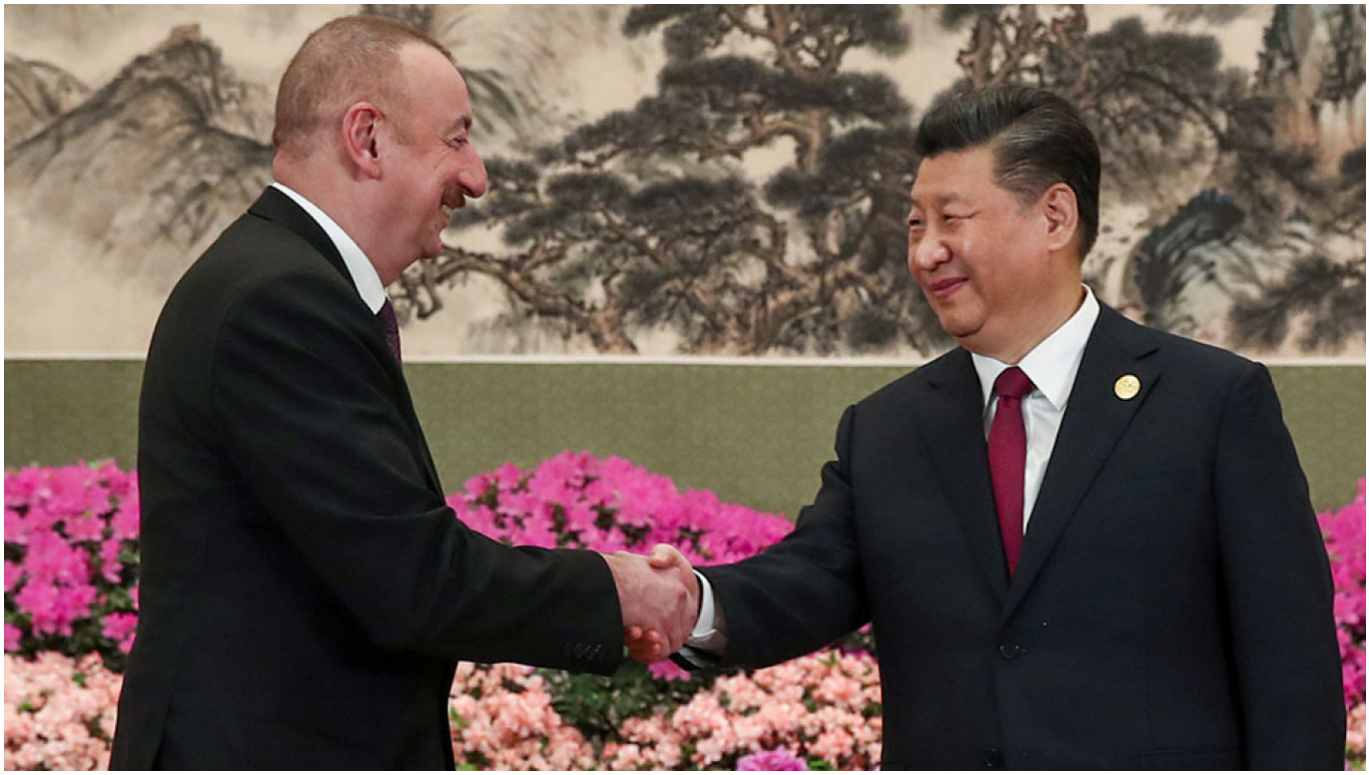
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China Makes Inroads Into Russia's Backyard

The increased scale of Chinese cooperation with the South Caucasus is turning Beijing into one of the forces of influence in the region.

By Sergei Markedonov

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Ilham Aliyev and Xi Jinping **Valery Sharifulin / TASS**

The topic of the South Caucasus — Armenia, Azerbaijan, and Georgia — is often brought up in the broader context of international security issues in the Black Sea region and the Greater Middle East. Yet the high concentration of conflicts, differing relations with neighboring powers, and a lack of regional integration make it impossible to perceive the region exclusively as a space for the proxy confrontation between Russia and the West, especially now, when new players — most notably China — are getting increasingly involved in the region. The increased scale of Chinese cooperation with the South Caucasus in recent years is turning Beijing into one of the forces of influence in the region.

Armenia, Azerbaijan, and Georgia can't be described as priority areas in China's foreign policy. They do not share borders with China, and their economic cooperation is not yet so great, though it is developing rapidly. Nonetheless, the South Caucasus is of interest to Beijing as an important part of China's global Belt and Road infrastructure and investment strategy. This importance was reflected in the May visit of China's foreign minister, Wang Yi, to all three countries.

China signed various documents back in 2015 with Georgia, Armenia and Azerbaijan relating to their involvement in the Silk Road Economic Belt initiative. In 2017, China and Georgia signed a free trade agreement: the first of its kind in the whole of the post-Soviet space.

The deal was supposed to boost the development of bilateral trade, which had already grown by nearly 80 times from 2002 to 2015. Currently, the flow of goods from China to Georgia is of course far greater than in the opposite direction, but Georgia has also managed to increase its exports to the Chinese market. Having started virtually from scratch ten years ago, China is now one of the country's top ten export partners, accounting for more than 5% of Georgian exports in 2018.

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China is also paying close attention to Azerbaijan, which accounts for more than 40% of China's total trade turnover with the region. The Chinese state company CTIEC Group was involved in the construction of a large cement factory, Norm, in Baku, and Beijing is also very interested in the new Baku-Tbilisi-Akhalkalaki-Kars railroad as a window from Asia to Europe. For now, however, despite individual proclamations by local politicians and experts, the South Caucasus has not become a significant transit territory from China to Europe. Much remains at the level of plans and declarations, though that is not to say that the situation will stay that way.

Armenia's position in terms of infrastructure programs is not very strong: of the country's four borders, only those with Georgia and Iran are open, so Armenia does not take part in many regional logistics and energy projects. It is still of interest to Beijing, however, as a connecting link between the Eurasian Economic Union and Tehran. In terms of imports, China is already Armenia's second-biggest partner after its strategic ally, Russia.

The South Caucasus is not just important to China for economic reasons. For some years now, Beijing has been dealing with problems of radical jihadism in its Xinjiang-Uighur Autonomous Region. With its proximity to the Middle East, the Caucasus region is important in the context of combating this threat. Key figures in the Islamic State (IS) terrorist organization came from Georgia's Pankisi Gorge, and according to the Soufan Group security intelligence service, as of the end of 2017, 900 people from Azerbaijan and 200 Georgian nationals were involved with IS in the Middle East.

The South Caucasus nations have their own reasons for wanting to cooperate with China. For Georgia and Azerbaijan, which both have breakaway regions, it is extremely important that China consistently stands up for the principles of territorial integrity. China has no interest in interfering in issues relating to the integrity of other countries, since it has its own problems with Taiwan, Tibet, and Xinjiang, and would certainly not appreciate any foreign interference

in them.

When visiting Tbilisi in May, Wang said that China respected "the independence, sovereignty, and territorial integrity of Georgia," which has long had no control over its two breakaway republics of Abkhazia and South Ossetia. In response, the Transcaucasian leaders are also ready to demonstrate their solidarity with Beijing. Azeri President Ilham Aliyev has said, "as far as the issue of Taiwan goes, our country always stands for the position of a unified China. That position will not change."

The situation is not entirely black and white, however. If Baku, which has adopted a path of equal distance from the world centers of power, can afford more room for maneuver in its relations with Beijing, then Tbilisi's rapprochement with China is regularly the subject of criticism from the West.

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Wang's visit to Georgia, for example, elicited ire in the United States. The following month, Georgia's then prime minister, Mamuka Bakhtadze, was given a dressing-down in Washington by Secretary of State Mike Pompeo over Georgia's economic plans with China, in which China and Russia were described as "pretended friends [who] do not have Georgia's best interests at heart" — though it is Georgia that, despite its stated intent to join NATO and the EU, remains the only state in the South Caucasus to have signed a free trade agreement with China.

Armenia has different aims where China is concerned. Faced with a lack of regional integration and dependence on the dynamics of Russia-Georgia relations, since Armenia does not share a border with its ally Russia, Yerevan is striving to broaden its international ties in all directions.

For all three countries, China plays the role of an alternative to Russia and the West. Tbilisi, Yerevan, and Baku are all tired of Moscow, Washington, and Brussels eternally squabbling on their own territory. In this respect, Beijing is seen as a possible counterbalance.

In the opinion of the countries of the South Caucasus, ever since the West became engaged in a confrontation with Russia, it has not been capable of objectively supporting territorial integrity in the region. For the last two decades, Russia and the West have by turns changed their commitment to the principles of status quo and revisionism, support for national self-determination, and the unity of states. China, on the other hand, has demonstrated consistency in its foreign policy, regardless of what has happened in Kosovo, Abkhazia, and Crimea.

For small states, the rules of the game in international relations are extremely important, unlike for major powers, which can afford to improvise. In the South Caucasus, this is resulting in pragmatic approaches to foreign policy — hence Georgia signing the free trade agreement with Beijing while being determined to join NATO.

It's early days to be talking about Beijing as the main player in the region. According to Asia expert Stanislav Tarasov, China is carrying out thorough "diplomatic reconnaissance in

Transcaucasia" based on its economic relations with the countries. There is no chance of Beijing getting involved in the resolution of ethnopolitical conflicts. From China's perspective, "Russia could play a positive role in the region because it traditionally has influence here. So problems between Russia and Georgia must only be resolved by those two countries; China will not interfere in their affairs."

At a time when demand for diversified foreign policy in the Caucasus is clear, Beijing is building political frameworks that are attractive to countries in the region. In addition, China's reluctance to get involved in the region's internal problems makes it a convenient partner for everyone.

Islamic State is a terrorist group banned in Russia.

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