Hello and welcome to The Intelligence from The Economist.
I'm your host, Jason Palmer.
Every weekday, we provide a fresh perspective on the events shaping your world.
The Women's Tennis Association once insisted it wouldn't hold any more events in China until sexual assault allegations made by Peng Shui, a professional player, were properly investigated.
That never happened. We ask why the WTA is back anyway.
And Britons have been shocked by a brutal assault that may yet turn out to be a murder.
The victim was beloved by locals, often photographed, even appeared in a film with Kevin Costner.
Our obituaries editor reflects on the Sycamore Gap Tree.
But first...
Before Google became a verb, when Amazon only sold books,
Microsoft was the poster child for big American tech companies.
Let's welcome the chairman of Microsoft.
This is a man, a man so successful, his chauffeur is Ross Perot, ladies and gentlemen.
Back in the 1990s, the company's founder, Bill Gates, was top dog.
The company itself was almost cool.
Mr. Gates himself played a fairly geeky foil to television host Jay Leno
during the launch of Microsoft's blockbuster operating system.
Windows 95 is so easy, even a talk show host can figure it out.
Why don't you show us how to demo it?
In the intervening decades, though, the firm lost its top spot.
Its brand became synonymous with spreadsheets rather than cutting-edge tech like smartphones.
But recently, Microsoft's boss Satya Nadella laid out his plans to change that.
Something new is happening in our industry and far beyond, and it's exciting.
With a renewed focus on artificial intelligence, Mr. Nadella pledged that his company would shake up the tech world.
In a market that's dominated by one player, we are striving to breathe some innovation and life into it.
But with that one unnamed player and the rest of the whole tech universe that's obsessed with AI, the competition is going to be stiff.
Microsoft used to be the biggest company in the world because of its Windows operating system.
Guy Scriven is the economist's U.S. technology correspondent.
In the last few years, that's changed and it's now second place to Apple.
But Microsoft's hoping to retake that title thanks to artificial intelligence.
But Microsoft got initially that position of biggest company in the world by having the biggest operating system in the world
and then the biggest suite of software for making spreadsheets and documents.
What's the business look like now?
Yeah, definitely spreadsheets, word documents.
That kind of stuff all comes under what's called Microsoft 365 and used to be called Office.
That accounts for about a quarter of revenue and then it's got Azure, which is its cloud service, which is about another quarter.

And then it's got cybersecurity as well, which is maybe a tenth.
So those three bits of Microsoft business are the kind of fastest growing parts of it.
And then it's got a reasonably sized Windows business selling the operating system.
And then it's also got gaming unit and LinkedIn, which is a social network for professionals.
But you're also saying that Microsoft has a plan for reclaiming title as the biggest company in the world using AI.
How does AI figure into all this?
Well, to understand that, Jason, you've got to go back a bit.
So in 2014, Sacha Nadella, who's the current boss, took over as CEO.
And back then the Windows operating system was the kind of core of Microsoft's business.
Nadella took the bet to focus much more on cloud computing and he grew the business Azure.
And that was a big pivot in the business.
And at the moment, Microsoft seems to be going through another pivot and this time towards AI.
And so what he's doing is using that kind of cloud platform that he's built up to sell AI to Microsoft's big customers.
And this seems to be going down very well with investors.
The market value of Microsoft since Nadella has taken over has risen by almost $2 trillion.
And the price to earnings ratio, which indicates what investors think about future profit has more than doubled in that time.
OK, so before I take this as investment advice from you, Guy, what exactly is that's going so well?
The center of it is Microsoft's partnership with OpenAI.
And that is the firm behind ChatGPT, the kind of hugely popular AI tool which was released last November.
The relationship goes back to 2016 and it means that OpenAI's models and tools have to be run on Microsoft Azure.
And that essentially means that if you are a customer of OpenAI, if you use ChatGPT or subscribe to GPT4, you're also indirectly a customer of Microsoft.
But in a sense, that's just more business coming into the cloud side of things, right?
That is true, but the other thing that Microsoft is doing is it's injecting the AI technology of OpenAI into lots of its different software offerings.
And so it's doing this by creating a kind of range of AI assistance, which it calls co-pilots, which are essentially a bit like ChatGPT.
And these co-pilots are powered by AI and they sit on the side of various pieces of software that Microsoft offers.
Very recently, it's rolled out one for its Windows operating system.
Next month, there'll be one for Microsoft 365.
It already has co-pilot offerings for its sales software and its HR software.
And in February, it launched a Chat function that connects with Bing, its search engine.
I'm afraid I'm imagining this as sort of AI powered that little paper clip that used to help me out with my Word documents.
Yes, well, that's not what it sounds like, but it's far more sophisticated.
And Microsoft hopes it's going to be far more useful and lucrative than that.
I met with Jared Spitaro, who runs Microsoft's productivity software.

He taught me through what it's like playing around with co-pilot for Outlook, which is Microsoft's email offering.
This morning, I woke up and one of the prompts I ran was tell me what's hot in my inbox.
He said that co-pilots can do things like help him manage his inbox, which saves him loads of time.
If you have managerial experience and you know how to delegate something really well, you do really well with a co-pilot.
But surprisingly, people who are early in career who are digital natives do quite poorly with a co-pilot
because they treat it like many technologies they're used to.
Microsoft hopes to use all these powerful AI tools to boost its cloud computing business,
which is something that Amazon is leading the field in.
But Microsoft hopes that using AI, it can kind of catch up and possibly even overtake Amazon in the cloud computing battle.
And what do you make of that ambition?
Microsoft has probably two big advantages here. One is it sells a huge range of software.
The other is that it was very quick rolling out lots of different types of AI tools.
Microsoft's probably biggest competitor here is going to be Google, who in May announced their version of co-pilot.
The other possible difficulty for Microsoft is that this is very expensive.
It's going to cost loads of money to buy specialized AI chips to make all this AI work.
Microsoft's capital investments are expected to surge next year.
They're going to grow to almost $40 billion, which is a kind of near record for Microsoft.
That said, I think Microsoft still is probably in the strongest position of all the really big technology companies
when it comes to the kind of coming wave of AI.
So there'll be a really interesting company to watch over the next year or two.
Guy, thanks very much for your time.
Thank you, Jason.

In Beijing, the China Open has been taking place with the world's best women tennis players facing off.
There have been some incredible moments.
Yelena Ostapenko of Latvia defeated fourth seed American, Jessica Pagula,
in straight sets to reach the quarter-finals.
78 minutes of quality tennis from Yelena Ostapenko.
As she finds her way to the winner's circle, an absolutely sterling performance.
Wow.
But what's surprising here isn't the on-court upsets.
It's that the tournament is taking place in China at all.
This tournament is the first to take place in China since the Women's Tennis Association, or WTA,

which is the sports governing body, started a boycott in 2021.
Rosie Bloor is an international China correspondent for The Economist.
And it started the boycott because of concerns about a member of the WTA, Pung Shui,
who's a Chinese tennis player who made allegations online about a sexual assault
by a high-ranking Chinese Communist Party official.
She then basically disappeared from view and the WTA said it wouldn't come back until it was clear that Pung Shui was safe and her case had been investigated.
But now the association's back in China and we still don't know what happened to Pung Shui.
Okay, let's wind back a bit to start with.
Tell us more about what happens with Pung Shui and why the WTA decided to launch this boycott in the first place.
So Pung Shui is very well known in China.
She's a rare sports star and she made accusations online about Zhang Gali, who's a former vice premier.
And it was this kind of long, quite heartfelt post.
And in that, she outlined this decade-long relationship that she'd had with him
and also said that she'd been coerced into having sex with him.
Now, as you can imagine, this is China.
The post was censored and then suddenly Pung was silent.
She did actually later say that she hadn't made the allegations and a couple of videos were released that appeared to show her safe and well, but outsiders were pretty sure that she did all this under duress.
And so the sports governing bodies WTA said, no, this isn't okay.
We're going to halt all tournaments in China until Miss Pung's allegation was investigated
fully, fairly, transparently and without censorship.
That's a quote from them.
So it was a really brave thing to do.
Standing up to the Chinese Communist Party isn't easy for any organization, but it came to nothing.
So if the WTA made what was a bold decision at the time, why is it back down now?
So, well, as ever, it comes down to money.
The WTA had made a really big push to get into China.
It held nine tournaments in 2019.
So you can imagine cancelling them costed a huge amount of money,
not just in holding the tournaments, but sponsorship, broadcast rights, the whole deal.
So before the boycott, it was doing a lot to boost the WTA's coffers.
Once you had a boycott, the WTA really had a problem.
So in the big picture here, what did this boycott accomplish?
Well, you could say it achieved nothing.
We don't know where Pung Shui is, but it was a really big deal at the time.
And although, of course, many Chinese were unaware of the WTA boycott
because Pung's allegations were censored online
and state media said that tournaments were on hold because of the pandemic,
there was still a huge amount of gossip going around China.

You know, this news does spread despite censorship.
And there was a very large amount of international outcry.
This was a big stand by the WTA.
And at the time, it seemed like an amazing thing.
Now, it hasn't come too much.
And we shouldn't be surprised by that.
Western boycotts very rarely make much of a difference in China
because China is prepared to just sit out international program
and eventually people, unfortunately, do come back.
We saw that in the Winter Olympics.
Western leaders decided to have a diplomatic boycott.
They didn't turn up to the opening ceremony,
citing human rights abuses in Xinjiang and elsewhere in China.
Did anyone pay attention once the skiers started?
To be honest, probably not.
But maybe the biggest reason that these boycotts don't really work
is because they'd cost sports leagues far too much money.
China's just too big a market.
We've had other situations where teams have lost a lot of money.
The famous one is the Houston Rockets, a basketball team,
where an NBA member expressed support for democracy protests in Hong Kong
and then China banned Houston Rockets games
and in fact banned all NBA games for a time,
which lost the NBA hundreds of millions of dollars.
But coming back to the tennis question,
what does the WTA itself say about the fact that it's back?
I mean, it's clearly slightly embarrassed.
They know this is a climb down.
They have said they can't stay away any longer
because too many other players are suffering because of the boycott.
But I think what's interesting about this case
is it tells us not just about sports boycotts,
but also about the Me Too movement in China,
which has been basically a bit of a disaster.
So a number of Chinese women have spoken up
and almost all of them have been treated very badly.
There was a particular case in 2018
where a former intern at China State Broadcast
actually went public with allegations
that a prominent host had groped her.
And that was a kind of pivotal moment.
Lots of people spoke up.
Everyone said, oh, this is China's Me Too movement.

This is it getting going.
And then the former intern lost her legal case
and was actually sued for defamation for making the accusations.
So is that to say that China is not having,
is not going to have a Me Too movement?
I think that's right for now anyway.
I mean, theoretically, gender equality
is a central tenet of the Communist Party.
But the government has muffled really any efforts
to defend women's rights
because they're afraid they might turn into political dissent.
I mean, the clue there is in the word rights.
So recently, two well-known supporters of women's rights
went on trial in southern China
for inciting subversion of state power.
These two had already been held for two years.
No foreign journalists or diplomats
were allowed to attend the court hearing.
And, you know, coming back to Pung Shui,
the WTA says it's got assurances that she's living safely.
But we don't know where she is.
She's not seen in public.
And we're left in a situation where the WTA
very publicly said we will not go back.
We will not let powerful people
suppress the voices of women.
And here we are, two years on.
That's exactly what's happened.
Rosie, thanks very much for your time.
Thanks, Jason.
They're not going to unchain me from this microphone
until I remind you one more time this week.
Our weekly shows, limited-run series,
and a whole pile of exciting new stuff
will soon only be available as part of our subscription service,
Economist Podcasts Plus.
You'll be able to listen wherever you find us now
and signing up is just a couple of clicks.
Existing subscribers to the Economist are already in,
but for everyone else,
sign up soon to get a year's worth of access for half price,
just a couple of bucks or pounds a month.
Search for Economist Podcasts to learn more.

Tune in and save cash.
Many gardeners are not too fond of sycamore trees.
Anne Rowe is the Economist's obituaries editor.
They are big, untidy, strong, misshapen trees.
And the worst thing about them is that they have
hundreds of winged seeds that get everywhere possible.
They get into flower beds, flower pots, gutters, and drains,
and they're quite tough to remove.
There was one seedling that was bold enough
to put its taproot down through the hard dollarite
of the Winsill Ridge in Northumberland in northeast England.
This is the ridge, almost like a cliff in places
that carries Hadrian's Wall.
And once the seedling was established there,
it grew over two or three centuries.
Originally, there was some company for it up on the ridge.
There were apparently other trees there,
and it would have scattered its own seedlings about.
And with these, it could have held conversations
with its roots or its canopy.
But gradually those others disappeared,
and a space was created in which this particular sycamore
could assume perhaps the most beautiful shape
that a sycamore could with a strong trunk
forking several times and going up to a rounded dome.
It was the most beautiful site.
And because it was in a dip of the ridge,
it was framed by the two sides of it,
both the wall and the cliff,
and was really quite spectacular.
It couldn't offer a blaze of colour in autumn
because unlike other maples,
its leaves simply turned from green to a crumpled brown.
But it was simply the position it had assumed
that led visitors of all sorts to make the rather gruelling trip
very steeper scents and descents over to see it.
When you're done, I think you'd like a picture of that.
Sycamore Gap, famous landmark, Adrian's Wall.
It was also caught on thousands of ordinary people's phones
because it became a symbol of the place and a gathering point
so that there were birthdays celebrated there,
people were proposed to there,
there were even marriages there.

And when people had enjoyed themselves
or had their picnic or everything else they had come to do,
they often went off to the twice-brewed pub.
There, the signature beer was called Sycamore Gap
and the beer carried the logo of the tree.
But on September the 28th, in the small hours of the morning,
the tree was cut down.
It had been a stormy night with a full moon,
just the right sort of night for mischief
where the locals would not hear what was going on.
And what they found in the morning was that the tree was down.
It was not technically dead
because the stump was still in the ground
and the roots were taking up water.
But the more people inspected it
and it was in a very good state of health,
they realized that there was no way
the original tree could be replaced.
You could never replicate the beautiful shape of the tree
and in any case it would take two or three centuries
before it reached that sort of stage.
It had never really been a sacred tree
in the style of the trees of the druids
and the oak trees of the past.
But it was a tree where people came to find a bit of calm and solace.
People came there to scatter the ashes of loved ones
and they left stones behind with messages to them.
They felt that it was our tree,
the symbol of the place.
And people were devastated
and felt that a hole had been ripped in their hearts
by the loss of this tree.
It was as if other great symbols of Northumberland,
like the tine bridge,
had been suddenly taken away from them.
They found this loss irreparable.
There was a legend that Eresithon, the king of Thessaly,
had cut down a sacred grove belonging to the goddess Demeter.
And she in revenge had afflicted him with such a terrible hunger
that he ended up by devouring himself.
In Irish tradition, too,
you could not cut an ash or use it for firewood
because if you did, your own house would be consumed by fire.

Terrible punishments were imagined
for those who touched sacred trees.
And this was the burden of a lot of the tweets
that were posted after the event.
One of them read,
Beware the wrath of nature, wild and free.
And that feeling of something missing
was perhaps best expressed by Gerard Mandy Hopkins
in his poem called Binsey Poplars, which he wrote in 1879
when his favorite trees were cut down in Oxford.
After comets, he wrote,
Cannot guess the beauty bean.
Anne Rowe on the Sycamore Gap Tree,
which was brutally felled on September 28th,
aged between 200 and 300.
That's all for this episode of The Intelligence.
Don't forget to sign up for Economist Podcasts Plus
and get a sweet deal while you can.
Our editors are Chris Impey and Jack Gill.
Our deputy editor is John Joe Devlin
and our sound engineer is Will Rowe.
Our senior producers are Rowe Galloway and Sarah Lornyuk.
Our senior creative producer is William Warren.
Our producers are Alize Jean-Baptiste,
Kevin Caners and Maggie Kadifa.
And our assistant producer is Henrietta McFarlane
with Extra Production Help this week from BenjiGuy.
We'll all see you back here on Monday.
We'll see you back here on Monday.