# DAILY CURRENT AFFAIRS 06-02-2026

## Mapping Perspective

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## Prelims Perspective

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3. **Bharat Taxi**

## Mains Perspective

4. **Budget and Fiscal Consolidation**
5. **Carbon Capture and Storage**

# Iran

## Syllabus: GS-1: Prelims Bits - Mapping

## Context:

US-Iran nuclear talks set for Oman on Friday, Tehran confirms

## About Iran

### What it is?

- A **West Asian country** with a **hybrid political system** combining:
  - **Republican institutions** (President, Parliament)
  - **Shiʿa Islamic theocracy**
- Since the **1979 Islamic Revolution**, **real authority rests with the Supreme Leader**, making Iran:
  - A major **geopolitical power**
  - A key **ideological actor** in the Middle East
- Plays a central role in **regional security, energy politics, and sectarian dynamics**

### Location

- Situated in **South-West Asia**
- Acts as a **geographical bridge** between:
  - Middle East
  - Central Asia
  - South Asia
- Commands strategic access to:
  - **Persian Gulf**
  - **Strait of Hormuz** (critical global oil chokepoint)

### Capital

- **Tehran**
  - Political, economic, and cultural hub
  - Largest city and administrative centre

### Neighbouring regions and countries

- **North-West:** Azerbaijan, Armenia

- **North:** Turkmenistan, Caspian Sea
- **East:** Afghanistan, Pakistan
- **West:** Turkey, Iraq
- **South:** Persian Gulf, Gulf of Oman

### Key geological and physical features


### (a) Central Iranian Plateau

- Vast, **arid and elevated core region**
- Major deserts:
  - **Dasht-e Kavir**
  - **Dasht-e Lut**
- Characteristics:
  - Extreme temperature variations
  - Salt flats

- Sparse population

**(b) Zagros Mountains**

- Extends **north-west to south-east** in western Iran
- **Geologically young and tectonically active**
- Significance:
  - Rich **hydrocarbon reserves**
  - Natural barrier between Iranian plateau and **Mesopotamian plains**

**(c) Alborz Mountains**

- Run along the **southern Caspian Sea coast**
- Home to **Mount Damavand** (highest peak of Iran)
- Create a sharp divide between:
  - Fertile Caspian lowlands
  - Dry interior plateau

**(d) High seismic activity**

- Lies at the **convergence of Arabian and Eurasian plates**
- Results in:
  - Frequent earthquakes
  - High vulnerability to seismic disasters

**(e) Drainage and rivers**

- River systems are:
  - Limited
  - Mostly seasonal due to arid climate
- **Karun River**:
  - Only **fully navigable river**
  - Vital for:
    - Irrigation
    - Hydroelectric power
    - South-western agriculture

# Denotified Tribes

### Syllabus: GS-1: Indian Population Tribes.

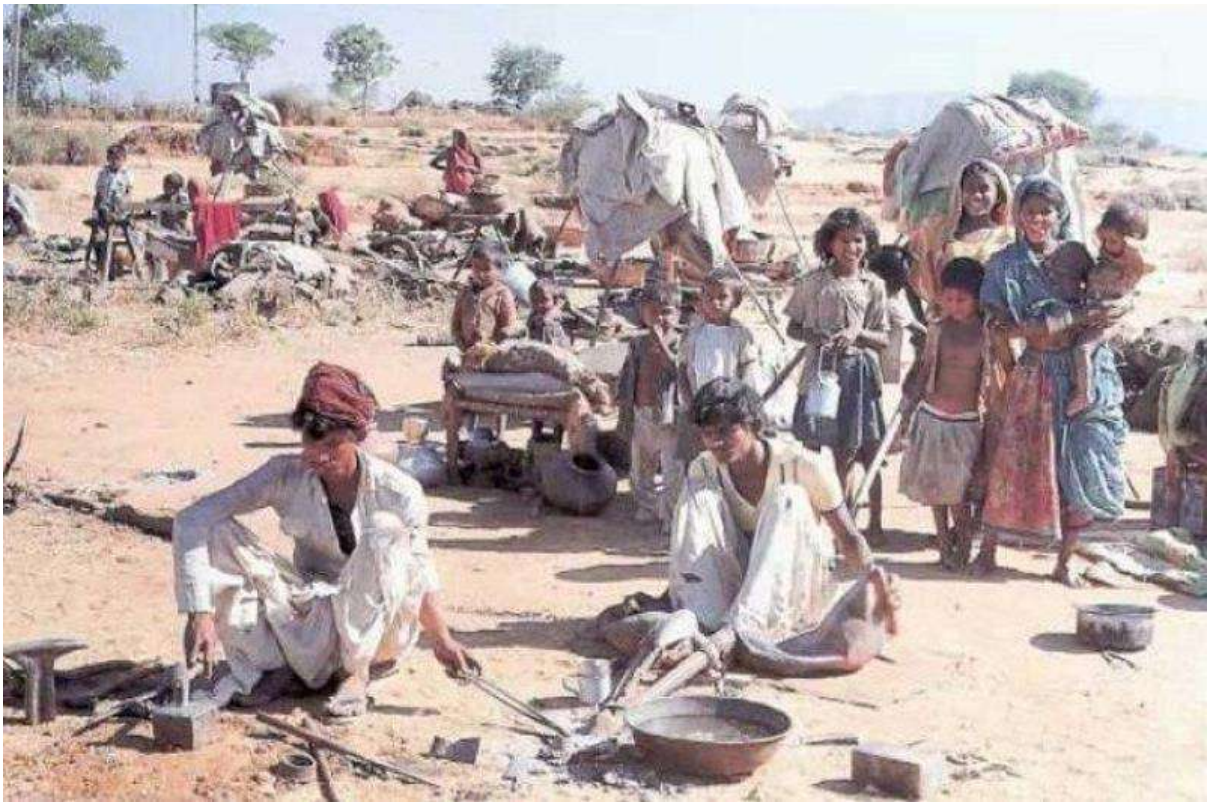
### Context:

- These communities include **Denotified Tribes (DNTs)**, **Nomadic Tribes (NTs)**, and **Semi-Nomadic Tribes (SNTs)**, historically marginalised groups in India.
- They are seeking **distinct enumeration** in the forthcoming *Census of India 2027*, rather than being subsumed under broad caste/other categories.

### Background

### Historical Classification

- Under British colonial rule, many tribes were labelled "criminal tribes" under the **Criminal Tribes Act, 1871**, and then "habitual offenders" post-independence.
- The Criminal Tribes Act was repealed in 1949; however, the legacy of stigma and exclusion continued.



### Census & Enumeration Issue

- Denotified tribes have **not been separately enumerated** in the Indian Census since the colonial period (last officially in 1911).

- Current Census planning for 2027 includes caste enumeration and expanded data collection; however, these communities want recognition as a **distinct category/column** within census forms.

### Core Demand

- The tribes demand a **separate column/category** in Census 2027 to identify and enumerate their populations distinctly.
- They argue that without a separate category, their **actual population size**, socio-economic conditions and developmental needs will remain **unquantified and under-addressed**.

### Rationale for a Separate Census Column

### Policy & Welfare Implications

- Accurate enumeration in a distinct category would:
  - Provide **baseline data** for planning and implementing welfare schemes.
  - Help assess **educational, occupational and living conditions** for targeted interventions.

### Social Recognition

- Separate enumeration supports **constitutional recognition** by highlighting demographic presence and distinct identities.
- A separate column would distinguish them from current caste/tribe classifications, reducing ambiguity in policy responses.

### Challenges with Current Classification

- Many DNTs, NTs, and SNTs are **not officially listed** as Scheduled Castes (SC), Scheduled Tribes (ST), or Other Backward Classes (OBCs), which limits access to reservation benefits and welfare programmes.
- Even when included in broader lists, lack of **distinct census data** impedes clear demographic understanding.

### Institutional & Expert Recommendations

- Bodies such as the **National Commission for Denotified, Nomadic and Semi-Nomadic Tribes** were constituted to study and recommend developmental frameworks for these groups.
- Past commissions (e.g., Renke and Idate Commissions) highlighted demographic numbers across communities and underscored the need for systematic enumeration.

### Key Takeaways

- The demand reflects a **long-standing gap in demographic recognition** of denotified and nomadic communities.
- Separate enumeration in *Census 2027* would facilitate **evidence-based policy**, access to reservations, and social justice.
- This issue underscores the broader challenge of **inclusive data collection** in national censuses.

# Bharat Taxi

### Syllabus: GS-2: Cooperatives

### Context:

- Launched on **5 February 2026** by Union Home and Cooperation Minister **Shri Amit Shah** at Vigyan Bhavan, New Delhi.
- **What is Bharat Taxi?**A government-backed **cooperative ride-hailing platform** — India's first of its kind — designed as an alternative to private aggregators like Ola and Uber.
- **Policy Vision:**Driven by the Government of India's vision of **"Sahkar se Samriddhi"** (prosperity through cooperation), aiming to strengthen the cooperative sector and empower drivers.
- **Institutional Ownership:**Operated under **Sahakar Taxi Cooperative Limited**, supported by eight major Indian cooperatives, including NCDC, Amul, IFFCO, NABARD, NAFED, NDDB, NCEL, KRIBHCO etc.

### Objectives

- **Driver Empowerment:**
  - Place **drivers (termed "Sarathis") at the centre** as owners and beneficiaries rather than mere workforce.
  - Move away from exploitative commission models of private aggregators.
- **Affordable and Transparent Mobility:**
  - Offer **surge-free pricing** and transparent fare mechanisms for passengers.
  - Provide a competitive, reliable alternative to existing private ride-hailing services.
- **Strengthening Cooperatives:**
  - Expand cooperative presence into the urban mobility sector, creating employment and grassroots economic participation.

### Key Features

- **Cooperative Business Model:**
  - Drivers are **members/owners** and share in the platform's value creation; fare revenue largely accrues to Sarathis.
- **Zero Commission / Fair Earnings:**
  - Unlike private platforms that deduct high commissions, Bharat Taxi **minimises cuts**, aiming to return most of the fare to the driver.
- **Surge-Free Pricing:**
  - No dynamic surge charges during peak hours or adverse conditions, providing predictability for passengers.
- **Safety and Security:**
  - Mandatory **police verification** of drivers; SOS and live-tracking features to enhance passenger safety.
- **Multi-Modal Services:**
  - Beyond cars, the platform supports **auto-rickshaws and bike taxis**, broadening urban mobility options.
- **Social Security for Drivers:**
  - Schemes such as **personal accident and family health insurance** and other social security measures are intended for Sarathis.

## Implementation & Expansion

- **Pilot Phase:**Initial rollout began prior to official launch in select areas (notably Delhi NCR and parts of Gujarat) and expanded progressively.
- **Scale & Reach:**Reports indicate **hundreds of thousands of drivers** registered on the platform, with daily ride counts rising.
- **Future Growth:**The service is expected to expand beyond initial cities to other major urban centres across India.

## Significance for UPSC Syllabus

### Polity & Governance

- Illustrates **policy intervention in gig economy regulation**.
- Example of **state participation** to foster cooperative ownership and equitable income distribution.

### Economics

- Addresses **market failures and monopoly concerns** in urban transport.

- Demonstrates **alternative business models** contrasting with profit-centric aggregator platforms.
- Highlights the role of cooperatives in **inclusive economic growth**.

### Social Justice & Empowerment

- Promotes **driver welfare** through ownership and social security.
- Enhances **consumer protection** via fair pricing and safety norms.

### Transport & Urban Issues

- Provides a case study on **urban mobility solutions** and regulation of ride-hailing services.

### Summary

- *Bharat Taxi* is a government-supported cooperative ride-hailing initiative launched on **5 Feb 2026** to provide **fair, transparent, and driver-centric mobility services** in India.
- It seeks to counterbalance private aggregator dominance, empower drivers, strengthen the cooperative sector, and expand affordable transportation for citizens.

# Budget and Fiscal Consolidation

### Syllabus: GS-3: Indian Economy – Budget and Fiscal Policy.

### Context:

- Union Budget **2026–27** positioned as a stepping stone towards **Viksit Bharat @2047**.
- Strategic emphasis on **future-oriented sectors**:
  - Artificial Intelligence (AI)
  - Biopharma
  - Semiconductors
  - Critical minerals
- Core challenge:
  - Ambitious long-term vision vs **limited fiscal space**
  - Outcomes depend on **implementation capacity, fiscal discipline and delivery timelines**.

## Changing Structure of Government Expenditure

### Shift from Revenue to Capital Expenditure

- Revenue expenditure share declined:
  - **88% (2014–15) → ~77% (2026–27 BE)**
- Main driver:
  - Rationalisation and reduction in **central subsidies**
- Outcome:
  - Greater fiscal room for **capital expenditure**

### Significance

- Indicates transition:
  - From **consumption-based spending**
  - To **asset creation and growth-enhancing investment**
- Aligns with:
  - Medium-term productivity gains
  - Infrastructure-led development model

## Capital Expenditure: Growth Driver with Emerging Concerns

### Role in Post-Pandemic Recovery

- Public capital expenditure:
  - Key counter-cyclical tool after COVID-19
  - Supported infrastructure creation and aggregate demand
- Capex as share of GDP:
  - Remained elevated at around **3.1% of GDP**

### Emerging Challenges

- Sharp slowdown in capex growth:
  - **28.3% (2023–24) → 4.2% (2025–26 RE)**
- Budgeted growth for 2026–27:
  - **11.5%**, only marginally above nominal GDP growth
- Implications:
  - Near-stagnation in real terms

- Execution and absorption capacity concerns
- Repeated gaps between **Budget Estimates (BE)** and **Actuals**

## Revenue Trends and Tax Buoyancy Issues

### Tax Projections

- Revenue estimates:
  - Conservative and largely achievable
- Core issue:
  - **Low tax buoyancy**

### Tax Buoyancy Snapshot

- Overall gross tax buoyancy:
  - **0.8** (below ideal benchmark of 1)
- Direct taxes:
  - Relatively buoyant
- Indirect taxes:
  - Lagging performance
  - **GST collections not keeping pace with GDP growth**

### Fiscal Implications

- Rising welfare and developmental commitments
- Weak indirect tax responsiveness:
  - Threatens medium-term fiscal sustainability
- Need for:
  - GST base broadening
  - Compliance improvement
  - Rate rationalisation

## Finance Commission Transfers and Centre–State Relations

### Key Features

- **Sixteenth Finance Commission**
  - Retained States' share in divisible pool at **41%**
- However:

- Revenue deficit grants discontinued
- No sector-specific or State-specific grants

### Declining Transfers

- Finance Commission grants:
  - **0.43% of GDP (2025–26) → 0.33% of GDP (2026–27)**
- Consequences:
  - Reduced fiscal capacity of States
  - Strain on delivery of:
    - Health
    - Education
    - Infrastructure
    - Social sector programmes

## Fiscal Consolidation: Debt–Deficit Dynamics

### Slowing Consolidation

- Fiscal deficit to GDP ratio:
  - Continues to decline
  - But pace reduced to **0.1 percentage point** in 2026–27 (BE)

### Shift to Debt Targeting

- Policy focus moving from:
  - Fiscal deficit → Debt-GDP ratio
- Limitation:
  - Both indicators heavily influenced by nominal GDP growth
- Concern:
  - Reduced transparency without a clear **medium-term glide path**

## Rising Debt and Interest Burden

### Debt Servicing Pressure

- Effective interest rate on Centre's debt:
  - **7.12% in 2026–27**
- Interest payments:

- Nearly **40% of revenue receipts**

### Macroeconomic Risks

- Shrinking fiscal space for:
  - Health, education, nutrition and capital spending
- Persistent high borrowing:
  - Risk of **crowding out private investment**
  - Potential drag on medium-term growth

### Way Forward

### Policy Imperatives

- Restore momentum in **fiscal consolidation**
- Strengthen **tax buoyancy**, especially GST
- Improve **capex execution efficiency**
- Ensure **predictable and adequate transfers to States**
- Publish a **credible medium-term fiscal framework** with clear assumptions

### Conclusion

- Budget 2026–27 outlines a coherent vision for technology-led, investment-driven growth.
- However, success hinges on:
  - Fiscal prudence
  - Revenue strengthening
  - Debt sustainability
  - Cooperative fiscal federalism
- **Macroeconomic stability and transparent fiscal management** remain foundational for achieving long-term development goals.

# Carbon Capture and Storage

### Syllabus: GS-3: Environment -

### Context:

Carbon capture in India gets a boost as Budget allocates ₹20,000 crore for CCUS, key to cutting emissions from steel, cement and power sectors.

## Introduction

- **Carbon Capture, Utilisation and Storage (CCUS)** refers to a suite of technologies aimed at **reducing carbon dioxide ($CO_2$) emissions** from large point sources before they enter the atmosphere.
- $CO_2$ is the **primary greenhouse gas** driving global warming and climate change.
- CCUS is increasingly recognised as **indispensable for achieving net-zero targets**, especially for **hard-to-abate industrial sectors**.

## What is CCUS?

CCUS involves **three interlinked stages**:

### (a) Carbon Capture

- $CO_2$ is captured at the source from:
  - Power plants
  - Cement, steel, refinery and chemical industries
- Capture methods include:
  - **Post-combustion capture** (from flue gases)
  - **Pre-combustion capture** (before fuel combustion)
  - **Oxy-fuel combustion** (burning fuel in oxygen-rich environment)

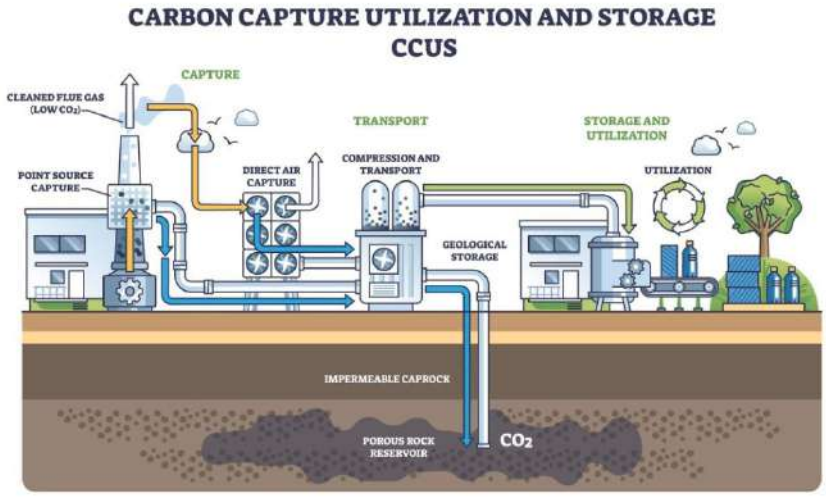
### (b) Carbon Transport

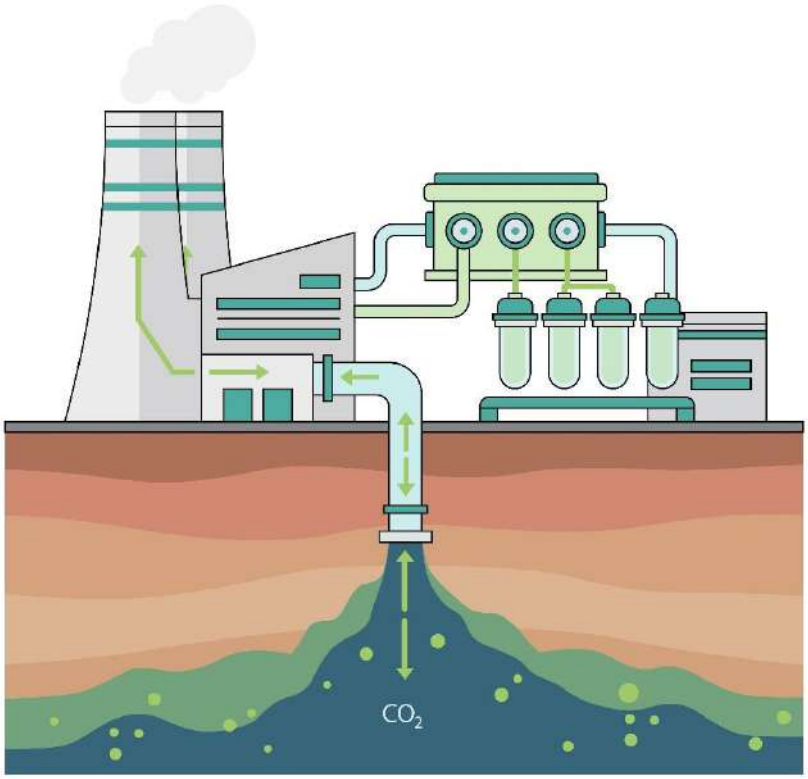
- Captured $CO_2$ is compressed and transported via:
  - Pipelines
  - Ships or road tankers (for short distances)

### (c) Carbon Storage or Utilisation

- **Storage (CCS):**
  - Injection into deep geological formations such as:
    - Depleted oil and gas fields
    - Deep saline aquifers
- **Utilisation (CCU):**
  - Conversion into:
    - Chemicals and fuels
    - Construction materials (cement, concrete)

- Enhanced oil recovery (EOR)




## CCUS is Not a Single Technology

- CCUS represents a **portfolio of technologies**, varying across:
  - Type of industry
  - Nature of emissions

- Storage potential and end-use

- Different sectors require **customised CCUS solutions**, making deployment complex.

### Global Status of CCUS

- CCUS technologies have existed for decades but saw **limited deployment** due to:
  - High capital and operating costs
  - Safety and liability concerns
  - Lack of supportive policy frameworks
- Presently:
  - Most CCUS projects are concentrated in **USA, Europe and China**
  - Only about **50 million tonnes of $CO_2$** are captured annually
  - This is **less than 0.5% of global emissions**
- Despite limitations, global climate models show **no credible pathway to net-zero by 2050 without CCUS**.

### Budget Push for CCUS in India

- **Union Budget allocation:** ₹20,000 crore over five years for CCUS
- Reflects India's recognition that:
  - Emissions will rise in the short to medium term due to:
    - Rapid industrialisation
    - Infrastructure expansion
  - CCUS is vital for meeting **India's net-zero target by 2070**

### India's CCUS Journey So Far

- India announced its **net-zero commitment at COP26 (Glasgow, 2021)**.
- Since then:
  - **Pilot and demonstration projects** launched in:
    - Steel
    - Cement
    - Chemical sectors
  - **Potential geological storage sites** identified across regions
  - **Centres of Excellence** established (e.g., IIT Bombay, JNCASR Bengaluru)
- Focus on developing **indigenous CCUS technologies** suited to Indian conditions.

### Policy and R&D Roadmap

- **Department of Science and Technology (DST)** released a **CCUS R&D Roadmap (2030)**.
- Key issues identified:
  - Technology readiness gaps
  - High costs and financing challenges
  - Absence of clear regulatory and liability frameworks
- While basic CCUS science is well understood:
  - Significant **engineering, material and process innovations** are required to:
    - Improve capture efficiency
    - Enhance storage safety
    - Reduce overall costs

### Role of ₹20,000 Crore Budget Outlay

- Aimed at **bridging the "valley of death"** between lab-scale success and commercial deployment.
- Focus areas:
  - Field testing and demonstration
  - Scaling up technologies
- Target outcomes:
  - Increase Technology Readiness Levels (TRLs)
  - Enable systems to capture/store **100–500 tonnes of $CO_2$ per day**
- Experts expect **commercial CCUS deployment in India within five years**.

### Economic and Strategic Importance of CCUS

**(a) Hard-to-Abate Industries**

- Sectors like **cement and steel** emit $CO_2$ due to:
  - **Chemical processes** (e.g., limestone calcination)
  - Not merely energy consumption
- Renewable energy alone **cannot eliminate these emissions**.
- CCUS becomes the **only viable decarbonisation pathway**.

**(b) Budget Focus on Major Emitters**

- Power, steel, cement, refineries and chemicals:
  - Account for the **bulk of India's industrial $CO_2$ emissions**
- CCUS deployment in these sectors yields **maximum mitigation impact**.

**(c) Export Competitiveness**

- Indian exports face climate-linked trade barriers such as:
  - **EU's Carbon Border Adjustment Mechanism (CBAM)**
- CCUS helps:
  - Reduce embedded carbon in products
  - Enhance competitiveness of Indian exports in global markets

## Conclusion

- CCUS is **not a substitute for renewable energy**, but a **complementary climate solution**.
- For India, CCUS is essential to:
  - Balance development and climate commitments
  - Decarbonise hard-to-abate sectors
  - Achieve net-zero emissions by 2070 in a realistic and inclusive manner