FINDER
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Inside China, authority, conflict and strategic challenges

Prelims: General Studies Paper - 1
Current events of national and international importance

Mains: General Studies - 2
Effect of policies and politics of developed and developing countries on India's interests, Indian diaspora.

1. Evolution of Leadership and Power in China

- Since **1949**, when **Mao Zedong** established the **Communist Party of China (CPC)** rule, China's political trajectory has been shaped mainly by three leaders: **Mao Zedong, Deng Xiaoping, and Xi Jinping**.
- Each leader exercised **centralised authority** and shaped China's political and economic direction.
- Although several other leaders governed between them, these three figures **left the most lasting impact** on China's governance and global position.

2. Internal Power Struggles and Political Purges

- Despite appearing as a **political monolith**, the **CPC** has experienced **internal rivalries and purges** throughout its history.
- Recent purges under **Xi Jinping** removed senior military leaders such as **Zhang Youxia** and **Liu Zhenli**, along with several military lawmakers.
- These purges are officially framed as **anti-corruption campaigns**, but analysts suspect they may reflect **internal power struggles** and attempts to **eliminate political opposition**.
- Similar internal challenges occurred earlier, such as the sidelining of **Liu Shaoqi** during **Mao's rule**.

3. Domestic Challenges and Declining Confidence

- China is facing **internal pressures**, including:
  - **Economic slowdown** and structural challenges.
  - **Declining trust in leadership goals** within sections of society and the party.
  - Growing **institutional tensions within the CPC**.
- These factors may be creating a **"trust deficit"** and increasing **internal instability at the top levels of the party**.
- The leadership may therefore rely on **strict control measures and purges** to maintain authority.

4. Global Setbacks and Strategic Caution

- China's **global credibility** has reportedly been affected by its inability to counter **U.S. influence** in regions like **Venezuela** and **West Asia**.
- Events such as the U.S. strike that killed **Ali Khamenei** and geopolitical tensions under **Donald Trump** have raised questions about China's **global strategic power**.
- China has recently adopted a **more cautious foreign policy**, avoiding direct confrontation with the **United States**, except regarding **Taiwan**.
- Even **major achievements**, such as the **Arctic shipping route (Polar Silk Road)**, have been **given less publicity**, possibly because of **economic problems and internal political issues**.

AI and the national security calculus

Prelims: General Studies Paper - 1
Current events of national and international importance

Mains: General Studies - 3
Awareness in the fields of IT, Space, Computers, robotics, nano-technology, bio-technology and issues relating to intellectual property rights.

1.Context

- **Anthropic is a U.S.-based AI lab that has asked the US government to treat Chinese AI firms** (DeepSeek & Moonshot AI) as national security threats.
- **AI models from Anthropic were reportedly used by the U.S. military** to speed up the "kill chain" in Iran-related attacks.

Kill chain is a military concept describing the sequence of steps used to identify and eliminate a target.

- Later, the **United States Department of Defense labelled Anthropic a "supply chain risk"** over concerns about its military use.
- **Anthropic has challenged this designation in court**, highlighting growing links between AI development and national security worldwide.

2.Key Issues

- **Chinese AI labs are accused of copying advanced AI models** from U.S. companies by using their outputs to train weaker models.
- **Anthropic says this happened on a large scale using many fake accounts to access** its Claude AI model.
- **Generative AI is a dual-use technology** used for both civilian and military purposes.
- Unlike nuclear technology, AI research is mainly done by private companies for normal civilian uses.
- **AI technology is hard to control, and companies** like DeepSeek have built strong models even with restrictions.

3. AI Model Distillation and Global Security Concerns

- **Frontier AI models** from Anthropic, OpenAI, Google and xAI can also be used for military purposes.
- **OpenAI accepted military contracts, showing competition** among AI firms.
- **AI spread is hard to control due to talent mobility** and technology bypasses.
- **Restrictions may slow innovation** and strengthen big U.S. tech firms.
- Companies **say model distillation violates their rules,** but critics argue AI models themselves use large amounts of public data without consent.

Model distillation is a process where a smaller or weaker AI model learns from the outputs of a larger, more advanced model to improve its performance.

4. Need for Global Governance of Military AI

- Generative AI will **likely be integrated into military systems worldwide.**
- **Corporate rules alone are not enough** to control how AI is used in warfare.
- **Countries should create international agreements** for responsible AI use.
- These **rules should ensure human control over lethal decisions, ban mass civilian surveillance**, and set clear technical standards.

'41%' illusion: a quiet re-engineering of India's fiscal federal landscape

Prelims: General Studies Paper - 1
Indian Polity and Governance - Constitution, Political System, Panchayati Raj, Public Policy, Rights Issues

Mains: General Studies - 2
Functions and responsibilities of the Union and the States, issues and challenges pertaining to the federal structure, devolution of powers and finances up to local levels and challenges therein.

1. Background

- On **February 1, 2026,** the Union government issued an **Explanatory Memorandum** accepting key recommendations of the **Sixteenth Finance Commission (FC16).**
- It retained the **States' share in the divisible pool at 41%**, and accepted the **horizontal devolution formula**, local body grants, and disaster management corpus.
- However, structural reforms such as **Fiscal Responsibility Legislation (FRL)** amendments, **control of off-budget borrowings**, power sector reforms, and **subsidy rationalisation** were deferred.

2. The '41%' Devolution Issue

- The 41% share applies **only to the divisible pool,** not total tax revenue.

- **Cesses and surcharges, retained fully by the Union,** lie outside the divisible pool and have been **increasing.**
- The divisible pool share of gross tax revenues declined from **89.2%** (FC13) to **82.1%** (FC14) and **78.3%** (FC15).
- Thus, 41% of a shrinking base **reduces the effective transfer to States**.

3. Fiscal Stress and Structural Deferrals

- **GST compensation ended in June 2022,** removing the **guaranteed 14% SGST growth** for States.
- **Tamil Nadu** estimated a **₹20,000 crore shortfall** in 2024-25 after the compensation ended.
- States also use **off-budget borrowings** through government entities, which remain **outside official deficit figures.**
- Fiscal stress is evident:
  - **Punjab:** debt **42.9%** of GSDP, revenue deficit **3.7%** of GSDP (2023-24).
  - **Rajasthan:** liabilities **37.9%** of GSDP.
  - **West Bengal**: **38.3%** of GSDP.
  - **Andhra Pradesh**: **34.6%** of GSDP.

4. Changes in Devolution Formula and Conditional Grants

- FC16 replaced the **tax and fiscal effort criterion (2.5%)** with a **contribution to GDP criterion (10%)** in the horizontal formula.
- This shift **benefits high-GSDP States** such as Maharashtra, Gujarat, and Karnataka, while poorer States such as Bihar, Jharkhand, and Uttar Pradesh gain less.
- FC16 recommended **₹7,91,493 crore for local bodies**, divided into **basic and performance grants.**
- Access depends on conditions such as **audited accounts, constituted local bodies,** State Finance Commissions, and **own-source revenue benchmarks.**
- In the **FC15 period**, **only 62.6%** of recommended urban local body **grants were released,** showing implementation gaps.

5. Overall Implication

- The current fiscal framework **retains headline devolution** but defers structural reforms.
- Increasing reliance on **cesses, conditional grants, and GDP-based allocation** may widen **Centre-State fiscal asymmetry**, affecting India's **fiscal federal balance**.

Lessons from C-DOT saga for technology development in India

Prelims: General Studies Paper - 1
Current events of national and international importance

Mains: General Studies - 3
Achievements of Indians in science & technology; indigenization of technology and developing new technology.

1. What is C-DOT?

- Centre for Development of Telematics is a **telecom research and development organization set up by the Government of India in 1986.**
- It was **created to develop indigenous telecom technologies.**
- It was led **by technologist Sam Pitroda.**
- It **aims to develop indigenous digital telecom exchanges,** especially rural exchanges, **to expand connectivity and reduce reliance on multinational telecom companies.**

2. Why Was C-DOT Implemented?

C-DOT was established to address the severe telecom crisis in India during the 1970s–1980s:

- **Very low connectivity:** Only about 3% of villages had telephone access.
- **Long waiting lists:** People waited 3-4 years for landline connections.
- **Dependence on imports:** India relied on foreign telecom equipment and technology.
- **Unsuitable technology:** Imported analogue exchanges often failed due to heat, dust, and high call volumes.

3. Achievements of C-DOT

- **Developed digital rural exchanges suited** for Indian conditions.
- **Strengthened domestic telecom** manufacturing.
- **Supported the expansion of STD** (Subscriber Trunk Dialling) networks across India.
- **Contributed to the early phase of India's telecommunications** revolution.

4. Controversy with K.P. Unnikrishnan

- **K.P. Unnikrishnan became Communications Minister under VP Singh Government** in December 1989, leading to tensions with C-DOT leadership.
- **Sam Pitroda and C-DOT were politically targeted** due to their close association with Rajiv Gandhi.
- **Unnikrishnan formed an investigation committee** led by K.P.P. Nambiar to review C-DOT's functioning.
- Some committee members submitted a dissent note, arguing that the inquiry was a "witch-hunt" against C-DOT.
- Unnikrishnan rejected the dissent note and removed two senior C-DOT officials, including G. B. Meemansi.

5. Impact of the Controversy

- **Demoralization of scientists and engineers working** at C-DOT.
- **Mass resignation of talented researchers,** many of whom joined multinational companies.
- **Loss of momentum in indigenous telecom technology** development.
- **Although C-DOT later delivered its technological projects,** the earlier innovation-driven culture weakened due to political and bureaucratic interference.
- The incident highlights that **indigenous technology development requires consistent political support, institutional autonomy, and protection of scientific talent to sustain innovation** and national technological progress.

KEYWORDS

Islamic Revolutionary Guard Corps (IRGC)

- IRGC is an **elite military force of Iran**, created in **1979** after the **Islamic Revolution** by **Ayatollah Ruhollah Khomeini.**
- Its main objective is to **protect the Islamic Revolution** and the **theocratic political system** of Iran.
- It functions **parallel to Iran's regular military (Artesh)** and has around 1,90,000 personnel.
- The IRGC has several branches including **ground forces, aerospace force,** and **naval force.**
- Its overseas operations unit is the **Quds Force**, which supports allied **groups across West Asia.**
- It also includes the Basij, a volunteer militia used for internal security and mobilisation.
- The IRGC plays a major role in Iran's regional strategy and is linked to groups forming the **"Axis of Resistance"** such as **Hezbollah, Hamas, and the Houthis.**
- The **United States** has designated the **IRGC as a terrorist organisation.**

Systematic Investment Plan (SIP)

- SIP is a method of **investing fixed amounts of money regularly** in mutual funds or other financial instruments.
- It allows investors to **invest small amounts periodically** (monthly/quarterly) instead of a lump sum.
- SIP works on the principle of **Dollar-Cost Averaging**, where investors **buy more units when prices are low** and fewer when prices are high.
- It helps in **disciplined and long-term investment** and reduces the impact of market volatility.
- SIPs are widely used in **mutual fund investments** to gradually build wealth over time.
- In February 2026, SIP contributions in India declined **3.7%** to ₹29,845 crore, according to the Association of Mutual Funds in India (AMFI).

- This was the **steepest decline since February 2021**, when SIP contributions had dropped by about 6%.

Polar Silk Road

- Officially announced in **2018**, the **'Polar Silk Road'** is China's plan to extend its **Belt and Road Initiative (BRI)** into the **Arctic region**.
- The initiative seeks to develop **new shipping routes and infrastructure** linking **Asia and Europe** through the **melting Arctic sea lanes**.
- Although China lies about **900 miles from the Arctic Circle**, it has controversially described itself as a **"Near-Arctic State."**
- This **self-designation** is used to justify its participation in **scientific research**, **resource exploration**, and **regional governance** alongside the **eight Arctic nations**.
- A major driver of the strategy is the **Northern Sea Route (NSR)**. As **Arctic ice melts**, this passage becomes increasingly navigable.
- The route can **reduce shipping time between China and Europe by nearly 20 days** compared to the traditional **Suez Canal route**.
- China has also expanded its **scientific presence** in the Arctic by establishing **research stations** and deploying **icebreakers such as the Xuelong-2**.
- However, **Western intelligence agencies** warn that China's **"scientific diplomacy"** may also collect **ocean and ice data** useful for **future submarine and military operations**.

Species In News

Great Hornbill

- The Great Hornbill (Buceros bicornis) is **one of the largest members of the hornbill family and is native to the forests of the Indian subcontinent** and Southeast Asia.
- In India, the **Great Hornbill is mainly found in the Western Ghats,** the forests along the Himalayas, and parts of Northeast India.
- The species is **predominantly frugivorous but may also feed on small mammals, reptiles, and birds.**
- A distinctive feature of the **Great Hornbill is the large yellow-and-black casque on top of its bill**, which gives the bird its characteristic appearance.
- The Great Hornbill is listed as **Vulnerable on the IUCN Red List, included in Appendix I of CITES, and protected under Schedule I of the Wildlife (Protection) Act, 1972.**