



DAILY EDITORIAL ANALYSIS

TOPIC

**INDIA–CHINA RELATIONS: A NASH
EQUILIBRIUM ON THE BORDER?**

www.nextias.com

INDIA-CHINA RELATIONS: A NASH EQUILIBRIUM ON THE BORDER?

Context

- The recent '**Eight Points of Outcomes and Consensus**' and the Modi-Xi meeting at the **BRICS Summit** have revived debate over whether bilateral ties are entering a durable détente.

About Nash Equilibrium

- In game theory, a **Nash equilibrium** is a situation in which no player can improve its expected outcome by unilaterally changing its strategy.
- Applied to **India-China relations**, it suggests a situation where neither side can realistically improve its territorial position without incurring disproportionate military and political costs.
- Thus, the **present border situation** may be viewed as a stable but unresolved equilibrium : diplomatic and military friction may recur, but neither side is likely to achieve a decisive and lasting alteration of the **Line of Actual Control (LAC)**.

Nash Equilibrium & India-China Border Issues

- The boundary dispute has three broad sectors:
 - Western sector:** Aksai Chin, administered by China but claimed by India.
 - Middle sector:** Himachal Pradesh and Uttarakhand.
 - Eastern sector:** Arunachal Pradesh, administered by India but substantially claimed by China.



- India's maximal objective would involve restoring its claim over **Aksai Chin** while retaining its position elsewhere.
- China's maximal objective would involve securing **Arunachal Pradesh up to the southern slopes** while retaining its existing position in other sectors.

- **Terrain, extreme climate, logistics and entrenched military deployments** make large and permanent territorial gains exceptionally difficult.
- Consequently, barring major strategic miscalculation or internal political collapse, the status quo possesses considerable resilience.

Why a Final Boundary Settlement Remains Difficult?

- India and China have negotiated almost continuously since **1981**:
 - ♦ **Secretary/Vice-Minister-level talks (1981–88)**
 - ♦ **Joint Working Group (1989–2005)**
 - ♦ **Special Representative Mechanism (2003–present)**
- Over more than **45 years**, the two sides have met roughly once a year on average, yet substantive progress has been limited.
- The key achievement remains the **2005 Agreement on Political Parameters and Guiding Principles for the Settlement of the India-China Boundary Question**. It envisaged:
 - ♦ a **package settlement**, nothing is final until the entire boundary is settled;
 - ♦ a **political settlement**, rather than merely a cartographic or legal exercise;
 - ♦ consideration of **strategic concerns, history, national sentiment, practicality, geography and the interests of settled populations**.
- The gap between maximal territorial claims and political feasibility therefore remains the fundamental obstacle.

Related Issues & Concerns

- **Dalai Lama Succession**: China is expected to appoint its preferred successor to the **Dalai Lama**, while Tibetan institutions are likely to assert their own choice.
 - ♦ India could consequently face a difficult strategic dilemma.
 - ♦ A contested succession could intensify **India-China tensions**, with **Tibet's political instability potentially becoming a security catalyst**, as it was among the factors surrounding the 1962 conflict.
- **India-Pakistan Conflict**: A future India-Pakistan confrontation could acquire a dangerous **two-front dimension** if China becomes directly involved.
 - ♦ During **Operation Sindoor in 2025**, India detected Chinese support to Pakistan.
 - ♦ **Greater Chinese involvement** in a future conflict could therefore destabilise the existing India-China equilibrium.

Both Countries' Efforts Related to Border Issues

- **Eight-point Outcomes and Consensus Statement**: It calls for an **early and substantial harvest** in boundary negotiations.
 - ♦ It does not necessarily abandon the 2005 package principle. Instead, it appears to encourage an **incremental or early-harvest approach**: make progress in one section, consolidate it, and then move to another.
 - ♦ Under the existing framework, however, sectional progress would ultimately require acceptance as part of the **overall boundary settlement**.
 - ♦ The **Modi-Xi BRICS meeting** readouts similarly **do not fundamentally alter the 2005 framework**.
 - ♦ The significance is therefore less a breakthrough on the boundary and more a **nudge towards stabilisation and practical cooperation**.

- Both sides have combined **military deterrence with diplomatic engagement**, while maintaining mechanisms for dialogue and border management.
 - ♦ The 2005 political parameters, subsequent agreements and Special Representative talks provide the institutional foundation.
- The current détente could additionally facilitate **trade, visas, supply-chain resilience and cooperation over transboundary rivers**, creating wider incentives against renewed confrontation.

Way Forward

- India should pursue a **dual-track strategy**:
 - ♦ maintain credible military preparedness and infrastructure along the LAC;
 - ♦ accelerate Special Representative-level negotiations;
 - ♦ pursue **sector-wise confidence-building and early harvests** without compromising the eventual package settlement;
 - ♦ develop safeguards against crises arising from **Dalai Lama succession and India-Pakistan tensions**;
 - ♦ use expanding economic and people-to-people ties to create **strategic insulation**;
 - ♦ strengthen communication and crisis-management mechanisms to prevent local incidents from escalating.

Conclusion

- The **Eight-point Outcomes and Consensus Statement** statement and Modi–Xi engagement indicate **stabilisation rather than a final settlement**.
- India and China appear to recognise that neither can easily obtain its maximal territorial objective.
- The immediate task, therefore, is not to mistake détente for resolution, but to **convert the existing Nash equilibrium into durable strategic stability while preparing for shocks that could overturn it**.

Source: IE

Daily Mains Practice Question

- [Q] The India–China border dispute increasingly resembles a Nash equilibrium, where neither side can significantly improve its territorial position without imposing prohibitive costs on itself. Critically analyse.

■■■■