

EDITORIAL HIGHLIGHTS

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GS 2: INTERNATIONAL RELATIONS THE HINDU PAGE: 08

How does the U.S.-Russia diesel deal impact India?

What does the U.S. diesel deal with Russia entail and what is President Trump's reasoning behind it? Why are some Republicans and Democrats unhappy with the deal? How does the deal impact India and its trade deal with the U.S.? Is there an 'energy ceasefire' between Russia and Ukraine?

T.C.A. Sharad Raghavan

The story so far:

Less than a month after signing into law an Act that would impose tariffs of up to 100% on countries importing large amounts of Russian oil and gas, U.S. President Donald Trump announced a deal with Russia on October 10, 2026, that would allow it to sell diesel to the U.S. and the global market. The next day, Mr. Trump also announced an 'energy ceasefire' between Russia and Ukraine. This has implications for India, its energy sector, and its trade.

What is the deal with Russia on diesel?

On October 10, Mr. Trump took to Truth Social to say he has concluded "a highly successful discussion" with Russian President Vladimir Putin in which they agreed that Russia would "immediately" supply over 3,00,000 tonnes of diesel to the U.S. and to the global market, another 5,00,000 tonnes in November, and 1 million tonnes "immediately thereafter".

Further, based on the condition of Russia's diesel refineries, he said the country would deliver another 3 million tonnes of diesel "within a short period of time" following this schedule.

Mr. Trump's reasoning for this move was that it would bring down fuel prices for the U.S. and the world. In fact, in response to criticism on the deal, he again took to Truth Social to say that he

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had "made the right choice for the American People – ALWAYS, AMERICA FIRST!".

What are the complications with the deal?

On September 18, Mr. Trump signed into law the Lindsey O. Graham Sanctioning Russia and Iran Act of 2026. This Act received remarkable bipartisan support from Democrats and Republicans in both the Senate and the House of Representatives. It aims to clamp down on Russia's funding for its war in Ukraine through sanctions on its leadership and companies, and tariffs on its major fuel trade partners.

Now, leaders on both sides of the political spectrum are saying that the President's latest diesel agreement with Russia undermines the very foundation of the law. "Through the Lindsey O. Graham Sanctioning Russia and Iran Act, we gave the president significant authorities [sic] and leverage against China and Russia to bring Putin's war to an end with a negotiated settlement," House of Representatives member and Republican Michael McCaul of Texas said in an X post. "Unfortunately, while I understand the desire to bring down diesel prices, I am concerned the lifting of sanctions on Russian oil will only fund the Kremlin's war machine – emboldening more violence and destruction, as we have seen in recent days."

A further complication is that the Act threatens tariffs of up to 100% on the largest importers of Russian oil and gas. China and India are by far the biggest importers of Russian energy. However, Mr. Trump on Saturday announced that he has waived the tariffs associated with the Russia Sanctions Act. The waiver is not permanent, meaning these tariffs could be imposed in the future.

What are the implications for India?

India has been trying to conclude a trade deal with the U.S. since February 2025. However, each time progress is made, the U.S. makes a change to its tariff or trade policies that scuppers discussions. This time will be no different.

While talks were gathering steam in June last year over a 'mini deal' on tariffs, the escalation of U.S. tariffs on India to 50% in August 2025 stalled those talks. The reason for that escalation was India's imports of Russian oil.

Talks resumed in October 2025. By February 2026, the leaders of the two countries issued a joint statement saying they had agreed to a

framework for an interim agreement on trade. The deadline for this deal was unofficially set as March-April 2026.

However, in March, the U.S. launched investigations into India and several other countries to determine whether they had done enough to prevent imports of goods made using forced labour and whether they were using structural excess capacity to harm the U.S. economy. While the forced labour investigation resulted in 10% tariffs on India in July, the investigation into excess capacity is yet to be completed. Once again, the deal talks slowed down, a situation exacerbated by the passage of the Russia Sanctions Act in September.

The latest U.S. deal with Russia on diesel is expected to further complicate matters since the U.S. is indulging in the very actions it is looking to penalise India for. While historical data show that India has largely toed the line on Western sanctions and prohibitive tariffs imposed on Russia, the situation this time could be different. Even if the U.S. rescinds its tariff waiver in the near future, fuel supply constraints arising from the conflict in West Asia could mean that India is unwilling to turn away from Russian oil.

What are the implications of the 'energy ceasefire'?

Mr. Trump did not reveal any details about the ceasefire, its timeline, duration, or extent. In fact, in response to his announcement, Ukrainian President Volodymyr Zelenskyy said that the ceasefire was "news for me", implying he was not aware of the discussions. However, he later said that he was willing to cooperate.

Ukraine has been attacking Russian refineries to the extent that Russia has been forced to import refined fuel from its partners despite itself having vast amounts of crude oil.

Russia imported a record 1,72,000 tonnes of oil products in August, according to a report by the Centre for Research on Energy and Clean Air. The report added that India accounted for 70% of these imports by Russia.

Should an energy ceasefire come into effect, and depending on its duration, Russia will likely be able to repair its refineries and begin its own supplies of fuel. This would mean it would no longer require fuel from India.

However, that ceasefire may remain just a statement. Days after the announcement, Mr. Zelenskyy took to social media to say that "last night, we did not attack any energy facilities on the territory of Russia... while Russia attacked our gas stations, energy infrastructure, and other facilities". He added: "The message from Russia was very clear – they don't know anything about the energy ceasefire."



U.S. President Donald Trump and Russian President Vladimir Putin during a press conference in Anchorage, Alaska, U.S., in August 2025. REUTERS

GS 2: POLITY

THE HINDU PAGE: 08

Why was actor Imran Khan asked to leave India?

Who is eligible for an Overseas Citizen of India card? What privileges do OCI cardholders have in India and what activities and professions are they barred from? Do they have political rights? Can Imran Khan challenge the notice given to him? Can OCI registration be cancelled?

Rizmi Lia M.

Actor Imran Khan, a U.S. citizen and Overseas Citizen of India (OCI) cardholder, has been asked to leave India by October 28 after participating in a protest against Chief Election Commissioner Gyanesh Kumar in Mumbai. The Foreigners Regional Registration Office (FRRO) issued the notice following a complaint by Bharatiya Janata Party (BJP) leader Kirit Somaia, who alleged that Mr. Khan had violated the law by participating in the demonstration. The notice invokes Sections 7(2)(c) and 29 of the Immigration and Foreigners Act, 2025.

What is an OCI card and who is eligible?

The OCI scheme allows eligible foreign nationals of Indian origin to register as Overseas Citizens of India. But OCI does not confer Indian citizenship.

Under Section 7A of the Citizenship Act, 1955, eligibility extends to people who were Indian citizens when the Constitution commenced on January 26, 1950, or became citizens thereafter; those eligible for Indian citizenship at that time; people belonging to territories that became part of India after August 15, 1947; their children, grandchildren, and great-grandchildren. Certain minor children and foreign spouses of Indian citizens are also eligible, subject to statutory conditions. On the other hand, people who are or whose parents, grandparents, or great-grandparents are or were citizens of Pakistan, Bangladesh, or any other country

Although the Immigration and Foreigners Act, 2025, does not expressly prohibit OCI cardholders from attending political rallies, it allows the government to restrict their activities and continued presence.

notified by the Central government are ineligible.

What privileges does an OCI card provide?

OCI cardholders receive a lifelong, multiple-entry visa to India and are generally exempt from registration with the FRRO, regardless of the duration of their stay.

They have parity with Indian nationals for domestic airfares and entry fees to national parks, wildlife sanctuaries, national monuments, historical sites, and museums. They also have parity with non-resident Indians (NRIs) in certain matters, including the purchase and sale of immovable property other than agricultural land, farmhouses, and plantations.

OCI cardholders can pursue certain professions such as medicine, dentistry, nursing, pharmacy, law, architecture, and chartered accountancy subject to certain laws. They may also appear for certain national entrance exams, including NEET and the JEE, but only for NRI or supernumerary seats where applicable.

However, they require special permission for missionary work, tabligh activities, mountaineering, and journalism; and also for certain internships, employment involving foreign diplomatic missions or governments, and visits to protected or restricted areas.

Do OCI cardholders have political rights?

No. Under Section 7B of the Citizenship Act, OCI cardholders cannot vote or contest elections. They are also ineligible for several constitutional offices, including the President, Vice-President, and judges of the Supreme Court and High Courts, as well as most public employment reserved for Indian citizens. Article 19 of the Constitution, which guarantees freedoms including speech and peaceful assembly, applies specifically to citizens. OCI cardholders cannot claim these fundamental rights.

Can they participate in political protests?

The Immigration and Foreigners Act, 2025, empowers the government to regulate foreign nationals' presence and activities in India. Although it does not expressly prohibit them from attending political rallies, it allows the government to restrict their activities and continued presence.

The notice issued to Mr. Khan invokes Section 7(2)(c), read with Section 29. Section 7 empowers the government to regulate or restrict the entry, departure, and continued presence of

foreigners. Under Section 7(2)(c), the government may direct a foreigner not to remain in India or in a specified area. While Section 7 also allows the government to restrict specified activities, the notice invokes its power to direct Mr. Khan to leave India.

Section 29 empowers the government to order the removal of a foreigner for violating the Act, its rules or orders issued under it, or on the basis of an adverse security report. It also authorises officers to exercise reasonable powers to enforce such directions.

In 2020, the Calcutta High Court quashed a notice directing Polish student Kamil Siedczynski to leave India after he participated in an anti-Citizenship (Amendment) Act rally in Kolkata. The court held that participation in a political rally by itself was insufficient to justify the action. It observed that although Article 19 rights are specifically guaranteed to citizens, the right to have political views and participate in political activities falls under Article 21, which guarantees the right to life and personal liberty, which is available to foreigners as well.

However, the Calcutta High Court's judgment was delivered under the Foreigners Act, 1946, which has since been replaced by the Immigration and Foreigners Act, 2025.

Can the government cancel OCI registration?

Yes. Section 7D of the Citizenship Act empowers the Central government to cancel OCI registration on specified grounds. These include obtaining registration through fraud, false representation, or concealment of material facts, showing disaffection towards the Constitution, certain dealings with an enemy during a war involving India, and being sentenced to imprisonment for at least two years within five years of registration.

Registration may also be cancelled if the government considers it necessary in the interests of India's sovereignty and integrity, security, friendly relations with foreign countries, or the general public.

What are the remedies available?

Mr. Khan can make a representation to the FRRO or the Central government seeking reconsideration or withdrawal of the notice.

Section 7 of the Immigration and Foreigners Act does not set out a comparable appeal procedure against a direction to leave India. He can also approach the High Court under Article 226 of the Constitution, challenging the notice and seeking interim protection against its enforcement. Mr. Khan's lawyers have already approached the High Court.

Unless the FRRO withdraws or modifies the notice or a court grants interim protection, the direction remains operative.



Actor Imran Khan being taken away by the police during the protest against the Chief Election Commissioner in Mumbai. EMMANUAL YOGINI

GS 3: ECONOMY

THE HINDU PAGE: 09

Putting people in economics

Robert E. Hall and Michael Woodford

The winners of the 2026 Economics Nobel Prize transformed macroeconomics by showing how individual choices, household expectations and business behaviour shape the economy and influence the effectiveness of government policies

T.C.A. Sharad Raghavan

Most people view macroeconomics as a result of the mechanical tweaking of some variables to alter other variables. For example, if aggregate consumer demand is down, there is immediately a call for lower interest rates and higher government doles. Similarly, when demand outstrips supply, then the call is the opposite: raise interest rates and cut back on handouts.

There was also a long-held belief that unemployment and inflation had an inverse relationship – as shown in the famous Phillips Curve – and that income and consumption moved in tandem. If governments could tweak one, the belief was that this would result in changes in the other.

It was this that Robert E. Hall and Michael Woodford turned on its head, for which they were awarded the 2026 Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel, commonly called the Economics Nobel. The economic thinking that the 'invisible hand' of the government should step in to stabilise the economy was born out of the landmark work of that titan of economic theory, John Maynard Keynes, and was put to great use in the aftermath of the Great Depression in the U.S. in the 1930s.

This stabilisation policy remained popular for several decades until it was upended by the oil shock the U.S. economy faced in the 1970s. During this crisis, the relationship between several macroeconomic variables broke down. That is, inflation rose at an accelerated pace even though unemployment was high, and the link between income and consumption looked like it was no longer holding.

What this meant was that conventional stabilisation policy no longer worked – government stimulus came at the wrong time, which had long-term detrimental effects on growth and inflation.

Economists such as Robert E. Lucas, the 1995 Economics Nobel Prize winner, then got to work to show that the dry mechanisms of simply working with macroeconomic variables were not the way. Inflation at the macro



ILLUSTRATION: R. RAJESH

level was the result of pricing decisions by thousands of individual companies, and total private consumption was the result of actions taken by lakhs of individual households.

However, while it was increasingly accepted that households make consumption choices not only on the basis of their current situation but also on the basis of their future expectations, the difficulty arose in trying to quantify the effect of these future expectations.

Policy and behaviour

Enter Robert E. Hall. Born in 1943 in Palo Alto, California, Mr. Hall graduated from UC Berkeley in 1964 and earned his PhD from MIT. Even as a graduate student, he was already working on the issue of how government policy affects business behavior, research that eventually led to a seminal 1967 paper 'Tax Policy and Investment Behavior'.

He went on to serve on the economics faculty of UC Berkeley from 1967 to 1970 before moving to MIT and then to Stanford University, where he still works as the Robert and Carole McNeil Joint Hoover Senior Fellow and

Professor of Economics.

Mr. Hall's greatest contribution, and for which he was awarded the Nobel Prize, however, had to do with the households not companies.

The central idea of his research, later put down in a landmark paper in 1978, was that if the consumption decisions of households is governed by their expectations of future income and other such factors, then their current consumption is also an accurate indicator of their future expectations. That is, if a household is optimistic about the future, it will consume more than if it were pessimistic.

A related observation was that households will also only ever change their consumption patterns if their assessment of the future changes. In turn, their assessment of the future changes when they obtain new and relevant information. Further, since new information cannot be predicted by definition, changes in consumption also cannot be predicted.

Now, here is the key for policymakers. If the rule is that changes in consumption cannot be predicted because they are based on

unpredictable new information, then situations where it can be predicted must be because households are breaking this rule. This breaking of the rules usually takes place when a household is living paycheck to paycheck, or hand-to-mouth. They cannot borrow and have no savings, and so they spend only exactly what they earn. That is, their consumption is entirely predictable.

Using this finding, and the empirical work done by Mr. Hall, policymakers could now measure in exact terms the percentage of the population that was living hand-to-mouth.

The other major contribution of Mr. Hall's work was bringing in a 'human' element to macroeconomics, providing policymakers a map of sorts to how individuals react to both fear and confidence about the future.

Mr. Hall's work addressed the demand side, giving macroeconomics microeconomic underpinnings. The supply side theory was a result of the work done by Michael Woodford.

Mr. Woodford was born in 1955 in Massachusetts and he went on to complete his undergraduate studies at the University of Chicago, earn a Juris

Doctor from Yale Law School, and complete his PhD in Economics from MIT. Not only did Mr. Woodford build on Mr. Hall's demand side contributions, but he also brought about a decisive change in how inflation was viewed. That is, in a series of papers starting in the 1990s, he showed that inflation is based on the behaviour of individual companies that set prices, knowing that it would be too difficult to change these prices every time demand or input costs change. Firms are not only future-looking in their behaviour, but their prices also tend to be 'sticky' – they don't change quickly.

Looking to the future

Now, the follow-up of this for policymakers was that, since businesses look to the future, their expectations about future interest rates are very important to manage inflation. As a result, it becomes of prime importance for central bank policies to be credible and transparent.

That is why the RBI Governor, while announcing interest rate decisions, puts them in the context of the global and Indian economies, and gives the rationale and outlook in detail. This policy of transparency is followed by all major central banks around the world and has its foundations in Mr. Woodford's work.

Other aspects of Mr. Woodford's work also provided policymakers more effective tools to deal with supply shocks than they had during the 1970s, such as using monetary policy to do the job rather than fiscal policy.

Mr. Woodford combined all of this with Mr. Hall's demand side theory and created a complete framework, which he published in a 2003 monograph titled *Making Things Happen: A Theory of Causal Explanation*. This monograph laid the groundwork for understanding business cycles, what causes them, how they play out, their impact on stabilisation policy, and the importance of policy transparency.

In essence, the two economists provided the theoretical and empirical underpinnings to a basic but powerful idea for policymakers: the economy is made out of the people in it.

THE GIST

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GS 3: ENVIRONMENT

THE HINDU PAGE: 10

The tree bridges that help gibbons 'cross' highways



**SPEAKING OF
SCIENCE**

D. Balasubramanian

The Hoolock gibbon is India's only ape other than us humans. Found in Northeast India, mostly to the south of the Brahmaputra river, the western and eastern hoolock gibbon populations have declined by 90% in the last few decades. The main reason for this has been the fragmentation of their habitats – the range that individuals can freely roam over – by roads and railway lines.

The gibbons are particularly vulnerable to such fragmentation because of their unusual body structures. Adults are typically three feet tall but have five-foot long arms. They are

very vulnerable when walking on land: their awkward gait makes them easy targets for wild dogs and leopards. The gibbons have adapted to an arboreal lifestyle, using their long arms and the natural spring action of tree branches to move high above the ground with a rapid grace.

Yet this also requires a continuous canopy of trees. A road or a rail line completely cuts off one section of a forest for them. These gibbons mate for life and mated pairs ferociously guard their territory. Linear infrastructure effectively creates isolated pockets of gibbon populations. Smaller territories support fewer gibbons, and over time this leads to genetic isolation, inbreeding, and a decline in numbers.

The problem is not faced by gibbons alone.



A male western Hoolock gibbon hangs from the lower branches of a tree in the Hoolangapar Gibbon Sanctuary. KRUNAL DESAI (CC BY-SA)

The lion-tailed macaque's habitat around the town of Valparai in Tamil Nadu is fragmented by coffee and tea estates, and interconnecting roads lying between stretches of rainforest.

Around the world too, the slow loris in Indonesia and the three-toed sloth in Central America have faced fragmentation catastrophes. Both these animals are notoriously slow

movers, preferring to move while hanging upside down on branches.

Hoolock gibbon populations began to be fragmented when railway networks were expanded into Eastern Assam in 1887. One such fragment eventually became the Hoolangapar Gibbon Sanctuary, which has a woefully small population of about 130 western hoolock gibbons, out of a total of only 3,000-5,000

in Northeast India. Conservation efforts began in earnest long after the railway lines were operational, led by local organisations such as Aranyak.

To create a natural bridge over the railway line, a careful and dense planting of trees on either side of the track was undertaken. About 15 years later, the canopies of trees on either side of the track came together to form a bridge that the apes could swing over. And even before the canopy bridge was established, gantry bridges were put up.

Efforts to help arboreal creatures find their kin and supplies of food have been successful at other locations, too. The giant Indian squirrel is more frequently seen as roadkill than in the wild. This magnificent creature, which has a body that is over a foot in length and an even longer tail,

prefers to live in the canopies above 30 feet, and has been aided by braided rope bridges installed at many places, from the Melghat Tiger Reserve in the Satpuras in Maharashtra to the Srivilliputhur Grizzled Squirrel Sanctuary in Tamil Nadu.

Other land animals too need measures to prevent habitat fragmentation. Heavily populated countries such as the Netherlands are at the forefront of this. This country has an animal overpass that is nearly a kilometre long and spans a highway, a railway, and a golf course. Our increasingly busy highways surely need such facilitators for our wildlife.

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GS 2: POLITY

INDIAN EXPRESS PAGE: 16

Coalition of 'disillusioned'



OFF THE RECORD

BY P. VAIDYANATHAN IYER

THREE MONTHS ago, the E20 rage on social media spilled over to Jantar Mantar, with claims that the fuel mix of 20% ethanol and 80% petrol corroded vehicle engines and reduced mileage. The government paused higher blending and even discussed bringing back E10, the 10% ethanol blend, to prevent engine damage in older vehicles.

Then came the CJP protests over NEET cancellation. The crowd at Jantar Mantar on July 20 was a diverse coalition, organic, forcing the government to engage with the CJP. The protesters extracted the resignation of Education Minister Dharmendra Pradhan. The government also turned to Nandan Nilekani, who had held Cabinet rank during the UPA years, to restore credibility in the examination system. Now, protests have erupted against the SIR of electoral rolls, which has knocked 13 crore voters off the draft rolls. The demands are to restore every eligible voter to the rolls, get Chief Election

Commissioner Gyanesh Kumar to resign, and rebuild trust in the electoral process.

Removing the CEC is not easy. The Constitution sets a high bar, and the procedure is the same as that for removing a Supreme Court judge. An earlier attempt to remove the CEC in March 2026 failed after a notice signed by 130 Lok Sabha MPs and 63 Rajya Sabha MPs was rejected by the Speaker and the Chairman of the two Houses, respectively.

Technically, the government does not have the power to remove the CEC. But in realpolitik, such technicalities can be overcome, say bureaucrats. The CEC can always resign. The leadership at the helm of the government and the BJP, however, is convinced that Gyanesh Kumar should stay. They know he has gone overboard and been overzealous in his effort to "clean up" the rolls. In talks with NDA allies, the leadership appears to have acknowledged his high-handedness. Yet it continues to dig in its heels. For now, it is throwing its weight behind him. The government and the BJP probably view the nature and strength of the protests in July and those taking place now differently. The July 20 protest was sui generis—unique, a movement of its own kind. The cancellation of NEET was merely the trigger. But young people who feel hopeless for a variety of reasons stepped out to brave the odds. The protests brought together a broad cross-section of society: young people—half of India's population is under 30—Gen Z, anxious young adults, student unions,

LGBTQ+ and queer rights groups, concerned citizens and parent groups, as well as those affected by the cancellation of state recruitment or college entrance examinations.

This was a wake-up call. Frustration over many issues coalesced into one demand: Pradhan's resignation. The government was spooked. Pradhan quit.

Arvind Kejriwal, Bhim Army's Chandrashekhar Azad, Sharad Pawar, Mahua Moitra and Shiv Sena (UBT)'s Sanjay Raut all turned up at Jantar Mantar to express solidarity with the youth and the CJP. Their presence was incidental to the larger movement and did not, in itself, seem to worry the government.

The protests against the CEC and the SIR are being viewed by the government and the BJP more through a political prism. The BJP sees *shuddhata*, or purity of electoral rolls, as integral to its ideology. But can this be achieved without harassing eligible voters?

Also, for the BJP, the Congress's current democratic fight for an independent and accountable Election Commission sits uneasily with the Congress's own record. For instance, the Congress fielded former CEC N Seshan against L K Advani in the 1999 Lok Sabha election. Later, the Congress-led UPA government appointed another former CEC, MS Gill, as a Cabinet minister. In 2009, it rejected CEC N. Gopalaswami's recommendation to remove Naveen Chawla as an Election Commissioner, only to appoint Chawla as CEC later that year, while the general election

was under way. This history fuels the BJP's resentment, particularly when the Congress speaks up for the independence of Election Commissioners. The government and the BJP believe they can take on the Congress and the Opposition politically over the SIR issue by framing it as a loser's complaint, presence of the usual Left suspects, and appeasement of illegal immigrants. Hence, their response to the two sets of protesters has been markedly different. They clamped down heavily on the CJP and youth protests on October 10, but allowed the INDIA bloc to gather in large numbers and march in and around Connaught Place on October 12.

At the same time, the detentions last weekend and the daily cycle of protests since then have pushed the government on the defensive. There is a concern that the protests, if left unchecked, may gather momentum and draw into their fold all and sundry who are losing faith in the Viksit Bharat dream. As a government official put it, the youth are "disillusioned". There are too few jobs, wages are flat, and prices are rising. Anxieties are mounting, stock market gains have evaporated. All this could transform into a "coalition of the disillusioned". The worry for both the BJP and the government is that this disillusionment and discontent could steadily acquire salience and permanence.

The writer is Managing Editor, The Indian Express. Off the Record is a fortnightly column.

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