China’s "Belt and Road" Initiative and the South Caucasus

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CHINA’S “BELT AND ROAD” INITIATIVE AND THE SOUTH CAUCASUS

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Introduction by the Special Editor:  
China’s Belt and Road Initiative and Its Impact in the South Caucasus

The Belt and Road Initiative (BRI), announced by the Chinese government in 2013, has had repercussions throughout the Eurasian space. While other regions, as for instance Central Asia, are much more in the spotlight and demonstrate a higher level of engagement, this megaproject with the aim of enhanced global, and especially Eurasian, connectivity clearly also has an impact on the three South Caucasus countries.

What is more, in one way or the other, Armenia, Azerbaijan and Georgia have each tried to actively position themselves on one of the many routes that are being developed as part of the China-driven project or in relation to it. Not least in reaction to the BRI, each of the three has forged closer ties with neighbouring countries to develop or further strengthen connections along an East–West but also a North–South axis. In the past decade the bilateral relations with China have flourished in the case of all three South Caucasus countries.

In the first contribution to this special issue Mariam Zabakhidze, Irakli Gabriadze, Rezo Beradze and Giorgi Khishtovani provide a concise overview on how against the background of the Belt and Road Initiative relations between Armenia, Azerbaijan, Georgia and China have advanced. They sketch out dynamics related to transport connectivity, bilateral trade and foreign direct investment. While the authors certainly register an increased Chinese presence in the South Caucasus, they conclude it is too early to clearly determine to what extent that uptick in relations can be specifically attributed to the BRI. Their contribution lays out the panorama of general trends and dynamics related to the Initiative.

In singling out infrastructure development and logistics, Evelina Gambino in her contribution, in turn, reflects on how the BRI and related projects affect power dynamics on different scales. Her analysis, informed by critical geopolitics, shows the complex repercussions of the BRI, which is far from having a uniform effect as the empirical vignette of the Baku–Tbilisi–Kars railway line, a project which has come to be viewed as being part of the new Silk Road, demonstrates.

The special issue is completed by Susanne Fehlings’ contribution on people-to-people contacts which develop not least against the backdrop of the Belt and Road Initiative. Focusing on face-to-face encounters between Chinese and locals in Georgia, Fehlings provides us with insights on the different types of contacts and interaction between Chinese and local people, which vary substantially depending on type of business activity and length of residency of the Chinese.

Taken together, the three contributions of this special issue form a dense picture of how the Belt and Road Initiative has impacted the South Caucasus countries thus far. While each analysis offers a specific perspective and provides a unique angle, all contributions agree on the need to adopt a differentiated view when exploring the Belt and Road Initiative’s effects, which vary on different levels and fields of analysis as well as between the three South Caucasus countries of Armenia, Azerbaijan and Georgia.

Franziska Smolnik (German Institute for International and Security Affairs – SWP, Berlin)
Connectivity, Trade and Financial Integration of the South Caucasus Via the Belt and Road Initiative (BRI)

By Mariam Zabakhidze, Irakli Gabriadze, Rezo Beradze, Giorgi Khishtovani (all from the PMC Research Center, Tbilisi)

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Abstract
The lack of connectivity is one of the impediments to progress for Armenia, Azerbaijan and Georgia—the countries of the South Caucasus (SC) region. Due to open conflicts and political tensions, cooperation between the three has been extremely difficult. However, there are examples of positive bilateral cooperation, mostly in infrastructure-related projects, as all three countries are trying to attract more foreign direct investment (FDI) and cargo, to enhance trade relations and to diversify their trading partners. Thus, it is no surprise that countries in the SC have expressed interest in participating in China’s Belt and Road Initiative. The initiative may lead to improved cross-country coordination, and the countries in the SC may eventually be able to harmonize their trade policies under one umbrella. Achieving both of these goals involves the development of soft infrastructure tools and building and improving a hard infrastructure. Soft infrastructure tools, such as well-established legal and regulatory frameworks, as well as a good hard infrastructure are much needed in the SC.

The BRI in the South Caucasus: Regional Conditions
Announced in 2013, China’s Belt and Road Initiative (BRI) was aimed at promoting bilateral relations between China and neighbouring countries. However, the initiative has gradually grown into a global project having an impact on an estimated more than 4 billion people in over 65 countries across Asia, Europe and Africa. Currently, the initiative is open to all interested parties and entails multi-layered collaboration between governments, businesses, and civil society (Minghao, 2016). Thus, Georgia, Armenia and Azerbaijan, the three countries in the South Caucasus (SC) that are situated at the crossroads between Europe and Asia, ultimately became a focus of the BRI (Ismalov and Papava, 2018).

Despite their geographical proximity and shared history, differences in development trajectories in all three countries in the SC are evident: Azerbaijan has the largest economy due mainly to its oil and gas reserves and population size—the country’s economy is bigger than the economies of Armenia and Georgia combined. Azerbaijan is engaged in military conflict with neighbouring Armenia; however, Azerbaijan tries to have close ties with Turkey and to have good relations with Russia. Armenia, being largely dependent on Russia, joined the Russian-led Eurasian Economic Union (EAEU) in 2015 (Ministry of Foreign Affairs of the Republic of Armenia, 2015) and had to refuse to sign an Association Agreement with the EU. However in 2017 Armenia signed a Comprehensive and Enhanced Partnership Agreement (CEPA) with the EU, providing a framework for both to work together (European Union, 2019). Armenia has a new government, which came to power following mass demonstrations in 2018. As Shirinyan (Shirinyan, 2019) argues, Armenians in general are increasingly worried about being overly dependent on Russia, and they are looking to diversify their alliances and trading partners by strengthening relationships with two of Armenia’s direct neighbours (Georgia and Iran) and one of the country’s major trading partner (China). Georgia, which ranks best among the three SC countries in the Ease of Doing Business Index, the Index of Economic Freedom, and the Corruption Perceptions index, is seeking Euro-Atlantic integration to have closer ties with NATO and other western partners. Georgia plays a pivotal role in regional connectivity and coordination due to its advanced relationships with Azerbaijan, Turkey and Armenia (German, 2016).

As the SC suffers from conflicts and territorial disputes, cooperation between the three countries in the SC has been extremely difficult. However, there are examples of positive cooperation, mostly in infrastructure-related projects between Georgia and Armenia and between Georgia and Azerbaijan; these projects were launched long before the BRI. As a result, some

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1 Conflict between Armenia and Azerbaijan over Nagorny-Karabakh rules out cooperation opportunities between the countries. As a result, Armenia seeks close ties with Russia and hosts a Russian military base, thus creating mistrust between Armenia and Georgia, as Russia occupies two of Georgia’s regions.
The lack of connectivity has been named as one of the bottlenecks for the SC region. According to the World Bank’s multidimensional connectivity index, which measures connectivity through trade, investment, migration, communications, and transport, Western Europe has the best connectivity, while the SC has the worst. Nonetheless, an analysis of the data for 2000–2014 shows that the SC’s connectivity has increased by nearly 75 percent (Gould et al., 2018). This improvement cannot be attributed to a single project or a single investor; rather, this improvement stems from a series of interventions and development partners, including the EU-led Transport Corridor Europe–Caucasus–Asia (TRACECA); the Asian Development Bank-led Central Asia Regional Economic Cooperation (CAREC) Programme; and, most recently, the China-led Belt and Road Initiative (BRI).

Though it is somewhat difficult to accurately list all possible routes through “Belt” and “Road”, the land connectivity (“Belt”) between China and Europe has been discussed in the context of six trade corridors, some of which are already functioning or still under construction. The SC countries can be seen as a part of those corridors, which enable the transportation of goods from East Asia to Western Europe, thereby leading to larger trade and cargo flows through the region. The East–West direction, especially through the Baku–Tbilisi–Kars (BTK) railway, is more relevant to Georgia and Azerbaijan. Other East–West projects more relevant to Georgia and Azerbaijan are ongoing regional projects, such as the Trans-Caspian International Transport Route (TTTR) and the Lapis–Lazuli transport corridor. For Armenia, due to its tense relationship with two neighbouring countries (Azerbaijan and Turkey), it has open borders only with Georgia to the north and Iran to the south. Taking this into consideration, limited options are available to Armenia under the BRI. One such option may be the ongoing north–south corridor development, which connects the Indian Ocean and the Persian Gulf to the Black Sea through Iran, Armenia and Georgia. Other projects relevant to the BRI (part of north–south connection) is the Meghri–Yerevan–Bavra highway, which links Armenia’s southern border with Iran to its northern border with Georgia. Chinese interest in this project can be linked to the current involvement of Sinohydro. The Chinese state-owned construction firm has assumed responsibility for completing a stretch of road connecting Gyumri, Armenia’s second-largest city, to the Georgian border, thus helping to accelerate the much-delayed project (EC, 2019). In Armenia, road transport is the most common mode of transport, including transit to ports in Georgia for trade relations with the EU and other countries. Therefore, the Meghri–Yerevan–Bavra highway is much needed as an impetus for improving transport connections and for boosting trade. While Armenia seeks to improve land connectivity, Georgia, apart from highway and railway projects, also aims to boost trade with the EU by constructing a deep-sea (16-meters deep) port in Anaklia; this port is expected to handle vessel types, such as Panamax, Handymax, and Aframax, with capacities of up to 10,000 TEUs (Khishtovani et al., 2019).

However, there are also some major challenges for the countries in the SC in their effort to attract more cargo. Studies show that nearly all (99%) of the cargo transported from the Asia-Pacific to Europe are transported via sea routes. Only an insignificant amount of cargo is transported via railway (Davydenko et al., 2012). The most frequently used train routes are those running

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Notes:

2 For example, to express its strong interest, Georgia started organizing an annual forum on BRI. In the SC context, this forum can serve as a potential meeting place for the countries to develop a common strategy. These types of platforms are essential, as studies (Khishtovani et al., 2019) found the success of the initiative in the SC heavily depends on the successful cooperation between the countries.

3 The BRI establishes 6 international economic corridors: 1) the New Eurasia Land Bridge Economic Corridor, 2) the China–Mongolia–Russia Economic Corridor, 3) the China–Central Asia–West Asia Economic Corridor, 4) the China–Indochina Peninsula Economic Corridor, 5) the China–Pakistan Economic Corridor, and 6) the Bangladesh–China–India–Myanmar Economic Corridor (HKTDC Research, 2019).

4 The EU’s Neighbourhood Investment Facility (NIF), the EIB and the Asian Development Bank are providing loans to support upgrading part of the 556-kilometre North–South Road Corridor running from the border with Georgia at Bavaria to the border with Iran at Meghri via the cities of Bavaria, Gyumri, Asharak, Yerevan, Goris, Kapan and Meghri. In addition, a 145-km stretch of road along the North–South Road Corridor between Yerevan, the capital of Armenia, and Bavara will be rehabilitated.
Trade

The trade relationship between countries in the SC, the main benefit of the Trans-Siberian routes is that they have the capacity for additional freight services. In addition, unlike the countries in the SC, Russia, Belarus, Kazakhstan and Mongolia have the same technical railway standards (with respect to gauges, safety systems, etc.).

The development of alternative routes, in general, faces a range of challenges because nearly two-thirds of the countries involved in the Belt and Road Initiative have very low credit ratings that fall below an investable level and have high operational risk⁵ (Economist Intelligence Unit, 2015). However, the expansion of alternative routes is very much in agreement with China’s overall strategy, which is mainly aimed at developing China’s landlocked western provinces, and these provinces lag behind the eastern ones close to the sea. Thus, despite some challenges along the corridor passing through the SC, increased connectivity and coordination may help Armenia, Georgia and Azerbaijan attract more cargo into the region.

To deepen financial cooperation and to mobilize funds for the BRI, new financial institutions, such as the Asia Infrastructure Investment bank (AIIB), the New Development Bank and the Silk Road Fund, have been set up. A main purpose of launching new financial institutions is to build a stable currency and investment system to enable countries along the BRI to actively participate in the initiative.

Analysing FDI from China to the countries in the SC reveals that China, in general, has become a significant investor in transition economies (including those of SC countries). Starting from 2011, China’s FDI stock in these countries increased from US$8 billion to US$23 billion in 2016 (UNCTAD, 2018).

According to Azerbaijani officials, as of 2018, FDI from China amounted to approximately 800 million USD (Azernews, 2019a). Until recently, Azerbaijan was not particularly active in attracting foreign direct invest-

FDI

CAUCASUS ANALYTICAL DIGEST No. 111, October 2019

along Siberia.⁶ Although the length of those routes is longer than the length of those that can pass through the SC, the main benefit of the Trans-Siberian routes is that they have the capacity for additional freight services. In addition, unlike the countries in the SC, Russia, Belarus, Kazakhstan and Mongolia have the same technical railway standards (with respect to gauges, safety systems, etc.).

The development of alternative routes, in general, faces a range of challenges because nearly two-thirds of the countries involved in the Belt and Road Initiative have very low credit ratings that fall below an investable level and have high operational risk⁵ (Economist Intelligence Unit, 2015). However, the expansion of alternative routes is very much in agreement with China’s overall strategy, which is mainly aimed at developing China’s landlocked western provinces, and these provinces lag behind the eastern ones close to the sea. Thus, despite some challenges along the corridor passing through the SC, increased connectivity and coordination may help Armenia, Georgia and Azerbaijan attract more cargo into the region.

Trade

The trade relationship between countries in the SC depends largely on political factors. For instance, Armenia and Azerbaijan have no trade turnover due to the Nagorno-Karabakh conflict. Georgia, however, has close and growing trade relationships with both countries. From 2010 to 2018, the trade turnover between Georgia and Azerbaijan and Georgia and Armenia increased by 48% (to 1.1 billion USD) and by 189% (to 614 million USD), respectively. As a result, Azerbaijan and Armenia rank 3rd and 6th among Georgia’s top trade partners, respectively (GEOSTAT, 2019).

Trade turnover between Georgia and China has been increasing since 2002 and reached 1 billion USD in 2018 (compared to a conservative 10 million USD in 2002), thereby making China Georgia’s 4th-top trading partner. Another important milestone in Chinese-Georgian trade relations has been the China-Georgia Free Trade Agreement, signed in 2017, which is expected to further promote trade (PMC Research and UIBE, 2015).

Similarly, bilateral trade between China and Azerbaijan and between China and Armenia has been increasing. From 2015 to 2018, the trade turnover between Azerbaijan and China more than doubled (the trade turnover reached 1.3 billion USD) and China became one of Azerbaijan’s top trading partners (China ranked 4th in 2017). The positive trend continued in 2019, with a 2.6% increase in the first five months of 2019 (Azernews, 2019a).

Armenia’s trade turnover with China is also increasing. According to official Armenian statistics, Chinese-Armenian trade increased by over 29% in 2018 to $771 million, with Chinese exports accounting for 86% of the total turnover (MassisPost, 2019).

It is too early to evaluate the impact of the BRI on the trade turnover between China and the countries in the SC. Nonetheless, this increasing trend in trade relations can be linked to the proactive stance from all three governments to further strengthen ties with China. For instance, during his recent visit (May 2019) to Beijing, the prime minister of Armenia, Nikol Pashinyan, confirmed Armenia’s interest in the BRI and noted that bilateral cooperation will soon deepen in the areas of trade, industry, transport and culture. In addition, in 2015, the government of Georgia began hosting a biannual BRI-related forum with high-level participants from almost all BRI-related countries (the upcoming forum will take place in October 2019 (Tbilisi Silk Road Forum, 2019). For Azerbaijan, in 2015, a MoU was signed to support construction of the Silk Road Economic Belt; the agreement mainly focused on securing a series of deals in areas such as trade, education, transportation and energy (Xinhuanet.com, 2015).

FDI

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⁵ Three routes constitute the Trans-Siberian route: 1) the Kazakh route, which connects via Kazakhstan to western China, offers the shortest distance from Beijing to Moscow; 2) the Mongolian route, via Mongolia, is favorable for connections with western China; and 3) the Manchurian route, via Zabaykalsk, is favorable for connections with western and Northeast China (source (Davydenko et al., 2012)).

⁶ Operational risks are calculated based on risks across 10 categories (security, political stability, government effectiveness, legal and regulatory environment, macro-economic risks, foreign trade and payment, tax policy, labour market, financial risk, and infrastructure).
mments, especially from China, but the oil price crisis of 2014 showed the importance of extending diversification beyond the oil sector. As a result, during the second Belt and Road Forum for International Cooperation, which took place in Beijing in April 2019, representatives of Azerbaijan signed ten agreements, according to which Chinese companies will invest an additional 821 million in non-oil industries. For example, the China National Electric Engineering Company (CNEEC) will invest $300 million in a tire factory. The agreement also includes building a 300 ha greenhouse complex (Baghirov, 2019). However, when considering investing in BRI-related projects, such as the Baku International Sea Trade Port Complex (with a current capacity of 15 million tons of cargo) (Azernews, 2019b) and the Baku–Tbilisi–Kars railway (mostly financed by Azerbaijan), Azerbaijan is trying to avoid a “debt trap”, and, thus, relies on its own funding.

In Georgia, from 2002–2018, Chinese investments accumulated to 643 million USD. The investments are targeted to agriculture, the banking, telecommunications, infrastructure, hospitality and light industry. The biggest Chinese investor is the Hualing Group, which operates free economic zones (one such zone is near the city of Kutaisi) and is engaged in, amongst other areas, the banking sector and real estate. However, no Chinese foreign direct investment has been attracted for Georgia’s large infrastructure projects (Hualing Group, 2019).

Over the past two decades, only an insignificant amount of Chinese investment went to Armenia. However, China emphasized the importance of its partnership with Armenia by initiating the building of a new embassy in Yerevan; the embassy is projected to be the second largest in the post-Soviet space. In addition, since 2012, China’s aid to Armenia amounted to 50 million USD. In addition, the Chinese government spent approximately 12 million USD for the construction of a new school and offered Chinese language classes to Armenian students (MassisPost, 2019).

Conclusion

It could be argued that enhanced relations between China and the SC are mutually beneficial and are in the interest of both partners. China considers Georgia, Armenia and Azerbaijan as trading partners and has increased its presence in the region by providing FDI and by being involved in the development of regional connectivity. Regarding China’s interests, the trade routes traversing the SC, although being less competitive compared to other routes, can diversify trade activity and reduce dependence on the Trans-Siberian routes, which pass mostly through Russia. Regarding the interests of the SC countries, these countries can use the opportunities that the BRI provides to improve regional connectivity and cooperation. Although there are political tensions and open conflicts in the region, increased opportunities from trade and business activities may lead to bilateral cooperation. Infrastructure projects that were already in place and development agencies operating in the SC may help to further deepen the relationships. Stronger relationships among countries in the SC may lead to the development of common soft infrastructure tools, such as a unified trading system, which, it is believed, will improve the competitiveness of the SC and attract more cargo and, eventually, more FDI to the region. Although the impact of the BRI on the SC is not clearly evident, it can be argued that the BRI is positive for the SC region with respect to improving connectivity, boosting trade relations and diversifying trade partners.

About the Authors

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7 In addition, financial resources allocated by China-led Asian Infrastructure Investment Bank (AIIB) in 2016 for Trans-Anatolian Natural Gas Pipeline Project (TANAP) can also be considered as indirect involvement of China (Huseynov and Rzayev, 2018)

8 There is an information that Beijing was financially involved Port projects but this information is not official and also representatives of the port have denied it (Schmidt, 2019)
holds an MA degree in Globalization, Business and Development from the Institute of Development Studies (IDS), University of Sussex, UK.

Irakli Gabriadze is an affiliated researcher at the PMC Research Center. Irakli has participated in several research projects that focus on Georgia’s economic development potential, has conducted various sectorial analyses and has advised the Georgian government on different development issues. He is currently an invited lecturer at Ilia State University and is co-author of the course Development Economics. He also teaches Macroeconomics and Introductory Econometrics. Irakli holds an MA degree in economics from the International School of Economics at Tbilisi State University (ISET) and is currently a PhD candidate at Tbilisi State University.

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See overleaf for an overview of ongoing infrastructure projects in the South Caucasus
Table 1: Ongoing Infrastructure Projects in the South Caucasus

<table>
<thead>
<tr>
<th>Project Name / Launch Date</th>
<th>Link to BRI / Status</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Port Related Projects</strong></td>
<td></td>
</tr>
<tr>
<td>Anaklia Development Consortium (Georgia) / 2015</td>
<td>A deep-sea port on the east coast of the Black Sea; the port is expected to handle all vessel types to facilitate trade.</td>
</tr>
<tr>
<td>Alayt Port Azerbaijan / 2013</td>
<td>There are three international rail routes into Azerbaijan; all these routes converge at Alyat: 1) to the northwest, passing through Baku to Russia; 2) to the west, passing through Georgia to the shores of the Black Sea and Turkey and 3) to the south and to the border with Iran.</td>
</tr>
<tr>
<td><strong>Railway-Related Projects</strong></td>
<td></td>
</tr>
<tr>
<td>Baku–Tbilisi–Kars Railway / 2007</td>
<td>Connects Kars in northeast Turkey to the Georgian capital of Tbilisi and Baku, Azerbaijan's capital city. Experts predict that the BTK railway line will transport a million passengers and 6.5 million tons of cargo in its initial stage. By 2023, this railway line will carry an estimated 17 million tons of cargo and about three million passengers.</td>
</tr>
<tr>
<td>Trans-Caspian International Transport Route (TITR) / 2013</td>
<td>The countries involved (Kazakhstan, Azerbaijan, Georgia, Turkey) predict that TITR, in its initial operations, will be able to transport up to 5.5 million tons of cargo annually; this weight will rise to 13.5 million tons per year by 2020.</td>
</tr>
<tr>
<td><strong>Road Related Projects</strong></td>
<td></td>
</tr>
<tr>
<td>Batumi bypass highway (Georgia) / 2017</td>
<td>The objective of the Batumi Bypass Road Project is to improve regional connectivity in Georgia and to improve the efficiency of road transport along the East–West Highway.</td>
</tr>
<tr>
<td>Lapis-Lazuli Transport Corridor / 2017</td>
<td>This corridor aims to enhance regional economic cooperation and connectivity between Afghanistan, Turkmenistan, Azerbaijan, Georgia, and Turkey and expand economic and cultural links between Europe and Asia.</td>
</tr>
<tr>
<td>Persian Gulf–Black Sea / 2015</td>
<td>A multimodal transport corridor that is envisaged to connect Iran with Europe via Armenia and Georgia. Iran, Armenia, Georgia, Greece, and Bulgaria are key members of the project.</td>
</tr>
<tr>
<td>International North–South Transport Corridor</td>
<td>The International North–South Transportation Corridor (INSTC) is an India-driven initiative connecting India with Russia and Europe via Iran.</td>
</tr>
<tr>
<td><strong>Oil / Gas Pipeline-Related Projects</strong></td>
<td></td>
</tr>
<tr>
<td>Baku–Tbilisi–Ceyhan (BTC) oil pipeline / 2005</td>
<td>British Petroleum-led project—The pipeline carries oil from the Azeri-Chirag-Deepwater Gunashli (ACG) field and condensate from Shah Deniz across Azerbaijan, Georgia and Turkey.</td>
</tr>
<tr>
<td>Baku–Tbilisi–Erzurum gas pipeline / 2006</td>
<td>The South Caucasus Pipeline (SCP) was built to export Shah Deniz gas from Azerbaijan to Georgia and Turkey.</td>
</tr>
<tr>
<td>Trans-Anatolian Natural Gas Pipeline (TANAP) / 2015</td>
<td>TANAP combined with the South Caucasus Pipeline (SCP) and the Trans-Adriatic Pipeline (TAP) forms the South Natural Gas Corridor. TANAP aims to transport gas from Azerbaijan’s Shah Deniz II field in the Caspian Sea and from other fields in the South Caspian Sea to Turkey and Europe</td>
</tr>
</tbody>
</table>

Source: (BP, 2019; Daly, 2017; Inan and Yayloyan, 2018; Kenderdine, 2018; Shah, 2018; Shahbazov, 2017; Shepard, 2016; TANAP, 2019)
Georgia, the South Caucasus and the BRI: a Situated View
By Evelina Gambino (University College London)

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Abstract
Almost two years after the Belt and Road Forum held in Tbilisi in November 2017, this article provides an overview of the development of transit infrastructure in Georgia and its relevance to the entire region. To challenge mainstream accounts of the Belt and Road Initiative, which are characterised by a bird’s eye view of logistical connectivity and geopolitical arrangements, the author focuses closely on the construction of one infrastructure project: the Georgian section of the Baku–Tbilisi–Kars railway. This project preceded the inception of the BRI, but has nevertheless come to be described as one of the key components of the middle corridor passing through Georgia. By mapping some of the conflicts and frictions that have appeared in and around the infrastructure’s development, what emerges is a much more complex picture of the making of global connections, one characterised by the intertwining of past histories and shaped by the interaction between local events and transnational relations.

Introduction: the Belt and Road as an Object of Inquiry
The transnational vision informing Georgia’s attempt to turn itself into a logistics hub was illustrated in Tbilisi in November 2017 at the Belt and Road Forum. Despite Georgia’s participation to the official BRI Forum in Beijing, the latest of which took place in April 2019, the Tbilisi event is important as it represented an effort to pitch Georgia as a key player within the BRI and to solidify a narrative around this attempt. During the Forum, the New Silk Road was presented as the pursuit of a new territorial rationality. Within this new order, according to the Chinese Deputy Commerce Minister Qian Keming, who introduced the first panel, old geopolitical rivalries would be overcome in favour of what he described as a ‘win-win approach’ to global connectivity. Such an approach—which is also spelled out in the official document published by the Chinese national Development Commission concerning the Belt and Road Initiative (2015), is seen to allow transnational connectivity and competition between corridors to replace the geographies of avoidance and enclosure that characterised Cold War geopolitics and its aftermath. Against the background of this narrative, presented during the Forum, a close look at some of the infrastructure currently being built in Georgia can provide us with an overview of the dislocations of power that are at stake in the making of the BRI and their implication for transnational relations in and around the South Caucasus.

As Majed Akhter notes, most political commentary on the BRI initiative to date either legitimises the possibility of a win-win smooth strategy, without questioning its workings or implications, or presents it as a smokescreen obscuring a Chinese ‘trap to gain global economic dominance’ (2018:222). These ostensibly different assessments, as Akhter highlights, are nevertheless informed by identical, albeit diametrically opposite, visions of global interactions. Both views see global territorial arrangements as shaped exclusively by the desires of states, that in turn are presented as homogeneous actors, providing therefore monolithic accounts of otherwise multifaceted situations. To counteract such a reductive outlook and to understand the implications and workings of the BRI initiative, as they present themselves on the ground, I propose that we instead take a situated view by looking at the BRI from within the infrastructural developments that compose it. Through this approach, I aim to highlight the necessity of understanding the dynamics at play behind individual infrastructural projects, mapping the multiple actors involved and locating them within the recent and not so recent histories of the regions in which they take place. Rather than reproducing a smooth narrative, such as the one presented during the Tbilisi Forum, the BRI emerges from this closer look as a complex and at times contradictory object were new and old projects coexist through frictions and negotiations.

The BRI and the South Caucasus
Among the three South Caucasian republics, Georgia, that was the first to join the ranks of the Asian Infrastructure Investment Bank (AIIB), found in this ‘new’ rationality a framework within which to pursue its long-standing commitment to capitalising on its geographic location by turning itself into a transit corridor. Talks of a ‘New Silk Road’ are indeed not new in Georgia as former president Eduard Shevardnadze espoused the concept as early as 1990 and was a firm proponent of logistics as an organising rationale for the international relations of the post-Cold war era (Shevardnadze: 2002). In contrast to Shevardnadze positioning of Georgia between the two sides of the former Iron Curtain
and excluding China, the updated Silk Road vision for the country stretches further East (Chiaraia and Papava 2017:124). Rather than overcoming separation from Russia, notably, such new vision reinstates it, as the two countries belong to competing corridors. Moreover, as Smolnik notes, rather than derailing Georgia’s Euro-Atlantic ambitions (Smolnik 2018:2), a direction first pursued by Shevardnadze and cemented by president Saakashvili, project included in the BRI such as the Anaklia Deep Sea Port are counting on strong U.S. support and, until recently¹, the direct participation of U.S companies.

Similar to Georgia, where old and new visions and practices are intermixed in the making of logistical connections, the other South Caucasian republics are also committed to projects that translate pre-existing rationalities into new horizons. Among these, the plans for the Baku–Tbilisi–Kars railway line, date back to the Nagorno-Karabakh conflict in 1993 when Turkey and Azerbaijan agreed to cut off border relations with Armenia, thus interrupting the railway crossing between Guymri and Kars and making it necessary to develop an alternative route (Lussac 2008:35). Turkey and Azerbaijan occupy, respectively, the first and third place in terms of trade volumes with Georgia, and this project serves to further cement their alliance; however, the very existence of the project is predicated on the exclusion of Armenia. Despite the project’s long history and its articulation of a politics of exclusion seemingly in contrast to the BRI’s commitment to fair competition, the infrastructure has been presented at the BRI Forum as one of the key elements of the middle corridor of the New Silk Road.

Finally, Armenia, the only one of the three neighbours not yet included in the AIIB’s country list² and the only one with membership in the Eurasian Union (EAEU), has attempted to overcome the exclusion enforced by Turkey and Azerbaijan by developing its trade with Iran. In the aftermath of the Free Trade Deal between Iran and the EAEU³, major efforts have been directed at the development of a Free Industrial Zone (FIZ) in Meghri. The FIZ, in turn, is set to be the first hub of a much larger project, the North–South Road Corridor, a planned highway set to connect the southernmost part of the country with its norther border, also known as the Meghri–Yerevan–Bavra highway, providing access to the Black Sea for cargo coming from Iran and Armenia. While talks between Armenia and China have only recently commenced⁴, the highway is hailed as a focal point in the countries’ future collaboration, and a section of the project has recently been completed by Synohidro, a Chinese state-owned company. A potential railway following the same route has also been planned. However, both projects have encountered multiple obstacles that have resulted in major delays in their construction: the railway, originally approved in 2009, had been halted following aggressive lobbying by Azerbaijan, which also announced the construction of a transit link connecting Rasht in Iran to the Azeri border in Astara (Jardine 2018).

Assembling Seamless Flows

The development of logistical connections in the South Caucasus seems to stray from the fresh geo-economic vision of fair competition presented at the Belt and Road Forum in favour of a more familiar set of geopolitical relations; looking closely at the recent development of key infrastructure projects can add a further layer to this assessment.

The official BRI vision is one of a new geo-economic order predicated on the proliferation of trade corridors. Moreover, new forms of connectivity are set to emerge as a result of contact among different people. Within this new configuration, global space is depicted as organised through continuous flows of goods, people and information. Amidst these flows, resources are no longer only the specific materials, chemicals, or supplies that can be sourced from a distinct location; on the contrary, what is here cast as a resource is the flow itself. Infrastructure, therefore, within this vision, is not just a means of connection but the key resource. As Keti Bochorishvili, CEO of Anaklia City, said, ‘cargo is like water, it takes only the smallest obstacle for it to find another route⁵. In this race to secure cargo, notably, there are not only material structures but also a set of reforms, deals and legislations, soft infrastructure, sustaining the transit processes.

This soft infrastructure, in the case of Georgia, again, has been a long time in the making and reflects the country’s twenty-year commitment to the free market and deregulation. Through the systematic removal of most barriers to trade, by reducing taxes to a minimum and by streamlining bureaucratic processes, Georgia has indeed succeeded in opening its economy up to investors. The latest developments of this strategy have been the Free

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¹ On August 15th, Levan Akhvlediani, the current CEO of Anaklia Development Consortium, announced that Conti International, a US based enterprise that owned 42% of the Consortium’s stakes withdrew its participation from the project.
² Azerbaijan joined in 2016.
³ Signed on the 17th of May 2018.
⁴ Nikol Pashinyan met Ji Xinping in Beijin in May 2019, to discuss, amongst other things, the development of the North–South Corridor.
⁵ A direct quote from one of the author’s interviews.
Trade Agreement signed with China and the Free and Comprehensive Trade Agreement with the EU. These agreements are just the latest in a long and expanding list and are heralded as a pillar of the country’s strategy to widen its markets. Such emphasis on openness, however, can prove a risky strategy for a country in which productivity remains low, exports lack differentiation, internal infrastructure lags behind that of other countries, and the high percentage of unemployed workforce is mostly comprised of unskilled labourers. These intersections make Georgia a vulnerable economy that has removed most forms of protection while opening its gates to much stronger and more competitive partners.

The Baku–Tbilisi–Kars Railway

To conclude, I will concentrate on one specific infrastructure project to provide a screenshot of the interactions between the different threads I have highlighted in the above discussion.

On the 24th of July 2019, the Baku–Tbilisi–Kars railway line celebrated its first cargo delivered from Turkey to Georgia. This infrastructure is set to establish a transit time of approximately 15 days to reach Europe and will serve passengers as well as cargo. The promise of greater connectivity provided by the railway rests on the logistical exclusion of Armenia by two of the commissioning countries: Azerbaijan and Turkey. These geopolitical moves, moreover, directly impacted the economic development of the project, as this exclusion has provided the basis for the refusal of international financing institutions to support the infrastructure that is currently solely financed by the Azeri and Turkish governments.

The length of the project’s gestation, moreover, has caused the rail’s costs to balloon. After its first announcement in 1993, construction on the rail commenced in 2007, but was interrupted by financial scandals and restarted in 2016 after a trilateral meeting of Georgia, Azerbaijan and Turkey. At that time, a first loan of $200, received by Georgia from the Azeri state, had to be integrated into a second loan of over $500 million. While only 1% interest was applied to the first loan, interest rose to 5% for the second loan. The trilateral relations sanctioned by the project financing, therefore, rather than establishing an equal partnership, entrenched Georgia’s subordination to its two partners. It is this subordination in turn that has been translated into the relations that have emerged in and around the infrastructure’s key Georgian hub, which is just outside the town of Akhal-kalaki in Samtskhe-Javakheti.

The municipality, home to a population of 90% Georgian-Armenians, has suffered from great marginalisation in the aftermath of Soviet collapse, and the construction of the infrastructure has been awaited with great enthusiasm by the local population. Despite promises of employment and compensation for the lands acquired, which were made by then Georgian president Saakashvili upon announcing the project, at present, very few jobs have been created, but they are mired in controversy. The project is managed by Azeri contractors who have brought in their own skilled workforce; the few locals who have been employed lament the constant delays or, at times, the company’s failure to pay them. Most recently, in July and August, groups of workers went on strike, refusing to unload cargo in protest against missed payments (Marabyan 2019).

This tense situation that has been unfolding over the past decade has received scarce attention by the Georgian authorities and the Georgian company supposed to supervise the work. The failure to provide information about the project’s development to the local population and the failure to generate jobs have, in turn, exacerbated the marginalisation of the local people and the ethnic tensions that have plagued the region for the living memory of most of its inhabitants. Many of those who have failed to be employed—at the time of the first announcement over 2000 people deposited their CVs with the municipality—see the employment of Azeri and Turkish workers as a direct challenge to their safety as an Armenian minority composed mainly of the descendants of those who escaped in the aftermath of the 1915 genocide. The employment of a foreign workforce is likely driven by the trilateral economic relations

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6 The FTA with China entered into effect on the 1st of January 2018, while the DCFTA with the EU has been in force since the 1st of September 2014.
7 Georgia also has free-trade agreements with the CIS countries of Ukraine, Belarus, Moldova, Kazakhstan, Kirgizstan, Uzbekistan and Turkmenistan; its neighbours Armenia, Azerbaijan and Turkey; and the EFTA states of Switzerland, Iceland, Liechtenstein and Norway, and negotiations are ongoing with India.
outlined above and by the need for a skilled workforce, which is lacking in the region. However, the inability to address local needs is to blame for increasing the socio-economic marginalisation of the local inhabitants. In 2018, Georgian Railways established a training college in Tbilisi to address some of the skills needed to work on the railway; the gap generated by so many years of disregard, however, will be very difficult to overcome.

While the conflicts and frictions at play in the making of the Georgian section of the BTK railway line should be understood within the specific history of the area and cannot be generalised to the whole BRI, recent accounts of individual projects spanning across the space of the New Silk Road, such as Majed Akhter’s account of the infrastructural investments dotting the Chinese and Pakistani border (Akhter 2018: 233–237), indicate a similar intersection of past and present conflicts in relation to the infrastructural spaces composing the BRI. Similarly, across the entire space of the BRI, pre-existing projects are being integrated within the new framework provided by the Initiative, either by attempting to attract Chinese direct investment, or by linking with other Chinese-led projects. Rather than being treated as an exception, therefore, the case of the BTK should be seen as both specific and generalisable, a space from which to observe the interplay of multiple local and transnational relations as well as histories in the making of logistical corridors.

Conclusion

In this short piece, I have aimed to provide an outlook of the challenges, complexities and converging histories involved in the making of the BRI across the south Caucasus with a specific focus on Georgia. In contrast to the statements made by Kvirikashvili and Qian Keming during the Belt and Road Forum in 2017, the making of the BRI does not represent a clear break with the previous dislocations of power in the region to achieve a ‘win-win strategy’ of global connectivity, nor, however, does it represent a geopolitical trap intended by China to oust Euro-Atlantic hegemony. On the contrary, when situating oneself within a specific infrastructural space, what emerges is a range of much more complex relations involving a variety of players and economic strategies, from private investments to state monopolies, and often contradictory attempts at establishing regional hegemony and practising exclusion through logistical means.

About the Author

Evelina Gambino is a PhD student in the Geography Department at UCL. Her work focuses on infrastructure development in Georgia. Through an ethnographic approach, she explores the labour relations, narratives, expectations, conflicts and social relations emerging with regard to two key sites of Georgia’s logistical future. Evelina’s work has appeared in academic journals and online publications, including Geopolitics, Society and Space, Euronomade, Lo Squaderno, Work, Organisation, Labour, Globalisation (WOLG) and edited collections published by Duke University Press and Werkleitz Festival.

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Encounters at the Grassroots Level: Chinese–Georgian Interactions in the BRI Era

By Susanne Fehlings (Goethe University Frankfurt am Main)

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Abstract

Under the label of the BRI (Belt Road Initiative), bilateral agreements have been signed between the PRC (People’s Republic of China) and the Georgian government. Both governments promote cooperation. This article, however, explores face-to-face encounters between Georgian and Chinese individuals in this context. It discusses how the BRI is implemented and perceived in Georgia and thus provides grassroots materials for comparative analysis. It argues that while Chinese are met with prejudice, everyday encounters between locals and Chinese are shaped by pragmatic considerations and the long-term goals of the different actors involved. These actors, according to their goals, use a set of strategies when it comes to establishing social relationships.

Introduction

This essay is based on ethnographic fieldwork in the Caucasus. Most of the relevant material consisting in case studies, observations and interviews was collected in Tbilisi (Georgia) between 2016 and 2019 in the context of a project funded by the Volkswagen Foundation. Besides a survey with 200 Georgian traders from Lilo Bazroba, qualitative research was conducted among Georgian traders, workers and employees working with or for Hualing Group or in the Chinese section of Lilo Bazroba. Apart from an exception cited below, the article thus first of all reflects a Georgian perspective. It gives a general overview of Chinese actors in Georgia, of their strategies in establishing contacts, and of local assessments of their activities in the Caucasus.

The “Yellow Peril” and Romanticism

Sinophobia is a common phenomenon in post-Soviet Eurasia. Billé (2014) notes that it originates in Russian stereotypes of Asia, which have shaped the perception of Chinese people, even in China’s neighbouring countries. In jargon taken from Marxist theory, these stereotypes describe Asian cultures as backward and wild.

In the Caucasus, such classifications are used frequently for the assessment of behaviour—not only of Asian people but also of locals, who are said to behave “like Asians”. Thus, my interlocutors would say such things as “Our men are still Asians!” when complaining about macho behaviour and “It’s like in Asia” when talking about poor living conditions (Fehlings, 2014). At the same time, unlike Central Asia or India, China, especially in the 1980s and 1990s, has often been romanticized. In the Caucasus, it was (and still is) admired for its old and rich civilization, which is compared to local histories. Additionally, Chinese martial arts, films, medicine and philosophy have become very popular among youth.

However, a vague anxiety towards the Chinese surfaces today. Some Georgians worry about the growing impact of Chinese investment and fear that China is “silently taking over the country”. In 2016, for example, an open conflict about property or access rights occurred. A Chinese firm had purchased a section of forest, and a fight started when villagers continued, as they had done before, to cut trees in the Chinese territory. Some people reported that the fight took place between Georgian villagers and Chinese employees; others said it occurred between Georgian employees and Chinese employers. According to the latter version, the Georgian employees helped the local villagers to “transport firewood” and were therefore attacked with knives, truncheons and batons by the company’s Chinese representatives1. The incident caused a scandal in the Georgian media, resulting in protests against Chinese people and Chinese-made goods. I was told by my colleague that “the protests lasted a few weeks, and it was a big issue. Then, everybody forgot about the story. It was as though nothing had happened”.

Chinese Actors in Georgia

Although the Chinese constitute an almost negligible minority in the Caucasus, they are very visible. They are easily recognized, and they have become very active in the local business (and cultural) sphere. Georgians usually do not distinguish between different subdivisions of Chinese people. But Chinese actors in Georgia, as detailed by Zhou (2012), have different backgrounds, including the following:

a) restaurant owners and petty traders;

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b) representatives of Chinese construction companies, which are closely linked to Chinese state institutions and associated with the New Silkroad Initiative; and c) large (private) investors and their employees. These different groups apply different strategies in regard to interaction with the local population.

Petty Traders
A large part of the first group works and lives in an ethnic enclave adjacent to Lilo (Bazroba). Lilo is the largest bazaar and trading hub in the Caucasus for everyday items (such as clothing, shoes, handbags, kitchenware, furniture, plastic toys, and beauty products). In 2017, 41% of the goods sold in Lilo were, according to the bazaar’s administration, imports from China, most of which were brought from China by Georgian traders. At the same time, the Chinese maintain their own separate market section, where low-quality products made in China can be purchased for even less than in the main bazaar.

The Chinese market section of Lilo can be accessed through a Chinese-designed gate. The market consists of flat buildings lined up along two or three small roads. In addition to shops, there are some storage buildings and small, garage-like living places. Chinese characters, lunchtime kitchen smells and the sounds of gathering families chatting in Chinese and playing children give the place an exotic atmosphere.

Chinese shopkeepers usually sit at the counter, while Georgian employees take over communication with clients. The marketplace serves as a Chinese community base for chain migration from Fujian and Zhejiang (Qingtian County) Provinces. Most of these migrants share an impoverished background (Zhou, 2012). Apart from exchange in the context of trade, these Chinese traders seem to have little contact with locals.

Construction Company Workers
The same is true for Chinese workers of Chinese construction companies. Construction companies are usually partly or fully state-owned and act as instruments of the PRC’s BRI policy. These companies, in addition to recruiting Georgian workers (70%), recruit Han Chinese from different parts of China. These Chinese workers live in camps close to the construction sites. As I was told, camp life mainly consists of boredom, which is why workers dream of returning home as soon as possible. Usually, they have the chance to do so once a year for the Chinese New Year celebrations. The entire duration of a stay corresponds to the duration of a project, which generally lasts for two or three years.

John, a young Han Chinese, works for a Chinese state-owned construction company that builds electricity plants. He confirmed that his work is part of the BRI, which he described as the “Chinese dream”. For the ambitious young man, who is well educated, proved to be a good student and is a party member, Georgia did not represent an exciting opportunity for career advancement. John had been staying in Georgia for about a year at the time of our conversation. The company decided he would have to stay for another two years, which for him, felt long. He would have preferred to go to Turkey because “Turkey is more developed […],” but he is still happy that he was not sent to the company’s branch in Nigeria. In Georgia, John can attend an evening business course at one of the capital’s universities. Although he feels bored, he enjoys some privileges. As an account-ant, he is not forced to live in a camp but rents a flat in Tbilisi. Average workers are rarely allowed to leave the camp because of security regulations. They work as they would work in any other country and do not develop any ties to the locale, which, for them, is a temporary environment that remains suspicious.

Although, there is no major danger of being attacked in Georgia, John is aware of the fact that people have prejudices about the Chinese: “People are afraid of Chinese because they think they steal their property. They think we take everything away”. The awareness of this fact does not seem to trouble John too much. Like the workers, he counts his days in Georgia. He tries to make the best of it.

Private Investors (Hualing Group)
The third subgroup of Chinese in the Caucasus is made up of large-scale private entrepreneurs and investors. The most important representative of this group is Hualing Group. Since 2007, Hualing has bought a wood-processing factory, built the Olympic Village and Hualing New City, run the “Hualing Free Industrial Zone” in Kutaisi, purchased controlling shares in Georgia’s Basis Bank, and erected a huge commercial centre, the “Tbilisi Sea Plaza”, which covers a territory of 150,000 square metres in total, including a shopping mall, a market
zone, a parking area, a processing zone, a custom bond zone, warehouses, pedestrian streets, restaurants and other facilities.

According to insider information, the Sea Plaza was projected to replace or give a new home to Lilo. This idea has failed, as Lilo’s administration and marketing people were not ready to relocate, and Lilo continues to function as a trading hub. Hence, as written on Hualing’s homepage, the Sea Plaza is intended to “become the largest […] wholesale, retail and distribution centre […] [in the] Euro-Asian region.”

Hualing Group is based in Urumqi, the capital of the Xinjiang Uygur Autonomous Region. The company’s founder, Mi Enhua, is a Hui Muslim who is listed in the “Biographical Dictionary of New Chinese Entrepreneurs and Business Leaders” (Zhang & Alon, 2009). In 2003, Asia Money ranked him the 38th wealthiest individual in China with estimated assets of $155 million. Having started his business with a construction materials market in Urumqi, Mi Enhua took advantage of the collapse of the Soviet Union and the booming trade with Kazakhstan and Russia in the 1990s. He represents a broader group of Chinese Muslims who are characterized as agents of Chinese globalization taking over the role of mediators for other Chinese interest groups in the context of the BRI (Wang, 2018). Indeed, Hualing’s elites participate in all major meetings, such as the Silk Road Forum, and are involved in many cultural events promoting Chinese-Georgian partnership.

To Hualing’s elites, Georgia means a permanent commitment that mirrors the company’s attitude towards local people. The Georgian workers of Hualing Group report very positive experiences with their Chinese bosses. Hualing offers good working conditions: good salaries, reasonable working hours, and a respectful and friendly atmosphere. Sometimes, employees are even given access to cheap housing in Hualing city. On major festivals, employees receive presents, and quite often, a personal relationship built on trust between Chinese and Georgians in the context of work has been established. Vacho, one of my interlocutors doing customs clearance for Hualing, was impressed with how much effort the Chinese put into establishing mutual understanding and trust and adapting to local codes of conduct. Thus, Hualing representatives participate in Georgian banquets and sometimes take over the role of tamadas (table masters). They care for their staff and do not avoid meeting their (social) obligations. Vacho was particularly impressed by the fact that his boss attended the funeral of one of Vacho’s relatives. By participating in such local rituals, Hualing’s representatives strengthen the social bond with locals. In return, Vacho, like other Georgian employees of the company, considers his bosses friends and performs the role of a cultural broker for them.

At the everyday level, there seems to be little interaction between the different Chinese subgroups. As I was told by John, the paths of different parties usually do not cross, except at embassy-organized events such as the spring festival. Different Chinese actors must be regarded as representing different interests, and obviously, they use different strategies to establish themselves in the Caucasus.

Conclusion

Personal encounters within the BRI in the Caucasus are framed by prejudices about the “yellow peril” and romanticism on the one hand and trusting relationships between individuals on the other.

The described cases exemplify different perspectives on strategies of cooperation and other encounters. Far from being representative, these perspectives allow some insights into the grassroots level of interaction and of mutual perception. They show that much depends on
whether Chinese individuals stay temporarily in Georgia or engage in long-term projects.

According to Mathews (2015:120), “In an age of globalization, people are increasingly thrust into parts of the world of which they may know little”. Sometimes, this does not cause any problems. As John’s example shows, many Chinese work in places to which they do not establish any connection. They know that their stay is temporary. The cooperation on which this business is based takes place at the official state level—the level of trade agreements and diplomacy. In Armenia, Georgia and Azerbaijan, this level has been reframed under the BRI and currently pertains to the development of infrastructure—road, railway and port construction.

Some private companies striving for long-term goals, however, try to establish permanent links with locals. Here, “it is cultural brokers who provide them an anchor of cultural knowledge” (Mathews, 2015:120). Hualing has established good relationships with local power elites, business partners and employees. Such attempts, to my knowledge, have not been successful in Armenia so far. For Azerbaijan, I lack information. In Georgia, on a personal level, there seems to be a common ground, a common language based on shared concepts such as trust, honour, sociability, reciprocity and friendships. Here, most problems now occur in the formal context of bureaucracy. Trusted Georgians who act as cultural brokers are most important for navigating obstacles in these situations.

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References
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One of the core missions of the institute is the dissemination of academic knowledge to the interested public. This includes regular e-mail newsletters covering current developments in Central and Eastern Europe.

CRRC-Georgia
CRRC-Georgia is a non-governmental, non-profit research organization, which collects, analyzes and publishes policy relevant data on social, economic and political trends in Georgia. CRRC-Georgia, together with CRRC-Armenia and CRRC-Azerbaijan, constitutes a network of research centers with the common goal of strengthening social science research and public policy analysis in the South Caucasus.

Center for Eastern European Studies (CEES) at the University of Zurich
The Center for Eastern European Studies (CEES) at the University of Zurich is a center of excellence for Russian, Eastern European and Eurasian studies. It offers expertise in research, teaching and consultancy. The CEES is the University’s hub for interdisciplinary and contemporary studies of a vast region, comprising the former socialist states of Eastern Europe and the countries of the post-Soviet space. As an independent academic institution, the CEES provides expertise for decision makers in politics and in the field of the economy. It serves as a link between academia and practitioners and as a point of contact and reference for the media and the wider public.