

# Resolving the India—China Standoff at Doka La

|                        |                    |   |   |   |
|------------------------|--------------------|---|---|---|
| <b>India's options</b> | <b>Escalate</b>    | <b>India: favourable</b><br><b>China: least favourable</b><br><i>China incurs reputational &amp; explicit costs. India incurs explicit costs.</i> | <b>India: favourable</b><br><b>China: unfavourable</b><br><i>China incurs reputational and explicit costs. India incurs explicit costs.</i> | <b>China &amp; India: unfavourable</b><br><i>Both states incur explicit &amp; opportunity costs</i>                         |
|                        | <b>Hold</b>        | <b>India: most favourable</b><br><b>China: least favourable</b><br><i>China suffers high reputational costs</i>                                   | <b>India: favourable</b><br><b>China: unfavourable</b><br><i>China and India incur explicit &amp; opportunity costs.</i>                    | <b>India: unfavourable</b><br><b>China: favourable</b><br><i>India incurs explicit, opportunity and reputational costs.</i> |
|                        | <b>De-escalate</b> | <b>India and China: least unfavourable</b><br><i>Low explicit costs for both. China suffers reputational costs.</i>                               | <b>India: least favourable</b><br><b>China: most favourable</b><br><i>India incurs high reputational costs</i>                              | <b>India: least favourable</b><br><b>China: most favourable</b><br><i>India incurs high reputational costs</i>              |
|                        |                    | <b>De-escalate</b>  | <b>Hold</b>   | <b>Escalate</b>   |
|                        |                    | <b>China's options</b>  |   |   |

If India escalates further, the costs incurred by both India and China are very high.

But if India starts de-escalating, there is a higher likelihood that China will either hold or escalate (2 reds in the row).

Both States de-escalating is the most desired scenario (dark green).

**So, the best option for India is to hold (2 greens in the row) until incentives for mutual de-escalation evolve.**