity of earlier campaigns. Leaderless, online-first protests can escalate rapidly and dominate narratives but struggle to convert momentum into durable institutional change. The energy that topples leaders does not automatically equip activists to govern. That distinction is particularly important in India, where CJP's achievement was not

regime change but something arguably more attainable and immediately measurable: compelling a powerful government to respond.

The Paradox of Leaderless Protest

Here lies the central paradox. CJP's leader-light, digitally networked character helped it mobilise rapidly and resist conventional political control, but the same structure may make sustained organisation difficult. Its decision to remain a pressure group may preserve its independence, yet it also risks dissipation once the immediate target has fallen.

Political context also matters. These movements have succeeded most where democratic institutions still allow public pressure and elite legitimacy is already deteriorating. In more authoritarian environments, similar mobilizations can simply be suppressed.

In India, protesters forced accountability back into public discourse; in Bangladesh and

Nepal, youth mobilisation helped dislodge governments; in Kenya, it forced a major policy reversal. These are not manifestations of a single global movement, and radically different political contexts should not be collapsed into a universal story of 'Gen Z revolution'. But together they reveal something consequential: a generation raised on smartphones, economic insecurity and declining institutional trust is increasingly unwilling to accept inherited bargains of patronage, deference and political silence.

The harder test is whether these movements can translate street-and-screen energy into institutional reform and build organisations that outlast viral moments. For India, however, something has already changed. A generation dismissed through the language of 'cockroaches' turned the insult into a political identity and forced one of the world's most dominant political establishments to respond. The humiliation for power lay precisely in that reversal: those who were supposed to be politically disposable had made themselves impossible to ignore. As Erica Chenoweth reminds us, 'successful resistance' requires imagination and creativity. It requires organization. And it requires courage and discipline'. India's Gen Z has demonstrated the imagination and creativity to disrupt power; whether it can build the organisation and endurance required for lasting democratic change is the question that comes next.

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China's President Xi Jinping and North Korean leader Kim Jong Un during Xi's June 2026 visit to Pyongyang, as Beijing and Pyongyang move to rebuild their strategic relationship. Photo: Reuters

Behind the smiles

There has been an unusual burst of diplomatic activity between Beijing and Pyongyang in recent months, capped by Xi Jinping's visit to Pyongyang in June. As Xi prepares for talks with Donald Trump again in September, Howard Zhang questions why Beijing is redefining its relationship with North Korea and how that plays into the wider US-China competition for influence over the peninsula.

Photographs from the North Korean capital told a familiar story: military bands, goose-stepping honour guards, flower-waving crowds and choreographed embraces beneath giant portraits of Kim Il Sung and Kim Jong Il. Chinese state media declared that Xi's visit had opened 'a new historical starting point' in relations.

Xi subsequently welcomed North Korean premier Pak Thae Song to Beijing, where the two sides marked the 65th anniversary of the 1961 Treaty of Friendship, Cooperation and Mutual Assistance with an unusually emphatic exchange of

messages. Xi pledged China's commitment to its 'traditional friendship' with North Korea, its support for Kim Jong Un's leadership of the socialist cause, and its determination to safeguard shared interests and 'a favourable strategic environment'. Kim called the relationship a 'strategic choice,' describing it as heading towards 'a model of the strongest and most strategic relations between socialist countries'.

Taken at face value the message was simple: closer ties. But official warmth and strategic trust rarely move in lockstep. The more interesting question is why Beijing

has suddenly become so keen on Kim again. Long-time watchers of the relationship know that the frequency of senior China-North Korea meetings is a good gauge of its temperature. The Washington-based Center for Strategic and International Studies (CSIS) Beyond Parallel database records 161 documented high-level visits since 1953, yet shows a marked decline in contact under Xi and Kim compared with their predecessors, Hu Jintao and Kim Jong Il. The pattern is striking for how uneven it is: periods of intense engagement, followed by years of thin contact, followed by sudden acceleration.

China-North Korea relations, 1949-2026

Illustrative tenor of the relationship, based on the frequency of high-level visits and major diplomatic turning points



Source: Chinese and North Korean official records; CSIS Beyond Parallel database of high-level visits

The early Xi-Kim years were among the coldest on record. Beijing was frustrated by North Korea's nuclear tests; Pyongyang resented China's willingness to back UN sanctions and court South Korea, whose president, Park Geun-hye, Xi visited before he ever met Kim. For several years Xi and Kim barely spoke. The recent surge in diplomacy demands an explanation.

History explains part of the answer

China and North Korea have always needed one another, but they have never wanted exactly the same things. China's intervention in the Korean War in the early 1950s almost certainly saved Kim Il Sung's regime and the 1961 treaty, still China's only active mutual-defence pact, supplies the alliance's legal foundation. Yet even at its closest, Pyongyang avoided dependence on Moscow or Beijing: Kim Il Sung's doctrine of *juche*, usually translated as self-reliance, was as much about guarding strategic autonomy as resisting the West.

That instinct hardened after Deng Xiaoping opened China's economy

and normalised relations with Seoul. Beijing hoped North Korea would follow suit, liberalising while keeping one-party rule, and showcased Shenzhen and Shanghai to visiting delegations for decades – a calculated pitch to demonstrate what economic reform could deliver without compromising state control. Kim's family drew the opposite lesson: reform had transformed China's economy, but also loosened the controls on which the Kim dynasty

depends. The same divergence appeared over nuclear weapons. For two decades Beijing argued that denuclearisation and stability could be pursued together, underwriting its role in the Six-Party Talks on the assumption that denuclearisation was negotiable. And it backed UN sanctions on that same premise. Those assumptions no longer look sufficient.

North Korea changed first

Most Western accounts

of the current thaw start with Beijing. It makes more sense to start with Kim. Rachel Minyoung Lee, a North Korea expert at the Stimson Center, makes the useful point that outside observers often assume every North Korean move is aimed at Washington. Increasingly, that is the wrong lens: Kim has been running a strategy of his own.

Since around 2023, Pyongyang has abandoned the assumption that



North Korean leader Kim Il Sung and Chinese Premier Zhou Enlai sign the Treaty of Friendship, Cooperation and Mutual Assistance in Beijing on 11 July 1961, establishing the formal foundation of the two countries' enduring alliance. Photo: Wikimedia



Kim Jong Un's expanding partnership with Russia has given North Korea another powerful patron, reducing China's traditional leverage over Pyongyang. Photo: Kremlin.ru/CC BY 4.0

reunification is realistic and that nuclear weapons are a bargaining chip. Russia, driven by its need for munitions in Ukraine, has re-emerged as a great-power patron willing to accept the nuclear arsenal – something Beijing refuses. Russia cannot replace China as North Korea's economic lifeline, but it has ended Beijing's exclusivity. Kim now has room to manoeuvre.

Which brings us back to Xi

From Beijing's side, the regional picture has shifted too: competition with America has intensified, security cooperation between Washington, Tokyo and Seoul has deepened, Russia has returned as an actor on the peninsula, and Taiwan remains a live source of tension. Xi has strong reasons to keep North Korea tied to China rather than drifting towards Moscow.

China's foreign minister Wang Yi visited Pyongyang in April, his first trip there since 2019. Xi followed in June. Pak Thae Song then brought a delegation to Beijing, where Xi urged both sides to maintain 'strategic resolve' and accelerate the agreements reached with Kim.

Wang Huning, the party's fourth-ranked leader and its most senior ideological figure, visited Pyongyang in July. The rhetoric has shifted with the schedule: Xi and Kim are now introduced first as general secretaries of their parties rather than heads of state, and senior leader Cai Qi told the treaty reception that the two men had guided relations into 'a new historical period'.

Beijing has not recognised North Korea as a legitimate nuclear power and still says, when pressed privately, that it wants denuclearisation. But it has no realistic way of reversing what is now a *fait accompli*. Recent summit statements give the issue far less prominence than strategic coordination and sovereignty. Some South Korean diplomats argue privately that China would not simply let denuclearisation go, since a permanently nuclear North Korea strengthens the case for a stronger Japanese military, feeds South Korea's own nuclear debate, and undermines a non-proliferation system in which Beijing has a stake.

They are not wrong. But foreign policy rarely offers ideal choices, and for Xi, preserving influence over Kim and limiting Russia's hold on him now looks more urgent than reviving talks with little chance of success. Beijing has not abandoned denuclearisation as a goal; it has postponed it, and that has consequences well beyond the peninsula. Japan and South Korea will invest further in missile defence and trilateral coordination with Washington, and the debate over an independent South Korean deterrent will be harder to suppress. By drawing closer to a nuclear North Korea to shore up its own position, China risks accelerating precisely the regional militarisation it says it opposes.

Xi is not simply restoring an old alliance. He is redefining it for a world in which North Korea is more nuclear, Russia is more relevant, and China's old assumptions about both no longer hold. The warmth on display this summer is genuine. It is also a sign that Beijing has concluded the relationship can no longer be left to drift.



Chinese and North Korean flags in Pyongyang during renewed diplomatic engagement, reflecting the public warmth of a relationship Beijing is now seeking to strategically recalibrate. Photo: Jon Chol Jin/AP

Howard Zhang is a geopolitical analyst and former *BBC* editor specialising in Indo-Pacific issues.



The Registan in Samarkand, a historic Silk Road city at the heart of Central Asia's changing geopolitical landscape. Photo: Calum MacLeod

Uzbekistan and the new 'Great Game'

In the summer of 1842, two senior British officers were led from their dungeon to the executioner's sword in Bukhara. Their crime? Seeking to thwart Russia's advance into Central Asia. Their deaths became one of the defining episodes of the nineteenth-century Great Game between the British and Russian Empires. Lijia Zhang knows the country well.

Before my first trip to Uzbekistan in 1992, I had devoured such stories as *The Great Game* and other books by Peter Hopkirk. They awakened my fascination with Central Asia, a region where history, empire and myth seem to converge.

A century and a half later, another contest is unfolding across the same vast landscape. Once again, Central Asia finds itself between powerful neighbours. To the north is Russia, the region's traditional political and security partner. To the east is China, now its largest trading partner and an increasingly important investor. Turkey, the

European Union and the United States are also seeking a greater presence.

Yet the new Great Game is being played by different rules. The Central Asian republics are no longer prizes to be won. They have become increasingly confident players in their own right.

The strategic landscape has also changed. In a new book the former Australian ambassador to China, Dr Geoff Raby, argues that 'the old division of labour in which Russia provided the region's security and China its

economic support through trade and investment has ended'. When I interviewed him, he said Russia's invasion of Ukraine had weakened Moscow's authority and its capacity to act as the region's security guarantor, while China's influence had continued to expand.

Even before the war, Russia's influence had been declining since the collapse of the Soviet Union at the end of 1991. Within months, all five Central Asian republics had become independent, some more reluctantly than others, even though Moscow remained highly influential.

Then came China's rise. Beijing's growing presence was on display at the China–Central Asia summit in the Kazakh capital, Astana, in June. Bringing together President Xi Jinping and the leaders of the five Central Asian republics, the summit reflected both China's growing confidence and the region's rising strategic importance. It also demonstrated Beijing's determination to engage Central Asia directly rather than through Russian-led institutions. While much Western commentary portrayed the meeting as another sign of China's expanding influence, the reality is more nuanced.

Kazakhstan, Uzbekistan, Kyrgyzstan, Tajikistan and Turkmenistan are not simply choosing between Beijing and Moscow. Like many medium-sized powers, they are pursuing a careful balancing strategy: strengthening ties with China while encouraging greater engagement from Russia, Turkey, the European Union and the United States. As Ambassador Raby puts it, 'They have agency.' Their aim is to benefit from all while becoming overly dependent on none.



A woman sells bread in a Samarkand bazaar, where Uzbek traditions remain central to everyday life. Photo: Lijia Zhang



Tashkent's Chorsu Bazaar reflects Uzbekistan's distinctive identity and heritage. Photo: Calum MacLeod

For nearly two centuries, Russia dominated the region. Even after the Soviet Union collapsed, millions of Central Asians continued to work in Russia and Russian remained the common language of government and business. When I travelled to Uzbekistan in 1992 it had only just become independent. It was widely believed that Uzbekistan's first president, Islam Karimov, was more comfortable speaking Russian than Uzbek.

More than three decades later, Uzbekistan has become noticeably more self-confident, with Uzbek firmly re-established as the country's principal public language. Yet while the region has been rediscovering its own identity, its external relationships have also been undergoing a profound transformation.

China's presence has become increasingly visible across Central Asia, which was the first testing

grounds for China's 'Belt and Road' initiative. Over the past decade, railways, pipelines, highways and logistics hubs have linked it more closely to western China than ever before. Chinese companies are investing in renewable energy, mining and manufacturing, while Chinese electric vehicles are increasingly common on city streets. Trade between China and the five Central Asian states has expanded dramatically, reaching a record US\$95 billion in 2024 and continuing to grow since.

Uzbekistan offers a revealing case study. It is not the largest country in Central Asia, nor the richest in oil and gas, but it is arguably the region's pivotal state: the most populous, the most historically alluring to visitors, and the only one bordering all the other four former Soviet 'stans' as well as Afghanistan.

Its economic orientation also tells a larger story. By 2023, China had



The trading domes of Bukhara, a historic Silk Road centre. Photo: Calum MacLeod

consolidated its position as Uzbekistan's leading trading partner, accounting for about 19 per cent of total trade, compared with Russia's roughly 18 per cent. Beijing is turning this economic weight into a more formal regional presence, building its own architecture through the China–Central Asia summit mechanism with a permanent secretariat in the Chinese city of Xi'an.

Yet China's influence remains economic rather than ideological. Unlike the Soviet Union, China has shown little interest in exporting a political model. Instead, it offers infrastructure, investment and markets. That approach appeals to governments whose overriding priority is economic development.

It is tempting to see all this as a straightforward contest in which China replaces Russia as the region's dominant power. That would be too simplistic. Russia remains an important security

partner with deep historical and cultural connections.

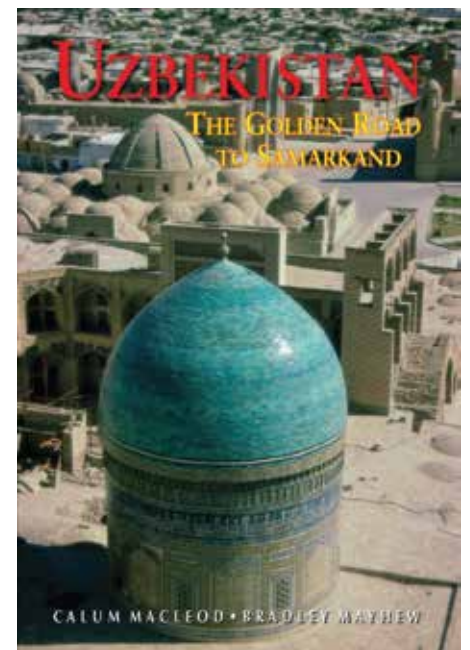
Kazakhstan has pursued a sophisticated 'multi-vector' foreign policy for decades. Uzbekistan has become increasingly outward-looking under President Shavkat Mirziyoyev. Across the region, governments are diversifying their partnerships while carefully avoiding exclusive alliances. In other words, they are no longer merely caught between great powers. They are learning to use competition among those powers to advance their own interests.

Perhaps that is the biggest difference between the old Great Game and the new one. The nineteenth-century version was played over Central Asia. The twenty-first-century version is increasingly played with it.

For China, Central Asia is more than another geopolitical theatre. It is the ancient gateway through

which Buddhism entered China, the heartland of the Silk Road, and the bridge linking East Asia with Europe and the Middle East. Beijing's interest in the region is shaped not only by strategic calculation but also by long historical memory. As China becomes more influential across Eurasia, it is reviving connections that long predate the modern nation state.

Having wandered beneath the blue-tiled domes of Samarkand and watched merchants bargain in the ancient markets of Bukhara, I find it impossible to see Central Asia merely as a chessboard on which great powers compete. It is a living civilisation in its own right. Perhaps that is the greatest lesson of the new Great Game: beyond the rivalry of empires lies a region whose own history, culture and people will ultimately shape its future.



Uzbekistan: The Golden Road to Samarkand, by Calum MacLeod and Bradley Mayhew, explores the history and culture of a country at the heart of Central Asia.

Lijia Zhang wrote *Socialism is Great*, about working in a Chinese missile factory, a novel *Lotus* about the life of a Chinese sex worker and contributed to *Uzbekistan: The Golden Road to Samarkand*, co-authored by Calum MacLeod, who provided some of the above pictures.



TSMC's semiconductor industry puts Taiwan at the centre of the global AI boom. Photo: TSMC

The miracle island that is Taiwan

The AI boom is supercharging Taiwan's economy, putting the world's biggest semiconductor supplier at the centre of the latest tech revolution, while also renewing fears about the intricate links between its national security and the global supply chain. Helen Davidson reports.

Taiwan, a self-governing democracy of 24 million people, produces more than 90% of the most advanced chips that are needed in everything from mobile phones to missiles. This concentration of supply – led by the Taiwan Semiconductor Manufacturing Company (TSMC) – has long been dubbed a 'silicon shield' because of a theory that the world might be more inclined to help protect Taiwan from violent Chinese annexation, in order to keep its 'high tech' production line out of Communist Party control.

Beijing claims Taiwan is a province of China, and has vowed to 'reunify' it with the mainland, by force if necessary. Taiwan's

government and people overwhelmingly reject the prospect of Chinese rule. Under Xi Jinping, China's military has been preparing for a full-scale invasion which, analysts suggest, could be close.

Audrey Tang, Taiwan's former digital minister, says the 'silicon shield' moniker does not guarantee safety but 'is a way of saying that disruption in Taiwan would be extraordinarily costly for everyone, giving many countries an interest in preventing it'. But parties like the US are uncomfortable with this risk and, in recent years, have pushed for decentralisation of production away from Taiwan, as insurance

against the possibility of a Chinese takeover of the island and its semiconductor, or 'chip', supply.

The US used inducements, encouragements and punitive tariffs to push for TSMC and other chip firms to move production offshore or to collaborate with American and other foreign companies. In 2022 the Biden administration introduced the CHIPS and Science Act to help secure US access to the most advanced 2-nanometre chips. Under threat from Donald Trump's industry-specific tariffs, TSMC last year pledged more than \$100bn to expand its production on US soil. It also expanded to Japan and Germany.

The decentralisation push has worried some in Taiwan. Opposition figures have questioned what would become of Taiwan's national security if the 'sacred mountain that protects the country' – TSMC – moved to the US. 'When TSMC first announced its US investment plans, there was considerable debate and criticism in Taiwan,' says Kristy Hsu, the director of the Taiwan ASEAN Study Center at the Chung Hua Institution for Economic Research. 'Some people were concerned about possible technology leakage and the risk of hollowing out Taiwan's semiconductor industry.'

Then AI happened. Suddenly Taiwan's chip supply was even more crucial and urgent, as tech giants and governments rushed to be the first and best in development of the largely unregulated industry that was advancing at a dizzying speed. Few were willing to wait for the planned foreign production to get up and running. Nvidia announced it would open a new headquarters in Taipei, and its CEO Jensen Huang declared Taiwan to be 'the epicentre of the AI revolution'.

By the middle of this year, Taiwan was struggling to meet the demand



Former Taiwan digital minister Audrey Tang has described the island's semiconductor industry as a critical part of global resilience. Photo: Kaii Chiang/CC BY-NC-SA 4.0

for high-end chips, and was also producing more than 60% of the world's AI servers. Exports are soaring, and the island's economy has boomed with figures not seen since the 'Asian tigers' era of economic growth in the 1980s and 90s. In June, TSMC broke records for revenue growth, and then broke them again in July.

Seizing the momentum, Taiwan's government deftly evolved its rhetoric, pivoting the chips narrative to one that is all about AI, even though manufacturers

are still largely making the same products. The president, Lai Ching-te, lauded the industry's growth and called for Taiwan to create a workforce pipeline for 500,000 AI professionals by 2040. Taiwan also dedicated itself to becoming a key 'non-red' supplier of sensitive AI infrastructure and hardware for countries that fear the security vulnerabilities of using Chinese-made tech.

'There is now an intentional effort by the Taiwan government to connect Taiwan's unique strength and its core position that it occupies in the global semiconductor supply chain to the booming discussion about global AI growth,' says William Yang, senior East Asia analyst for the International Crisis Group. 'This has also become a very important component in Taiwan's overall national security regime, where economic security is increasingly becoming inseparable from the discussions about overall national security. [Its role in the supply chain] gives it bargaining power, and leverage with other large democratic economies.'

Taiwan's silicon shield appeared to have been strengthened, and US concerns renewed. US commerce secretary Howard Lutnick demanded 40% of Taiwan's chip manufacturing be moved to the US. 'You can't have all semiconductor manufacturing 80 miles from China,' he said in February. 'That's just illogical... we need to bring it back.' Taiwan's government responded that while the industry could expand more into the US, Lutnick's 40% goal was impossible.

Taiwan's success as a semiconductor manufacturing hub is built on more than half a century of research and development, and what Tang calls



Nvidia CEO Jensen Huang has called Taiwan the 'epicentre' of the AI revolution. Photo: CNA file photo



Taiwan's chipmakers are racing to meet surging global demand for AI hardware. Photo: Shutterstock

a 'game-changing' manufacturing model that centres on making customers' designs instead of competing with them. Coupled with a fine-tuned local pipeline of workers from training to employment, Taiwan raced ahead of competitors. AI has changed the game slightly. Tang says the AI industry is much more globally integrated than semiconductors, but Taiwan is still 'one of the physical foundations'. 'Taiwan firms manufacture leading processors, package them, and build much of the server, networking, power and cooling infrastructure around them,' says Tang. 'At the same time, Taiwan does not control the whole stack... The leading model companies and cloud platforms are mainly from the US, Netherlands, and South Korea.'

It means there is more of a 'if one falls, all fall' dynamic, which maintains the silicon shield in a different way. 'Taiwan's security should not depend on keeping the world artificially vulnerable,' says Tang. 'A better goal is resilient interdependence: enough redundancy to survive disruption,

but enough shared investment and trust so that coercion remains costly.'

Few know where the AI boom will lead. The discourse is peppered with outlandish predictions ranging from the utopian replacement of all human work to the biggest bubble pop we've ever seen. The hypergrowth of the industry, particularly from China, which is finding and building its own advanced AI tech, also

threatens Taiwan's decades-old lead. 'Taiwan is exposed because so much of its economy depends on a small number of overseas customers and a famously cyclical industry,' says Tang.

Hsu says the challenge for Taiwan in navigating this is twofold. 'First, it must continue working very hard to maintain the global competitiveness of its AI hardware industries, where competition and technological change are extremely rapid. Second, it needs to strengthen areas where it currently has limited capabilities... Taiwan is already in a very strong position in AI hardware, but maintaining that position cannot be taken for granted. The next stage will be about both defending existing strengths and filling strategic gaps.'

But for now, Yang says Taiwan's role is 'still very central, no matter what'. 'This is important leverage the Taiwan government has identified, and has latched on to.'



President Lai Ching-te has linked Taiwan's semiconductor strength to its economic and national security. Photo: Liu Shu fu/Office of the President

Helen Davidson was based in Taiwan for five years, covering geopolitics, defence, and economics.

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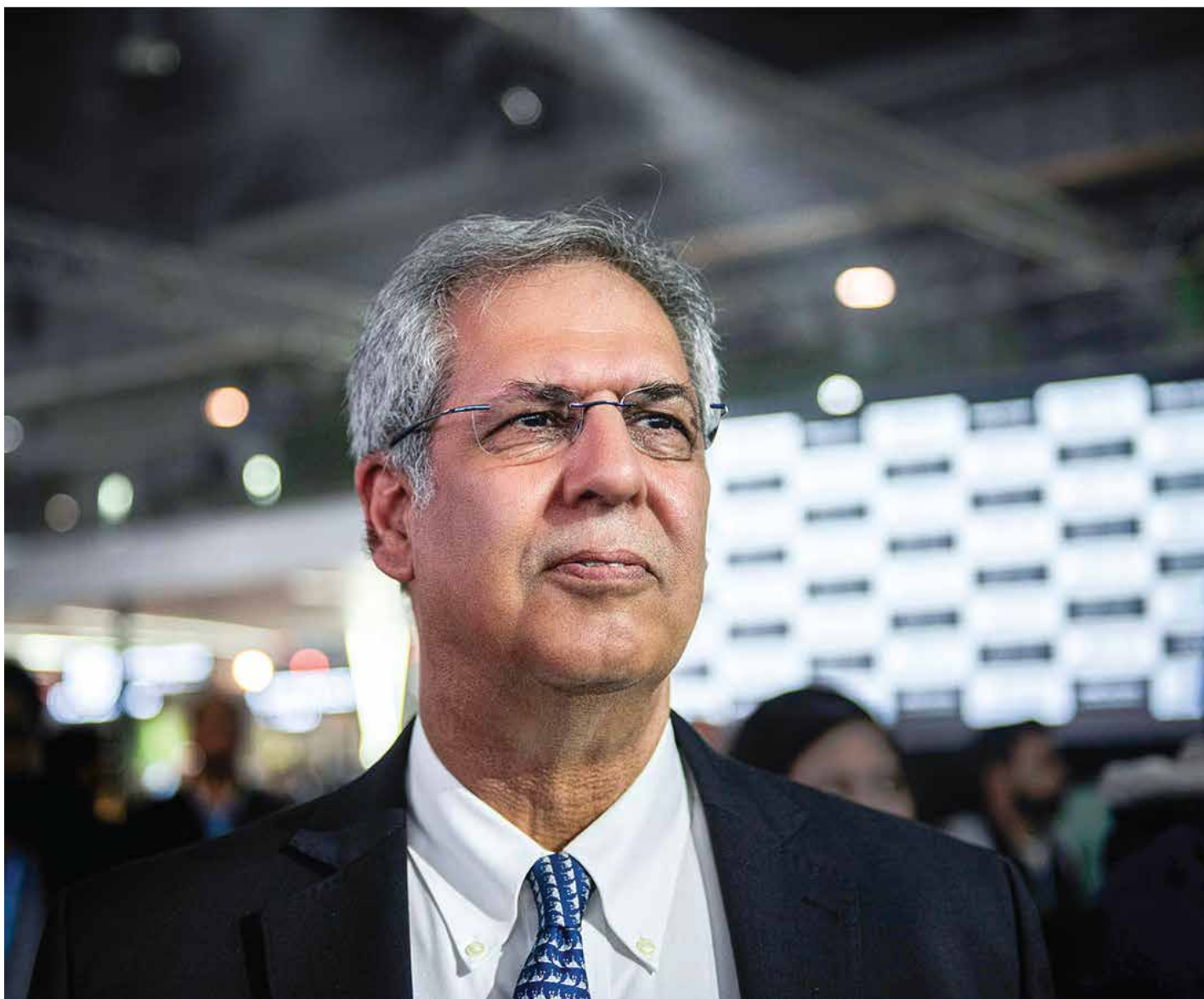
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Noel Tata, chairman of Tata Trusts, is at the centre of the latest leadership struggle at India's Tata conglomerate, whose trusts hold a controlling 66% interest in Tata Sons. Photo: Amit Verma

Tata family back in control

A boardroom battle between N. Chandrasekaran, who has been the executive chairman of Tata Sons, for the past ten years, and Noel Tata, the chairman of Tata Trusts, that has a 66% controlling interest, has left the affairs of India's biggest conglomerate in disarray following the unprecedented postponement of the company's annual general meeting. John Elliott reports.

The battle came to a head in August when Chandrasekaran unexpectedly announced that he would not seek a third five-year term as chairman when his current five years end next February. Technically he is now not even a director because he needed

to be routinely reappointed at the AGM, which might now take place in September after a board meeting that will consider Chandrasekaran's announcement.

These moves mark the climax of bitter family differences and

ego clashes that have coloured events at the top of the \$280bn group for decades. Subject to the AGM and any moves by the board, Noel Tata has come out the winner, having triggered Chandrasekaran's decision to leave. With Chandrasekaran going, Noel is gaining the



N. Chandrasekaran, executive chairman of Tata Sons, announced that he would not seek a third term, bringing his decade at the helm of the group towards an unexpected close. Photo: Tata Group

group leadership that he was denied when his elder half-brother, Ratan Tata, retired as Tata Sons chairman in 2012. At the time, he was seen by many in Mumbai and elsewhere as the natural successor.

Ratan Tata's legacy is now in the hands of the half-brother whom he did not rate. Noel's managerial advancement was restricted by Ratan during the 21 years that he was chairman, allegedly because he doubted Noel's ability, but basically, observers say, because of their family history. Ratan Tata's parents had a difficult divorce. His father later married Simone Dunoyer from Switzerland, and Noel was born. The two boys grew up separately and it seems that Ratan never accepted his stepmother or half-brother. Noel then complicated the family base by marrying Aloo Mistry, the daughter of Pallonji Mistry whose Shapoorji Pallonji group is Tata's largest minority

shareholder with an 18% stake (which it now wants to sell).

Helped initially by his mother, Simone, who was regarded as a trailblazer in cosmetics and fashion retailing, Noel proved his ability by turning Tata's Trent retail business into a

success against strong competition, hitting \$2bn revenues last year. He also developed Tata's international trading company. Ratan is quoted in a recent biography saying, somewhat dismissively, 'perhaps, if Noel had had the experience of handling difficult assignments, he could have established his credentials more forcefully... For Noel to compete successfully for the top post he should have greater exposure than he has had... Partly, his not having it has been his own choice.'

Tata is generally revered as India's most respectable large business. It is devoted to charitable enterprise and patriotic principles that guide corporate decisions over its 1.1m employees and 30 operating companies, ranging from salt to software and Jaguar cars, from hotels to aviation and defence.

The image however began to unravel after Ratan retired as chairman of Tata Sons in 2012. He remained head of the trusts



Ratan Tata and his half-brother Noel Tata belonged to different branches of the family, a relationship that shaped the succession struggles at the top of the Tata group. Photo: NDTV



Ratan Tata's decision to remove Cyrus Mistry as Tata Sons chairman in 2016 was another defining episode in the group's long-running succession and governance battles. Photo: PTI

that have a controlling 66% share in the group and, in 2016, age 78, staged a boardroom coup that ousted his chosen successor as chairman, 50-year-old Cyrus Mistry (brother of Noel's wife). Ratan replaced him with Chandrasekaran, who ran the highly profitable Tata Consultancy Services software

business, again sidelining Noel. (Cyrus died later in a car crash).

Mistry had not been removed for bad management, though there were criticisms of his style and some of his decisions. He went primarily because he did not show sufficient respect and deference to Ratan. Some of his more brash aides also upset the

serenity of Tata's Bombay House headquarters. Unlike Mistry, Chandrasekaran managed his relationship with Ratan expertly, but does not seem to have felt the need to do the same with Noel Tata, probably because, like others, he underestimated Noel's ability to be tough and exert authority.

Chandrasekaran has had some failures, notably trouble-prone Air India. There have also been losses on new digital and other ventures with major expansion into AI. But growth has been good with revenues of \$185bn, and many of the problems left by Ratan, such as the Tata Motors' declining Indian car business, have been turned into successes. That is reflected in a bullish annual report for 2025-26. Air India's losses more than doubled to nearly \$3bn in 2025-26 and accounted for some 80% of the group companies' total losses.

There were splits among trustees throughout last year about appointments and governance issues. This escalated to the point where Chandrasekaran and Noel went to Delhi last October for a meeting that received considerable media publicity with Amit Shah, the home minister and the prime minister's troubleshooter, and Nirmala Sitharaman, the finance minister. They have had more meetings recently, attending separately, which underlines how concerned the government is about stability in this vast business empire that straddles so many parts of the Indian economy.

Chandrasekaran has good links with the government because he had hired S. Jaishankar as a global affairs adviser for just



Air India, acquired by the Tata group in 2022, has become one of the most difficult parts of N. Chandrasekaran's expansion strategy, with losses rising sharply in 2025-26. Photo: Reuters

over a year in 2018-19, after Jaishankar retired as foreign secretary and before he was appointed foreign minister. But it seems he may have over-estimated the support that access could yield in his growing differences with Noel.

raised concern about Chandrasekaran's \$120bn five-year expansion plan for the group.

The proposal of the third term 'was not carried through because one of the Board Members did

his decision on August 12 as a public statement without any warning or discussion with Noel. He said his announcement would also leave enough time to find a successor, and that search will now begin. The statement was meant to avoid the risk of an embarrassing situation at the AGM, which was adjourned because there was not a quorum following an unconnected issue involving the Charities' Commission that prevented the two main Tata trusts' directors attending.

Noel lacks Ratan's commanding (though shy) presence but now has the opportunity to prove that he can preside over the group as head of the trusts. He cannot also be chairman of Tata Sons because Ratan, after he retired from that position, changed the rules so that one person cannot hold both posts.

As Ratan never married, Noel is securing his own family's role in Tata's future. He has appointed his 32-year-old son Neville, who has managerial roles in the retail businesses, to the two top trusts. Noel's two daughters, Leah and Maya, are employed in the group's hotels and in retail.

First, however, Noel needs to lead the choice of a strong candidate to succeed Chandrasekaran and then allow the winner freedom to run the group and be its public face.



Bombay House in Mumbai, the historic headquarters of the Tata group, has long been the centre of the conglomerate's corporate affairs and succession battles. Photo: ANI Photo

Despite the problems – and tensions over whether Tata Sons should follow a Reserve Bank of India instruction to be floated on the Bombay Stock Exchange – the two main trusts proposed Chandrasekaran for a third term. This however was questioned at a Tata Sons board meeting in February by Noel who was critical about losses. Not a risk-taker, Noel has also

not support it,' Chandrasekaran said in his resignation statement, referring to Noel without naming him. In the absence of unanimous support, Chandrasekaran said he had, as chairman, deferred the decision.

Noel apparently did nothing after that to solve the impasse, so Chandrasekaran announced

John Elliott reported from India for more than 25 years for the *Financial Times* and later for *The Economist* and *Fortune* magazine. An earlier version of this report appeared in his blog <https://riding-the-elephant.com>



Riyadh's rapidly changing skyline reflects Saudi Arabia's Vision 2030 drive to diversify its economy and modernise society beyond its historic dependence on oil. Photo: Shutterstock/File Photo

Bisinomics

Saudi Arabia

As the Kingdom of Saudi Arabia enters its 95th year of existence, the buzz in the country continues to be about 'Vision 2030'. Around 1938, the sandy state discovered oil. This made it incrementally wealthy in the 20th century and the affluence spilled over into the new millennium.

It is a decade since the transformation document was launched. Its primary goals were to prepare for a post-oil economy and society, which meant lower dependence on fossil fuel income, diversification of its economy and modernisation of its society, including enabling more home ownership for Saudi nationals. The project outlined a better quality of life and modern amenities for its

citizens and visitors, a preservation and highlighting of its heritage, including rendering these into international tourist attractions.

On the economic front, the aim was privatisation, non-oil GDP growth and foreign investment. It kick-started efforts to make government efficient and transparent and develop a local talent pool. The Vision is driven by the Saudi crown prince Mohammed bin Salman, who has also been the country's prime minister since 2022. It is undoubtedly wide-ranging in its concept.

The scheme involved: the creation of a US\$500 billion high-tech city named Neom –

boasting a 170-kilometre long mirrored skyscraper urbanisation, sustained wholly by renewable energy; a tourist destination on the Red Sea spanning an archipelago of more than 90 untouched islands; Qiddiya City, a mammoth sports and cultural metropolis, where Saudi Arabia will host the 2034 FIFA World Cup; and a US\$62 billion restoration of Diriyah, the ancestral home of the Saudi royal family, into a heritage hub.

The Vision relaxed hitherto rigid religious rules which commanded Saudi society. Women are now able to drive motor vehicles unaccompanied by a man. Those above 21 can travel abroad without needing consent from a father, husband or male guardian.



NEOM's ambitious developments are among the most prominent symbols of Vision 2030, although investment pressures have forced Saudi Arabia to scale back some of its original plans. Map illustration: The Economist

Commercial cinema halls reopened in 2018 after a 35-year ban. Music festivals are now allowed to feature non-Muslim performers. Foreign female visitors are no longer required to wear the *abaya*, a traditional Arab-style loose robe, though modest dressing in public is still expected. Unmarried foreign couples are allowed to share hotel rooms; and

gender segregation in public places is no longer mandatory.

CNBC reported that non-oil enterprise now contributes over 50% of Saudi Arabia's GDP. Tourism, tech and manufacturing bolster this progress. Unemployment has dropped from 12% in 2016 to just above 7%, according to Eric Kimberling,



Saudi women have gained greater freedom to drive, travel and participate in public and economic life as the kingdom implements the social reforms of Vision 2030.

chief executive of *Third Stage Consulting*, who said digital change has conjured this.

But there are challenges. The flow of investment funds has not met up to expectation, which has forced a paring down of the Neom dream. The Saudi economy and therefore financial capability remain vulnerable to global oil price stability. Human rights groups, including Amnesty International, highlight worker safety at construction sites and the forced eviction of tribes during land clearance.

Incidentally, Saudi Arabia's 'Vision 2030' is not the first of its kind in the Gulf. There was previously the United Arab Emirates' 'Vision 2021'; and concurrently there is Kuwait's 'Vision 2035'.



China's economy is showing mixed signals, with technology demand providing support while weak domestic credit and consumption weigh on growth. Photo: CFA

China

Eurasia Business News flagged Asian stock markets and economic metrics show mixed trends, supported by cooling US inflation and AI tech demand, but pressured by ongoing oil volatility, sliding domestic consumption in China and escalating trade tensions.

Nikkei Asia indicated that in July China's bank loans experienced a record contraction due to weak domestic credit demand.

Unconnected to that, Beijing introduced new offshore tax policies. CNBC reported that ‘while the rules ended decades of regulatory ambiguity about the vehicles, they have also created fresh confusion over implementation.’

In August, Zhu Rongji, a former Chinese premier who helped turn China into a trading giant, died at the age of 97. *BBC* said he ‘played a leading role in securing [China’s] entry into the World Trade Organisation, opening Chinese factories to the international market and drawing foreign investment.’

Japan

Meanwhile, the media in general noted Japanese markets tracked global tech gains, though the yen’s movement sparked debate regarding potential currency interventions; and megabanks intensified a push into ultra-wealth management.

Japan Today reported that Japan’s summer tourism season saw a shift from China-driven demand. It said ‘The number of Chinese visitors to Japan in the first six months of this year dived 56.4 percent from a year earlier, as Prime Minister Sanae Takaichi’s contentious remarks in parliament last year over how Japan might respond to a crisis over Taiwan. China, angered by the remarks, advised its citizens not to travel to Japan and ramped up economic pressure.’

However, Japan National Tourism Organisation data reported that a steady increase in visitors from South Korea, Taiwan, Southeast Asia, Europe and the United States helped offset the decline.



Natarajan Chandrasekaran’s exit puts Tata’s strategy, including its costly Air India turnaround, under scrutiny. Photo: News Bytes

India

India’s trade deficit in goods and services has been ballooning. Its foreign exchange reserves climbed back above US\$700 billion on strong financial inflows. *Reuters* reported that this occurred ‘under policy measures to strengthen India’s balance of payments’. It added ‘the swap facilities drew flows worth over US\$40 billion.’

In the corporate sector, Natarajan Chandrasekaran, surprisingly announced that he would not seek reelection as CEO of India’s largest conglomerate, Tata. The news was widely reported given the group’s international presence, especially in Britain where it owns Jaguar Land Rover and several other companies across sectors. Under his nine-year stewardship, most Tata companies significantly enhanced their turnovers and profits. But not Air India, which returned to its stable from Indian government control in 2022. Tata’s attempt to turn around the airline has resulted

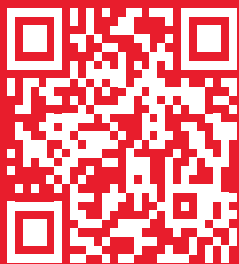
in heavy losses not only for Tata but its partner in the venture, Singapore Airlines. *The Hindu* headlined, ‘Chandrasekaran’s exit puts Tata’s Air India bet under fresh scrutiny.’

Southeast Asia

Malaysia’s central bank disclosed second quarter GDP growth beating expectations, while Indonesia faced structural and energy exposure linked to elevated global oil benchmarks.



Malaysia’s stronger-than-expected growth contrasts with Indonesia’s exposure to elevated global energy prices, highlighting divergent economic pressures across Southeast Asia. Photo: Firdaus Latif

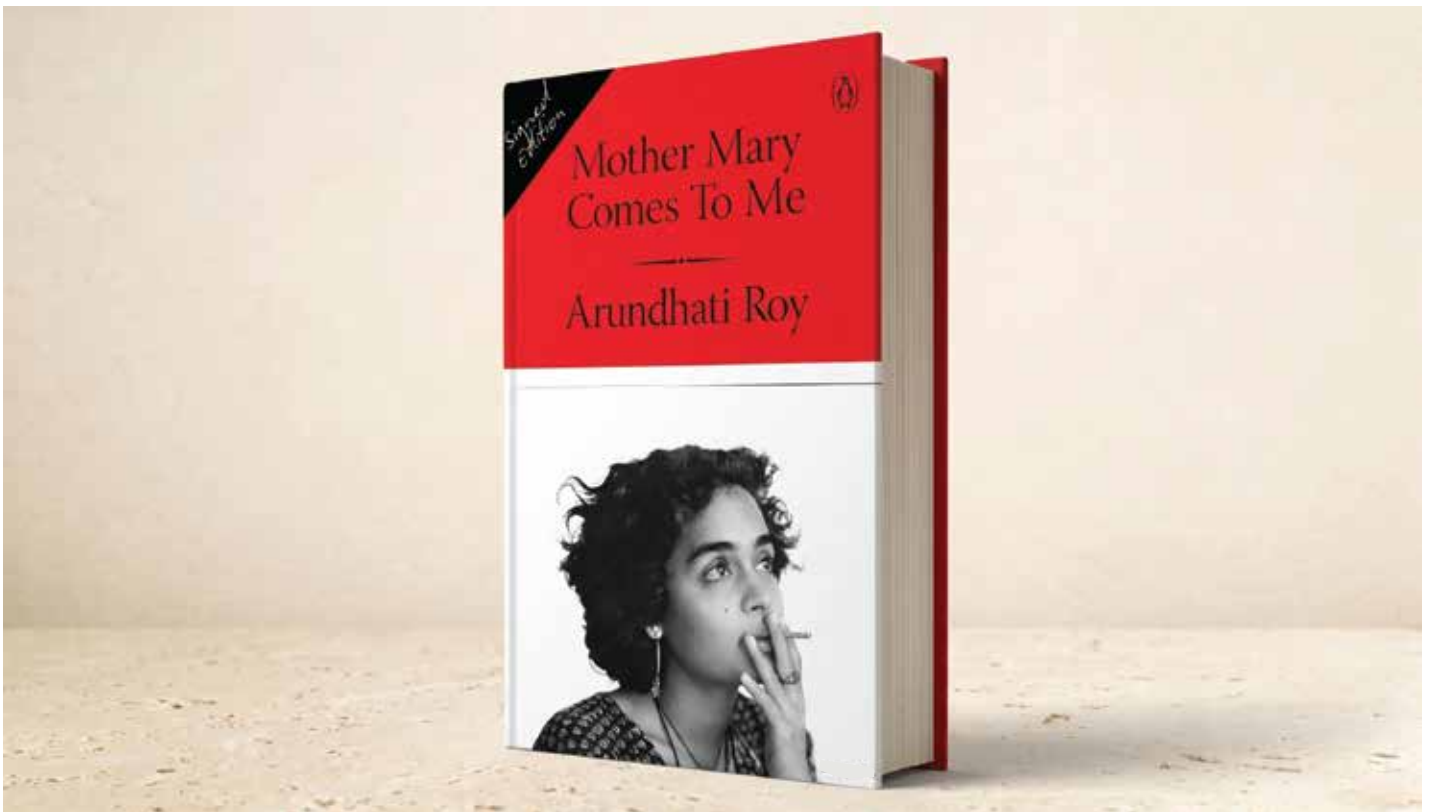


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In *Mother Mary Comes to Me*, Arundhati Roy revisits her childhood and complicated relationship with her mother, tracing the experiences that shaped her as a writer.

Small things, utmost happiness and not letting it be – the writing of Arundhati Roy

Arundhati Roy is an Indian Booker Prize-winning writer and public intellectual, a former architect and filmmaker living in New Delhi. Her novels are *The God of Small Things* (1997) and *The Ministry of Utmost Happiness* (2017); her most recent book, the memoir *Mother Mary Comes to Me* (2025), turns to her own life. She has also written essays of political analysis, some of which call out the need for justice, human rights and freedoms in modern India. Her writing is reviewed here by Elaine Furniss.

Her mother: a source of both terror and inspiration

Arundhati Roy's first novel, *The God of Small Things*, which is mostly autobiographical, explains how life changes for an affluent Indian family when a visiting English family member drowns. Other 'Small Things' and 'Large Things' happen, or are uncovered from the past, contributing to the difficult and violent ending of the book. Arundhati's mother, Mary Roy, suffered from her father,

Pappachi, a similar type of neglect and anger that she wreaks on her own children. Both use childhood experience to their own advantage. Mary Roy won inheritance rights for Christian women in India, ran a school, supported many people in the town where her school was, but really didn't support Arundhati and her brother.

The Ministry of Utmost Happiness explores what it means to be outcast and living on the

edge, both in the contested state of Kashmir and in New Delhi. Some critics see this novel as having a scatter-gun approach: so many characters, so many scenes of depravity. These are among the many voices, as Roy defined them, when accepting the Sydney Peace Prize in 2004, as the deliberately silenced or the preferably unheard. Death, torture, hunger strikes, and public lynching. This is the underbelly of Indian



Kashmir provides one of the central settings of *The Ministry of Utmost Happiness*, where Roy explores lives shaped by conflict and exclusion. Photo: Kreativeart/CC BY-SA 4.0

democracy, and it's all here in the novel.

Mother Mary Comes to Me is a memoir which explores the relationship between the writer and her mother through scenes of abandonment and punishment, as well as covering Arundhati Roy's education, love relationships and life trajectory. She's very thankful for her mother making her the outspoken, yet reflective person that she is. She never 'lets it be', a nod to the classic Beatles song that inspired the book's title.

Language and structure

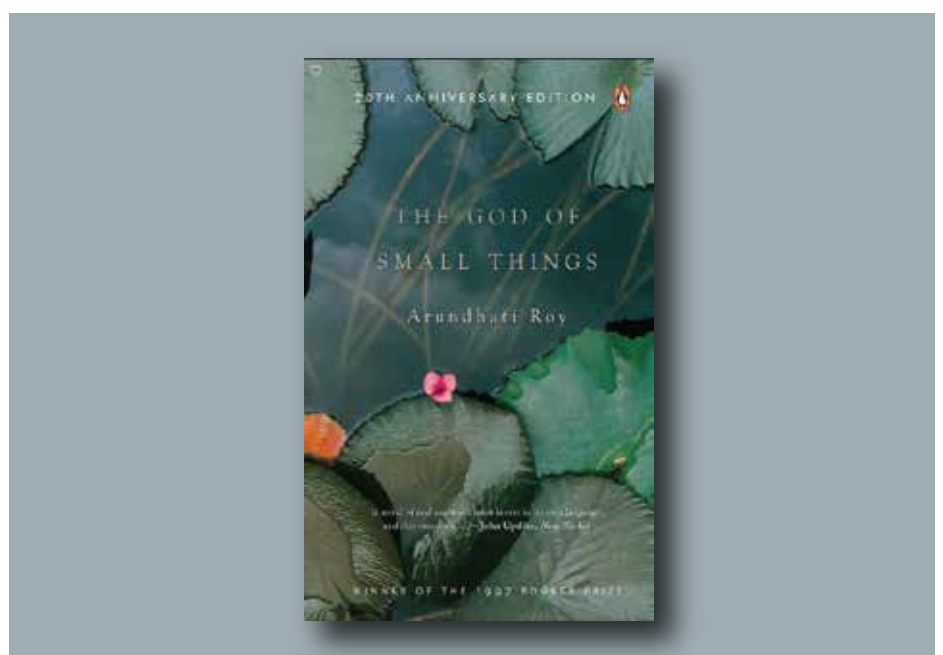
Roy fell in love with the sound of language early, as her mother's reading to her of Rudyard Kipling's *The Jungle Book* made the hair on her neck stand up. She's always interested in how language and structure provide a vehicle for content in her work. Her writing leaves one wanting to say 'Yes! I wish I'd thought of that!' Standing up for others comes from learning to stand up for herself. Life experience, gruesome in parts as it is, gives her insight to critique the

abandonment of the less fortunate in Indian society and beyond. She writes books about the few standing up against the many, which explains her own stance as a public intellectual. Roy says about her mother in *Mother Mary Comes to Me*: 'The challenge for those of us who are not chosen, but instead watch love pass us by, is to learn from it, marvel at it, and not grow bitter and incapable of love ourselves.'

Where does experience end and imagination begin? Above all, Arundhati Roy's books point to her activist self: 'once you've been unsafe in that safest place – I suppose the safest place is the mother – safety is very hard to find again, and... you're constantly aware of the unsafe, you know, constantly aware of that other thing that's happening, and unable to sort of settle into safety in some way.' (*Mother Mary Comes to Me*)

People and issues in her sights

When, in 1998, the Indian government conducted nuclear tests, Roy wrote the essay *The End of Imagination* in response. Seeking to stop tribal communities from being displaced along the Narmada River, where a series of World Bank-funded dams were to be built, resulted in the essay *The Greater Common Good*. The dams were built anyway. She found that over 33 million people across India – others say 40 million – had been displaced through dam building resulting in serious ecological damage. She



The God of Small Things, Roy's Booker Prize-winning debut, transforms family history, childhood and social divisions into a story of lasting consequences.



The Narmada dams became the subject of Roy's *The Greater Common Good*, her critique of displacement and the human cost of development. Photo: Narmada Tent City

documented how privatised power and water are linked to global finance and wars in Iraq and Afghanistan that ensued. Little has changed today.

She's a strident critic of the Indian prime minister, Narendra Modi, and the 'far right' BJP party, which she says is a front for the RSS, the Rashtriya Swayamsevak Sangh, in existence for 100 years. She says that fascism in India is underwritten by large corporations who own the media and brook no opposition. For example, even though previously India was a friend of Palestine, Roy explains there have been no rallies in support of Gaza in India. She says the RSS suppresses them. Disjuncture between democratically elected governments and the will of the people means Western democracy is also buried beneath the rubble of Gaza, and the US arming of Israel also diminishes Israel in the eyes of many globally.

Calling out the complicit is a key strength. She is a strident critic of nuclear weapons. Anywhere. 'The nuclear bomb is the most anti-democratic, anti-national, and anti-human, outright evil thing man has ever made. If you are religious, then remember that

this bomb is man's challenge to God. It's worded quite simply. We have the power to destroy everything that You have created. If you are not religious then look at it this way: this world of ours is four thousand, six hundred million years old. It could end in an afternoon.' (*The End of Imagination* essay in *The Cost of Living*)

Holding on to hope even if reason is not possible

Roy's manifesto: To love. To be loved. Never to forget your own insignificance. Never to forget the unspeakable violence and the vulgar disparity of life around you. To seek joy in the saddest places. To pursue beauty to its lair. Never to simplify what is complicated or complicate what is simple. To respect strength, never power. Above all, to watch. To try and understand. Never to look away and never, never to forget. (*The End of Imagination*)



Roy's political writing confronts majoritarianism, restrictions on dissent and the treatment of marginalised communities in India. Photo: Rajat Gupta /EPA

Elaine Furniss lived and worked in Asia for more than a decade, and is an avid reader of Asian novelists.



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