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## **Chinese in Georgia**

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# Chinese in Georgia

*In the two decades after independence, Georgia's open economy and lax immigration policies have engendered, for the first time, immigration from far outside of the region. On the streets of Tbilisi, the most conspicuous of these migrants are from India, China, and the countries of Africa. Of those from India, a substantial number are students of medicine, or enrolled in other professional courses. Africans in Georgia are mostly driven by work opportunity with a few students in higher education institutions. Chinese immigrants, on the other hand, are almost entirely driven by economic opportunities.*

*A modern Chinese presence in Georgia began in the 1990s with the beginning of Chinese state-owned investment ventures in the region, as well as a burgeoning restaurant scene. In 2000s, this expanded to encompass a trickle and then an influx of Chinese migrant shop owners and market vendors. The third wave of migration occurred in 2010 as a result of contract construction workers. As of today, there are around 1,000 Chinese in Georgia now divided into five groups: specialists, businessmen, shopkeepers, contract workers, and those in the restaurant and catering sector.*

*This paper will focus on the history of Chinese migrants in Georgia, driving causes, their level of integration (or lack thereof), vulnerabilities, and their status in Georgian society. It will also cover increasingly large-scale Chinese economic ventures in the country, the status of Chinese as a foreign language in Georgia, and the role of the PRC Embassy in the Chinese community.*

**Jiayi Zhou, January 2012**  
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## I. A FOUNDING FAMILY

In what may be one of the first modern cases of Chinese migration to the Caucasus, a tea-specialist named Liu Junzhou came from China's Guangdong province to Chakvi in Adjara region of Georgia in 1890.<sup>1</sup> He, along with the handful of colleagues he brought from China can be attributed with creating the first tea culture in Georgia.<sup>2</sup> The red tea he cultivated won the top award at the Paris World Fair in 1900, and Georgian tea continued to maintain a high reputation decades later.<sup>3</sup>

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<sup>1</sup> There is a legend that a member of famous general Ma Chao's family fled to the Caucasus during the Three Kingdom's period (220-280 AD). According to Moses of Chorene's *History of Armenia* (written in the 5<sup>th</sup> century AD), this man allegedly became a member of Armenia's high court, and was the progenitor of the Mamikonian aristocratic line. Contemporary historians dispute the validity of this story, however.

<sup>2</sup> Of the first group of Chinese specialists who came to Georgia, some died of malaria; their graves remain somewhere in Batumi. Interview with Liu Guangwen, June 2011.

<sup>3</sup> Unfortunately, agricultural methods under Khrushchev later ruined the tea's quality, and 'Lao' (the Cantonese

For his contributions, Liu was given a state award under the tsarist government 1911, and later an Order of Labor Red Banner by the Soviet Union. He is most likely the only Chinese to be so decorated. He and his family members stayed in Georgia for a total of 34 years before leaving Georgia in 1924, after he was issued an ultimatum to become a Soviet citizen in order to continue his work. His house still stands near the seaside in Batumi, and his belongings are still kept in various museums throughout Georgia.<sup>4</sup>

Liu Junzhou's children and progeny continued to maintain strong ties to both countries, up until today.<sup>5</sup> One of his sons, Liu Zerong, laid the groundwork for Chinese-Russian lexicography by publishing, in 1956, a comprehensive Russian-Chinese Dictionary on

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version of Liu) has now become a local euphemism for bad-quality tea. Dmitry Butrin, "Georgia: Fleece, Wine, and Mimino" *Kommersant Dengi*, No.5 (410) February 10, 2003,

[http://www.kommersant.com/doc.asp?id\\_doc=363467](http://www.kommersant.com/doc.asp?id_doc=363467).

<sup>4</sup> There have been attempts to make his home a historical site, a campaign supported by the PRC Embassy.

<sup>5</sup> Liu Guangwen is also the chairman and founder of the Silk Road Cultural Center which engages in the translation of Chinese books into Georgian.



which all later larger-scale Russian-Chinese dictionaries were based. Liu Zerong apparently met Lenin while acting as a translator in Leningrad, and afterwards maintained a correspondence with him. Another of his sons would elope with a Georgian woman, Nona Tushmalishvili, who later helped found the Russian Language and Literature Department at Beijing Pedagogical University. Their daughter, Liu Guangwen, came to Georgia from Beijing as an art student in 1958, and married the late Givi Kandereli, a famous Georgian artist. Liu Guangwen would make substantial contributions to Georgia's higher education in the field of Chinese studies. Her own granddaughter is currently the sole teacher of Georgian language at Beijing University.

According to Mrs. Liu, there are only two other families in Georgia with similar roots. In one case, a Chinese soldier attending Red Army training exercises stayed in the Soviet Union to marry a Georgian woman. A Chinese man among her grandfather's team of tea experts also settled down with a Georgian woman. These two families are essentially integrated into Georgian society; they have lost their Chinese surnames, and no longer speak much Chinese.

## II. EARLY CHINESE BUSINESSES

Many of the earliest Chinese ventures in Georgia were state-directed or state-financed. Oasis Hotel, which opened in the early 1990s, was the first Chinese restaurant in Georgia. It was opened by a man from Xinjiang, and financed by the Xinjiang Autonomous Region's government. In 1996, six businessmen with Russian-language background were sent to Georgia as part of state-directed trade, and opened up a Georgia branch for a Heibei province-based Import and Export Company. It was believed that there would be a market for consumer goods in the former Soviet country, and the company engaged in importing clothes, toys, and even foodstuffs. Liang Yugang, the only one among the six original state employees who remains in Georgia today, recounted that at the time there was only a handful of other Chinese living in Georgia. They were either independent entrepreneurs, involved in trading companies, or the restaurant industry; most of them were in primary labor market. Economic migrants, namely market vendors and *baihuo* shopkeepers, would not begin to come to Georgia until after 2003.<sup>6</sup>

<sup>6</sup> Interview with Liang Yugang, June 2011. *Baihuo* (literally 'one-hundred goods') refers to general merchandise:

While Chinese migration was rather subdued in Georgia in the 1990s, other parts of the former Soviet Union, specifically Eastern Europe – was experiencing an influx of Chinese economic migrants, who were drawn by the “poorly-regulated free markets, liberal immigration policies, and demand for cheap consumer goods” in the wake of socialism's collapse.<sup>7</sup> It is not clear why Chinese economic migrants had no interest in Georgia at that time – but it is likely that without any initial network of Chinese, the country and its market were less accessible. It is also possible that Georgia was still too obscure and unknown, even for enterprising Chinese.

Georgia was not yet a destination in itself, but it was briefly used as a stepping stone for Chinese migrants seeking entry into Europe proper. According to one source, a Chinese restaurant set up in 1997 or 1998 also served as a front by a migration-broker for Chinese migrants seeking easy access to the Europe. Having established contacts with foreign dignitaries who frequented his establishment, the owner was able to obtain visas to European countries for 100-200 Chinese entrepreneurial migrants.<sup>8</sup> The restaurant has long since closed, and it is not clear whether migration-brokering continues in Georgia through other means – but such semi-legal activity has been reported in other countries, and is not untypical among the Chinese transnational community.<sup>9</sup>

In general, Chinese restaurants in Georgia, both then and now, were not established to serve the Chinese ethnic community – but rather to service foreigners, and to give other Chinese a foothold into the country. “Opening up a restaurant is the easiest, most viable kind of business to run, particularly for Chinese people,” said businessman Yu Hua, who opened his first Chinatown restaurant in Kutaisi in 2002, and later established the Georgia-China Investment Management Corporation (GCMIC). Like many of the Chinese restaurant owners in Georgia, he came to Georgia engaged in different work, and

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household necessities, toys, clothes, and trinkets – sold in the ‘Chinese shops’ of Georgia.

<sup>7</sup> Nyiriri Pal, “Chinese entrepreneurs in poor countries: a transnational ‘middleman minority’ and its futures,” [risingpowers.open.ac.uk/documents/Publication/Hong\\_Kong\\_paper.pdf](https://risingpowers.open.ac.uk/documents/Publication/Hong_Kong_paper.pdf).

<sup>8</sup> Interview with Yu Hua, May 2011.

<sup>9</sup> See Council of Europe's 2003 Regional Conference on Migration, in Kiev, presentation by Irina Ivakhniouk, “Migratory Movements across the Eastern Borders of Europe” and Jørgen Carling and Heidi Østbø Haugen's “How an African outpost is filled with Chinese shops,” 2004.



opened a restaurant after that venture failed.<sup>10</sup> As of today, there are seven Chinese restaurants operating in Tbilisi.<sup>11</sup>

Other early businesses ventures in the late 1990s were stimulated by Chinese demand for timber and lumber, particularly veneers made from the European beech tree, which grows in the Caucasus.<sup>12</sup> Yu Hua himself originally came for the timber market in 1999, and stayed on in Kutaisi even after his company left Georgia. He believes he was the sole Chinese in Western Georgia at the time. Many of these first ventures were unsuccessful due to fluctuations in the Chinese market— but even today timber resources remain an important reason for China’s continued interest in Georgia.<sup>13</sup>

Of the long-term Chinese residents who came in the 1990s and stayed, most have their own businesses, companies, or restaurants. The community is small and they can properly be referred to as expatriates. They hail from every region of China (Beijing, Hebei, Sichuan), as contrasted with later economic migrants who are nearly all from the south-eastern coastal provinces of Zhejiang and Fujian. Some of these expatriates have cross-border business and investments in Azerbaijan and Armenia.

### III. CHINESE BUSINESS IN THE 2000s

The volume of trade between China and Georgia was relatively insignificant through the 1990s, but would increase a hundred-fold between 2000 and 2010. As a

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<sup>10</sup> Yu Hua also decided to open a restaurant because the quality of the food at existing Chinese restaurants was so subpar. In another interview, a Chinese in Georgia expressed that “any household in China can cook better food than they do in Chinese restaurants [in Georgia]. [The restaurants] cook for foreigners’ tastes.”

<sup>11</sup> Current restaurants include: Picasso, Saigon, Shanghai, Oriental Pearl, Chinatown, Shangrila and New Asia.

<sup>12</sup> Interview with Yu Hua, May 2011.

<sup>13</sup> Chengdu Import & Export Corporation, now named China Chengdu Import & Export Company, was involved in buying timber from 1999-2002. As of now, remaining Chinese timber companies include Georgia Wood & Industrial Development, which in 2005 obtained a 25-year license for foresting in the Tsalenjikha region, as well as licenses in Chkhorotsku, Imereti, and Kakheti. “Chinese Investors: From Lack of Understanding to Mutually Beneficial Cooperation,” *Chinese Business in Georgia 2010*, published by the Economic and Commercial Counselor’s Office of the People’s Republic of China (PRC) Embassy in Georgia. Available at:

<http://ge2.mofcom.gov.cn/accessory/201010/1288252884648.pdf>.

result of China’s “Going-Out” policy, a new policy directive to focus investment outwards, first introduced in late 2000, China has overseen an increasing trade relationship with many developing countries.<sup>14</sup> Much western press attention has been paid to the China’s presence in Africa, but Georgia is also a prime example of the PRC’s shifting global economic strategy. Though Chinese FDI into Georgia is comparatively low and in fact became negative after the 2008, there has nevertheless been a dramatic increase of large-scale Chinese companies, industries, and infrastructural projects in Georgia in the last decade – bringing newer migrants: investors, company employees, specialists, and construction workers.

In 2001, Sichuan Electric Power Import & Export Corporation invested \$34 million to construct the Khadori Hydro Plant in the Pankisi Gorge. Khadori is the only major hydro power plant to have been built since Georgia’s independence, and at the founding ceremony former President Shevardnadze hailed it as a “milestone in the economic, technological and trade cooperation between the two countries. President Mikheil Saakashvili, at the completion ceremony in November 2004, expressed similar sentiments.<sup>15</sup> Initial Chinese field experts, management, and project overseers numbered only about twenty, and the original group mostly left after the project was completed.<sup>16</sup>

In 2005, Georgian Timber Processing Corporation and Georgian Wood & Industrial Group, subsidiaries of Xinjiang Hualing Industry and Trade Group, which had obtained a 25-year forest harvesting license in Tsalenjikha, set up a factory in the Lia town of Zugdidi. According to a representative of the Lia village, Vakhtang Kvirkvelia, the local population was

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<sup>14</sup> “Going-Out” was first introduced in late 2000 by the Chinese Communist Party Central Committee (CCPCC) and subsequently included in the PRC’s 10<sup>th</sup> Five Year Plan. The new directive removes previous restrictions on overseas activity and also provides companies who invest outwards, in certain encouraged sectors, with subsidies and policy support. See: Duncan Freeman, “China’s Outward Investments: A Policy Overview,” BICCS Policy Paper, 2008.

<sup>15</sup> Chen Runyun, “Mutual Benefit...” *Chinese Business in Georgia 2010*.

<sup>16</sup> Interview with representative of Eastern Power Corporation, Ltd, June 2011. In the early 2000s, the Pankisi Gorge was a hideout for Chechen rebel fighters and an extremely unstable area. The Khadori Power Plant construction site was attacked and bombed several times in 2002. A security force deployed by the Georgian government to protect the plant was also attacked en route, in April 2002.



initially worried about the appearance of Chinese, which increased when Georgian workers hired by the company went on strike related to their payment and work terms. The situation did later improve, however, and according to a Lia village representative – the company is the biggest taxpayer in the region and has contributed to the funds to repair local roads. The company also assists vulnerable families, schools, and local clinics with firewood in the winter.<sup>17</sup>

In September 2009, Xinjiang Hualing Group and the Georgian Ministry of Economic Development signed a memorandum to establish a Free Industrial Zone in Kutaisi. The Chinese company had already been operating in Georgia reprocessing lumber, as well as gold and copper mining, in Kakheti, Imereti, and Samegrelo regions.<sup>18</sup> The newly acquired 88,000 cubic meters of duty-free land will also be used for timber and mineral exploitation. With a 20-year foresting license, and with 100 million USD invested in 2010, the Chinese company plans to build several factories, including ones to manufacture furniture.<sup>19</sup> President Mikheil Saakashvili and the Chinese ambassador attended the signing ceremony. Other relatively recent investments made by major Chinese corporations in Georgia include ZTE Corporation, and Huawei Technology Company Ltd, in the field of telecommunications. There are also private trading companies engaged in large-scale imports of Chinese goods into Georgia. Georgian Lottery LLC, the biggest lottery company in Georgia, is partially owned by a Hong Kong company; its CEO, Allen Cheng, hails from Hong Kong.<sup>20</sup>

Large-scale construction projects also began to be awarded to Chinese contractors in the last half of decade. The first large-scale construction project was awarded in late 2007, to Chinese 20<sup>th</sup> Metallurgical Construction Corporation for the construction of a Park-Hyatt hotel. Over \$200 million was to have been put into the project, and it was to be constructed through the use of 2,500 Chinese and Georgian

construction workers at a ratio of 70/30.<sup>21</sup> After the 2008 war and the global financial crisis, however, the project was discontinued.

In 2010, three massive multi-million dollar construction contracts were obtained by two state-owned corporations, Sinohydro Corporation and China Railway 23<sup>rd</sup> Bureau Group Co., Ltd. Sinohydro Corporation signed the contract to rehabilitate the Rikoti Tunnel in western Georgia in April 2010 – the first public infrastructural project given to a Chinese company through bidding practices. The former head of the Foreign Projects Unit at the Ministry of Development, who made the selection, said that it was a simple matter of which company offered to complete the work for the cheapest. The contract cost of the project was \$19.8 million EUR, financed by the International Bank of Reconstruction and Development. Sinohydro Corporation soon received another contract through Georgia's Ministry of Development and Regional Infrastructure: construction for the Adjara Bypass road. This contract was signed in November 2010 but due to a delay in a materials shipment, work only began in June 2011.<sup>22</sup> The Adjara Bypass project is being funded by the Asian Development Bank, at a value of around 48 million EUR.<sup>23</sup> Another construction project contracted to a Chinese company is the Tbilisi Bypass Railway, currently the single largest infrastructural project in Georgia. China Railway 23<sup>rd</sup> Bureau Group, in consortium with the Georgian company Khidmsheni, obtained the contract in May 2010. The entire project is to cost an estimated 277.3 million EUR.<sup>24</sup> All three projects use a combination of local construction workers, and Chinese workers which have brought to Georgia for labor.

The founder of GCMIC, a consulting firm which helped lobby for the Tbilisi Bypass contract, said that competition for the tender was an intense and difficult process, as the project is partially funded by the

<sup>21</sup> Economic and Commercial Counselor's Office of the PRC Embassy in Georgia, "Shanghai MCC20 to build Five-star Level "ParkHyatt [sic] Tbilisi" Hotel in Tbilisi," January 23, 2008,

<http://ge2.mofcom.gov.cn/aarticle/chinanews/200801/20080105351681.html>.

<sup>22</sup> Interview with Levan Kutateladze, Head of Foreign Projects Unit for Ministry of Development, June 2011

<sup>23</sup> Roads Department of Georgia, article published March 15, 2011.

<http://www.georoad.ge/?que=eng/home&info=1125>.

<sup>24</sup> Georgia Railways, Tbilisi Bypass Information Brochure, Available at:

[www.railway.ge/files/Proeqtebi/Eng/gr\\_scoping\\_brochure\\_eng.pdf](http://www.railway.ge/files/Proeqtebi/Eng/gr_scoping_brochure_eng.pdf).

<sup>17</sup> "Chinese Investors," *Chinese Business in Georgia 2010*.

<sup>18</sup> Chen Runyun, "Mutual Benefit," *Chinese Business in Georgia 2010*.

<sup>19</sup> PRC Embassy in Georgia, "Xinjiang Hualing Group and the Georgian Ministry of Economic Development sign memorandum of understanding for the establishment of a Free Industrial Zone," July 14, 2009, <http://ge.china-embassy.org/chn/sgxx/t583931.htm> [in Chinese].

<sup>20</sup> Kate Chkhikvadze, "18% of Companies in Georgia have Foreign CEOs," June 7, 2010, [http://www.finchannel.com/Main\\_News/Business/64380\\_18%25\\_of\\_Companies\\_in\\_Georgia\\_have\\_Foreign\\_CEOs/](http://www.finchannel.com/Main_News/Business/64380_18%25_of_Companies_in_Georgia_have_Foreign_CEOs/).



European Bank of Reconstruction and Development; he said that the western bank was reluctant to hand the contract to a Chinese company. He said that in the course of the lobbying campaign, the Chinese side used the phrase ‘win-win’ to describe what the contract could do both for Georgia and China, and their relationship.

‘Win-win situation’ is a phrase commonly employed by the Chinese government and by Chinese enterprises to describe Chinese overseas economic activities. While some analysts worry that the presence of Chinese companies and Chinese goods in developing countries may prove too much competition for burgeoning local industries, Mikheil Janelidze, the Head of Foreign Trade and International Economic Relations in Georgia’s Ministry of Economy and Sustainable Development said that the opposite is the case, and that Chinese companies have the expertise to help develop certain sectors of the Georgian economy and that the Georgian government is “more than interested” in their business.<sup>25</sup> Janelidze said that he sees “huge potential in the development of [Georgia-China] relations.” Archil Kekelia, Deputy Minister of Economy and Sustainable Development, has said “the Chinese government has approved a new economic plan for the next five years, which implies investing...several hundred million abroad. The largest part of the fund is designated for African states and we are doing our best to attract Chinese investment in Georgia.”<sup>26</sup>

As stated previously, trade between China and Georgia has increased tremendously over the last decade. In 2010, China was Georgia’s fifth largest trading partner, and as of the first half of 2011, China has become Georgia’s fourth largest, behind only Turkey, Azerbaijan, and Ukraine in trade turnover.<sup>27</sup> Trade is heavily imbalanced towards China, but Janelidze said that is normal when dealing with China. Georgian exports to China are nevertheless growing; Georgia exported nearly 500,000 EUR in wine to China in 2010, and reached that amount in first half of 2011.<sup>28</sup> China and Georgia have no preferential trade agreement, but there is a Georgia-China

Intergovernmental Commission on Trade and Economic Cooperation which last met in Beijing, in December 2010.

Recently established direct flights between Tbilisi and the city of Urumqi in western China also will help tighten Chinese-Georgia economic relations.<sup>29</sup> Vera Kobalia, the Minister of Economy and Sustainable Development, pointed out at a July 2011 Georgia-China business forum held in Tbilisi, that these flights this will not only increase Chinese tourism, but will also help Georgian businesses export products to Chinese markets.<sup>30</sup> There have also been talks to set up a branch office for the Bank of China in Tbilisi.<sup>31</sup>

<sup>25</sup> Interview with Mikheil Janelidze, August 2011.

<sup>26</sup> Rustavi 2, “Chinese Investors may invest in Georgia,” 4 April 2011, [http://www.rustavi2.com/news/includes/get\\_news\\_print.php?id\\_news=40974&ct=4](http://www.rustavi2.com/news/includes/get_news_print.php?id_news=40974&ct=4).

<sup>27</sup> National Statistics Office of Georgia, “External Trade of Georgia in 2010,” Available at: [http://geostat.ge/cms/site\\_images/files/english/bop/External%20Trade%20of%20Georgia%20in%202010-eng.pdf](http://geostat.ge/cms/site_images/files/english/bop/External%20Trade%20of%20Georgia%20in%202010-eng.pdf).

<sup>28</sup> Interview with Mikheil Janelidze, August 2011.

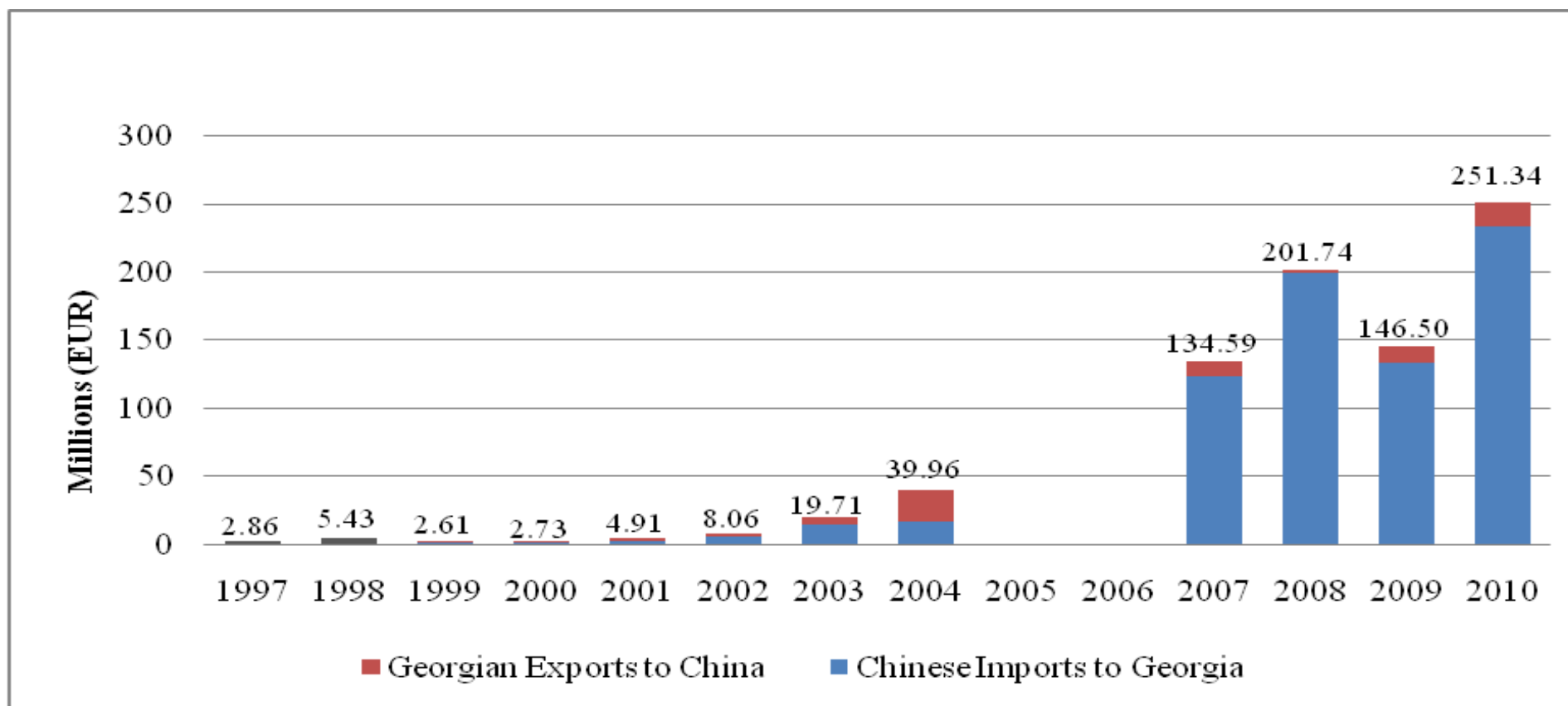
<sup>29</sup> Economic and Commercial Counselor’s Office of the PRC Embassy in Georgia, “First Direct Flight between China and Georgia was held,” June 10, 2011. <http://ge2.mofcom.gov.cn/aarticle/chinanews/201106/20110607599485.html>.

<sup>30</sup> National Investment Agency, “Georgia-China Business Forum,” <http://www.investingorgia.org/?107/1704/>.

<sup>31</sup> Nino Edilashvili “Georgia seeks partnerships in China and India,” November 12, 2010, [http://www.georgiatoday.ge/article\\_details.php?id=8437](http://www.georgiatoday.ge/article_details.php?id=8437).



**Figure 1: China-Georgia Bilateral Trade Volume<sup>32</sup>**



<sup>32</sup> Data for 2005 and 2006 are missing. Source: PRC Ministry of Foreign Affairs, [http://www.fmprc.gov.cn/chn/gxh/cgb/zcgmzysx/yz/1206\\_10/1206x1/t6931.htm](http://www.fmprc.gov.cn/chn/gxh/cgb/zcgmzysx/yz/1206_10/1206x1/t6931.htm) [in Chinese], Georgian National Statistics Agency, <http://www.geostat.ge/>.





## IV. CHINESE MIGRANTS

### 5.1 Economic Migrants

Mostly unrelated to the appearance of their large-scale business counterparts, the first trickle of economic migrants began around 2003, largely from the southeastern Fujian and Zhejiang provinces – both well-known for their residences' propensity to go overseas.<sup>33</sup> It was at that time that one could first see small and independent Chinese shops opening up, though by the end of that year, the Chinese population in Georgia still numbered fewer than 100.<sup>34</sup>

This gained momentum after those who had successfully set up shops began inviting their family members, friends, and acquaintances to Georgia as well. Such chain migration was boosted by the opening of two Chinese shopping malls in 2006 – the Chinese Commodity Center and the Lilo Chinese bazaar. The Chinese Commodity Center was opened by Chinese expatriate, Yu Hua, and the Lilo Chinese bazaar by a group of Chinese partnering with a Georgian woman who owned the property. In both cases, the property was divided into smaller subsections which Chinese were invited to lease. In the Chinese Commodity Center, approximately 100 Chinese manned 50 different shops. Yu Hua estimates that 90% were from Zhejiang province, and the rest were from Fujian – two neighboring provinces in south-eastern China. Yu Hua helped Chinese get to Georgia

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<sup>33</sup> There is one account by a shopkeeper of there being snakeheads (human smugglers) who have charged as much as 50,000 – 60,000 RMB (~5,500-6,500 EUR) to get other Chinese visas to Georgia. This shopkeeper said that he himself paid 20,000 RMB (~2,180 EUR) to get the proper documents to come to Georgia. However, visa restrictions are not particularly stringent, and it is easy for an interested individual to obtain all necessary documents on his or her own. Another shopkeeper interviewed disputes that there are or were any snakeheads in Georgia for this very reason.

<sup>34</sup> John Hudson, "From Trinkets to Telecom: Perceptions of Chinese Commerce in Georgia," 2008, [http://www.investor.ge/issues/2008\\_5/02.htm](http://www.investor.ge/issues/2008_5/02.htm).

for the purpose of helping manning these shops, and helped provide them with the necessary documentation for immigrating. Organizational issues led to the closing of the Chinese Commodity Center in 2007 and some of those Chinese moved their shops to Lilo. The Lilo Chinese bazaar is still open today, and as has become a community hub for Chinese migrants in Georgia.<sup>35</sup> On December 19, 2010, Chinese ambassador Chen Jianfu made a visit to Lilo – meeting with shop keepers, praising them for their contribution to the Georgian economy and encouraging them to continue their work.<sup>36</sup>

Of the economic migrants from Zhejiang province, a majority are from Qingtian County. Zhejiang province is the small-commodity manufacturing powerhouse of China, and Qingtian County – due to its lack of natural resources – has a historical tradition of its residents emigrating abroad.<sup>37</sup> Qingtian is still an economically developing county; it took until 1998 for the region's average income to rise above poverty level and while it has a growing population of high-income overseas businessmen, the Qingtian migrants who are in Georgia generally would be content to send modest remittances back to their families in China.<sup>38</sup> Their backgrounds vary: some of the younger shopkeepers are recent high-school graduates who have been brought to Georgia by older acquaintances, and some the older shopkeepers come from backgrounds of poverty

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<sup>35</sup> The actual place is called 'Lilo City.' It is especially active on Wednesdays and Saturdays.

<sup>36</sup> PRC Embassy in Georgia, "PRC Ambassador Chen Jianfu Tbilisi Lilo Market Merchants," December 19, 2010. <http://ge.china-embassy.org/chn/xwdt/t779361.htm>.

<sup>37</sup> Nearly half of Qingtian natives live overseas, spread across 176 countries, mostly in Western Europe. Source: Shujuan, Lin, "Return of the Native," *China Daily*, 2 March 2010. [http://www.chinadaily.com.cn/life/2010-03/02/content\\_9524352.htm](http://www.chinadaily.com.cn/life/2010-03/02/content_9524352.htm).

<sup>38</sup> Zhang Xiuming, "Remittances, Donations and Investments in Qingtian County since 1978," in *Beyond Chinatown: new Chinese migration and the Global Expansion of China*, ed. Mette Thunø, 2007



and have had little to no education at all. Lan Haibing, the current president of the Zhejiang Fellow Villager Association, was previously a construction worker in China before going abroad – as was another couple interviewed, who were from Fujian province. There are also some who were engaged in selling merchandise in China prior to coming to Georgia. Qingtian natives have their own dialect, and the high presence in the Chinese markets of Georgia give them enough of a community to speak their home-tongue on a daily basis.

By 2007, there were approximately 200 Chinese from Zhejiang living in Georgia and over 700 Chinese residents overall.<sup>39</sup> In August that year, the Zhejiang Fellow Villager Association was established – possibly related to a state visit to Georgia by the governor of Zhejiang two weeks prior, during which he made a special visit to the Lilo Chinese Bazaar.<sup>40</sup> At the association’s inaugural meeting, elected president Qiu Chungnan said that the association’s primary goals are “to enhance the Zhejiang natives’ ties and cultural understanding, to help members integrate into Georgian society, and to promote the prosperity of China and their home province.” The embassy counselor and the Chinese consul were both in attendance. Qiu Chungnan is a Qingtian native, as is his current successor.<sup>41</sup>

The consensus among interviewees is that migration reached a peak around 2008, after which many Chinese left the country, facing the country’s difficult economic conditions for small business. In a late 2009 interview, Chen Runyun, the Counselor of the Economic and

Commercial Office of the Chinese embassy in Georgia, attributed this in part to the global financial crisis and the state of the Georgian economy, post-war. According to him, “During 2009 the number of imported Chinese products in Georgia decreased by 50%. In Georgia the overall purchasing capacity of the nation has been sharply reduced. This caused the ruin of many Chinese retail importers in Georgia.”<sup>42</sup> Higher taxes on container shipments of Chinese goods, and “extortionate inspection fees” by customs officials may also have contributed to the decline.<sup>43</sup>

New Chinese migrants have stepped in to replace those who left, but Chinese shopkeepers who came prior to 2009 all admit that by the end of that year their numbers started to decline. Market saturation may be another important reason for the decline in Chinese shopkeepers. “The recession made it clear that the existence of so many similar shops all located together was pointless. At one time there were six Chinese shops on Agmashenebeli ave. [sic] and now there are only two left. After closing these shops, the number of customers has increased in our shop,” said one man interviewed in 2009.<sup>44</sup> Another shopkeeper, who came to Georgia in 2004, also claims that business has gone down because there are too many Chinese shops now.<sup>45</sup> Besides closing shop and leaving Georgia entirely, one of the responses to this ‘market saturation’ may have been geographically expansion within Georgia; there are now Chinese shops spread out as far as Akhaltsikhe, Zugdidi, and Lagodekhi. One shopkeeper interviewed in Tbilisi said that doing business

<sup>39</sup> Embassy website, as well as John Hudson, “From Trinkets to Telecom,” 2008, [http://www.investor.ge/issues/2008\\_5/02.htm](http://www.investor.ge/issues/2008_5/02.htm).

<sup>40</sup> “Zhejiang Province’s Vice-Governor Visits Georgia,” Sept. 6, 2007. <http://tieba.baidu.com/f?kz=259384536> [in Chinese].

<sup>41</sup> Overseas Chinese Affairs Office of the State Council, “Zhejiang Association established in Georgia: Qiu Chungnan elected first president,” August 17, 2007. <http://www.gqb.gov.cn/news/2007/0817/1/6265.shtm> [in Chinese].

<sup>42</sup> Madona Gasanova, “Chinese Business Booming in Georgia,” October 19, 2009.

[http://www.finchannel.com/Main\\_News/Business/49736\\_Chinese\\_Businesses\\_Booming\\_in\\_Georgia/](http://www.finchannel.com/Main_News/Business/49736_Chinese_Businesses_Booming_in_Georgia/)

<sup>43</sup> Interview with market vendor at Didube, and John Hudson, “From Trinkets to Telecom: Perceptions of Chinese Commerce in Georgia,” 2008, [http://www.investor.ge/issues/2008\\_5/02.htm](http://www.investor.ge/issues/2008_5/02.htm).

<sup>44</sup> Madona Gasanova, “Chinese Business Booming in Georgia,” October 19, 2009, [http://www.finchannel.com/Main\\_News/Business/49736\\_Chinese\\_Businesses\\_Booming\\_in\\_Georgia/](http://www.finchannel.com/Main_News/Business/49736_Chinese_Businesses_Booming_in_Georgia/)

<sup>45</sup> Interview with shopkeeper, July 2011.



the capital is difficult because of the prevalence of local second-hand shops, and shop assistant from Fujian working in the city of Lagodekhi, which is near the Azerbaijani border, said that there is less pressure in the countryside because of low rent costs.<sup>46</sup> Lan Haibing estimates that as of mid-2011 there are approximately 600 Chinese shopkeepers and those involved in small-commodities retail.<sup>47</sup>

### 5.2 Chinese Workers

Chinese companies are currently engaged in three large-scale public infrastructure projects in the country. According to Sinohydro Corporation's deputy manager in Georgia, there are currently about 60 Chinese and 140 Georgian workers working on the Rikoti Tunnel repair project, and about 100 Chinese for the Adjara Bypass. The Ministry of Development stipulates that foreign contractors must use at least 70% local workers, a policy which is reinforced by an occasional visit by a Ministry representative to the work-site.<sup>48</sup> The Rikoti tunnel project is already in full swing, but the Adjara Bypass project is still in its initial phases; it will eventually employ nearly 1,000 construction workers, of which the large majority will be local workers. Chinese and Georgian construction laborers work together side-by-side, and according to the Sinohydro's deputy manager – so far relations between the two groups are extremely good. Chinese workers live in temporary housing complexes, built on-site, and which will be demolished after the projects are completed. He said that the company has an explicit policy of using local employment as much as possible.<sup>49</sup> Completion of both projects is slated for 2012.

Unlike the Rikoti Tunnel and Adjara Bypass projects, which are government-sponsored and contracted through procurement law, the third project, for the Tbilisi Bypass

Railway, operates under the 1999 FIDIC Yellow Book conditions of contract. As such, it makes no requirements of China Railway 23<sup>rd</sup> Bureau Group in terms of its employees and subcontractors; about 400 Chinese employees and workers are currently in Georgia for this project, and 600 hired Georgian workers. One of the higher officials in Georgia's national rail company, Georgian Railway LLC, said that he is concerned about these figures, and that his agency is trying to increase the Chinese company's local employment to the ideal ratio of 70%.<sup>50</sup>

The official said that China Railway 23<sup>rd</sup> Bureau Group, the contractor, has an entirely style of management than western companies, and emphasizes not procedures, careful planning, or even safety – but rather hard results. The company has been able complete work at an extremely fast pace, but possibility to the detriment of labor conditions, more on which will be covered later in this paper. Work teams are segregated between Georgian and Chinese workers. The Chinese construction workers, who number around 200, were recruited from the Hunan province in south-central China and arrived in early 2011. They are of a variety of ages and backgrounds, all of whom came to Georgia voluntarily, either to earn money for their families back home, or for an opportunity to see another country. The railway project has an expected finish date of 2013, after which nearly all of the Chinese workers will leave the country. In all three projects, the management team, engineers, and other specialists are mostly Chinese, and use either English or translators to communicate with their Georgian counterparts.<sup>51</sup>

In total, this puts the number of Chinese contract construction workers in Georgia at less than 400. It is unlikely that any of these workers will stay in Georgia past their contracts, after their projects' completion. For the time being, however, their presence constitutes almost half

<sup>46</sup> Interview with shop-assistant, July 2011.

<sup>47</sup> Interview with Lan Haibing, May 2011.

<sup>48</sup> Interview with Levan Kutateladze, June 2011.

<sup>49</sup> Interview with the Deputy Manager of Sinohydro in Georgia, June 2011.

<sup>50</sup> Interview with the Deputy of the Georgian Railways Procurement Agency, July 2011.

<sup>51</sup> Interview with Sinohydro's deputy manager, and interview with Levan Kutateladze, June and July 2011.



of Chinese population in Georgia – making up for some of the economic migrants who left Georgia in recent years due to a lack of business and profit.

## V. DAILY LIFE AND INTEGRATION ISSUES

### 6.1 *Life in Georgia*

Life in Georgia is very different for Chinese depending on whether they are businessmen and company employees, economic migrants, or construction workers. This includes not only differences in their economic and social circumstances, but in their level of integration, their outlook, and their vulnerabilities.

Most Chinese economic migrants, for instance, are uninterested in integration. They know very little Georgian, enough for commercial interaction with customers. They generally keep close connections only to their Chinese compatriots, though independent shops outside of Lilo's boundaries and in the regions nearly all employ a local Georgian, usually female. In the shops themselves, one Chinese who spends most of his or her time on a laptop computer to fight boredom. At the Lilo Chinese bazaar, some of the shopkeepers also live in the warehouse in which they sell their goods. Many have a hard time adapting to the bread- and cheese-based diet, and eat the Chinese food that they make for themselves. A few small children can be seen among the shops, though many of such children born in Georgia are sent back to China for older relatives to take care of, a phenomenon not uncommon for overseas Chinese families.

To the question of future plans, all shopkeeper respondents stated that they have no long-term plan to stay in the country. Even those that have already been living in Georgia for six years have stated that they will return to China within the next year or two. Those who are less certain of when they are returning have said that it is a matter of when business gets bad enough. "I will go wherever money can be earned" is an attitude held by many economic migrants, who

see their sojourn in Georgia as a purely commercial activity.

Their 'social separateness' is not unique to Georgia; while there are always cases of exception, this is quite common in many of the Chinese entrepreneurial migrant communities of developing countries, which themselves exhibit little interest in integrating Chinese into their social not to mention political systems.<sup>52</sup> However, this mostly concerns economic migrants, who have less educational background than their investor and businessmen counterparts. Generally, the higher the socio-economic status – the more likely the Chinese is to have Russian or English language ability, to take an interest in Georgian culture and to involve him or herself in Georgian society.

For example, there is a tiny community of Chinese businessmen and expatriates who have been living in Georgia for the past decade or so. Most of them had at least some Russian language background and among them, there are a confirmed eight who have married Georgian women. Of those eight, six have children who are now Georgian citizens. This is a significant number given how small the community is. One family has moved back to China, and one is currently in Germany – but the rest are likely to stay in Georgia rather than relocate their new families to China.<sup>53</sup>

For construction workers, who are here purely for labor and will all leave once their terms or their project is finished, life in Georgia is very different. Whereas Chinese economic migrants depend on interaction with Georgian customers and so nearly all have learned basic Georgian phrases – construction workers have no such incentives. Generally from low socio-economic backgrounds, they have no foreign language abilities, neither Russian nor English. Many cannot be tempted to try Georgian cuisine.

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<sup>52</sup> One curious attempt to make use of Chinese shops' purely commercial relationship with locals was in Cape Verde, Africa, where Peace Corp volunteers and a local NGO tried to encourage condom use by placing them in Chinese shops, where customers will have increased anonymity.

<sup>53</sup> Interview with Liang Yugang, June 2011.



One group described how they once tried a loaf of plain bread and found it entirely unappetizing. For their own meals, the company employs a Chinese cook from their own home province of Hunan. The large majority of the construction workers have no experience living in a foreign country.

Working conditions for the laborers are hard; workdays for the Tbilisi Bypass project consist of 11-12 hour workdays of hard labor, after which the laborers come home to makeshift beds near the work-site. They were brought to Georgia without initially signing a formal contract have therefore are vulnerable to their employer's whims. When their China Railway 23<sup>rd</sup> Bureau Group was facing financial problems in 2011, they were not paid their wages for three months. Furthermore, they have only very recently been informed them that 20% of their wages will be withheld every month, to be paid only when the project is entirely finished. In other words, they will not see 20% of their earnings for two years. These workers are currently seeking help from the Chinese embassy to resolve these issues. They also lack substantive medical coverage or insurance – and do not have enough language background to find medicine themselves in Georgia. In such cases, Chinese business practices should be open to examination, and held at least accountable to standards of Georgian labor law.

As of yet, there is no 'ethnic services' sector for Chinese in the Georgian economy. Chinese food-stuffs are hard to come by, except as brought by those who make trips back and forth to China. Chinese produce is naturally even harder to obtain. One restaurant cook sometimes uses vegetables grown in the backyard of a Chinese family here for his dishes.

### 6.2 Georgian Attitudes

Views among Chinese migrants on how they are viewed and treated in Georgian society vary according to the type of respondent. In the insulated communities of Lilo, many of the respondents do not feel that they are discriminated against in Georgian society, or treated poorly. However, shopkeepers and

market vendors who work outside Lilo's bounds, and interact more intimately with Georgians on a daily basis, seem to feel that they are subject to some degree of racism. When one street vendor who sells her wares in Didube was asked about Georgian attitudes she immediately claimed that 'Chinese have absolutely no status' and recounted a conversation in which one Chinese acquaintance here claimed that if he was treated like so in China, it would be grounds for starting a fight or even killing somebody.

As Chinese goods have a reputation of low quality among most Georgians, the respondent reports that she must keep her prices extremely low to be competitive.<sup>54</sup> She expressed displeasure that Georgian or Roma vendors often front their wares as being manufactured in Turkey instead of China, and are able to charge their customers more as a result. She said that because of their inability to speak the Georgian language, Chinese have no choice but to be passive towards discrimination. She later qualified her statements and said that half of Georgian population is perfectly tolerant.<sup>55</sup> But another shopkeeper in Digomi, who previously worked in North Africa, expressed a similar view: that Chinese 'have no status,' are largely looked down upon in foreign countries, and are subjects of ridicule.<sup>56</sup> One shopkeeper, who has been living in Georgia for the past five years, said that Georgians welcomed Chinese as a curious novelty at first, but became annoyed with them as their numbers increased.<sup>57</sup> It is unclear how Georgians view the more recent influx of Chinese construction workers. As the workers usually stay on the construction-site, many Georgians are not yet aware that they are present in the country.

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<sup>54</sup> In personal conversations, some Georgians have expressed distaste at the increasing number of 'Chinese shops' in the country - mostly citing the poor quality of their goods.

<sup>55</sup> Interview with street vendor in Tbilisi, May 2011.

<sup>56</sup> Interview with shopkeeper, March 2011.

<sup>57</sup> She recounted an incident where she saw Chinese being spit at while at the Tbilisi Airport. Interview with shopkeeper, May 2011.



Georgians are not known for xenophobia, but neither can anti-immigrant sentiment totally be dismissed. In one article published in 2008, a Georgian temporary construction worker was quoted: “I’m a Georgian man and I’m a Christian but I’m still very aggressively against them...I see Georgian women working at Chinese shops and I feel inferior – inferior because the government does this to us.”<sup>58</sup> Rumors that the Georgian government actively encourages Chinese migration go along with rumors that Chinese obtain Georgian citizenship by paying Georgians to marry them. In July 2008, on the “Kedeli” talk show program on Georgian television, during a discussion about foreigners in the country, one woman claimed “Chinese very often become Georgian citizens by marrying Georgian people. Chinese pay \$7,000 to Georgian citizens to marry them – that’s the gossip I’ve heard.”<sup>59</sup> It is not clear how such rumors are started, but in the known cases of Chinese businessmen marrying Georgian women, the men have all kept their Chinese citizenship. Other unsubstantiated rumors include one that Chinese have started applying for Georgian land by adding the quintessential Georgian “-shvili” to their surnames. Lastly, there is a tendency to overestimate the number of Chinese who are in the country, even among some Chinese.<sup>60</sup>

It is important to note that beyond shopkeepers and those involved with small-commodities retail Chinese businessmen, company employees and even restaurant workers generally report no problems dealing with Georgians or living in Georgian society. “Chinese businessmen have not recently faced

any difficulties when entering the Georgian market. The business environment in Georgia is good. Georgians and Chinese have amicable relations,” said Chen Runyun, the Economic Counselor for the Chinese Embassy in Georgia.<sup>61</sup> Sun Cheng, chief representative of a ZTE Corporation, a major Chinese telecommunications firm operating in Georgia, said that his company initially faced perceptions that they were just a small company trying to sell low-quality goods but that today, ZTE has partnerships with all the major Georgian phone service operators in the country. He said that Chinese who are engaged in large-scale business and investment are treated very well, both by the Georgian government as well as Georgian people.<sup>62</sup> Liu Guangwen, who has been living in Georgia since 1958, also said that she has never faced an incident of ethnic discrimination in all her time in the country, and that Georgians generally show respect for Chinese culture.<sup>63</sup>

### *6.3 Registration and Potential Problems*

In 2006, 182 Chinese migrants constituted 11% of the applicants for temporary residence permits in Georgia, the second largest group behind Turkish migrants, who numbered 892, or 54%.<sup>64</sup> Since March 2009, migrants have been required by law to register with the Ministry of Justice’s Civil Registry Agency and obtain identification cards. Because the process for this registration is relatively easy, and as the identification card is necessary in order to pass border and airport checkpoint guards when leaving the country, nearly all of Chinese in Georgia should be registered unless they are ignorant of the process and have failed to do so yet.

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<sup>58</sup> John Hudson, “From Trinkets to Telecom...,” 2008, [http://www.investor.ge/issues/2008\\_5/02.htm](http://www.investor.ge/issues/2008_5/02.htm).

<sup>59</sup> Ibid.

<sup>60</sup> In one anecdote, a Chinese businessman was having dinner and with a high official in the Georgian Ministry of Justice. The two bet on the number of the Chinese in the country, and the Georgian official, estimated that there were 5,000. A phone call to the relevant department yielded that there were only 1,400. In another instance, a Chinese telecom representative estimated that there were 3,000 Chinese in the country.

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<sup>61</sup> Madona Gasanova, “Chinese Business Booming in Georgia,” October 19, 2009, [http://www.finchannel.com/Main\\_News/Business/49736\\_Chinese\\_Businesses\\_Booming\\_in\\_Georgia/](http://www.finchannel.com/Main_News/Business/49736_Chinese_Businesses_Booming_in_Georgia/)

<sup>62</sup> Interview with Sun Cheng, June 2011.

<sup>63</sup> Interview with Liu Guangwen, June 2011.

<sup>64</sup> International Organization for Migration (IOM), “Migration in Georgia: A Country Profile 2008”.



The registration process in Georgia allows an initial one-year residency permit, after which the migrant can extend for another two years, and a third extension for no longer than three years. Six years after arriving, the migrant is obliged to apply for permanent residency if they wish to stay longer.<sup>65</sup> As of July 2011, 974 Chinese nations are registered either as temporary or permanent residents, with 963 indicating their field of work.<sup>66</sup> But migrants to Georgia are not limited in their labor activities. According to the International Organization for Migration, “there are no legal norms in Georgia that regulate the issue of obtaining work permits before starting labor activities and other issues.” Chinese migrants, once they arrive in Georgia, can begin work immediately.

Chinese in Georgia generally face no serious legal difficulties with registration, and so far no substantial problems have arisen from the presence of either Chinese shop-keepers or Chinese construction workers. But in Georgia’s neighboring Azerbaijan, this situation is much different.

Like in Georgia, Chinese did not begin arriving to Azerbaijan in substantial numbers until the 2000s. But whereas in Georgia the number of Chinese has never topped more than 2,000 – in Azerbaijan, according to their labor ministry, there were approximately 7,000 Chinese in the country by 2007. Furthermore, whereas in Georgia Chinese migrants do not constitute a separate hireable workforce, in Azerbaijan, the perception – even from Azerbaijan’s head of migration service – is that there are “thousands of illegal Chinese,” who take the precious few jobs away from locals. Thus, Chinese migration to Azerbaijan has become a security and social issue. In response to this, in 2008 Azerbaijan tightened its visa restrictions and introduced employment quotas for foreigners, making it more difficult for

Chinese companies to employ Chinese workers in large numbers.<sup>67</sup>

But treatment of Chinese by the Azerbaijan officials may also warrant examination. A simple search on Baidu’s travel forums generates warnings by Chinese not to come to Azerbaijan, and accounts of having been victimized, forced to give bribes, and physically abused at the hands of police and the migration bureau.<sup>68</sup> It is unclear to what extent these incidents are incidental or systematic as there are Chinese who have successfully set up businesses in Azerbaijan and lived there without trouble for many years.

Azerbaijan’s situation contrasts with the relatively problem-free situation for Chinese in Georgia. Though unemployment in Georgia is also high, it does not seem likely that similar resentment against Chinese will occur if the numbers of Chinese remain relatively low and Chinese migrants lawfully register with the state. Furthermore, as long as sound employment policies are used by Chinese contractors, such as

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<sup>67</sup> Rashad Suleimanov, “Azerbaijan: Crackdown on Foreign Workers,” IWPR. <http://iwpr.net/report-news/azerbaijan-crackdown-foreign-workers>. One group of Chinese construction workers in Azerbaijan comes through Georgia every month to obtain one-month border visas.

<sup>68</sup> *Baidu* is China’s most popular search engine. Notable quotes include: “if [police] see a Chinese they’ll check their documents, because most Chinese [in Azerbaijan] don’t follow legal entry procedures, and when [police] meet Chinese it’s like they’ve met the God of Wealth. On the lower end, [police extort] a few hundred USD, on the high end, thousands – these situations all occur. The situation is abominable and they’ll even hold you in custody.” (posted January 9, 2009), “[Azerbaijan’s Immigration Bureau] don’t even see Chinese as human beings, we had just arrived a few days before we were taken in (arrested) – money, physical abuse – even having a passport wasn’t enough” (posted May 23, 2010), “Don’t come, it’s very corrupt. Ten people come, and all ten regret it, mostly Chinese end up leaving.” (posted October 29, 2010). There are also obvious scams to bring Chinese to Azerbaijan, by Chinese snakeheads who “don’t care if you live or die.” <http://tieba.baidu.com/p/151682293?pn=2> [in Chinese].

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<sup>65</sup> International Organization for Migration (IOM), “Migration in Georgia: A Country Profile 2008”.

<sup>66</sup> Nino Danelia, Georgian Civil Registry Agency, No. 01/168030.



the use of 70% local workers, the presence of Chinese companies and ventures should be seen as increasing the amount of jobs for locals, and overall helpful to the country's economic and infrastructural development.

### 6.4 Safety and Crime

In 2004, a Chinese man was attacked while at home by a neighbor. In its coverage of the affair, China's Ministry of Foreign Affairs detailed the security situation for Chinese citizens in Georgia:

“because of a lack of public security/order, law enforcement corruption, and attitudes towards foreigners, there have been occasional attacks on Chinese. But because of fear of reprisals and other reasons, very few report attacks to the relevant Georgian departments or to the Chinese embassy. Incidents where Georgian police harass foreigners have repeatedly occurred, and very few incidents have been handled with fairness or justice. The security and safety situation for Chinese citizens daily gets worse.”<sup>69</sup>

In July 2006, three Chinese were held at gunpoint and robbed, and one was shot in the cheek and had to be taken to the hospital. Later that year, a family of four also suffered an armed attack to various degrees of injury. In February 2007, a Chinese shop worker was tidying up when he was robbed at knifepoint by two men. He suffered six cuts to his head and had to be taken to the hospital.<sup>70</sup> Overall, between 2006 and the beginning of 2008, there were seven

reported cases of robberies, theft of shop equipment, and other attacks.<sup>71</sup> While targeted hate-crime cannot be ruled out, it is worth noting that westerners and other foreigners also suffered violent attacks and robberies during that time. A travel book published in 2004 warns Americans of “violent muggings and armed crime throughout Georgia,” and overall kidnappings and murder of western businessmen and high officials also happened on occasion. As of 2011, both the UK embassy in Georgia and the US State Department still maintains that “crime targeting foreigners is not uncommon.”<sup>72</sup>

The security situation for foreigners in Georgia has improved immensely over the past few years however, particularly as police corruption has drastically decreased. Chinese shopkeepers and market vendors have said in interviews that they feel relatively safe and would feel comfortable approaching local police in case of assault or any crimes committed against them. But some expressed skepticism that any use will come of it, and said that most small problems such as shoplifting can be handled by the Chinese community without approaching authorities. One street vendor said that Georgian police favor ethnic Georgians, and that the language barrier is often too great for any immediate justice. Nevertheless, she stated she would go to the Georgian police in big cases.<sup>73</sup>

Chinese migrants themselves generally follow Georgian law and pose no security threat. However, in June 2007, a Chinese citizen was sentenced to 2 years in prison for illegally

<sup>69</sup> PRC Ministry of Foreign Affairs website, “Chinese citizen attacked in Georgia, Ministry of Foreign Affairs reminds Chinese in Georgia to be cautious,” October 27, 2007. [http://www.fmprc.gov.cn/chn/gxh/cgb/zcgmzysx/yz/1206\\_10/fyrygth/t167956.htm](http://www.fmprc.gov.cn/chn/gxh/cgb/zcgmzysx/yz/1206_10/fyrygth/t167956.htm) [in Chinese].

<sup>70</sup> PRC Embassy in Georgia, “Chinese businessman robbed,” March 2, 2007. <http://ge.china-embassy.org/chn/xwdt/t300638.htm> [in Chinese].

<sup>71</sup> PRC Embassy in Georgia, “Notes for Chinese going to Georgia,” August 16, 2006.

<http://ge.china-embassy.org/chn/fggxz/zysx/t267812.htm> [in Chinese].

<sup>72</sup> Gladson I. Nwanna, *Americans traveling abroad: what you should know before you go*, 2004, US Embassy,

[http://travel.state.gov/travel/cis\\_pa\\_tw/cis/cis\\_1122.html#safety](http://travel.state.gov/travel/cis_pa_tw/cis/cis_1122.html#safety), and UK Embassy, <http://www.fco.gov.uk/en/travel-and-living-abroad/travel-advice-by-country/europe/georgia>

<sup>73</sup> Interview with street vendor, May 2011





purchasing a firearm.<sup>74</sup> According to one source, there was also a case in 2008 of a Chinese imprisoned for dealing counterfeit money, and that there have probably been cases of Chinese involved in human trafficking through Georgia. He also claims that as of now, there are currently 2-3 Chinese nationals in Georgian prisons.<sup>75</sup>

## VII. CHINESE LANGUAGE EDUCATION AND CULTURAL EXCHANGE

Because of the Sino-Soviet split, Chinese language was not allowed to be taught in Soviet Georgia; Liu Guangwen, granddaughter of the famous Chinese tea-specialist, recounts that when she was approached by individuals for Chinese language lessons, KGB agents were constantly at her doorstep. Because of this, she chose not to teach her own children Chinese until after Soviet Union's collapse. In 1984, however, Georgia's Foreign Languages Institute briefly established the study of Chinese language – the first Chinese language program established in the South Caucasus. For various reasons, this was later discontinued, and Chinese studies would not begin again until after independence, in 1992, when a department of Chinese studies was established at the Institute of Asia and Africa (IAA).<sup>76</sup>

Liu Guangwen was the first professor in the department, and she trained the very first group of Chinese language scholars; currently, all those in Georgia still engaged in Chinese language teaching and in translation work were all her students, or students of her students. Most of the handful of Georgians with working knowledge of Chinese began their studies at IAA, and took advantages of publicly-funded opportunities to study abroad which began in

1995.<sup>77</sup> They are mostly employed as either translators or as Chinese teachers. As of 2004, there were 60-70 university students enrolled with Chinese language as their major, and according to Marine Jibladze, the Georgian director of the Confucius Institute (see below), there are even more now.<sup>78</sup>

In 2007, IAA was consolidated under Free University. In November 2009, during a visit to Lanzhou University in China by the IAA's director, an agreement was signed between the two universities for the establishment of a Confucius Institute within the IAA.<sup>79</sup> The Confucius Institute is a public educational institution with branches in over 70 countries of the world. It is partially financed by the Chinese government but operates as an NGO, usually affiliated with a local university. According to the Wan Wupei, the current Chinese Director of the Tbilisi branch, its mission is the "propagation of Chinese culture," of which language training is only one facet. The Confucius Institute in Tbilisi officially opened in November 2010, but has so far been slow to accept students. At the time of the institute's opening, there were approximately 10 students of all ages, enrolled in its evening and night courses. Currently, they have about 20 students.

All three of the institute's Chinese teachers, as well its Chinese director, were vetted and hired by the PRC's Ministry of Education. Ties with the Chinese embassy are very close, and embassy employees often attend Confucius institute performances and events. There have so far been two official Chinese language competitions, the first one sponsored by the Chinese embassy and Free University in April 2010, and the second one, in May 2011, which was put on by the university and the Confucius

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<sup>74</sup> PRC Embassy in Georgia, <http://ge.china-embassy.org/chn/xwtd/t329544.htm>

<sup>75</sup> Interview with Yu Hua, June 2011.

<sup>76</sup> Marine Jibladze, "Chinese Language Teaching and Sinology Development in Georgia," *Journal of World Chinese Teaching*, 2004, Vol. 4, page 109-111 [in Chinese].

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<sup>77</sup> Ibid.

<sup>78</sup> Interview with Marine Jibladze, June 2011.

<sup>79</sup> "Free University of Tbilisi, Professor Guram Chikovani visits Lanzhou University" November 6, 2009  
<http://news.lzu.edu.cn/content/4a498019247da3d80124c89358ed142f.shtml> [in Chinese].



Institute.<sup>80</sup> At each event, the acting Chinese ambassador to Georgia, first Gong Jianwu and then Chen Jianfu, was in attendance.

The Confucius Institute also provides study abroad programs for the Georgian students through Lanzhou University. However, there are currently no Chinese students studying abroad in Georgia – noticeably in contrast to the influx of Indian students in Georgia. According to Wan Wupe, Chinese Director of the Confucius Institute, this is because Georgia is a developing country with few resources for scholarships, as of yet has little in its higher education system to attract in Chinese students, who prefer to study abroad in the west, or in more specialized programs.

## VIII. THE PRC EMBASSY AND CHINESE FOREIGN POLICY

The Chinese government officially recognized Georgia's independence on December 27, 1991, and formally established diplomatic relations with Georgia by June 1992.<sup>81</sup> It set up its embassy by October of that year. It has been involved with organizing activities for the Chinese community, including mid-autumn and lunar New Year festivals, performances, and cultural exhibitions over the years. Embassy members also attend all major Confucius Institute cultural events.<sup>82</sup>

On the business end, the Office of the Economic and Commercial Counselor of the PRC embassy in Georgia is quite active. In April 2011, it organized a forum for resident Chinese business leaders and company representatives – encouraging them to collaborate, to establish good corporate images, and to help push China-Georgia economic and trade relations to a higher level. Furthermore, it also oversees the steady

stream of business delegations and high-level investors who have been visiting Georgia in recent years. The talk was chaired by the Economic Counselor Chen Runyun. As part of China's Going-Out encouragement of overseas business, the ECC office, in collaboration with the PRC Ministry of Commerce, in March 2011 published an extensive Georgia country-guide for potential investors, with detailed corporate law, taxation procedures, and the like. It also encourages them to establish good relations with locals, to increase local employment, and to participate in Georgian community activities.<sup>83</sup>

The current Chinese ambassador to Georgia is also active, attending business forums, developing the China-Georgia relationship through visits with Georgian officials, as well visiting Chinese community members and companies. Chen Jianfu has made visits to shopkeepers at Lilo, as well as to the construction project sites of Rikoti Tunnel and the Tbilisi Bypass. Tellingly, Chen Jianfu made his visit to the Tbilisi Bypass work-site on June 30<sup>th</sup>, the day before the 90<sup>th</sup> anniversary of the Communist Party. While there, he expressed his congratulations for the occasion, and gave a speech in which he told project managers to attach political significance to their project, and reminded them to follow local regulations, enforce contract terms, and establish a good public image. The ambassador, when speaking to his Chinese audiences, emphasizes that their work is valuable in contributing to China-Georgia economic relations and serve to the benefit of their homeland.<sup>84</sup>

There are some experts who view Chinese migration as part of a broader state strategy of “transnational management,” whereby the overseas Chinese serve the purposes of China's economic and geopolitical expansion.<sup>85</sup> But

<sup>80</sup> The prize was a scholarship to study in Beijing for six months.

<sup>81</sup> Comparatively, U.S. recognition of Georgia's independence did not occur until April 1992.

<sup>82</sup> PRC Ministry of Foreign Affairs, “China-Georgia relations” Last updated on: March 25, 2011. [http://www.fmprc.gov.cn/chn/gxh/cgb/zcgmzysx/yz/1206\\_10/1206x1/t6931.htm](http://www.fmprc.gov.cn/chn/gxh/cgb/zcgmzysx/yz/1206_10/1206x1/t6931.htm) [in Chinese].

<sup>83</sup> Available at:

[ge.mofcom.gov.cn/accessory/201104/1303888528790.pdf](http://ge.mofcom.gov.cn/accessory/201104/1303888528790.pdf) [in Chinese].

<sup>84</sup> See PRC Embassy in Georgia website, at <http://ge.china-embassy.org/chn/> [in Chinese].

<sup>85</sup> Elena Sadovskaya, “Chinese Migration to Kazakhstan: a Silk Road for Cooperation or a Thorny Road of Prejudice?” China and Eurasia Forum



while Chinese migrants and businesses can be seen as “conduits of China’s globalization,” it should not be assumed that there is much more than purely economic forces at work. The Going-Out policy is In the CCPCC 12<sup>th</sup> Five-Year Plan for China’s Economic and Social Development, China states that it seeks no international hegemony, no export of either its social system or development model – a foreign policy approach which has been expressed and upheld since the 1980s.<sup>86</sup>

Generally, the PRC approach to Georgia and the South Caucasus as a whole remains mostly economic; the region serves an important transit corridor to Europe, with energy resources and burgeoning markets. Politically, on such issues as South Ossetia and Abkhazia, China takes a carefully neutral if not sympathetic approach. Territorial integrity is a linchpin of Chinese foreign policy; in March 2011, the Chinese ambassador met with the general secretary of Georgia’s main political party, United National Movement, who assured him that Georgia will continue to support the “one-China” policy – China’s position regarding Taiwan, Tibet, and separatists in the Xinjiang Uighur Autonomous Region.<sup>87</sup> That all the South Caucasus nations support the “one-China” policy is of political significance for China.

Through the years, China has provided a measure of economic aid to Georgia. In 1994, China and Georgia signed a commercial loan agreement of 30 million RMB, a loan which was extended in 1996, with another 100 million RMB of assistance. In April 2006, Georgian President Saakashvili met with China’s president

Hu Jintao, and the two statesmen signed a memorandum for the ‘Further Development of Friendship and Cooperation between the PRC and Georgia.’<sup>88</sup> In March 2008, the two countries signed a ‘China-Georgia Economic and Technological Cooperation Agreement,’ whereupon China provided another 40 million RMB of aid assistance – 30 million of which was using for providing Georgia with a railway cargo inspection system.<sup>89</sup>

## IX. CONCLUSION

Georgia remains a peripheral part of the world, both for the Chinese government as well as for Chinese migrants. However, the number of large-scale Chinese enterprises in Georgia is likely to increase as both Chinese state-owned and private companies continue to expand overseas operations, and as the Georgian government continues to cater to foreign companies and investors. The numbers of Chinese businessmen, company employees, and specialists will increase in the short-term – particularly with the recent introduction of direct flights between the two countries.

But unless the Georgian economy improves and consumer spending patterns change, it is unlikely that incoming Chinese economic migrants will keep pace with those who will leave the country in the next few years. The number of Chinese shops will probably stabilize at a slightly lower level more consist with consumer demands, as has already been taking place.

Whatever the case, it is clear that Chinese have become a small, but probably permanent part of

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Quarterly, Vol. 5, No. 4 (2007), 157, Available at: [http://kms1.isn.ethz.ch/serviceengine/Files/ISN/46179/ichaptersection\\_singledocument/d6aec3e0-849b-4a9c-b056-9883d5fbab66/en/8+es07silkroad.pdf](http://kms1.isn.ethz.ch/serviceengine/Files/ISN/46179/ichaptersection_singledocument/d6aec3e0-849b-4a9c-b056-9883d5fbab66/en/8+es07silkroad.pdf).

<sup>86</sup> “We Must Stick to the Path of Peaceful Development,” CPC Central Committee’s Proposal for Formulating the 12<sup>th</sup> Five-Year Plan for China’s Economic and Social Development adopted by the Fifth Plenary Session of the 17<sup>th</sup> CPC Central Committee,

<http://www.fmprc.gov.cn/eng/zxxx/t777704.htm>

<sup>87</sup> See Chinese embassy website, at <http://ge.china-embassy.org/chn/> [in Chinese].

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<sup>88</sup> PRC Ministry of Foreign Affairs, “China-Georgia relations” Last updated on: March 25, 2011 [http://www.fmprc.gov.cn/chn/gxh/cgb/zcgmzysx/yz/1206\\_10/1206x1/t6931.htm](http://www.fmprc.gov.cn/chn/gxh/cgb/zcgmzysx/yz/1206_10/1206x1/t6931.htm) [in Chinese].

<sup>89</sup> Economic and Commercial Counselor’s Office of the PRC Embassy in Georgia, “Georgian Railway Applies Chinese Cargo Inspection System” May 31, 2011, <http://ge2.mofcom.gov.cn/aarticle/chinanews/201105/20110507579471.html>.



Georgia's increasingly diverse ethnic make-up. Like other new migrant groups, including Africans and Indians, their 'foreignness' may engender suspicion and/or mild resentment from Georgians who have had no prior contact with such peoples and cultures before. As Chinese

enterprises and migrants continue to do business in Georgia over the next years, monitoring of Georgian public attitudes, stipulations on the amounts of foreign laborers, and carefully thought-out economic policy-making will still be necessary to ensure that their presence remains positive and beneficial.

### **FOR FURTHER INFORMATION SEE**

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