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China-South Caucasus: Cooperation under the Belt and Road initiative

The South Caucasus is an area of cross influences, where the interests of global and regional, old and new powers intersect. Russia, Turkey and Iran have traditionally had a significant influence on the SC, to which non-regional actors - the United States (US) and the European Union (EU) - have been added after the collapse of the Soviet Union. As for China, until recently, Beijing's interests in the SC could hardly be considered strategic compared to global actors like Russia, the USA and the EU. China's limited interests in the region, far from its traditional sphere of influence, non-border and not a foreign policy priority, were determined solely by its foreign policy goals of establishing cooperation with all countries of the post-Soviet area.

However, developments in the international arena since the 2010s have highlighted the geostrategic and geopolitical relevance and importance of the SC in terms of controlling Caspian Sea oil and gas resources, East-West, North-South security lines, trade crossroads and transport corridors. Based on the geopolitical realities of the region, especially its connectivity and transit capabilities, Beijing began to slowly but surely consolidate its political influence and growing economic role in the region. The SC, adjacent to the Middle East, is also important for Beijing in terms of confronting and countering threats related to pan-Turkist ideology and Islamic

fundamentalism, due to the presence of Xinjiang separatist ideology supporters among Muslims living in the region.

The rapprochement of relations with the countries of the region was also facilitated by the absence of historical wrinkles, China's advocacy of maintaining regional stability, the pursuit of the principle of non-interference in political conflicts and problems, as well as human rights, Eurasian integration issues, the development of trade and investment activities without political preconditions, etc. In practice, Beijing, unlike Russia's Eurasian Economic Union (EEU), has not sought to integrate SC countries into military-political or economic projects, or unlike the European Eastern Partnership, has not tried to involve them in democratic processes. Through Chinese educational and cultural projects, the use of "soft power" tools also contributes to the expansion of the Chinese presence and the advancement of geopolitical and economic interests in the SC region.

China's presence in the SC became more tangible when the attention of the traditionally active players there - Russia, the US and the EU - shifted to the Ukraine crisis, the Islamic State of Iraq and the Levant (ISIS), the Iran nuclear issue, and when the countries of the region began to look for new economic partners in the background of the relative decline of Russian power in the region and the inability of Iran and Turkey to assume a more significant role. For the countries of the SC, China was perceived as an alternative force balancing Russia and the West.

The "Belt and Road" initiative (BRI) announced by Chinese President Xi Jinping in 2013 became a powerful impetus for Chinese interests in the region, which includes four land and two sea corridors: the Economic Road of Silk Belt (EBSR) and 21st Century Maritime Silk Road (MSR). Of the three EBSR corridors, the middle one (China - Central and Western Asia - Persian Gulf

and Mediterranean Sea) is planned to pass through Transcaucasia.

SC countries actively support the BRI, as it is in line with their foreign policy visions of serving the region as a corridor connecting Europe to Asia. In addition to the modernization of transport and communication infrastructures envisaged by the BRI, the countries of the SC expect China's support in gaining access to new export markets, as well as potential sources of investment and financial support. China has already become one of the main trading partners of these countries: Azerbaijan's 4th, Georgia's 3rd, and Armenia's 3rd trade partner as of 2015.

As part of the BRI, in 2017, Beijing and Tbilisi, despite Georgia's declared course to join NATO and the EU, signed a free trade agreement, which was the first in its format in the entire post-Soviet space. Within the BRI framework, the Baku-Akhalkalak-Tbilisi-Kars railway stretching from the Caspian Sea coast to the Black Sea coast is also of great interest to Beijing, as one of the windows from Asia to Europe. Despite the vulnerability of Armenia's position in terms of participation in many regional logistics and energy projects, due to the fact that only two of the four neighboring countries - Georgia and Iran - have an open border, Beijing considers the Armenian direction a connecting link between EEU and Tehran.

In 2015, China signed documents (protocol, declaration, memorandum) with Georgia, Armenia and Azerbaijan regarding the latter's participation in EBSR. In April 2015, Georgia and Azerbaijan became founding members of the Asian Infrastructure Investment Bank (AIIB). In March 2017, the AIIB approved Armenia's application to join the financial institution. In May 2019, Chinese Foreign Minister Wang Yi's historic visit to three countries of the SC and the reaching of agreements on the

EBSR indicate that the SC can be part of the Chinese geopolitical mega-project reaching continental scales.

It is worth noting that Beijing's BRI is credited with ambitions to reorganize Eurasia under its umbrella to counter American influence. But Beijing's interests also collide with Moscow, which considers the post-Soviet territories its sphere of influence and whose EEU and Greater Eurasian Partnership strategy compete with the BRI. In order to avoid such a prospect, in 2015 Moscow and Beijing signed the agreement on the convergence of the BRI and EEU. The undeclared division of spheres of influence between the parties was also expressed in the geopolitical calculations of the two countries, according to which China willingly cedes defense and security spheres to Russia in return for freedom of action in SC financial and economic spheres that do not interfere with Moscow's interests. Thus, Beijing's actions can be evaluated as "preparatory work" or "diplomatic intelligence" in the SC, which can serve China's interests in various spheres of activity at the right time.