

**Farahila Fazil gizi Babayeva-Shukurova**  
**Institute of Caucasus Studies of ANAS**  
**Caucasus Policy Department**  
**e-mail: [ferah\\_7@mail.ru](mailto:ferah_7@mail.ru)**

## **THE PLACE AND EXPECTATIONS OF THE CAUCASUS IN CHINESE POLITICS**

**Summary:** As for the geopolitical side of the issue, the stability in Azerbaijan and Georgia's political problems with Russia create the basis for China's presence in the South Caucasus. It is clear that Russia, which has problems with the West, does not want to go against China. Therefore, taking advantage of these opportunities, China, which has good relations with both Georgia and Azerbaijan, can use the shortest route to enter European markets without facing obstacles from its biggest rival in Eurasia.

**Key words:** China, Caucasus, II Karabakh war, Azerbaijan, Silk Road

Despite the complicated political and security situation in South Caucasus, Chinese authorities have not shown security and political ambitions in this region.

They just try to develop regional economic cooperation among China and South Caucasus countries. On the other hand, China has good relations with Iran and Turkey that will facilitate Chinese partnership with the South Caucasus region [1].

The foregoing discussion raises this question: What is China's strategy in South Caucasus? The PRC has employed a unique "cluster approach" to the Southern Caucasus. The importance of the south Caucasus in Chinese foreign policy is defined by cooperation with neighboring countries (Iran and Turkey) adjacent area and connection to the belt and road initiative [2]. The fairly recent phenomenon of inter-regionalism has begun to arouse the interest of scholars and has given rise to a new field of studies in international relations. Given the novelty of the field, it does not come as a surprise that the views which have been offered so far on the nature of inter-regionalism run the gamut from "Much sound and fury about nothing" to "A building block in an emerging multilayered system of global governance". Although inter-regionalism emphasizes relations from outside.

China as a rising power tries to boost its position in different regions of the world including Central Asia and the South Caucasus. China has made a grand entry into Central Asia and has a growing presence in the South Caucasus region

since 2013 by introducing a comprehensive vision of economic development with its Belt and Road initiative (BRI) [3]. In recent years, researchers have become increasingly interested in China's regional policy. Most of them believe that the essence of China's "New Regionalism" is its desire for a multipolar world based on the principles of non-interference policy and the formation of supranational and transnational integration groupings to strengthen their economic potentials. China's attitude to South Caucasus follows the fundamental principle which was mentioned above but "each region has its own unique characteristics" that cause it to become a point of special consideration. For example, South Caucasus is a traditional sphere of Russian influence [4].

The recent escalation of conflict between Azerbaijan and Armenia in Nagorno-Karabakh and the armistice brokered by Moscow revealed the West's waning influence in the South Caucasus. The visible absence of the United States in the conflict and peace process led powerbrokers to regionalize the conflict, form alternative political processes, isolate the West, and keep multilateral frameworks at bay. The growing incoherence between Washington and Brussels in forming an effective policy to deter Russia and the failure to find a common response to China's systematic challenge has opened space for greater Chinese involvement in the regional affairs [5].

As the Second Karabakh War ended, all regional players' interests were scrutinized in detail. One power however, China, was largely absent from the analysis. Official rhetoric from Beijing indicates the continuation of China's non-intervention policy in the region. However, its position also indicates the limits of China's involvement in the South Caucasus [6]. In recent years, China's economic presence has increased immensely in Armenia, Azerbaijan, and Georgia. According to the World Bank, since 2005, Chinese trade volume with Baku, Yerevan, and Tbilisi has increased around 2,070 percent, 380 percent, and 885 percent, respectively. While securing bilateral deals and engaging in country-specific projects, Beijing has employed various public and private financial institutions—Asian Infrastructure Investment Bank (AIIB), China Development Bank, Exim Bank, Bank of China, Industrial and Commercial Bank of China (ICBC)—to invest in projects of strategic significance [7]. While China poses no direct military threat to the South Caucasus, it challenges Western economic, technology, infrastructure, and political interests. In Azerbaijan, Beijing has provided substantial investment for transit, digital, natural resource, and non-oil sector projects. As China develops its overland trade route, it has invested in upgrading the port of Baku and the Baku-Tbilisi-Kars railroad. In parallel, Beijing signed an economic package worth \$821 million with Baku to extend its reach to the non-oil sectors. The deal includes the development of chemical industrial

parks, agricultural industrial parks, and greenhouse complexes. Moreover, with Chinese assistance, within the framework of Azerbaijan's Digital Hub Initiative, an Asia-European telecommunication corridor will be established to complement the Digital Silk Road connecting Mumbai to Frankfurt via Azerbaijan [8]. Although the Sino-Armenian relationship continues to improve, Beijing's engagement with Yerevan—due to Armenia's hostile relations with Azerbaijan and Turkey—has been relatively modest [9]. In recent years, China has become Armenia's second-largest trading partner. In addition to providing millions in economic assistance, China has donated transportation and logistical units to the country's transportation and public health sectors. Beijing also has expanded military cooperation with Yerevan. In the 1990s, China trained Armenian officers and supplied multi-launch rocket systems to Yerevan. Beijing not only provided sophisticated Chinese rockets to Yerevan in 2011, but also signed a military agreement intending to provide Armenia with ¥5 million in military aid each year [10]. However, the post-war reality and the shift in the balance of power in the region have created new avenues and opportunities for both sides as well as for other regional powers to coordinate and to work on more projects. The North- South Corridor, a highway linking Iran to Georgian seaports on the Black Sea via Armenia; a railroad connecting Iran to Russia through Armenia and Georgia; and a transit link between Azerbaijan and Turkey via Armenia represent clear points of convergence for Beijing, Yerevan, Moscow, Ankara, and Tehran [11].

China's potential alignment with Armenia, Azerbaijan, and Georgia on the one hand and Russia, Turkey, and Iran on other could help it build systems that underpin communications, finances, and government functions while consolidating infrastructure networks, accumulating intelligence, and building coercive power in and around the South Caucasus. The ongoing strategic approximation and growing dependence on Chinese digital and physical infrastructures create pathways for China and regional powerbrokers to influence or gain control over data, communications, energy, trade, and transportation networks of local actors. Consequently, this very rare show of strategic convergence of regional autocracies backed by Chinese technological and financial power underlines the importance of the South Caucasus as a critical intersection and offers a significant institutional framework and an autocratic alternative to what the West has on offer for regional development [12]. It also creates a fault line in the wider Black Sea region, where the battle between competing ideologies and infrastructure projects will unfold with great intensity.

None of the hopes of the South Caucasus countries regarding China have materialized. Perhaps the hope for more active Trans-Caspian transshipment could still be realized in one form or another, but overall, the South Caucasus has seen

little Chinese investment or general geopolitical attention from Beijing. Trade with the three states has grown, but it has not so far been a game changer. In a way, this physical distance does provide a certain advantage. Beijing can approach the region unencumbered by the problems it faces in Central Asia. Mistrust towards and fear of Chinese expansionism pervade the moods of political elites and the general public of Central Asian states, but this is not the case in the South Caucasus. Further, China has not so far gotten embroiled in internal affairs of the region's three states and has not awarded special preference to governments on ideological grounds. Ideally this would pave the way for a more active Chinese involvement. However, we have not seen Beijing tapping into this opportunity so far. While the ceasefire has come at the expense of some Russian soft power – Azerbaijanis unhappy to see Russian troops on their territory – Beijing has room to maneuver. This is particularly true in Azerbaijan, which wishes to cement its place as a key node on the Belt and Road.

Baku also sees itself as a hub on the trans-Eurasian telecommunications corridor which would connect internet exchange points in Frankfurt and Mumbai, while complementing China's Digital Silk Road initiative. To this end, AzerTelecom and China Telecom signed a memorandum of cooperation in 2019. Since the First Nagorno-Karabakh War, Armenian policymakers have been convinced that China is interested in having a strong Armenia in the South Caucasus to counter pan-Turkic ideas, given the Uyghur separatist movement in China's northwestern Xinjiang province. To Armenian political elites, China has always been a friendly nation with mutually-aligned strategic interests. They supported Armenia in constructing the North-South Highway, the largest national infrastructure project since independence, granting Armenia access to the global economy. They also provided military assistance to Armenia, opened Chinese schools and institutes, and invested in industry. The Chinese embassy in Yerevan is even their second-largest in the territory of the former Soviet Union after their embassy in Moscow. Armenia has even collaborated with Beijing on deporting Taiwanese suspects to China. All these developments would certainly point to the growing significance of Armenia for China and explain why the latter acts in favor of Armenia.

#### **Literature:**

1. Perspectives | How China gains from Armenia-Azerbaijan war.  
<https://eurasianet.org/perspectives-how-china-gains-from-armenia-azerbaijan-war>
2. China's position on Nagorno Karabakh conflict 'clear and unchanged'.  
<https://azertag.>

- [az/en/xeber/Chinas\\_position\\_on\\_Nagorno\\_Karabakh\\_conflict\\_clear\\_and\\_unchanged-611805](https://www.az/en/xeber/Chinas_position_on_Nagorno_Karabakh_conflict_clear_and_unchanged-611805)
3. The Second Karabakh War and Caspian Energy. [https://www. cacianalyst.org/publications/analytical-articles/item/13668-the-second-karabakh-war-and-caspian-energy. html](https://www.cacianalyst.org/publications/analytical-articles/item/13668-the-second-karabakh-war-and-caspian-energy.html)
  4. Can China Broker the Resolution of the Armenia-Azerbaijan Conflict. <https://thediplomat.com/2019/06/can-china-broker-the-resolution-of-the-armenia-azerbaijan-conflict/>
  5. China urges dialogue over Azerbaijan-Armenia dispute. [https://www. aa.com. tr/en/asia-pacific/china-urges-dialogue-over-azerbaijan-armenia-dispute/1988087](https://www.aa.com.tr/en/asia-pacific/china-urges-dialogue-over-azerbaijan-armenia-dispute/1988087).
  6. China now has more diplomatic posts than any other country. [https://www. bbc. com/news/world-asia-china-50569237](https://www.bbc.com/news/world-asia-china-50569237).
  7. Meng, Fanhua (2011). Phenomenon of Chinese Culture at the Turn of the 21st century. Singapore: Silkroad Press. ISBN 978-981-4332-35-4.
  8. Selden, Mark (1979). The People's Republic of China: Documentary History of Revolutionary Change. New York: Monthly Review Press. ISBN 978-0-85345-532-5.
  9. The Copenhagen journal of Asian studies. [https://www. worldcat.org/title/copenhagen-journal-of-asian-studies/oclc/924680651](https://www.worldcat.org/title/copenhagen-journal-of-asian-studies/oclc/924680651)
  10. Heilig, Gerhard K. (2006/2007). China Bibliography – Online Archived 5 November 2015 at the Wayback Machine. China-Profile. com.
  11. "China's president boosts anti-corruption crackdown after nabbing 1. 5M". NBC News.
  12. "China is already a market economy—Long Yongtu, Secretary General of Boao Forum for Asia". EastDay. com. 2008. Archived from the original on 9 September 2009. Retrieved 14 July 2009.

## **Fərahilə Fazil qızı Babayeva-Şükürova** **QAFQAZIN ÇİN SİYASƏTİNDƏ YERİ VƏ GÖZLƏNTİLƏRİ**

**Xülasə:** Məsələnin geosiyasi tərəfinə gəlincə, Azərbaycanda mövcud olan sabitlik və Gürcüstanın Rusiya ilə siyasi problemləri Çinin Cənubi Qafqazda mövcudluğuna zəmin yaradır. Aydınır ki, Qərblə problemləri olan Rusiya Çinə qarşı getmək istəmir. Odur ki, bu imkanlardan istifadə edən, həm Gürcüstan, həm də Azərbaycanla yaxşı əlaqələri olan Çin Avrasiyadakı ən böyük rəqibinin maneəsi ilə üzləşmədən, Avropa bazarlarına çıxış üçün ən qısa marşrutdan yararlana bilər.

**Açar sözlər:** Çin, II Qarabağ müharibəsi, Qafqaz, Azərbaycan, İpək yolu

**Фарахила Фазиль кызы Бабаева-Шюкюрова**  
**КАВКАЗСКАЯ ПОЛИТИКА КИТАЯ**

**Резюме:**Геополитическая сторона вопроса в том, что стабильность в Азербайджане и политические проблемы Грузии с Россией обеспечивают почву для присутствия Китая на Южном Кавказе. Понятно, что Россия, у которой проблемы с Западом, не захочет идти против Китая и воспользуясь доброжелательными отношениями с Грузией и Азербайджаном Китай, минуя вмешательство самого крупного соперника в Евразии, может воспользоваться самым кратчайшим маршрутом для выхода на Европейские рынки.

**Ключевые слова:** Китай, Карабахская война, Кавказ, Азербайджан, Шелковый путь.

**Məqalənin redaksiyaya daxil olma tarixi: 23.04.2022**

**Məqaləni çapa tövsiyə edən sahə redaktorunun (və ya üzvünün) adı: kulturologiya üzrə fəlsəfə doktoru, dosent Sədaqət Əliyeva**