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Georgia, the South Caucasus and the BRI: a Situated View

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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 characterise 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 longstanding 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 recently[1], the direct participation of US 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 2088: 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 list[2] 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 EAEU[3], 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 commenced[4], 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 route'[5]. 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

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[6]. These agreements are just the latest in a long and expanding list[7] 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, entrench 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 Akhalkalaki in Samtskhe-Javakheti.

Picture 1: Train Waiting at the BTK Station in Akhalkalaki



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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

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. Similarily, 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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