

China-Georgia Relations amid Georgia's Western Path: An Emerging but Limited Partnership?

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EXECUTIVE SUMMARY

China's increased role in international affairs has led to strategic military, political and economic competition with major Western countries and institutions. China presents itself as a leading developing country; offers its own model of development, and aims at bringing about a multipolar international order.

Rising economic power of China has resulted into increased economic and political activities in different parts of the world, including in Europe. Although China and the EU declaredly aspire to build strategic partnership, the differences are present, particularly in economic and normative realms. The EU member states value democracy, human rights and rule of law, while China is an authoritarian state led by the Communist Party of China.

China's engagement with the EU member states as well as with the countries of Western Balkans and Eastern Partnership brings to light the question of China-EU competition over economy and values. Georgia, the Eastern Partnership state which enjoys close partnership with the EU, has lately seen increase of China's role in its economy. This begs the question of the nature of Georgia-China partnership and its future prospects as well as of a possible spillover of economic dependency into political dependency.

China and Georgia have thus far limited their relations to the economic realm, lacking any meaningful political engagement. The absence of deeper political ties lies in China's prioritization of its strategic relations with Russia over the most pressing foreign policy and security challenges of Georgia. Georgia's historical identification with democratic Europe and the West as well as its declared ambition to democratize also limit political interaction with authoritarian China. Geopolitical factors also weigh in, limiting China's ability to build more comprehensive and strategic partnership with Georgia.

China largely sees Georgia in instrumental terms, that is, Georgia as a means to an end for China's geopolitical ambition to connect with Europe and rest of the world. Georgia's own priorities also lie in limiting its relations with China to only an economic realm. Further role of Georgia in China's geopolitical posturing depends on the success of China's Belt and Road Initiative (BRI). Yet, no matter how BRI unfolds, China's own policies and approaches vis-à-vis Georgia stand in the way of greater China-Georgia partnership.

INTRODUCTION

Over the past three decades, international politics has been transformed. Great power politics, believed to have receded as the USSR disintegrated, have reappeared with China and Russia questioning the Western-led international order. Much discussed great power competition between the United States and China has now become the fact of international life.

Taken together, China is the most powerful political, economic and military player on the global stage behind the United States, and is believed to be challenging the U.S. hegemony. Although participating in existing global economic institutions, China has laid foundation to new institutions and strategic projects such as the Belt and Road Initiative (BRI) and the Asian Investment Infrastructure Bank (AIIB)¹. China, the second-largest economic power, has negotiated or is negotiating free trade agreements with many states, including the United States, the European Union (EU) as well as states in Asia. China's global military spending is second only to the United States², while its influence in the affairs of technology is increasing.³

Rise of China has led to an inevitable competition with the U.S. and the EU. China's cooperation with Central and Eastern European states as well as China's attempts to increase ties with Eastern Partnership (EaP) states particularly stand out.

This policy brief attempts to understand China-Georgia relations. Georgia-China economic relations have received particular attention⁴, yet there is a relative lack of research⁵ on how both Georgia and China see bilateral relations, and what possible factors could be limiting the depth of the partnership. Discussing this is important as Georgia is building closer ties with the EU in particular, and the Western institutions

¹ Frazier, M. (2018). China on the Global State: Introduction. *The Sage Handbook of Contemporary China*. p.444

² Stockholm International Peace Research Institute. (2020). SIPRI Factsheet April 2020. Available at: https://www.sipri.org/sites/default/files/2020-04/fs_2020_04_milex_0_0.pdf,

³ Schneider-Petsinger, M et al. (2019). US–China Strategic Competition: The Quest for Global Technological Leadership. Available at: <https://www.chathamhouse.org/publication/us-china-strategic-competition-quest-global-technological-leadership>

⁴ See: Khishtovani, G, et al. (2019). The Belt and Road Initiative in the South Caucasus Region. *Emerging Markets Forum*, pp.33-51, available at: https://pmcresearch.org/policypapers_file/09675c8b70d3843da.pdf; Zabakhidze, M, et al. (2019). Connectivity, Trade and Financial Integration of the South Caucasus Via the Belt and Road Initiative (BRI). *Caucasus Analytical Digest*, No.111, pp.3-9, available at: https://pmcresearch.org/policypapers_file/6a7b5dd7a8a1a994b.pdf; Zabakhidze, M and Beradze, R. (2017). Georgia as a Transit Hub and its Increasing Potential in the Implementation of the Belt and Road Initiative. *PMC Research Center*. Available at: http://www.research.pmcg-i.com/policypapers_file/9b745c8b710912f64.pdf; Charaia, V and Papava, V. (2017). Belt and Road Initiative: Implications for Georgia and China-Georgia Economic Relations. *China International Studies*, 67, pp.122

⁵ Exception is Larsen's discussion of China-Georgia relations, available at: <http://gip.ge/georgia-china-relations-geopolitics-belt-road/>

and states in general, while China's suggested model of development stands opposite to Western liberal order.

The policy brief is structured as follows. First it briefly overviews the EU-China relations given Georgia's growing political and economic ties with the EU. Second, it outlines persistent factors in Georgian foreign policy, and its national building efforts. Third, it reviews the state of Georgia-China relations. It concludes with the discussion of the hindering factors in deeper China-Georgia relations.

CHINA AND THE EU: PARTNERS OR COMPETITORS?

China and the EU offer different models of development and standards of behavior. At the center of the EU's global actorness lies its commitment to democracy, human rights and peace. The EU's Global Strategy for Foreign and Security Policy stipulates that the EU is "committed to a global order based on international law, which ensures human rights, sustainable development and lasting access to the global commons".⁶

On the other hand, China, led by the Communist Party of China, postures itself as a developing country with unique model of development. Building socialism with Chinese characteristics within the country, on the international level China aspires to 'build the community of shared future for humanity'.⁷ China advocates for multipolar international order based on cooperation rather than on conflict, and declaredly opposes "power politics, hegemony, and interference in other countries' domestic affairs".⁸ Economically, China values free trade, rejects protectionism and promotes economic globalization.⁹ In 2012 China articulated two centenary goals of developing "a moderately prosperous society in all respects" by 2021, and building "a modern socialist country that is prosperous, strong, democratic, culturally advanced and harmonious" by 2049.¹⁰

China and the EU frame bilateral relations as a comprehensive strategic partnership. The EU has adopted various strategic documents outlining its approach towards China, while China has also developed the EU Policy Papers, the latest in 2018, outlining the nature of its relations with the European Union.

The framework which currently guides bilateral relations is the EU-China 2020 Strategic Agenda for Cooperation, which builds on four major areas: peace and security, prosperity, sustainable development, and people-to-people exchanges.¹¹

Despite declared cooperation goals, practical challenges do arise due to regime types. The EU is built on the commitment to democracy, free market economy and human rights, while China's authoritarian regime stands opposite to the political community that the EU represents. Three issues are thus important for understanding the EU-China relations: 1) international affairs; 2) economy; and 3) democracy.

In terms of international politics, the EU and China share commitment to multilateralism and the UN-centered international order. China is supportive of the European integration process, while the EU expresses support for China's sovereignty and territorial integrity.

⁶ European Commission. (2016). A Global Strategy for the European Union's Foreign and Security Policy. Available at: https://eeas.europa.eu/sites/eeas/files/eugs_review_web_0.pdf

⁷ Xinhuanet.com. (2018). Backgrounder: Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era. Available at: http://www.xinhuanet.com/english/2018-03/17/c_137046261.htm

⁸ State Council Information Office of the Republic of China. (2019). China and the World in the New Era. White paper. Available at: http://english.scio.gov.cn/node_8014488.html

⁹ Ibid

¹⁰ New China. (2017). CPC Q&A: What are China's two centennial goals and why do they matter?. Available at: http://www.xinhuanet.com/english/2017-10/17/c_136686770.htm

¹¹ European Commission. (2013). EU-China 2020 Strategic Agenda for Cooperation. Available at: http://eeas.europa.eu/archives/docs/china/docs/eu-china_2020_strategic_agenda_en.pdf

Both actors are committed to holding regular dialogue on the issues of international importance and on the participation in global governance.

Economic relations form the foundation of the EU-China relations. Both actors are economically interdependent: China is the EU's second-largest trading partner after the U.S., while the EU is China's biggest trading partner; both parties are currently holding negotiations over EU-China Comprehensive Agreement on Investment to further advance their economic relations.¹² Yet, the EU outlines conditions that China has to meet: in particular trading fairly, respecting intellectual property rights and meeting obligations as a member of the World Trade Organization (WTO).¹³

Democracy and human rights are the issues where differences are most pronounced. The EU's Strategy on China (2016) and EU-China - A Strategic Outlook (2019) stress the importance of democracy and human rights in EU-China's bilateral relations. The Strategic Outlook stipulates that "the ability of EU and China to engage effectively on human rights will be an important measure of the quality of the bilateral relationship".¹⁴ In its 2014 China's Policy Paper on the EU, China too acknowledges that "the two sides have disagreements and frictions on issues of value such as human rights as well as economic and trade issues".¹⁵ In 2018 version, China calls on the EU to "view China's human rights conditions in an objective and fair manner and refrain from interfering in China's internal affairs and judicial sovereignty in the name of human rights".¹⁶

Over the past years, China has been seen as a competitor to the EU. Competition is most visible in the economic and value segments. To the EU, China is "an economic competitor in the pursuit of technological leadership, and a systemic rival promoting alternative models of governance".¹⁷ China-CEEC ('17+1') cooperation is one such area for competition as the platform includes both EU member and candidate states.¹⁸ To this end, the EU's strategic documents on China (2016; 2019) consistently stress the importance of Chinese involvement in reinforcing 'rules-based governance and regional security', and in maintaining 'consistency with EU law, rules and policies'.

How would China-EU relations unfold has implications not only for the EU member states, but also for the EU neighborhood countries both in the Western Balkans and the EaP. Growing Chinese influence there could undermine the EU's ability to promote its model of governance, which rests on the values of democracy, human rights, peace and development.

¹² European Commission. (2020). China. Available at: <https://ec.europa.eu/trade/policy/countries-and-regions/countries/china/>

¹³ Ibid

¹⁴ European Commission. (2019). EU-China – A Strategic Outlook. Available at: <https://ec.europa.eu/commission/sites/beta-political/files/communication-eu-china-a-strategic-outlook.pdf>

¹⁵ MFA of the People's Republic of China. (2014). China's Policy Paper on the EU. Available at: https://www.fmprc.gov.cn/mfa_eng/wjdt_665385/wjzcs/t1143406.shtml

¹⁶ MFA of the People's Republic of China. (2018). China's Policy Paper on the EU. Available at: https://www.fmprc.gov.cn/mfa_eng/wjdt_665385/2649_665393/t1622890.shtml

¹⁷ European Commission. (2019). EU-China – A Strategic Outlook. Available at: <https://ec.europa.eu/commission/sites/beta-political/files/communication-eu-china-a-strategic-outlook.pdf>

¹⁸ Yet, notably, excluding geographically close EaP countries such as Moldova, Belarus or Ukraine.

GEORGIA'S FOREIGN POLICY: DEMOCRATIC WEST AS A DESTINATION

Over the decades, Georgia's foreign policy has gained a vividly pro-Western feature. Georgia's turn to the West is influenced by factors both endogenous and exogenous. Domestically, Georgia and its political elites have long identified with European civilization, and ideational factors have shaped Georgia's foreign policy behavior.¹⁹ Material factors such as Russia's attenuation of Georgia's sovereignty and territorial integrity have also contributed to the formation of Georgia's pro-Western foreign policy.

International systemic factors also weighed in. As USSR collapsed, the reach of the US and Western institutions around the world has increased. While some former Soviet republics joined Western structures, others, particularly Georgia and Ukraine, also aspired to do so, and clashed with more resurgent Russia.

The late 1990s and early 2000s saw the beginning of Georgia's increased turn towards democratization and towards European and Euro-Atlantic integration. This path was acknowledged as a policy priority both on paper and in practice. On paper, Georgia's National Security Concepts (2005;2011) - as well as later strategic documents - stressed Georgia's unwavering belonging to the Western world; set the membership to NATO and the EU as a major foreign policy objective, and declared democratization as Georgia's ultimate national value and interest.²⁰

In practice, Georgia has become closely aligned with Western institutions. In 2004, Georgia joined the European Neighborhood Policy; In 2008 Georgia was promised NATO membership and NATO-Georgia Commission was set up; in 2009, Georgia became part of the EU's Eastern Partnership initiative, while suspending membership to the Russian-led Commonwealth of Independent States (CIS) in response to Russian-Georgian war; In 2011, Georgia achieved visa facilitation agreement with the EU, and in 2014 signed Association Agreement, which includes deep and comprehensive free trade agreement; In 2014 Georgia received NATO's Substantial Package, and since 2017 the country enjoys visa free travel to the Schengen Area.

Such degree of cooperation with Western institutions demonstrates that Georgia is making progress on the democratization front. Following Rose Revolution in 2003, Georgia started building functioning state institutions and successfully tackled corruption²¹, yet challenges related to human rights and checks and balances persisted. 2012 registered

¹⁹ Kakachia, K and Minesashvili, S. (2015). Identity politics: Exploring Georgian foreign policy behavior. *Journal of Eurasian Studies*, 6, p.175

²⁰ National Security Concept of Georgia, 2005;2011.

²¹ The World Bank. (2012). Fighting corruption in public services: chronicling Georgia's reforms (English). Available at: <http://documents.worldbank.org/curated/en/518301468256183463/Fighting-corruption-in-public-services-chronicling-Georgias-reforms>

first peaceful transfer of power by ballot box in Georgia, bringing democratic development to the next level. Georgia moved to a parliamentary system of governance, increasing the degree of parliamentary oversight over the actions of the executive. Challenges to the system of checks and balances still remain, mostly enabled by one party supermajority since 2016. As the 2020 Parliamentary elections approached, dissatisfaction with the current mixed electoral system has increased, which led the ruling party agree on a more proportional representation already in 2020, while the country will move to full proportional elections in 2024.

Georgia's democratization and Euro-Atlantic integration efforts go hand in hand - the one is having an impact over the other. Georgia's aspiration to join Western political, economic and military institutions could not be fulfilled without democratization, while pace of democratization is enhanced by Georgia's engagement with Western structures. Georgia's democratization is not only a domestic policy undertaking, but is strongly linked with Georgia's foreign policy aspirations and choices. This is particularly demonstrated by 2019-2022 Foreign Policy Strategy of Georgia, which sets the 'consolidation of institutional democracy and promotion of country's positive image abroad' as one of the six foreign policy objectives.²²

Georgia's path to consolidating its democracy shows that democracy-building is Georgia's national undertaking. Foreign policy choices, such as integrating into Western institutions, are obedient to wider democratization efforts. Parliamentary resolution on Georgia's foreign policy adopted in 2013 notes that "European and Euro-Atlantic foreign policy direction of Georgia's foreign policy serves, first and foremost, the sustainable democratic development and security of the country, and is not directed against any state."²³

However, as international system is entering multipolarity²⁴ and the 'rise of the rest' is becoming more pronounced, the extent to which Georgia's foreign policy priorities are likely to be modified remains to be seen. Are Georgia's foreign policy loyalties going to change depending on the changes in the international system? How will Georgia be able to balance its commitment to democratization while interacting with, and increasing dependence on, authoritarian regimes? These are questions that require further engagement. Meanwhile, understanding current degree of Georgia's engagement with China - an emerging global power - will give some preliminary view of what could lie ahead.

²² MFA Georgia. Foreign Policy Strategy 2019-2022. p. 7

²³ Parliament of Georgia. Resolution of the Parliament of Georgia on the Major Direction of Georgia's Foreign Policy, Available at: <http://parliament.ge/uploads/other/19/19442.pdf>, author's own translation

²⁴ Buzan, B. (2011). The Inaugural Kenneth N. Waltz Annual Lecture A World Order Without Superpowers: Decentred Globalism. *International Relations*, 25(1). pp.3-25

UNDERSTANDING GEORGIA-CHINA RELATIONS: AN EMERGING BUT LIMITED PARTNERSHIP?

Relations between China and Georgia began in 1992, when two countries established diplomatic relations. Since then, relations have been cordial, but without much interaction. Looking at Georgia's official documents, National Security Concept of Georgia (2005) does not mention China at all. The 2011 version of the document only mentions China once together with other countries, and stresses the importance of 'deepening political dialogue and economic relations' with them.²⁵

Georgia-China political relations have, however, been growing. Traditional interstate relations - such as state visits, talk of the importance of strengthening economic and cultural relations, celebration of anniversaries of diplomatic relations, and discursive support to each other's territorial integrity and sovereignty- have been unfolding.²⁶ In 2006, Presidents of Georgia and China signed the Joint Statement on Further Developing Friendship and Cooperation between the People's Republic of China and Georgia, in which they mainly expressed support to each other on the issues of common concern- that is, concerns related to territorial integrity²⁷, and committed to deepening political, economic and cultural cooperation.²⁸ High level engagements continued in 2015 and 2019.²⁹

However, China's position on the Russian-Georgian war in 2008 has been an important factor in the future development of China-Georgia relations. China has taken a formally balanced position (not recognizing independence of these territories and calling on parties to resolve the conflict through dialogue³⁰) in relation to Russia's aggression against Georgia, albeit the one which tacitly approved of Russia's behavior.³¹

²⁵ National security Concept of Georgia, 2005;2011.

²⁶ MFA of the People's Republic of China. (2007). Assistant Foreign Minister Li Hui Attends Reception Hosted by Georgian Embassy in China to Mark Independence Day of Georgia and 15th Anniversary of China-Georgia Diplomatic Ties. Available At: https://www.fmprc.gov.cn/mfa_eng/wjwb_663304/zjzg_663340/dozys_664276/gjlb_664280/3170_664312/3172_664316/t323963.shtml

²⁷ MFA of the People's Republic of China. (2006). Hu Jintao and Georgian President Sign Bilateral Joint Statement. Available at: https://www.fmprc.gov.cn/mfa_eng/wjdt_665385/2649_665393/t246689.shtml

²⁸ MFA of the People's Republic of China. (2006). Hu Jintao Holds Talks with Georgian President Saakashvili. Available at: https://www.fmprc.gov.cn/mfa_eng/wjwb_663304/zjzg_663340/dozys_664276/gjlb_664280/3170_664312/3172_664316/t246338.shtml

²⁹ MFA of the People's Republic of China. Georgia. Available at: https://www.fmprc.gov.cn/mfa_eng/wjwb_663304/zjzg_663340/dozys_664276/gjlb_664280/3170_664312/3172_664316/

³⁰ Feng, Z. (2009). The Russia-Georgia military conflict: for China, does it mean scrambling between a "strategic partnership" and being a "responsible stakeholder"? . Korean Journal of Defense Analysis. 20(4), pp. 305-318

³¹ Ibid

China has prioritized strategic partnership with Russia over the violation of Georgia's territorial integrity, and sees Russia as an ally in countering the U.S. hegemony. China has been abstaining from voting on Georgia's resolution on the Status of internally displaced persons and refugees from Abkhazia, Georgia, and the Tskhinvali region/South Ossetia.³² In 2014 China also abstained from UN General Assembly Resolution expressing support for Ukraine's territorial integrity³³

China's increasingly close partnership with Russia makes it rather difficult to imagine China-Georgia relations being updated to the level of strategic partnership. Neither Georgia nor China see their partnership as having a strategic character. Georgia does not figure much in China's immediate foreign policy priorities³⁴, but both countries stress the importance of boosting bilateral economic relations.³⁵

It is precisely the economic realm that forms the foundation of Georgia-China relations. China's role in Georgia's economy has been increasing since 2010³⁶, in particular since signing Free Trade Agreement between the countries in 2017, bringing China among Georgia's largest trade partners.³⁷ Over the years, China brought \$600 Million Foreign Direct Investment in Georgia³⁸, yet significantly lagging behind other countries in 2019.³⁹

China sees Georgia as part of its Belt and Road Initiative (BRI) aimed at increasing connectivity with Europe and rest of the world. Georgia directly participates in the Silk Road Economic Belt (SREB) component of the BRI serving as one of the six corridors connecting China to Europe.⁴⁰ Over the decades, China has increased its economic presence in Georgia with nearly 30 Chinese enterprises investing in different sectors ranging from energy and finance to infrastructure.⁴¹

³² Refworld.org. (2010). UN General Assembly. Georgia. Available at: <https://www.refworld.org/publisher,UN-GA,,GEO,,0.html>

³³ UN. (2014). Territorial integrity of Ukraine : resolution / adopted by the General Assembly. Available at: <https://digitallibrary.un.org/record/767565>

³⁴ MFA of the People's Republic of China. (2019). Available at: https://www.fmprc.gov.cn/mfa_eng/wjdt_665385/zyjh_665391/t1679454.shtml

³⁵ See more here: <http://ge.china-embassy.org/eng/xwdt/t1469181.htm>; see also Georgia's 2019-2022 Foreign Policy Strategy

³⁶ Larsen, J. (2017). Georgia-China Relations: the Geopolitics of the Belt And Road. Georgian Institute of Politics. Available at: <http://gip.ge/georgia-china-relations-geopolitics-belt-road/>

³⁷ Civil.ge. (2020). Georgia's Foreign Trade in January 2020. Available at: <https://civil.ge/archives/339427>

³⁸ Embassy of the People's Republic of China in Georgia. (2017). Remarks by Amb. Ji Yanchi at the China-Georgia Friendship Day celebrating the 25th Anniversary of Diplomatic Relations between China and Georgia. Available at: <http://ge.china-embassy.org/eng/xwdt/t1469181.htm>

³⁹ National Statistics Office of Georgia. Foreign Direct Investments by country. Available at: <https://www.geostat.ge/en/modules/categories/191/foreign-direct-investments>

⁴⁰ Khishtovani, G, et al. (2019). The Belt and Road Initiative in the South Caucasus Region. Emerging Markets Forum, pp.33-51, available at: https://pmcresearch.org/policypapers_file/09675c8b70d3843da.pdf; Larsen, J. (2017). Georgia-China Relations: the Geopolitics of the Belt And Road. Georgian Institute of Politics. Available at: <http://gip.ge/georgia-china-relations-geopolitics-belt-road/>

⁴¹ Embassy of the People's Republic of China in Georgia. (2017). Remarks by Amb. Ji Yanchi at the China-Georgia Friendship Day celebrating the 25th Anniversary of Diplomatic Relations between China and Georgia. Available at: <http://ge.china-embassy.org/eng/xwdt/t1469181.htm>

Georgia and China have also increased people-to-people and cultural contacts. These include: cultural exchanges; educational scholarships for Georgian students; Chinese language courses in universities and secondary schools.⁴² Number of Chinese tourists in Georgia has been also increasing over the past years.⁴³

Brief overview of Georgia-China relations allows the following observations: 1) in political and military realms, relations between China and Georgia are minimal and limited to routine diplomatic engagements; 2) economy is a key area in which both countries cooperate and are committed to further advancing their cooperation; 3) Georgia and China enjoy increased cultural and people to people contacts, and 4) China prioritizes its relations with Russia over its relations with Georgia - demonstrated by China's abstention on/silence over Georgia's key foreign policy challenges. These point to emerging but naturally limited partnership between the two countries.

⁴² Ibid

⁴³ Ibid

OBSTACLES TO GROWING GEORGIA-CHINA PARTNERSHIP: A DISCUSSION

Amid increasing economic cooperation between Georgia and China, is it realistic to assume that Georgia's economic dependence on China will result into political dependence, hence undermining Georgia's commitments to democracy and to the West? The answer to this question indeed lies in the future, but the following factors limit Georgia's substantial political dependence on China: 1) China is not a dependable foreign policy partner for Georgia; 2) Georgia's historic and national narrative is of belonging to a democratic Europe/West, and 3) Georgia's cooperation with, and dependence on, the West is too strong to undo.

CHINA - AN UNTRUSTED FOREIGN POLICY PARTNER

The major issue that serves as a structural obstacle to closer Georgia-China relations is China's strategic partnership with the Russian Federation. China and Russia share close security, political, economic and diplomatic cooperation both in bilateral and multi-lateral settings. Countering the US-led Western liberal order forms the basis of their respective core and national interests.⁴⁴ To that end, China and Russia are leading the BRICS – a platform shared by emerging powers who aim at regional preponderance, at a global role, and are contesting the US hegemony.⁴⁵

Both China and Russia see each other as major strategic partners. China's foreign policy vision singles out Russia as a valuable partner, and notes that "the China-Russia relationship is at its best in history, with political mutual trust and strategic coordination reaching a new high."⁴⁶ Russia, on the other hand, aims to "continue developing comprehensive, equal, and trust-based partnership and strategic cooperation with the People's Republic of China, and proactively step up cooperation in all areas."⁴⁷

Close multi-setting and multi-area partnership between China and Russia, as well as their opposition to the Western-led international order, render China's vision of the world antithetical to Georgia's foreign policy priorities to accede to NATO and the EU; to develop strategic partnership with the United States, and to build European, rule-of-law oriented democratic state. This explains why China has not occupied a major

⁴⁴ Zhou, J. (2019). China's Core Interests and Dilemma in Foreign Policy Practice. *Pacific Focus*, 34(1), 31–54.; See also: https://www.mid.ru/en/foreign_policy/official_documents/-/asset_publisher/CptlCk6B6Z29/content/id/2542248

⁴⁵ MacFarlane, N. (2006). The "R" in BRICs: is Russia an emerging power?. *International Affairs*, 82(1), 41–57.

⁴⁶ MFA of the People's Republic of China. (2019). China's Foreign Policy in a Fast Changing World: Mission and Responsibility; Speech by Vice Foreign Minister Le Yucheng At the Lunch Meeting of the Eighth World Peace Forum. Available at: https://www.fmprc.gov.cn/mfa_eng/wjdt_665385/zyjh_665391/t1679454.shtml

⁴⁷ MFA of Russia. (2016). Foreign Policy Concept of the Russian Federation. Available at: https://www.mid.ru/en/foreign_policy/official_documents/-/asset_publisher/CptlCk6B6Z29/content/id/2542248

space in Georgia's strategic documents. In Georgia's latest Foreign Policy Strategy, only economic relations with China are particularly highlighted, while range and ambition of partnership with the US, the EU, NATO, United Kingdom, France and Germany is comprehensive.⁴⁸

The major limit to the partnership between Georgia and China is therefore China's (non) position on the most pressing issue of Georgia's foreign policy: achieving de-occupation of its territories and ensuring Russia's reversal of the recognition of Georgian regions of Abkhazia and South Ossetia/Tkshinvali. Although China stresses the importance of the norms of sovereignty and territorial integrity and emphasizes on the equality between all nations small, big, rich or poor, its non-position amounts to the acceptance of Russia's actions.

Unlike Western partners who continuously express support to Georgia's foreign policy priorities, China has been abstaining on Georgia's UN resolution on the refugees; failing to denounce legitimacy of the elections held in Georgia's occupied territories; failing to denounce Russia-originated cyberattack against Georgia, and failing to condemn Russia's borderization policies in Georgia.

Issues of high politics, security and sovereignty, form foundation of Georgia's foreign policy. China's non-position and pro-Russian bias on major issues of Georgian statehood increases Georgia's perception of China as an untrusted foreign policy partner.

DEMOCRATIZATION AND BELONGING TO EUROPE INTEGRAL TO GEORGIAN IDENTITY

Since restoring its independence from the USSR, Georgia has been making an incremental journey to consolidating its democracy. Long before that, during Georgia's three years of independence in 1918-1921, democratization and Europeanization was a major marker of Georgia's identity. Stephen Jones notes that 'Georgia was strongly European', and that Europeanism was a central principle of the Democratic Republic of Georgia.⁴⁹

As the Soviet occupation ended in 1991, democratization and Europeanization have again emerged as markers of Georgia's identity. Major strategic documents adopted by Georgian state – such as National Security Concept (2005,2011); Parliamentary Resolution on Major Directions of Georgia's Foreign Policy (2013); Parliamentary Resolution on Georgia's Foreign Policy (2015); Foreign Policy Strategy of Georgia (2015-2018; 2019-2022) – highlight Georgia's commitment to form a democratic state. These documents also demonstrate Georgia's aspiration to join the European and Euro-Atlantic institutions, and project Georgia as "an integral part of the European political,

⁴⁸ Ministry of Foreign Affairs of Georgia. (n.d.). Foreign Policy Strategy of Georgia 2019-2022. Available at: <https://mfa.gov.ge/MainNav/ForeignPolicy/ForeignPolicyStrategy.aspx>

⁴⁹ Jones, F. S. (2014). *The Making of Modern Georgia, 1918-2012: The First Georgian republic and its successors*. Routledge: London and New York. pp. 48-49

economic and cultural area, whose fundamental national values are rooted in European values and traditions [and which] aspires to achieve full integration into Europe's political, economic and security systems".⁵⁰

Most importantly, Georgia's European and democratic aspirations are supported by the members of the public. According to various public opinion polls, Georgians consistently support membership to NATO and the EU, and see democracy as the best form of the government.⁵¹ Through its institutional ties with Council of Europe, the European Court of Human Rights, the European Union (through Association Agreement) and with the United States (through U.S.-Georgia Charter on Strategic Partnership), Georgia is legally bound and politically committed to undertake steps that protect democracy, rule of law and human rights – values that are being increasingly questioned by authoritarian states such as China and Russia.

These commitments and aspirations- integral to a modern Georgian state- stand in opposition to the model of development suggested by China. Modern day China is an authoritarian state failing to respect the basic principles of democratic competition and human rights protection. Coupled with China's geopolitical posturing to question the Western-led liberal international order and to implicitly side with Russia's policies vis-à-vis Georgia, other things being equal, it seems rather unlikely that Georgia and China will be able to build deeper political partnership of a strategic nature.

TIES WITH THE WEST HARD TO UNDO

Geopolitical factors also limit deeper Georgia-China engagement. Georgia's economic, political and military ties with Western states and institutions have strengthened over the past decades, leaving Georgia much aligned with the West. Georgia has become an important consideration in the military, political and economic policies of major Western states and institutions, especially in light of rising Chinese and Russian challenges to Western liberal order.

Militarily, ties between Georgia and the West are increasing. Since 1999, Georgia has been contributing to international security missions in Kosovo, Iraq, Afghanistan, Central African Republic and Mali.⁵² Since 2002, the United States and Georgia have been conducting joint military trainings aimed at enhancing Georgia's security and

⁵⁰ National Security Concept of Georgia, quoted in Kakachia, K and Minesashvili, S. (2015). Identity politics: Exploring Georgian foreign policy behavior. *Journal of Eurasian Studies*, 6, p.175

⁵¹ NDI. (2019). NDI Poll: EU and NATO Support at a Five-Year High in Georgia; Urgent Action on the Environment and Improvements in Public Education Needed. Available at: <https://www.ndi.org/publications/ndi-poll-eu-and-nato-support-five-year-high-georgia-urgent-action-environment-and>; CRRC Georgia. (2019). Attitudes Towards Democracy. Caucasus Barometer. Available at: <https://caucasusbarometer.org/en/cb2019ge/AT-TDEM-withoutdkra/>

⁵² Ministry of Defense of Georgia. (n.d). საერთაშორისო მისიები ('International Missions'). Available at: <https://mod.gov.ge/ge/mission>

sovereignty – these included Georgia Train and Equip Program (GTEP)⁵³; Georgian Sustainment and Stability Operations Program (GSSOP)⁵⁴, and, lately, Georgia Defense Readiness Program (GDPR).⁵⁵ As part of the US-Georgia Charter on Strategic Partnership, Georgia and the United States have committed to deepening defense and security partnership.⁵⁶ Additionally, Georgia hosts NATO-Georgia Joint Training and Evaluation Center, and holds joint military exercises with the US and NATO armies.⁵⁷ NATO also sees Georgia as part of its Black Sea security strategy.⁵⁸

Politically, cooperation with the West is even stronger. In 2014, Georgia signed Association Agreement with the EU leading to a closer political and economic partnership as well as cultural ties. The EU-Georgia relations run on the basis of conditionality, meaning Georgia has to commit itself to democratic values to be able to achieve closer integration with the EU. The general cooperation with Western states and structures is also contingent on democratic conditionality- the higher Georgia's commitment to democracy the deeper its cooperation with the West.

Economically, provisionally from 2014 and fully from 2016, Georgia enjoys Deep and Comprehensive Free Trade Agreement with the EU, and the idea of a possible free trade agreement with the United States is being entertained. That said, the success of Georgia's economy is highly dependent on the global economy as Georgia relies on "official development assistance, remittances, foreign direct investment, tourism and commodity imports."⁵⁹ Georgia is highly dependent on food imports and "it is vulnerable to global economic instability as well as to budget retrenchment in Western capitals."⁶⁰ Despite DCFTA being in place, economic difficulties continue, and only "modest growth of exports to the EU" has so far been observed.⁶¹ Partly to that end, Georgia is diversifying its economic relations, including to China and to other global economies. Free trade with China, it is argued, "could see Georgia become a location for Chinese

⁵³ U.S. Department of State. (2003). Georgia Train and Equip Program (GTEP). Available at: <https://2001-2009.state.gov/r/pa/ei/pix/b/eur/18737.htm>

⁵⁴ U.S. Department of Defense. (2005). Training for Iraq Boosts Security in Caucasus. Available at: <https://archive.defense.gov/news/newsarticle.aspx?id=16284>

⁵⁵ U.S. Embassy Georgia. (2018). U.S.-Georgia Defense Readiness Program Training Element Launch (May 18). Available at: <https://ge.usembassy.gov/u-s-georgia-defense-readiness-program-training-element-launch-may-18/>

⁵⁶ U.S. Embassy Georgia. (2016). Memorandum on Deepening the Defense and Security Partnership Between the United States of America and Georgia (July 6). Available at: <https://ge.usembassy.gov/memorandum-deepening-defense-security-partnership-united-states-america-georgia-july-6/>

⁵⁷ NATO. (2019). Georgian Defence Forces Lead NATO-Georgia Exercise 2019. Available at: <http://www.act.nato.int/articles/georgian-defence-forces-lead-nato-georgia-exercise-2019>

⁵⁸ NATO. (2019). NATO Foreign Ministers agree to enhance security in the Black Sea region. Available at: https://www.nato.int/cps/en/natohq/news_165253.htm?selectedLocale=en

⁵⁹ Macfarlane, N. (2012). Georgia: National Security Concept versus National Security. Chatham House. Available at: <https://www.chathamhouse.org/publications/papers/view/185193>

⁶⁰ Ibid

⁶¹ Emerson, M and Kovziridze, T. (2018). Deepening EU-Georgia Relations: what, why and how?. CEPS, Rowman & Littlefield International Ltd, London

direct investment aimed at exporting to the EU market.”⁶²

The military, political and economic relations with, and dependence on, the West shows why Georgia is likely to remain in the priorities of Western policy planning vis-à-vis the Eurasian region. This is further enhanced by China’s and Russia’s opposition to Western-led international order. The construction of Anaklia Deep Sea Port serves as an example of growing U.S. interests in Georgia. Although the port construction is pending largely due to factors related to Georgia’s domestic politics, the intervention of the US Secretary of State in favor of constructing the port is indicative of the U.S. interest to counter Chinese and Russian influences. Commenting on the importance of the port, Secretary Pompeo noted that port construction “will enhance Georgia’s relationship with free economies and prevent Georgia from falling prey to Russian or Chinese economic influence. Those pretended friends do not have Georgia’s best interests at heart.”⁶³

These said, although necessary, building economic partnership with China requires caution. One of the central issues that both the EU and the US consistently raise in relation to China is of fair trade.⁶⁴ Some also argue that China is using debt-trap diplomacy, leaving countries vulnerable to China’s influence.⁶⁵ Research of BRI’s participating countries shows that some 23 countries could be “significantly or highly vulnerable to debt distress.”⁶⁶ Montenegro, the EU candidate country, is one such case falling prey to the loan from China Exim Bank to proceed with major infrastructure project connecting Montenegro with Serbia, and thus integrating the country into the Balkan transport system.⁶⁷

Additionally, economic and trade relations with the EU are subject to democratic conditionality, and transparent rules of compliance with EU standards apply. Georgia’s economic and political relations with the EU cover wide range of areas, including gender equality, labor rights and environmental protection, and are subject to democratic scrutiny by domestic civil society actors in Georgia. Besides economic benefits, it helps Georgia strengthen good governance and democracy. This is contrary to China’s ‘no political

⁶² Ibid, p.5

⁶³ U.S. Embassy in Georgia. (2019). Statements to the Press With Georgian Prime Minister Mamuka Bakhtadze As Part of the U.S.-Georgia Strategic Partnership Commission (June 11). Available at: <https://ge.usembassy.gov/statements-to-the-press-with-georgian-prime-minister-mamuka-bakhtadze-as-part-of-the-u-s-georgia-strategic-partnership-commission-june-11/>

⁶⁴ European Commission. (2020). China. Available at: <https://ec.europa.eu/trade/policy/countries-and-regions/countries/china/>

⁶⁵ Chellaney, B. (2018). China’s Debt Trap Diplomacy. Project Syndicate. Available at: <https://www.project-syndicate.org/commentary/china-one-belt-one-road-loans-debt-by-brahma-chellaney-2017-01?barrier=access-paylog>

⁶⁶ Hurley, J, Morris, S and Portelance, G. (2018). “Examining the Debt Implications of the Belt and Road Initiative from a Policy Perspective.” CGD Policy Paper. Washington, DC: Center for Global Development. available at: <https://www.cgdev.org/publication/examining-debt-implications-belt-and-roadinitiative-policy-perspective>

⁶⁷ Ibid, p.17-18

string attached⁶⁸ foreign trade policy, which appears economically tempting but could lead to democratic deterioration and encourage bad governance. In developing closer economic relations with China, it is also important “to take into account the possible geopolitical vectors that China might pursue in the future”, including “geopolitical and geo-economic aspects of Russia-China, US-China and EU-China relations.”⁶⁹

On the other hand, China’s own priorities vis-à-vis Georgia also remain an important consideration in assessing the future direction of Georgia-China relations. Currently, China’s foreign policy towards Georgia focuses on building closer economic ties, and, naturally, sees Georgia as a means to an end (increased connectivity to Europe) rather than an end itself. China’s geopolitical presence in the region is also limited by the deeper engagement of the West and Russia in the South Caucasus and wider region. The extent to which China’s interest to the region will grow remains to be seen, but it is clear that other major powers will attempt to balance China’s future engagement.

⁶⁸ Li, X. (2017). Does Conditionality Still Work? China’s Development Assistance and Democracy in Africa. *Chinese Political Science Review*, 2, pp.201-220

⁶⁹ Charaia, V and Papava, V. (2017). Belt and Road Initiative: Implications for Georgia and China-Georgia Economic Relations. *China International Studies*, 67, pp.138

CONCLUSION

As structure of international politics is changing and strategic competition between the 'rest' and the West is emerging, China is becoming the most capable actor to challenge Western states and institutions, and to compete with them for influence in different parts of the world.

This policy brief has attempted to discuss China's increasing economic role in Georgia amid Georgia's embedded partnership with the West and challenges posed by Russia. The policy brief has overviewed patterns in China-EU cooperation as well as the history of Georgia-China relations to allow moving to the discussion of what factors constrain deeper partnership between Georgia and China.

Over the past years, Georgia-China relations have gained a new dynamism, but relations still remain confined mostly to the economic sphere. China's rising role in Georgia's economy notwithstanding, the following factors limit the expansion of the partnership to other spheres or the emergence of Georgia's political dependence on China: 1) China's silence over Georgia's most pressing national security issues, and its close strategic partnership with Russia; 2) Georgia's European identity and its democratization efforts that stand opposite to China's model of development, and 3) Georgia's already existing close relations with Western military, political and economic institutions.

China's own restraint to expand partnership with Georgia is also an important consideration. China largely sees Georgia as a means to an end - that is, seeing Georgia as one of the routes to connect with Europe. Any geopoliticization of China's engagement with Georgia is likely to lead to clashes with other major powers, including the United States and Russia. However, it is largely the policies and visions pursued by China that naturally limit the expansion of Georgia-China political relations.



Research