

## Women powering India's economy, but structural gaps persist

IN 2026, women at work are caught in a "perception-progress" gap. While many organizations report being more inclusive, structural barriers, unequal caregiving burdens, and a rollback in flexible and remote work options continue to hinder advancement.

The current professional landscape for women highlights several critical, localized dynamics: Data shows that nearly 65% of women face attrition or stalling momentum at the mid-career stage. This is primarily driven by the "motherhood penalty," unequal domestic workloads, and burnout, which intersect sharply with corporate expectations; A survey of professionals found that 67% of women identify workplace flexibility as the single most important policy for their careers. However, organizations have been scaling back remote and hybrid work opportunities, disproportionately impacting mothers and caregivers; In urban India, despite cities offering a much higher concentration of salaried jobs (about 65%) for women, overall female labor force participation remains comparatively low (around 24.8% in urban areas) due to safety, infrastructure, and child-care constraints; Women remain heavily underrepresented at the senior leadership and C-suite levels. Furthermore, women's earning growth has been shown to flatten out in their late 30s—often earlier than men's. Over the past five years, women have navigated real gains and real setbacks, adapted to hybrid environments, watched artificial intelligence (AI) reshape entire industries and found themselves at a crossroads between the progress that's been made and the potential that still lies ahead.

McKinsey's Women in Workplace 2025 report reflects the same tension, noting that while many organisations prioritise inclusion rhetorically, fewer explicitly prioritise women's advancement. Inclusion is often framed as a shared value, but advancements require structural redesign. Women constitute half of India's

population and hold immense potential to shape India's development story.

Across the country, they are breaking barriers, challenging traditional roles, and building new pathways in workplaces, businesses, and communities. From engineers managing dams in Kerala to entrepreneurs launching village enterprises in Tamil Nadu and frontline workers strengthening health and nutrition systems in Bihar, India's women are demonstrating resilience, leadership, and innovation.

Their growing participation is already reshaping the economy. Female labor force participation has risen — from 22.9 percent in 2018 to 35.3 percent in 2025. In fact, lifting women's participation in the labor force to 50 percent could be the best way for India to increase its annual GDP growth rate by 1 percentage point and get closer to the 8 percent growth that it needs to become a high-income country by 2047.

Unlocking this potential requires addressing structural barriers — from access to skills and finance to safe and affordable housing and transport— so that more women can fully contribute to the nation's progress. The World Bank Group is working to accelerate gender equality by expanding economic opportunities for women, investing in their foundational well-being, supporting women's leadership, and helping end gender-based violence. Across India, these efforts are reflected in the stories of women who have adapted, innovated, and succeeded. Their journeys offer powerful reminders that when women thrive, families, communities, and the broader economy thrive as well.

The WBG Gender Strategy 2024-30 focuses on concerted action, financing, and programs at scale to support foundational well-being, economic participation and women's leadership. The World Bank celebrates these courageous women who are breaking traditional roles carved out for them for generations.



# China's ballistic missile launch sends strategic signal to Washington

Beijing's rare submarine-fired ballistic missile test is a demonstration of deterrence directed at the US

BANGKOK

WHEN China launched a ballistic missile into the South Pacific Ocean on Monday, it was a rare test of a nuclear-capable weapons system that drew international rebuke. Arriving two years after a similar missile launch in international waters in the Pacific, the test by the People's Liberation Army caught the attention of small island nations whose leaders have increasingly urged bigger countries to stop using the vast oceanic region for power struggles. But Beijing's message was largely for just one country, experts say: the United States. "The most important message is the PLA is becoming a powerful military with a very strong strategic nuclear capability," said Tong Zhao, a senior fellow with the Nuclear Policy Program at the Carnegie Endowment for International Peace, a think tank. The test, launched from a nuclear-powered submarine, was a demonstration of the sea-based leg of China's nuclear triad capability, which refers to the ability to have land, sea, and air-based nuclear systems.

Further, it showed that China's military has what is called a second-strike capability, said Dominic Meagher, a research fellow at the Crawford School of Public Policy in Australia. That means even if China was attacked first, it still has the ability to strike back, because the ability to fire could be anywhere, in the ocean or on land. Beijing said the launch was part of annual exercises, suggesting that it may conduct similar launches in the future. "I would see this as a systematic move, not an isolated event," said K. Tristan Tang, Nonresident Fellow at the National Bureau of Asian Research, in emailed comments. The missile testing comes as China is also racing to build more nuclear-powered submarines. In the past five years, China has been building these types of submarines faster than the US, according to a report from



Australia and New Zealand both said they were not given enough prior notice about the test, and other countries like Japan said it was done without transparency. Canberra and Wellington are two of the South Pacific's biggest powers and have grown anxious about Beijing's attempts to vie for sway in the region. Bilateral deals between China and the leaders of small Pacific nations have prompted Australia's Prime Minister Anthony Albanese to embark on a charm offensive of his own. That has included defence and security pacts inked with Vanuatu, Fiji and Papua New Guinea in the past year

the International Institute for Strategic Studies, a think tank.

For countries in the Pacific, launch recalls grim nuclear history

However, the use of international waters, specifically treaty-protected waters where nuclear testing is prohibited, drew criticism from countries in the region. The waters of the South Pacific Ocean are contested because they're strategically important and rich with fisheries and minerals. For Pacific nations, nuclear testing in particular recalls historical harm. The US, the UK and France have all detonated nuclear warheads in the Pacific, causing environmental contamination and health is-

such as cancers and birth defects that some island nations say they are still recording generations later. "Those tests resulted in outrage and resulted in treaties to prevent future tests, and that includes the nuclear test ban treaty and the Treaty of Rarotonga," said Meagher. "These kinds of missile tests haven't been conducted since." Monday's missile landed in the South Pacific Nuclear Free Zone, which was established by the 1986 Rarotonga accord, which prohibits nuclear weapons throughout the region. China ratified the protocols in 1987 that prohibit testing nuclear weapons within the zone or threatening to use them against signatories

with territory in the region. Solomon Islands Prime Minister Matthew Wale, speaking to reporters in the Solomon capital Honiara Tuesday, said, "China is a good friend of Solomon Islands, but this is not something a friend does. This is not ... good in our region." While US forces still conduct nuclear missile testing in the Pacific, they avoid the treaty area, Meagher said.

Beijing conducted the test with short notice, other leaders say

Australia and New Zealand both said they were not given enough prior notice about the test, and other countries like Japan said it was done without transparency. Canberra and Wellington are two of the South Pacific's biggest powers and have grown anxious about Beijing's attempts to vie for sway in the region. Bilateral deals between China and the leaders of small Pacific nations have prompted Australia's Prime Minister Anthony Albanese to embark on a charm offensive of his own. That has included defence and security pacts inked with Vanuatu, Fiji and Papua New Guinea in the past year. On Tuesday, Albanese decried the missile launch as "a provocative act by China which does destabilise

the region," when he spoke to reporters in Honiara, where he was holding talks with officials. Australia and the Solomon Islands are in the process of negotiating a comprehensive treaty. "The fact that this test took place yesterday with very little notice is of real concern," he added. China has defended its actions and said it gave countries in the area appropriate notice. "China informed the relevant countries in advance, which demonstrates the openness and transparency of the Chinese military," according to a statement from its Defence Ministry issued Tuesday. Experts say that if there is a standard, it would be the Hague Code of Conduct which sets out regulations on ballistic missiles and their use.

It expects states to provide notice at least 24 hours beforehand, but the code is not legally binding. Further, Tang said, China is not a member of the Hague Code of Conduct.

Much speculation remains around what was fired and when.

The People's Liberation Army is known to make very little information public, but the secretary-general of Taiwan's National Security Council said on Wednesday that this was a JL-2 missile launched from waters off Guangdong, a southern Chinese province. The JL-2 is an older ballistic missile for submarines. Chinese state media, on the other hand, presented experts saying it was likely a JL-3, which has a longer range than the JL-2. "The JL-3's range can strike a target on the east side of the Pacific from the west side," said Shao Yonglin, a military expert featured in an interview with state broadcaster CCTV. As China becomes a major military power, it should expect more international scrutiny. If "China wants to become a major military power, it should be put under the same standards," as countries such as the US, the UK and France, said Zhao, the nuclear expert.

## AI emerges as a mental health ally, not a therapist

Technology can spot patterns and expand access, while diagnosis and treatment still require human expertise

A person wakes in the middle of the night, overwhelmed and needing someone to talk to. But instead of calling a loved one or booking a counselling session, they open ChatGPT. Around the world, artificial intelligence chatbots are becoming companions, coaches, sounding boards, and, for a rising number of people, unofficial therapists. Studies have found that many users turn to AI to discuss personal struggles, seek emotional support, reflect on their feelings, and better understand their mental health. The appeal is easy to understand. Chatbots don't judge. Unlike stretched mental health services in countries such as New Zealand and Australia, they don't keep people on lengthy waiting lists. But as AI tools become more involved in mental health, it is becoming increasingly important to understand where the technology can genuinely help -- and where its limits lie.

**Can AI recognise depression?**

Today's chatbots can seemingly do everything -- from answering complex questions to offering relationship advice -- all while sounding remarkably human and empathetic. With mental health specifically, research has shown that AI systems can provide helpful information, encourage self-reflection, and offer emotional support in some situations. Some studies even suggest that AI-based mental health tools can help reduce symptoms of anxiety and depression when carefully designed and used appro-



riately. AI is also beginning to show promise in helping people practise cognitive reframing by encouraging them to consider alternative ways of interpreting difficult situations. At the same time, researchers, clinicians and regulators have raised serious concerns. AI systems can generate inaccurate advice -- sometimes agreeing with or reinforcing harmful beliefs instead of encouraging people to seek appropriate help -- and miss signs of crisis.

An AI system may sound understanding, but it cannot truly understand the person behind the conversation. Unlike mental health professionals, AI is not held to the same professional or regulatory standards if something goes wrong.

More than just providing information, mental health care relies on trust, empathy, clinical judgement and human connection. All of this is why many experts see AI as a tool to support mental health care, rather than something that can or should replace it. **So, where exactly might it have a useful role?**

We in the University of Auckland's ZDN research group have been investigating one interesting application: spotting signs of depression earlier. Depression often affects how people communicate. Changes in speaking

rate, pauses, tone of voice, word choice and emotional expression can provide clues about a person's mental state.

These are examples of what researchers call "digital biomarkers" -- measurable patterns in our behaviour or physiology that can provide clues about our health. Researchers are also investigating many others, including facial expressions, sleep patterns and physical activity. Our work explores whether AI can learn to recognise patterns from both speech and text.

Rather than diagnosing people or replacing clinicians, the goal is to develop tools that support screening and monitoring, helping flag people who may benefit from further assessment.

This is similar to how wearable devices can detect unusual heart activity without replacing a cardiologist. Instead, they provide clinicians with another piece of information to help inform decisions. **AI's promise and pitfalls** AI might support mental health care in many other ways. It has the potential to expand access to services, support underserved communities, identify problems earlier, help people better understand and manage their own mental wellbeing. It can also reduce barriers to seek-

ing help -- and even personalise therapies by adapting support to an individual's needs when sufficient high-quality data are available. But with these opportunities come obvious challenges.

Mental health data is among the most sensitive information a person can share. Privacy, security and informed consent must be carefully protected. AI systems can also inherit biases from the data used to train them, potentially affecting how well they work for different populations. There is also the risk of over-reliance. Recent research suggests that people may place too much trust in AI systems, even when the technology is wrong.

Because AI often responds in ways that feel supportive or validating, users may accept its advice without questioning it or seeking professional help. In mental health settings, that trust can have serious consequences.

Still, it is inevitable that AI's role in mental health -- as with all other areas of life -- will only grow in coming years. Its greatest value may lie in helping people better understand their mental wellbeing and support clinicians to identify risks earlier. Technology can recognise patterns. People provide empathy, trust and clinical judgement. The future of mental health care may likely depend on combining the strengths of both.

*(The writer is a researcher at the University of Auckland, New Zealand)*

## Global flyers shrug off wars and trade disruptions

Passenger traffic reaches a new milestone with demand expected to keep growing through 2054

THE year 2024 marked a significant milestone for global air transport, as passenger traffic reached and exceeded 2019 levels (pre-pandemic), following the completion of the extraordinary traffic rebound phase observed in recent years. By 2025, the global aviation industry entered a more mature operating environment, where traffic growth is increasingly shaped by structural demand patterns and regional divergence rather than short-term catch-up effects.

Therefore this establishes a new baseline for global aviation demand. The forecast incorporates the latest analytical insights reflecting lasting changes in travel patterns, differentiated regional performance, evolving passenger behaviour, reconfigured airline networks, and cargo markets increasingly influenced by global trade realignment and supply chain resilience. By the end of 2025, global passenger traffic reached 9.8 billion passengers, equivalent to 107% of the 2019 level, with 3.6% YoY growth (to be confirmed by ACI World in July 2026). This pace is broadly in line with historical growth trends observed prior to 2020 (2018-2019 growth rate: 3.5%), indicating that the global market has transitioned into a post-recovery phase driven by structural, long-term growth patterns. At the regional and market levels, however, growth outcomes diverge significantly, with some differences more pronounced than in the pre-pandemic period.

Between 2024 and 2054, global passenger traffic is expected to grow at a 3% CAGR, more than doubling by the mid-2040s to reach 23.2 billion passengers and rising to roughly 2.5 times the 2024 level by 2054.

According to Airbus, Passenger traffic growth remains resilient. By 2045, the middle class demographic most likely to fly will increase by 1.4 billion people (+34%). Global air traffic is robust and inextricably linked to world



economic growth as well as people's desire to travel. Short term disruptions like regional conflicts and high fuel prices are not dampening demand long term as historic data shows. In the next 20 years, the Airbus GMF forecasts passenger traffic to grow 3.9% annually, thanks to global GDP growth (+2.6%), rising urban populations (+1.3 billion) and increasing middle classes. By 2045, air traffic will more than double, reaching about 10 billion passengers per year.

An IATA report suggest global air passenger traffic is projected to grow by roughly 2.1% to 4.9% in 2026, with regional performance highly uneven due to geopolitical conflicts, longer routing times, and elevated fuel costs. While the Middle East faces deep contractions, the Asia Pacific region -- led by robust economic momentum in India and China -- remains the primary driver of global passenger growth.

For 2026, we forecast a 4.9% YoY growth in passenger traffic (measured in RPK), led by the Asia Pacific region's expansion by 7.3%. This marginal deceleration over 2025 is mainly because of persistent supply-side constraints, including limited aircraft availability, and labor shortages. Supply constraints

continue to keep load factors at record highs, projected at 83.8%, which in turn supports yields and profits in an otherwise turbulent operating environment. Resilient traffic growth, together with stable yields should allow the industry to top the USD 1 trillion revenues for the first time in 2025.

While artificial intelligence is very much the central theme of the global economy going into 2026, the return of more protectionist trade policies was a dominant concern at the start of 2025. The volatile trade-policy environment has turned out to be less detrimental to the global economy than what was feared earlier this year. However, 2025 would undoubtedly have been a much more stellar year in terms of economic performance had the previous trade policies remained in place.

"Air passenger demand was down 2.2% year-on-year in May on the impact of war in the Middle East. The decline was centered on carriers in the Middle East with a 28.4% year-on-year fall. That's a significant improvement on the 46.6% decline recorded for April, a sign of the region's resilience. Notably, we also saw year-on-year contractions in demand in both North America and Asia, largely related to domestic market conditions in the US and China.

Overall, May demand still appeared to be largely resilient in the face of high fuel prices and air fares. While the recent sharp drop in oil prices is an encouraging development, the challenges created by the war will likely persist for some time. Oil supply through the Strait of Hormuz remains uncertain and it is likely to take time before the benefit of lower oil prices is reflected in "normalized" jet fuel pricing. In the meantime, airlines who are operating on a 2.0% margin will have little choice but to continue testing demand resilience with higher fares that attempt to cover elevated fuel costs," said Willie Walsh, IATA's Director General.