



UPSC & STATE PCS CURRENT AFFAIRS · UJIYARI.COM

EDITORIAL ANALYSIS

As US and China Compete, India Must Be Transactional With Both

 **INDIAN EXPRESS**2 July 2026 · **IR** · **GS2**

CURATED & WRITTEN BY

**Bharat Choudhary**

UPSC Educator & Content Creator

 [linkedin.com/in/epicbharat](https://www.linkedin.com/in/epicbharat)**ALSO FROM THE CREATOR****BharatNotes**Free UPSC notes, MCQs, PYQ analysis. **100% Free.**bharatnotes.com →**ADVERTISE****Advertise with Ujiyari**

Reach thousands of UPSC aspirants daily.

 epicbharat@gmail.com



As US and China Compete, India Must Be Transactional With Both


The Indian Express 2 July 2026 **GS2**

Source: ujyari.com — researched, fact-checked & UPSC-mapped



INTERVIEW ANGLE

"Is being transactional with both superpowers a sign of strategic maturity or a recipe for being trusted by neither?"

Source: [Original editorial](#)  [The Indian Express](#)


Every fact web-verified against primary sources (<https://ujyari.com/how-we-verify/>)

WHY THIS MATTERS NOW

The rivalry between the United States and China is no longer a distant contest fought over the Pacific; it has moved into India's own front yard, shaping the ports, loans, technology deals and trade routes of South Asia. Washington's tariff-driven, transactional turn and Beijing's expanding footprint have unsettled the region's smaller states and pressured India to declare a side. Yet the deeper the rivalry runs, the more valuable India's refusal to be captured becomes. Choosing a camp would trade away **leverage** (<https://ujyari.com/vocab/leverage/>); engaging both on India's own terms preserves it. That is the case for a deliberate, interest-first transactionalism.

THE CRUX IN 60 WORDS

The US-China contest now runs through India's neighbourhood. Rigid alignment with either would surrender India's leverage over the other, so India should engage both transactionally, extracting technology, trade, capital and defence gains while holding firm red lines. Chief among these: Aksai Chin, PoK and Arunachal Pradesh are integral to India. Anchored in **strategic autonomy** (<https://ujyari.com/terms/strategic-autonomy/>) and neighbourhood-first, transactionalism keeps India a decision-maker, not a follower.

THE ISSUE, DECODED

Ujjiyari Current Affairs - ujjiyari.com - Free Daily Current Affairs for UPSC & State PCS

CONCEPT	WHAT IT MEANS	WHY IT MATTERS
Strategic autonomy	Cooperating with many powers while joining no permanent bloc	Preserves India's freedom to act on its own interests
Transactional diplomacy	Interest-based, issue-by-issue dealing rather than fixed alliance	Maximises concrete gains from each relationship
US-China-Russia triangle	The shifting three-way great-power configuration	Creates both openings and risks for a non-aligned India
Neighbourhood-first	Prioritising ties with immediate South Asian neighbours	Prevents great-power rivalry from eroding India's periphery

THE ANALYSIS

- 1 The contest has come home.** The US-China rivalry now expresses itself through connectivity projects, debt, technology access and trade in South Asia and the Indo-Pacific. India cannot treat it as someone else's quarrel.
- 2 Alignment sacrifices leverage.** Locking fully into Washington would invite Chinese coercion (<https://ujjiyari.com/vocab/coercion/>) along a still-contested border; tilting to Beijing would cut India off from Western technology, capital and defence cooperation. Both extremes weaken India's hand.
- 3 Transactionalism converts rivalry into gain.** By dealing issue by issue, India can secure trade and investment from both, advanced technology and defence platforms from the West, and pragmatic (<https://ujjiyari.com/vocab/pragmatic/>) border and commercial management with China, without a blanket commitment to either.
- 4 Red lines are non-negotiable.** Interest-based flexibility does not extend to sovereignty (<https://ujjiyari.com/vocab/sovereignty/>). Aksai Chin and Pakistan-occupied Kashmir are integral parts of India, and Arunachal Pradesh is an inalienable part of the Union. No transaction can trade these away, and India's diplomacy consistently reflects this official stand.
- 5 Autonomy is being updated, not abandoned.** India's posture is evolving from non-alignment into plurilateral, omni-directional engagement, keeping the goal constant, remaining a maker of decisions rather than a taker of orders.

DATA AND INSTITUTIONS VAULT

Ujivari Current Affairs - ujivari.com - Free Daily Current Affairs for UPSC & State PCS

CARRY THESE INTO THE EXAM HALL.

Strategic autonomy: India's enduring doctrine of independent decision-making; evolved from non-alignment to multi-alignment (<https://ujivari.com/terms/multi-alignment/>) and plurilateral engagement.

Neighbourhood First and Act East: flagship policies orienting India towards South Asia and the Indo-Pacific.

Quad: India, US, Japan, Australia, an issue-based coalition, not a formal alliance.

India's territorial stand: Aksai Chin and PoK are integral parts of India; Arunachal Pradesh is an inalienable part of the Union; the Line of Actual Control remains undelineated in places.

Great-power context: a hardening US-China rivalry with a shifting US-China-Russia triangle reshaping the Indo-Pacific.

Economic lever: tariff-driven disruption in global trade since 2025 has pushed states to diversify partners.

THE DEBATE

Argument for transactionalism: In a multipolar, contested world, flexibility is strength. Engaging both powers on interest lets India draw the maximum benefit from each, avoid dependence on any single patron, and keep its options open as the balance shifts. It is the modern form of strategic autonomy.

Argument against: Endless bargaining can read as unreliability. It may erode trust with partners who want commitment, especially the US and fellow Quad members, and could leave India isolated if a serious security crisis with China erupts and firm allies are needed. Being courted by both is not the same as being trusted by either.

Balanced verdict: Transactionalism works only when it is disciplined. India should engage both powers on interest but anchor every deal in clear red lines, sovereignty above all, deepen issue-based coalitions like the Quad without surrendering autonomy, and invest in indigenous capability so its choices are not hostage to any partner. Autonomy with credibility, not opportunism, is the goal.

HOW TO THINK ABOUT THIS (TRANSFERABLE SKILL)

Ujjayari Current Affairs - ujjayari.com - Free Daily Current Affairs for UPSC & State PCS

Transactionalism is a tactic; strategic autonomy and territorial integrity are principles. In IR answers, show that flexible, interest-based tactics can serve fixed national principles rather than replace them. Always distinguish what a state can bargain over (trade, technology, cooperation) from what it will not (sovereignty, core security). This framing lets you argue for pragmatism without appearing unprincipled.

DIAGRAM-IN-WORDS

US-China rivalry enters South Asia -> rigid alignment forfeits leverage -> India engages both transactionally (trade + tech + capital + defence) -> bounded by red lines (Aksai Chin + PoK + Arunachal integral) + neighbourhood-first + indigenous capability -> strategic autonomy preserved -> India stays rule-shaper

THE WAY FORWARD

- ① **Set explicit red lines:** make sovereignty and territorial integrity non-negotiable in every engagement, consistent with India's official stand.
- ② **Bargain issue by issue:** extract specific gains, technology, trade access, defence, capital, from each power without blanket alignment.
- ③ **Deepen issue-based coalitions:** use the Quad and similar groupings for concrete cooperation while retaining decisional freedom.
- ④ **Reinforce neighbourhood-first:** invest in South Asian partners so great-power rivalry does not hollow out India's periphery.
- ⑤ **Build indigenous strength:** grow defence, technology and manufacturing capability so India's transactional choices are backed by real leverage.

THE TAKEAWAY BOX

Ujijari Current Affairs - ujijari.com - Free Daily Current Affairs for UPSC & State PCS

This is a study in strategic autonomy, multipolarity (<https://ujijari.com/terms/multipolarity/>) and India's balancing act between great powers, mapping to GS2 international relations.

“Transactionalism is not opportunism; it is disciplined self-interest bounded by firm red lines.”

Quad members (India, US, Japan, Australia); Neighbourhood First and Act East policies; Aksai Chin, PoK and Arunachal Pradesh integral to India; LAC undelineated.

Can a state be pragmatic and principled at once, and where should the line between flexibility and reliability fall?

Connects to GS2 questions on India's foreign policy, strategic autonomy and relations with major powers.

India-US and India-China relations; Indo-Pacific strategy; supply-chain diversification and Atmanirbhar Bharat.

Sources: *The Indian Express* (<https://indianexpress.com/section/opinion/>), *Ministry of External Affairs* (<https://www.mea.gov.in>)

Source: As US and China Compete, India Must Be Transactional With Both — Ujijari.com | Free UPSC & State PCS Editorial Analysis

KEY ARGUMENTS AT A GLANCE

 Ujjayanti Current Affairs · ujjayanti.com · Free Daily Current Affairs for UPSC & State PCS

As Washington and Beijing intensify their contest across India's neighbourhood, India should preserve its strategic autonomy by dealing transactionally and on the basis of concrete interests with both, rather than locking into either camp.

 **SUPPORTING**

- The US-China rivalry now runs through South Asia and the Indo-Pacific, and rigid alignment with one power would surrender India's leverage over the other.
- A transactional posture lets India extract specific gains, technology, trade access, defence, capital, from each relationship while protecting core interests, including its territorial position on Aksai Chin, Arunachal Pradesh and Pakistan-occupied Kashmir.
- Strategic autonomy, updated as plurilateral engagement, keeps India a decision-maker rather than a follower amid a shifting US-China-Russia triangle.

 **COUNTER**

Perpetual transactionalism can look like fence-sitting, erode trust with partners like the US and Quad members, and leave India without reliable allies when a genuine security crisis with China arrives.

 **WAY FORWARD**

Anchor transactional dealings in clear red lines and a neighbourhood-first policy, deepen issue-based coalitions, invest in indigenous capability, and reserve firm alignment for genuinely vital interests.


MAINS ANSWER FRAMEWORK

 Ujijari Current Affairs - ujijari.com · Free Daily Current Affairs for UPSC & State PCS

QUESTION

In an intensifying US-China rivalry that increasingly plays out in South Asia, India's interest lies in interest-based engagement with both rather than rigid alignment. Critically examine, with reference to strategic autonomy. (250 words)

INTRODUCTION

The deepening contest between the United States and China increasingly plays out in India's own neighbourhood, from ports and connectivity to technology and trade. For India, the strategic question is whether to pick a side or to engage both on the basis of interest, preserving the autonomy that has long defined its foreign policy.

BODY

India's tradition of strategic autonomy, from non-alignment to today's multi-alignment, rests on refusing permanent membership of any bloc while cooperating with many. As the US-China rivalry hardens and a US-China-Russia triangle takes shape, rigid alignment would cost India its leverage: aligning fully with Washington would invite Chinese pressure along a contested border, while tilting to Beijing would forfeit access to Western technology, capital and defence partnerships.

A transactional posture lets India bargain for concrete gains from each, trade and investment from both, technology and defence from the West, pragmatic border and trade management with China, without conceding on non-negotiable interests. Chief among these is India's territorial integrity: Aksai Chin and Pakistan-occupied Kashmir are integral parts of India, and Arunachal Pradesh is an inalienable part of the Union, a position no transaction can dilute.

A neighbourhood-first policy ensures that great-power competition does not hollow out India's own periphery.

CONCLUSION

Transactionalism is not opportunism; it is disciplined self-interest bounded by firm red lines. By engaging both powers on its own terms while guarding its territory and its neighbourhood, India stays a rule-shaper rather than a pawn in the contest between giants.


RELATED DAILY ARTICLES

2 Jul [India and Japan Hold the 16th Annual Summit](#)

29 Jun [Strait of Hormuz Widened Route and India's Energy...](#)

28 Jun [PM Modi Visits Seychelles for Its Golden Jubilee...](#)

28 Jun **Operation Amistad: India's Earthquake Relief for...**

Ujjari Current Affairs · ujjari.com · Free Daily Current Affairs for UPSC & State PCS

Ujiyari Current Affairs · ujiyari.com · **Free Daily** Current Affairs for UPSC & State PCS

CURATED & WRITTEN BY

Bharat Choudhary

UPSC Educator & Content Creator

[linkedin.com/in/epicbharat](https://www.linkedin.com/in/epicbharat)[Read Full Article on Ujiyari →](#)<https://ujiyari.com/editorials/2026/07/ie-transactional-diplomacy-us-china-2026/>

ALSO FROM THE CREATOR

BharatNotes

Free UPSC study platform — subject-wise notes across all 4 GS papers, Prelims MCQs, Mains answer frameworks, PYQ analysis & progress tracking. **100% Free • No Login Required.**

[Start Preparing → bharatnotes.com](https://bharatnotes.com)

📌 OPPORTUNITY

Advertise with Ujiyari

Reach **thousands of serious UPSC & State PCS aspirants** daily through our PDFs, website, and social channels.

Ideal for: Coaching institutes • EdTech platforms • Book publishers • Exam prep apps

[✉ epicbharat@gmail.com](mailto:epicbharat@gmail.com)

Write to us for rates & media kit

Free UPSC & State PCS Current Affairs · ujiyari.com · bharatnotes.com