T.C.

ANKARA YILDIRIM BEYAZIT UNIVERSITY

GRADUATE SCHOOL OF SOCIAL SCIENCES

CHINA AS THE RISING POWER IN THE WORLD HEGEMONY AND ITS INFLUENCE ON THE SOUTH CAUCASUS REGION

MASTER'S THESIS

NILUFAR AHMADOVA

DEPARTMENT OF POLITICAL SCIENCE AND PUBLIC ADMINISTRATION

ANKARA 2020

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Prof. Dr. YILMAZ BINGOL

SUPERVISOR

ANKARA 2020

ACCEPTATION AND CONFIRMATION PAGE

The thesis, prepared by NILIFAR AHMADOVA and titled 'CHINA AS THE RISING POWER IN THE WORLD HEGEMONY AND ITS INFLUENCE ON THE SOUTH CAUCASUS REGION ', is accepted as a master thesis at Ankara Yildirim Beyazıt University, Istitute of Social Sciences, Department of Political Science and Public Administration by unanimous vote/ majority vote.

Title Name Surname	Instituion	Signature
Prof. Dr. Yılmaz BİNGÖL	Ankara Yildirim Beyazıt University	
Assist. Prof. Dr. Başak AKAR	Ankara Yildirim Beyazıt University	
Assoc. Prof. Dr. İdil TUNÇER KILAVUZ	Ankara Yildirim Beyazıt University	

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I approve that the thesis fulfills the necessities to be deemed a master thesis at Ankara Yildirim Beyazıt University, Istitute of Social Sciences, Department of Political Science and Public Administration.

Director of Graduate School of Social SCİENCES Title Name Surname

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DECLARATION

I hereby declare that all information in this thesis has been obtained and presented in accordance with academic rules and ethical conduct. I also declare that, as required by these rules and conduct, I have fully cited and referenced all material and results that are not original to this work; otherwise, I accept all legal responsibility. (28/05/20)

Signature:

Name, Last name: Nilufar Ahmadova

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ÖZET

Çin'in uzun tarihi ve gelecek dünya egemenliği konusundaki hırsları Çin'in mevcut gücü, Amerika Birleşik Devletleri ve Rusya gibi önde gelen devletlerle ilişkileri ve Güney Kafkasya bölgesi gibi belirli bölgeler üzerindeki etkisi hakkında araştırmanın önemini kanıtlıyor. Belirtilen bölgelerde Çin'in yükselen gücünün ve belirli konumunun ekonomik veya diğer boyutlarla sınırlandırılamayacağı unutulmamalıdır. Bu nedenle, tez boyunca Çin'in iki merkezi egemen güç ve Güney Kafkasya bölgesi üzerinde spesifik etkiye sahip olma kapasitesi, ekonomi, yumuşak güç, siyasi ilişkiler ve diğer farklı etki yönlerinde açıklığa kavuşturulmuştur. İlk önce, yirminci yüzyılın ilk zamanlarından itibaren Çin'in gelişimini anlamak için onun ekonomik, iç politika ve dış politika sisteminin evrimi ve tarihsel yönü araştırılmıştır. Ayrıca, Çin'in dünya egemenliğindeki rolünün aşamalıgelişimi, Çin, Amerika Birleşik Devletleri ve Rusya arasındaki ilişkiler ve Güney Kafkasya topraklarında, özellikle Azerbaycan örneğinde ortaya çıkışı gerçeklere dayalı bazı tahminler yardımıyla analiz edilmektedir.

Araştırmanın temel amacı, Çin'in evrimsel tarihini,egemen dünya sistemindeki mevcut ve gelecek rolünü ve Güney Kafkasya bölgesindeki merkezi konumunu ilgili ülkelerle birlikte incelemektir. Mevcut durumu açığa çıkarmak için Çin'in Güney Kafkasya'daki ekonomik ve siyasi varlığının yanı sıra bu bölgedeki ülkeler üzerindeki yumuşak güç politikası araştırılıyor. Bu yolda Rusya ve ABD güç ikilemi gibi bazı zorluklar bile, araştırma boyunca ana kritik noktalardır. Tüm bu analizler ilgili konu hakkındaki bazı belirsizliklerin aydınlatılmasına yardımcı oluyor ve gelecekteki tehditler ve olasılıklar hakkında bir tahmin sunuyor.

Anahtar kelimeler: Çin; Ekonomik reform; Komünizm; Birleşik Devletler; Rusya; Küresel hegemonya; Tek Kuşak, Tek Yol; Güney Kafkasya; Azerbaycan; Ermenistan; Gürcistan; Çin'in yumuşak gücü

ABSTRACT

The long history of China and its ambitions on future world hegemony proves the importance of research about the current power of China, its relationship with leading states such as the United States and Russia, and its impact on specific areas like the South Caucasus region. It should be noted that the rising power and concrete position of China in the mentioned regions cannot be limited within economic or other aspects of authority. For that reason, the capacity of China to have the specific effect on the two central hegemonic powers and the South Caucasus territory is cleared throughout the thesis in different directions of potency such as economy, soft power, political relations and others. Before that, the evolution and historical aspect of China's economic, inner political and foreign policy system is investigated to understand the progress from the early times of the twentieth century. Moreover, the progressive development of China's role in the world hegemony, the relationships among China, the United States and Russia, and its appearance in the South Caucasus territory, especially in the case of Azerbaijan are analyzed with the help of some predictions based on relevant facts.

The main goal of the research is to examine the evolutionary history, the current and future role of China in the hegemonic world system, and its central position in the South Caucasus regions, in the case of correlation with the related countries. In addition to the economic and political presence of China in the South Caucasus, its soft power policy over the countries within this region is researched to bring the situation into the open. Some challenges on this road, such as Russia and the USA power dilemma are the main critical points throughout inquiry as well. All these analyses help to elucidate some obscurities about the concerning issue and give some prognosis on the future threats and possibilities.

Keywords: China; Economic reform; Communism; the United States; Russia; Global hegemony; One Belt, One Road; the South Caucasus; Azerbaijan; Armenia; Georgia; the Chinese soft power

Contents

ÖZET i

ABSTRACT ii

LIST OF ABBREVIATIONS v

LIST OF TABLES vi

LIST OF FIGURES vii

INTRODUCTION 1

CHAPTER I 7

RESEARCH METHODOLOGY

1.1. The Purposes of Research 7

1.2. Research Questions 7

1.3. The Ways of Data Collection 8

1.4. The Methodology, Examples and Limits of Research 9

CHAPTER II 10

THE HISTORY OF CHINA FROM THE BEGINNINGS OF THE TWENTIETH CENTURY

2.1. Evolution of Changes in Economic Power 10

2.2. Evolution of Changes in Administration or Inner Political System 20

2.3. Evolution of Changes in Foreign Policy 31

CHAPTER III 37

THE CURRENT SITUATION IN THE HEGEMONIC WORLD SYSTEM AND CHINA'S POSITION WITHIN THE SYSTEM

3.1. The Relation between China and the United States of America 37

3.2. The Relationship between China and Russia 45

CHAPTER IV 55

THE APPEARANCE OF CHINA'S POWER IN THE SOUTH CAUCASUS REGION

4.1. The Collaboration between China and the South Caucasus Countries Based on Political and Economic Relations 55

4.2. The Implementation of Soft Power as an Additional Tool by China over These Three Countries 65

CHAPTER V 78

CONCLUSION AND EVALUATION

BIBLIOGRAPHY 83

Internet Resources 89

APPENDIX 90

APPENDIX -1. Curriculum Vitae 91

LIST OF ABBREVIATIONS

ASEAN – Association of South-East Asian Nations

COVID-19 – Corona Virus Disease 2019

EU – European Union

GDP – Gross Domestic Product

PhD – Doctor of Philosophy

PPP – The purchasing power parity

PRC – People's Republic of China

The USA – The United States of America

US – The United States

LIST OF TABLES

1. Table 4.1. The amount of bringing goods and services into China from the South Caucasus countries during 2007-2011..... 57

LIST OF FIGURES

1. Figure 2.1. The evolution of the Gross Domestic Product percentage in China for each year during 18 years from 2007 until 2024 15

2. Figure 2.2. The Gross Domestic Production at Purchasing Power Parity in China and the United States after 1990 18

3. Figure 2.3. Foreign Direct Investment in China from 2001 to 2019 19

4. Figüre 4.1. The percentage of bringing goods and services into the countries in the South Caucasus from China during 2007-2011 56

5. Figüre 4.2. Export and import level of Azerbaijan with China during the first 11 years in the twenty-first century 58

6. Figüre 4.3. Export and import level of Georgia with China during the eight years between 2005 and 2012 58

7. Figüre 4.4. Export and import level of Armenia with China during the eight years from 2005 till 2012 59

8. Figüre 4.5. The difference between 1996 and 2014 in the amount of selling wares from various regions to China 61

INTRODUCTION

China's ongoing development and its impact over the world countries is one of the actual cases in the current period. It motivates to do qualified academic researches on this topic because, during the globalization era, the role of China in the relationship among countries is increasing year by year and this progressing process is directly related to the future destiny of most states as well.

Through this thesis, it is argued that China is the possible country for the global hegemonic power and even, in the case of continuous economic development, there is also a chance that China can undertake the economic dominance over the whole world standard. For that reason, this thesis mostly concentrates on the analysis of the present situation and predictions based on academic facts. Explicitly, these analyses and prognosis embrace the rivalry among China, the United States and Russia for being global hegemonic power and its possible results.

In addition to this argumentation, it is contended that the geographic position of the South Caucasus has the importance for China to enhance its economic power and impact rate on the particular geopolitical zone. Notably, having the opportunities of Azerbaijan, Armenia and Georgia to own their original place in the commercial market of China is one of the crucial points in the claimed aspect. However, their merchandising indicators are not comparable. Therefore, throughout this investigation, it is tried to find out the answers of some questions, such as how are the relations between China and the countries in the South Caucasus region, what is the influence of China over this region, why China needs to make the partnership with the states in this territory, as well as the same attitude from the aspect of Azerbaijan, Georgia and Armenia towards China, how the future of these collaborations can be examined, etc.

The thesis consists of an abstract, introduction, five main chapters: research methodology; the history of China from the beginning of the twentieth century; the current situation in the hegemonic world system and China's position within the system; the appearance of China's power in the South Caucasus region; conclusion and evaluation, and finally, the reference section.

The first chapter is about the research methodology, and this chapter combines four essential subheads, such as the purposes of research, research questions, the ways of data collection and lastly, the methodology, examples and limits of research. In this part, it is clarified that the main aims of this thesis are to determine what the current aptitude of China to be the global hegemonic power is, how the connection between the states in the South Caucasus and China is characterized, what kind of profits can be gained by each side if these ties are improved in the upward trend, and which prognosis on being hegemonic power and the results of advancing relationship between China and three states in the South Caucasus can be given.

As a logical consequence, the research questions bases on these goals. For instance: what was the condition in the economic, inner political system and foreign affairs of China during the last hundred years; what types of changes implemented in the twentieth century have the significant role in being today's powerful China; how the connection between China and two other powerful countries such as the United States and Russia in worldwide level can be qualified; in which circumstances China can leave American and Russian powers behind for being a superior actor in some spheres; how the relations between China and the South Caucasus states can be analyzed at present; what is the necessity of making the partnership with Azerbaijan, Georgia and Armenia for China; what is the role of the South Caucasus region in the new project of China named "One Belt, One Road"; what are the benefits of these collaborations for these three countries; how these states can increase the usefulness of this cooperation with China, etc.

The ways of information collection recline on different sources such as books, scientific articles, various official academic websites and others. Furthermore, although the applied method through the thesis is the qualitative approach, the economic statistic from the legal internet sources can be shown as the tool to make content more clearly.

The end of this chapter is dedicated to the limits of the thesis. As mentioned in this section, it is related to the restricted amounts of potential countries for being a hegemonic power to make comparison their capacity with China, as well as one another.

In the second chapter, the history of China from the earlier years of the twentieth century is investigated. Three subparts like the evolution of changes in economic power, the evolution of changes in administration or inner political system and the evolution of changes

in foreign policy form this chapter. As seen from the headings, the development process of the economy, internal policy and external affairs of China are examined through these subparts. Briefly, it is known from these sections that the economic progress in the twentieth century splits into two main terms: before the year of the executed economic reform at the end of the 1970s and after that period. Till that time, almost all spheres in the industrial sector were organized and directed by the central government. During the strict communist administration, the rigid interference by the central management to the income-generating fields in the economy and the restrictions on the individual possessions caused the emergence of considerable gaps in the financial area. For that reason, the implementation of the economic amendments was the substantial necessity for the economic revival in China. This reform comprised new attitudes towards individual possession, as well as other previous limits, new opportunities for the improvement of production and merchandising, etc. in it. Today, the effect of the results of this reform in the ongoing development of the Chinese economic indicators is undeniable.

When it comes to the second and third subheadings, these parts relate to each other because the situation in the foreign policy affected the changes in the internal policy system. During the recent years of the nineteenth century, China wasn't in a friendly and positive position with the overseas powers. Great battles and dangerous conflicts between China and particular foreign countries complicated the situation in China because the end of these fights resulted in different kinds of signed treaties. The conditions of these contracts were not beneficial for China, and even, most of these signed compacts humiliated not only the Chinese government but also Chinese people. As a result of the insulting contracts, Chinese citizens began to feel the demand for changing in the administration regime because they understood that this circumstance was the possible threat for the survival of the general country. They should save their cultures and values of the nation; that is why they needed a new ideology to preserve their identity coming from ancient ancestors. In that case, the appearance of the communist party and its victory over other ideologies changed the inner political system after the long-term existence of the imperial order. Overall, the specific characteristic of the Chinese communist regime, the balancing management of current society and the promotion of economic policy with capitalist values at present are analyzed through this chapter. It should be noted that despite the contradictious historical background with foreign countries, today, China is engaged in making various collaborations and

economic partnerships with most of the world countries to achieve its primary goal on being hegemonic power.

The third chapter is devoted to the present situation in the hegemonic world system and the position of China in this order. This chapter is made up of two primary subheads: the relation between China and the United States of America and the relationship between China and Russia. As seen from the titles, the ties between China and America are investigated in the first part. Generally, one of the fundamental features of this relationship is unsteadiness. There are two main motives for this unsteadiness: firstly, both countries intend to improve their cooperation and increase the amounts of these partnerships in different fields. Each side is aware of the potential capacity of the competitor, and it is known that America and China can gain great achievements together if they promote the collaborations in many areas such as the economy, social, solving the global environmental issues and others. Naturally, it is a fact that every year, the far-reaching companies from America provide capital for the various spheres, specifically in the economy section, and this tendency is developing year by year. Moreover, low-priced products purchasing from China have an indisputable advantage for low-income people to fend for themselves. From another aspect, there aren't fewer things that China should learn from the United States; that is why cooperation over the various areas with America is highly essential for China. Coming to the second motive, despite the facts emphasized in the first point, the United States isn't satisfied with the advancing development of China because it doesn't take into account to share the global hegemonic power status with any rivals. On the other hand, China also doesn't intend to allow more spread of the United States impact over the Asian region because dominance on Asia is one of the necessary steps for being the hegemonic power due to its advantageous geopolitical position, economic benefits, the size of the area, etc.

At the given moment, this inconstancy in the relations between China and the United States shows itself in most cases. As inspiring from this reality, it should be noted that growing tension will cause undesirable results for not only each other but also world countries' order if intimidations and sanctions betwixt two sides don't stop in the short term.

The following subpart clarifies the connection between China and Russia. On the contrary to unsteady relations with America, the relationship with Russia is more stable. Specifically, China is awake to the situation that the ability to leave the United States behind demands high levelled power and to fill some gaps in this sector. For that reason, it needs to

maintain a partnership with Russia for having powerful support which can be equivalent to America and fix its weakness in some areas, mainly in the equipment of armed forces' facilities. Of course, Russia has particular ambitions to be the global hegemonic power, and it doesn't plan to withdraw in the probability of any conflicts. Therefore, China promotes its profits and aspirations without injuring the ego of Russia not to create another source of threat in the same region.

The fourth chapter concentrates on the existence of China's power in the countries of the South Caucasus. This chapter also consists of two subparts. Through the first subheading, the collaboration between China and the South Caucasus countries based on the political and economic relations is inspected. In this part, China's relationship with each country in this region is analyzed individually. The points like the economic indicators between Azerbaijan, Georgia, Armenia and China, financial circle in their merchandising process, the significance of these countries for China, as well as the importance of China for these states, the private attitudes of governances with each other are the crucial investigated cases. The second subhead looks like the continuation of the first part because it is about the implementation of soft power as an additional tool by China over these three countries. The main aim in this section is to find out what the advantages of applying soft power are and what the results of this realizing policy are over the South Caucasus countries separately.

The final chapter is the conclusion and evaluation part in which all analyzes are concluded based on the particular data and examination. Some predictions and suggestions on the prospects of future processes are given this last part as well.

In a general way, all used sources are based on the historical and evolutionary improvement of China, its connection with hegemonic powers and the relationship between China and countries in the Caucasus region. These used sources help to observe the situation from different angles and look at the big picture. Certain books and academic writings, for instance: "The Effects of Economic Transition on Chinese Entrepreneurship" by Dr Terrence Sebora and Dr Weixing Li, "The Ownership Reform in China: what direction and how far?" by Sujian Guo, "Paradoxes of China's Economic Boom" by Martin King Whyte and other similar sources for the investigation of the economic situation in China; "Chinese Foreign Policy in Transition: Trends and Implications" by Baohui Zhang, "Thirsty Dragon, Hungry Eagle: Oil Security in Sino-US Relations" by Jeffrey Henderson and Brent Boekestein, "Calculus on Missile Defence and Hypersonic Glide" by Lora Saalman, etc. for the

examination of China's foreign policy and its relationship with America and Russia; "Political Dynamics and Bureaucratic Career Patterns in the People's Republic of China, 1949-1994" by Xueguang Zhou, "China's Changing Political Landscape: Prospects for Democracy" by Cheng Li, "Chinese Politics and Government: Power, Ideology and Organization" by Sujian Guo and other sources for the research of the inner political system in China; "The Caucasus 3 plus the Baltic 3 and Economic Cooperation with China" by Vakhtang Charaia, Archil Chochia and Mariam Lashkhi, "Use of Soft Power in Tandem with Economic Expansion: Examining the Case of Chinese Soft Power in South Caucasus" by Dr Vasif Huseynov and comparable books and articles for the exploration of the case related to the South Caucasus region are the primary utilized sources.

Commonly, all resources are beneficial to make an investigation and get significant information. However, the main problem connects with the lack of enough research about the current relationship between China and the countries in the South Caucasus and most of them focus on the economic aspect of this connection. Despite fewer amounts of study about the ties between China and the South Caucasus countries, its advantages and disadvantages for each side and probable fate of this correlation, it hasn't lost its importance and actuality yet. For that reason, in this thesis, it is tried to embrace various spheres of the connection which is not popular among the preferred topics in the academic field of Azerbaijan. Consequently, there is a hope that this research will be beneficial to contribute to the academic sources of not only Azerbaijan but also other world countries about this theme.

CHAPTER I

RESEARCH METHODOLOGY

In this chapter, the used research methodology is described in a general way. To clarify the main issue, the main aims of the research are also explained throughout this chapter. Additionally, the fundamental research questions, the techniques of information collection, the applied methodology with its samples and the boundaries of the thesis are the crucial points that have been shown in this chapter.

1.1. The Purposes of Research

The fundamental aims of this research are to find out the potential capacity of China to be the global hegemonic power, its current impact over the South Caucasus region, progressing relationship between three countries in this region and China and giving some predictions on the future situation in the framework of mentioned goals based on the running processes. To achieve this goal, the evolutionary history of the Chinese economy, inner political system and foreign policy has been examined throughout the specific parts of research. In addition to this examination, the relations between China and the possible candidates to get the global hegemonic power status has been analyzed to measure the probability of China for being a dominant actor in the international system. The United States and Russia are the best patterns to make the comparison in that case. To reveal the attitude towards the states in the South Caucasus by China, growing economic ties every year and its soft power strategy on this region have been investigated as well.

1.2. Research Questions

Identified questions during research to clarify the whole theme are like the following:

- What was the situation in the Chinese economy, internal policy and the foreign policy system during the twentieth century?

- What kind of changes happened during those years, and what was the role of these changes in the power of modern China?

- What is the current capacity of China to be the hegemonic global power?

- How is the relationship between China and two potential countries, such as the United States and Russia in this worldwide competition?

- What kind of benefits can China obtain from these cooperations with America and Russia, and what are the disadvantageous sides of these relations for China in this case?

- What can be predicted in medium-term if China keeps going to show the present attitude towards the United States and Russia?

- What are the necessary suggestions to obtain considerable successes in the rivalry on global hegemonic power without damaging the peaceful condition?

- How is the relationship between China and the countries in the South Caucasus?

- Why does China do its best to make different economic collaborations and various projects to motivate these associations with Azerbaijan, Armenia and Georgia?

- In addition to the selling commodities by these countries, how can Azerbaijan, Armenia and Georgia find their particular positions in the Chinese bazaar?

- How does China use its soft power policy over the states in the South Caucasus and why this strategy is essential for China?

- Why is it incredibly significant for China to generate distinct cooperations not only in the South Caucasus region but also in Asian territory?

- What are the future expectations of the partnership in different fields between China and the South Caucasus countries?

1.3. The Ways of Data Collection

Various types of information sources have been used throughout the research. Notably, books and statements written by different scientists and obtained academic articles via scholarly internet web-sites have been utilized mostly while making the investigation. Statistics from the official reports, analysis by multiple economists and politicians, etc. are among the significant knowledge resources as well.

1.4. The Methodology, Examples and Limits of Research

Generally, the qualitative research method is the principal research methodology through the thesis. The case study method, which is one type of the various qualitative methods, is taken account as the major way of qualitative research methodology because it bases on the observation, analysis of specific processes and prognosis on the future condition. For making explicit to specific economic situations, appropriate statistics, facts and figures from official sources have been used in that case as well.

The principal limit of research embraces the relationship of China with the world hegemonic powers. The amount of these powers has been restricted with Russia and the United States. Including of particular potential hegemonic countries such as South Korea, Japan, India, significant countries in the European area and others can cause to exceed the standard volume of master thesis, as well as the extension of the topic in this way evokes the deviation from the central issue.

CHAPTER II

THE HISTORY OF CHINA FROM THE BEGINNINGS OF THE TWENTIETH CENTURY

As seen from the name of this section, the Chinese history in the different spheres over much more than a hundred year is investigated through this part. Primarily, its historical evolution on the economy, foreign affairs and inner policy system since the first years of the twentieth century are analyzed for the whole of this chapter to understand the current status of China for being the hegemonic power.

2.1. Evolution of Changes in Economic Power

As a result of the last 40 years, it can be claimed that there is a noticeable difference in the economic power of China. Specifically, since the economic transformation in 1979, there is a considerable increase in GDP (gross domestic product), and it helped to reduce the level of poverty.[1] Transformation into becoming a global power in the economic field is also one of the results of economic reform. [2]

The effects of this improvement can be observed in the frame of the relationship between China and the United States.[3]Today, the economic role of China in the global system is the crucial point for the United States because of its importance as one of the largest import and export centres. Specifically, the low cost of labour creates a suitable condition for rivalry in the international arena, and it provides receivers with low-cost products. [4]

On the other hand, it should be stated that there is anxiety by the United States for the growing expanse of China economic power because the level of low-cost labour restrains

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[1] Ravallion, Martin and Shaohua Chen: *"China's (Uneven) Progress against Poverty"*Journal of Development Economics82(1), pp. 1–42. 2007.

[2] World Bank:*"China Overview"*, 28th of March, 2017.

[3] Congressional Research Service: *"China's Economic Rise: History, Trends, Challenges, and Implications for the United States"*, 25th of June, 2019.

[4]Bosworth B., Collins S. M.: *"Accounting for Growth: Comparing China and India"*, the Journal of Economic Perspectives, 22(1), pp. 45-65. 2008.

the capability of the competition despite the fact mentioned above. Furthermore, it stimulates to limit the chance of the companies in the United States to put up for the sale of their goods within China.

Nevertheless, the Chinese government considers economic power as the primary tool to preserve social steadiness. For that reason, the administration in China doesn't intend to change its economic policy for the current time. Different kinds of international projects are involved in this global policy to extend its influence, for instance, China's Belt and Road Initiative (Africa, Asia, Europe and other specific regions are also included within the project).

The economic reform which has been the critical point in the transformation process of the Chinese financial system divides the Chinese economic history into two main periods. Till this change, the industrial production was managed by the government, and this kind of administrative system determined each nuance of the economy such as costs, utilizing of wealth, import or export issues, etc. All individual possessions were socialized within the vast communities in the course of 1950s. To increase the level of industrialization, centric administration took on the enormous amount of capital between the 1960s and 1970s.[5]Overall, much more than half of the general products were procreated by centrally supervised government and all these processes were examined inappropriate for the principally structured gross domestic product. Own ventures and companies established by external investors were forbidden. The main aim of the administration system was to achieve the self-contained economic in China.[6] For that reason, the products which were not unavailable in China were restricted to get into the borders or be sold within the country. This approach resulted in the appearance of gaps in the country economy. As mentioned above, during this time, the conventional economic system was conducted by the central power, and there was not any specific merchandise policy to determine the potential sources. For that reason, companies, the individuals at these companies and agriculturists couldn't be motivated and concentrate on the quality of goods that they manufactured.

[5] Lin, Justin Yifu: *"Demystifying the Chinese Economy"*,New York: Cambridge University Press, 2012.

[6] Peng, M. W. & Heath, P. S.: *"The growth of the firm in planned economics in transition: Institutions, organizations, and strategic choice"*, The Academy of Management Executive, 14(1), pp. 113-151, 1996.

Despite this fact, for the indicators by the officials in China, the gross domestic product rose to 6.7%, which was the yearly percentage during the specific period between 1953 and 1978. Nevertheless, this pointer has been examining by some researchers who investigate this term, and they claim the Chinese executives have overstated that proportion of manufacture at that time for the different point of view in political motive. Moreover, it can be put in a claim that there was a considerable decline in the economy in the course of the directory by President Mao Zedong. The enormous starvation which caused the demise of approximately 50 million people between 1958 and 1962 and the cultural rebellion that resulted in the great confusion and destruction in the political and economic field should be noted as well. [7]

This process could be observed until the death of Mao Zedong in 1976. Then, the authorities in China decided to change the political approach in the economic field, which was inspired by the Soviet methodology. Starting in 1978, the new attitude toward change became the main priority in the industrial field. This method of approach was embracing the creation of free areas for commercial dealings, evident merchandising, apparent trade relationship with other countries, and contribution with specifically Western countries.[8]Deng Xiaoping, who was the designer of this reconstruction and chairman in China underlined: "Black cat, white cat, what does it matter what colour the cat is as long as it catches mice?"[9]

Chinese administration started many economic amendments after 1978. The central authorities set in motion the new expense and inducement on proprietary rights for agriculturists. This encouragement helped them to put up for sale their specified amount of products on the free and open marketing condition. Moreover, authorities inaugurated four specific commercial areas throughout the shore because their main goal was to allure the external powers to provide capital for the economy, to increase the quantity of sending goods to another country for sale and bringing the highly qualified technology goods or services

[7]Wayne M. Morrison: *"China's Economic Rise: History, Trends, Challenges, and Implications for the United States"*, 17th of December, 2013.

[8] Susan Shirk: *"The Political Logic of Economic Reform in China"*, the University of California Press, 1993.

[9] Congressional Research Service: *"China's Economic Rise: History, Trends, Challenges, and Implications for the United States"*, p. 4, 25th of June, 2019.

into China from abroad for sale.[10] Specifically, it was aimed to transfer authority on the economy, mainly commerce policy, from central to local government. Regional and territorial institutions implemented the supervision of different companies on the economic field, and this kind of government permitted to create free competition on the market area for the business actors in contrast to a centrally controlled economy.[11]It also gave a chance to inhabitants to establish their business. Furthermore, the regions which were located on the shore was taken into account like free and open zones for merchandising to magnetize the awareness of various external powers.[12]Subsequently, the surveillance by the central government on the massive amount of output was removed progressively.

Consequently, it can be claimed that liberalist approach on the economy such as free-market condition, open connection between trade actors, elimination of trade obstacles and others has been the crucial point for the economic prosperity in China today. At the beginning of this transformation, the execution of various forms of reforms could be observed in the economic policy. After that implementation, it could be determined which format of these reforms generated favourable results for industrial production and which one didn't. Although it couldn't be completed in the short term, the benefits of this process on economic power can be perceived in China for the recent decade.[13]

Coming to the importance of the reform, the economic potential of China has improved considerably after improvement, and there is a considerable difference between two main periods, before 1979 and after this reform. Mainly, the absence of demolition in the economy throughout the mentioned period can be observed as well. Generally, it is a fact that since 1979 China has been increasing the capacity of its economy twofold in every eight years, for

[10] Qian Yingyi: *"The Institutional Foundations of China's Market Transition"*, in "Proceedings of the World Bank's Annual Conference on Development Economics" by Boris Pleskovic and Joseph Stiglitz, 1999.

[11] Yingyi Qian, Barry R. Weingast and Cao Yuanzheng: *"From Federalism, Chinese Style to Privatization, Chinese Style"*, pp. 103-131, 1999.

[12] http:/www-econ.stanford.edu/faculty/workp/swp99011.html

[13] Wu Jinglian, Dangdai Zhongguo, Jingji Gaige: *"The Contemporary Chinese Economic Reform: Strategy and Implementation"*, China: Shanghai Far East Publishing House, 1999.

that reason, the yearly gross domestic product from that reform period till today achieved nearly 9.5%.[14]

As it is known from the economic process during the 2000s, the worldwide economic retardation started in 2008, and there was a noticeable influence of this retardation on the Chinese economy. At the beginning of the next year, it was publicized that much more than eighteen millions of nomadic people who had left their motherland to find the work abroad came back to their country as the result of fiscal decline. After that, the actual gross domestic product began to plunge by 6.8%. The Chinese administration decided to invest much more than 500 billion dollars on the economy to motivate the infrastructural system in economy and develop loaning in the banking system. It allowed increasing requirements for Chinese goods all over the world during this global crisis due to the effect of a tremendous amount of investment, as well as cheap labour. Within two years which embrace the period since that time till 2010, the gross domestic product in China reached 10.6%. Despite this fact, the indicator of general gross domestic product decreased in the following six years and stabled at 6.7% at the end of 2016.[15] Ongoing process finalized its decrease in 2018, which showed the least percentage, 6.6%, within the last decades. Most of the researchers and organizations engaging in economic processes claim that if two leading powers, China and the United States, go on to fight each other for winning in the rivalry, the actual gross domestic product indicator in China will go down year by year.

[14] North Douglass: *"Structure and Change in Economic History"*, 1981.

[15] Woo T.: *"The structural nature of internal and external imbalances in China"*, Journal of Chinese Economic and Business Studies 4(1), pp. 1–20, 2006.

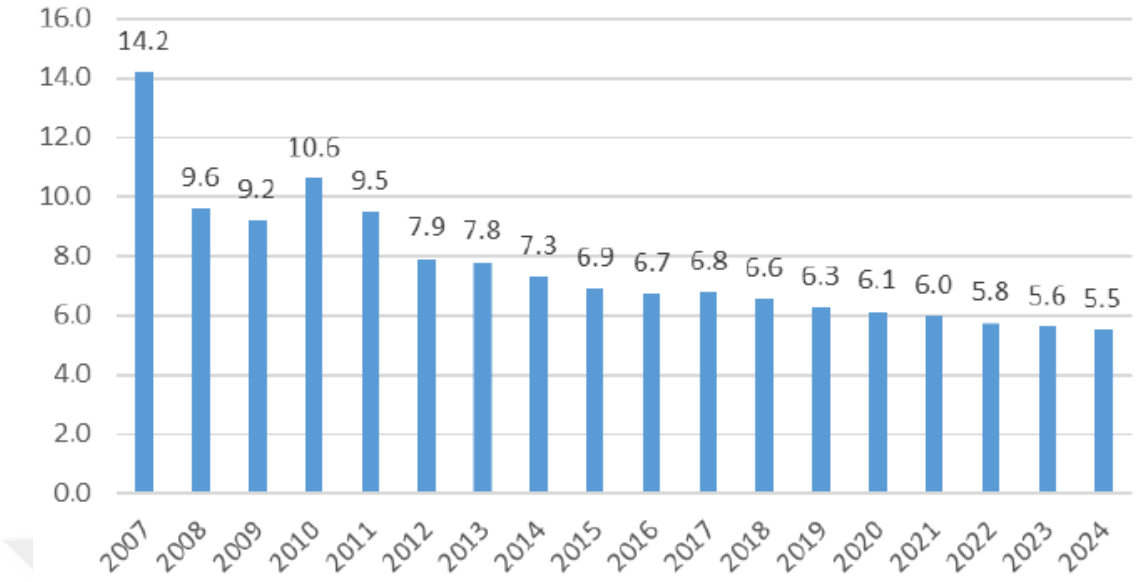


Figure 2.1. The evolution of the Gross Domestic Product percentage in China for each year during 18 years from 2007 until 202416

The statistic above shows the yearly gross domestic product in China from 2007 until today. The next five years' indicators are based on the predictions by the different economic researchers and officials of various international organizations. [17]

Most researchers try to find the final reasons for this economic rise. On the other hand, it can be claimed that this growth is mainly based on two critical points throughout the process. The vast amount of financial investment provided by the help of local preservation and contribution of overseas countries[18] and rapid fruitfulness increase played the leading role during the improvement. The sequence of the economic reform, growth of production and financial investment stimulated to enhance both the gross domestic product and supplies for capital.

[16] International Monetary Fund: *"World Economic Outlook Database"*, 2019.

[17]Again in *"China's Economic Rise: History, Trends, Challenges, and Implications for the United States"* by Congressional Research Service, 2019.

[18] A. Maddison: *"Chinese Economic Performance in the Long Run"*, Second Edition, Revised and Updated: 960–2030 AD, OECD Development Centre, Paris, 2007.

Additionally, it should be noted that China has had the highest rate of the reduction in money or any resources during history. Most of the preservation in China belonged to the central administration. Still, in the times of reforms of 1979, the saving policy began to be implemented in the general life of the country, regarding domestic life and governance. This reconstruction procedure after 1978 caused the replacing of manufacture from the central administration. For that reason, all these factors motivated the economy in China to get the highest indicators in the preservation of the gross domestic product and be the candidate for the worldwide creditor in future. [19]

Furthermore, the rising index in goods production should be mentioned for its effect on economic improvement. Specifically, the growth in the controlled areas such as merchandising, agriculture and others gave a stimulus for the development of general economy because after avoiding from the economy being controlled by the centre these spheres mentioned above, even other individuals who were a businessman or engaged in entrepreneurship gained a chance to create free-market economy condition and emulate their output.[20]

As a result of risen economy standards, China's attitude towards technology began to rejoin with other highly-advanced countries because acceptance of technic facilities from abroad was also one part of reform in China. Despite this fact, there was a slight falling in the gross domestic production level in the comparison of previous years' indicators. Moreover, China became the inspiration source for some other Asian and Latin American countries. These kinds of states started to apply the homologous course of action in the economic reform that is why the fast improvement of production level, advancing the specific sections in manufacturing and other similar characteristics was observed in their economy as well. On the other hand, it should be stated be that the results of the execution of economic reform were not the same in all countries that realized a similar policy in China. Some countries were the victim of the similar economy policy because the recession of the economic condition was monitored throughout this economic reform in their own country

[19] J. Y. Lin: *"Rural reforms and agricultural growth in China"*, American Economic Review, vol. 82, pp. 34–51, 1992.

[20] Dr Terrence Sebora and Dr Weixing Li: *"The Effects of Economic Transition on Chinese Entrepreneurship"*, Journal of Asia Entrepreneurship and Sustainability, Volume II, Issue 3, 2006.

and the slow speed of the production level was also one of the characteristics. In another case, due to some researchers, it can be claimed that the economic reform was unsuccessful in some countries mentioned above, and it is a fact that they could transform their financial condition to the much higher and made the salary reach the average level. Still, these regions couldn't make the profit achieve the highest standard. They couldn't save the balance for stable production, and it was the main reason for being ineffective to negotiate the high-level salary in the economy. Even, China has also been the witness of the same situation itself and the level of income was not high during the 1990s despite the significant economic success.[21]Till today, the government implements some policies to remove this issue; that is why the social income is increasing day by day as well.[22]Due to some statistics, Chinese administration can catch up with the desirable high level of revenue only until 2025 if any limitations aren't implemented on the overseas companies, trade, etc.

In addition to this attitude, the Chinese government wants to obtain this result with the execution of a policy called "smart economy" because this policy is mainly based on more stabilized economic development. In addition to this fact, the usage of highly improved technology is the crucial factor in decreasing the pollution volume and realization of "green energy" in industrial areas within the country.[23]

There are different kinds of researcher groups that try to quantify the economic development of China because most of them are interested in prediction on the economic power of China will overhaul the potential of the United States or not. On the other hand, the current capacity of Chinese economic power has been a popular topic for discussions among industrial investigators. International Monetary Fund puts in forward that formally, the Chinese gross domestic product indicators in the United States monetary system was nearly fourteen trillion dollars two years ago and it was much more than the half of economic index in the United States. Additionally, it should be noted that the introduction of the Chinese economic power in American monetary system can make some problems to realize

[21]http://www.ggdc.net/maddison/Historical_Statistics/horizontal-file_02-2010.xls

[22]The Growth Report by World Bank: Strategies for Sustained Growth and Inclusive Development, Washington, DC.

[23]D. H. Perkins and T. G. Rawski: *"Forecasting China's economic growth to 2025"* in China's Great Economic Transformation, Cambridge University Press, Cambridge, United Kingdom,2008.

the real volume of the financial index in China because the cost of products is different in both countries. For instance, the fee for any products or services in Japan is much higher than the United States and China, and it is unavailable to buy too many things for the interchange of 1 dollar in Japan as well. Otherwise, this pointer is lower in China rather than Japan and America. For that reason, most of the research workers wanted to find out another measurement method for describing the real buying goods potential. As a result of this process "the purchasing power parity (PPP)" was chosen to eliminate the difference in converting process from the Chinese monetary system to dollar. It is generally based on the gross domestic product in a regarding country. After the appearance of PPP, it was clarified that the enormous economic development belonged to China in the world during 2014. International Monetary Fund forecasts that the economic indicators in China will show much more 50% than current situation till 2025.

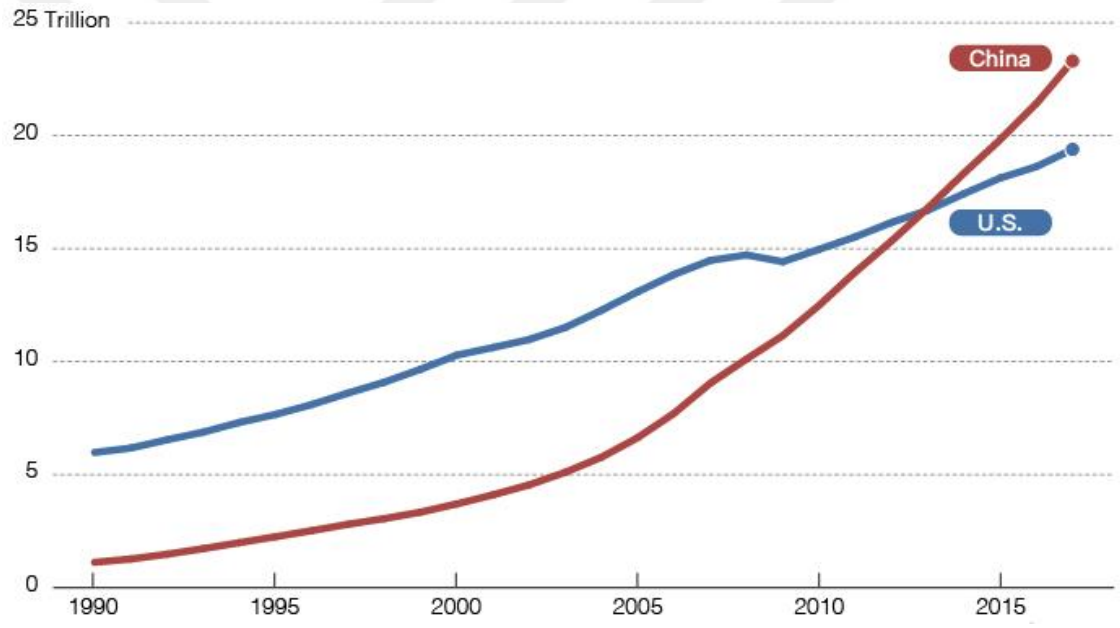


Figure 2.2. The Gross Domestic Production at Purchasing Power Parity in China and the United States after 1990[24]

Another main point about the Chinese economy is related to the modal salary of people in one month. The ordinary monthly salary of citizens is increasing year by year; however, the activity age of inhabitants is going to fall throughout different periods. It can be put in a

[24] Liu Peilin: *"Opinion: The Other U.S.-China Deficit"*, https://www.caixinglobal.com/2018-08-16/opinion-the-other-us-china-deficit101315746.html

claim that this case can cause for the growth in the monthly salary. At the beginning of the 1990s, the earnings were approximately 60 dollars in a month which were higher than in Vietnam, but lower than Mexico. Despite this fact, this indicator has now changed a lot because the monthly salary in China is higher both Mexico and Vietnam with around 1000 dollars in 30 days due to the statistics in 2018.

After the economic reform, the Chinese government began to stimulate direct investment from the overseas because it was the critical point to be part of globalization. The attraction of foreign investors to China created potential workplaces for unemployed citizens and suitable condition for production growth.[25] As the result of the economic policy by Chinese government, according to the statistics in 2018, China has been the 2nd country that accepted the most foreign investment after the United States with the international investment index based on approximately 140 billion dollars. Incidentally, it should be emphasized that the invested capital by overseas in China reached its top in 2016 and 2017with almost 200 billion, then it began to fluctuate in the following years as well.

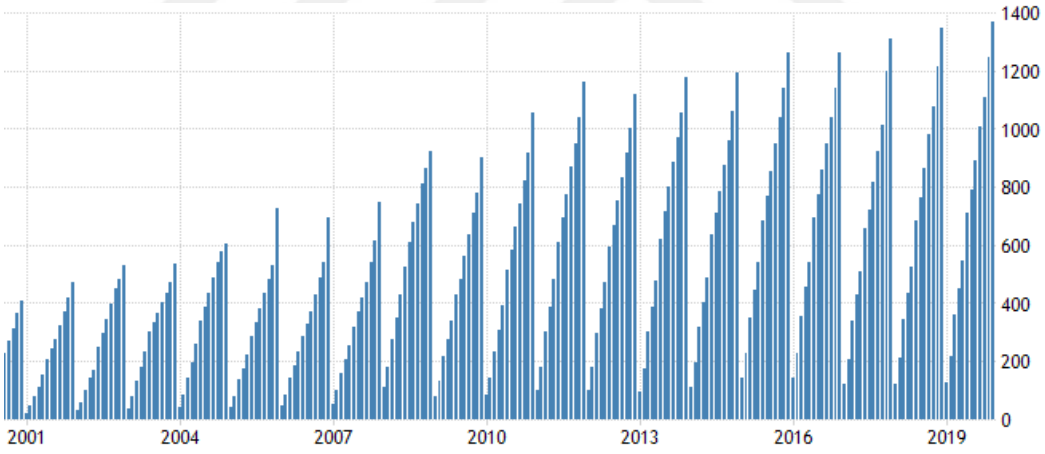


Figure 2.3. Foreign Direct Investment in China from 2001 to 2019[26]

Lastly, in addition to the economic reform, it should be noted that the trade relationship between China and its partners has a specific role in the growth of the economy because

[25] J.P. Halsall and I. G. Cook: *"Globalization Impacts on Chinese Politics and Urbanization"*, Scientific Research, Chinese Studies, Vol. 2, No. 2, 84-88, May 2013.

[26] https://tradingeconomics.com/china/foreign-direct-investment/China Foreign Direct Investment1997-2019 Data/2020-2022 Forecast/Chart

import and export in the beginning years of the economic reform were nearly 16 billion dollars and this index became 2.3 trillion dollars till 2019. Even, in 2013, China was the most magnificent commercial companion for much more than 125 countries, and since 1979, the trading index of China has been improving for each year as well. On the other hand, it was a fact that there were some periods in which these indicators were declining as the result of a world crisis or some disasters happened in the region. For instance, the import and export percentage in 2015 and 2016 was lower in comparison with indicators during 2012 and 2014 (approximately 12% and 5% according to the years). Coming to the trade companions of China, in 2018, 7 tremendous partners were observed within the general trade process. The exact participants of these partners are based on the members which include EU (European Union), ASEAN (Association of South-East Asian Nations), Hong Kong, Japan, Taiwan, South Korea and finally the United States as well.

2.2. Evolution of Changes in Administration or Inner Political System

General history of the Chinese internal political regime and order can be observed in the background of following revolutions and wars during specific periods, especially in the 19th and 20th centuries. It can be claimed that the inner changes in political administration were related to the issues on foreign policy and wars with other foreign countries directly.

Initial challenges to stimulate for change in internal political regime started mainly in the 19th century. The opponent powers were mostly Western countries during that period. The first and second opium wars were the popular ones among the wars with Western countries. Correctly, in the first opium war which was started with forbidding of opium merchandising and combustion of opium, China warriors were overcome by the British Empire, and it caused to prostrate the Qing reign in China. The first war on drug ended in 1842 and lasted only two years. As a result of this war, China was induced to obey the unfair and abusive agreements like paying a tremendous amount of money to Britain side, giving significant advantages to Britain ships in the various harbours, etc. After 15 years, the first war on opium was followed by the second one which lasted three years and resulted in more

harms for China because the agreements in the second war were much more insulting and did more damage to the financial condition of China.[27]

On the other hand, the Western powers were not the primary opponents at the end of the nineteenth century. During the 1890s, China began the war with Japan in the East and suffered a defeat again. The results of battles with East and West didn't differ from each other a lot because in both cases, China signed various, but highly opprobrious contracts and it should pay a tremendous amount of contribution to the winners and give its specific territories to the authority of claimers. It can be argued that after the final the war with Japan happened between 1894 and 1895, the area of China was distributed among the authority of external powers like Russia, Japan, Germany, France, Britain, etc. Despite some changes in the twentieth century, the tenancy agreement of most regions continued until the end of the twentieth century as well. All these factors, like significant challenges and humiliations by overseas powers, motivated the creation of enthusiasm for nationalism ideology and a sense of detestation in Chinese people towards participants throughout the sharing process. Common injury and devastation coming from the past years created the suitable condition for the Chinese community who wanted to find out the proper settlement to overcome the problems and to recover the eroded hegemony of Chine over its territory. [28]

Mentioned components above help to realize the way of formation of a new ideological regime like communism in China and what the psychological background was in this case. Even some scholars made particular researches on the people psychology, which is the main item in the generation of the regime within the country. For instance, R. J. Lifton is one of these kinds of researchers and is also a psychiatrist and writer in America. He defends the same idea that one nation wants to produce the common perpetuity when they observe the disappearance of the legendary status of their country.

For this reason, the members of this society see the demolition of former civilization, refinement and improvement as the only way to reproduce the new sense of common perpetuity. In the demolition process, authoritarianism or another similar political regime

[27] Sujian Guo: *"Chinese Politics and Government: Power, Ideology and Organization"*, July 2012.

[28] Ronald Inglehart: "*Modernization and Post modernization: Cultural, Economic and Political Change in 43 Societies",* Princeton University Press, 1997.

comes for help to implement this idea. The practice of this assumption can be observed in the case of considerable improvement of communism which was also followed by totalism in China after the new historical period from the beginning of Opium wars to the end of the Second World War.

Notably, from the historical aspect, the internal tension in China increased with the establishment of the Chinese Communist Party in 1921 and reinforced nationalist movement form 1912. Until the end of the Second World War, there were some conflicts between two sides, but this tension ended up with overcoming of the nationalist group by the communist defenders in 1949. It was the civil war which started in 1946 and lasted for three years. After originating of communist administration, China initiated the sweeping fundamental changes in society to generate new polity, the latest community with modern civilization according to the principles of communist directorship. [29]

After such a psychological impairment, there were some intellectuals from the young generation who supported the revolutionary reforms to make China better with modern culture and society. Still, despite this endeavour, they were unsuccessful in achieving their primary aim.

On the other hand, the amount of these intellectuals was increasing during that period. Although their approaches, generally, differed from one another, there was one crucial point that centralized most of their minds together at the same level. These enlightened members of society began to accept that the past ideological concept of the Chinese community, which had been transmitted over generations didn't ensure the needed technique for making modern harmony of Chinese society. They understood that the nation should adopt both the technic facilities, scientific knowledge for practical purposes and opinions, thoughts for new institutional structures from the West. The intellectuals had been seeing the imperial order as the main reason for the general problem. The modification at the bureaucratic regime, like the different forms of democracy, had the potential to influence the origination of the modern point of view in Chinese society and civilization. Till the emergence of the Chinese communist party, there were attempts to change the imperial system like the reconstruction movement at the end of the nineteenth century or "rebellion in 1911". Even the last revolt in

[29]Vivienne Shue: "*Peasant China in Transition: The Dynamics of Development toward Socialism, 1949–1956"*,Berkeley: University of California Press, 1980.

1911 reached its goal with the generation of "Republic of China", and it made to over the latest line of hereditary rulers of China. Still, there was not any considerable effect on the moral qualities of Chinese people.

After that, the enlightened stratum in China was inspired from the rebellion in 1917 by Russia because they started to believe that the implemented reorganization throughout Bolshevik administration could make a dramatic change in the form of Chinese mental maturity. As a result of this inspiration, China witnessed the specific movement which declared the initiation of different kinds of thoughts and ideologies within China. Marxism-Leninism among these ideologies was incredibly powerful one supported by various groups of people from students to highly educated people. The movement in 1919 was the crucial point during the Chinese long-life history because it both interrogated itself and investigated the proper direction to originate the demanded modern Chinese civilization, the viability of the society, manner of inscription, fine art, teaching-learning system, the attitude of considering a matter, etc. All these factors including oppressive political, a historical conventional, bureaucratic culture based on Confucianism, the impact of the ideological wave of Marxism-Leninism, the influence of Bolshevik rebellion in 1917 and notably, abusive treatment by external powers caused the improvement of communism in contemporary China. They captivated its society in the orientation of ideology based on totalism which was believed to help in ruining previous communal approaches and rehabilitating original condition to reach the main aim. [30]

Subsequently, the establishment of the communist party was realized in 1921, and it attracted most of the highly literate people around one point of view. The supporters of the new movement were mainly encouraged by the processes actualized in Russia that is why they wanted to obtain the adherence of Russia to originate their forces and follow the proper direction. At the same time, there were two main groups, such as nationalists and communist party defenders that waited for the instruction from the Soviet Union aimed at resolving new challenges or problems. To make more accessible the connection among three sides, the Soviet Union, communist and nationalist parties in China, it was suggested for these parties to bring powers together and then, the Soviet authorities could give assistance to found the needed military force system. As a result of agreeing by both sides on the same issue, the

[30]Maurice Meisner: "*Marxism, Maoism, and Utopianism: Eight Essays",* Madison: University of Wisconsin Press, 1982.

armed forces academy of the country was formally originated in 1924. After teaching and learning period, collecting some uncoordinated forces in the different regions of China was started with the leadership of nationalist party because they wanted to control China by one administrative power which was guided by the nationalist party.

On the other hand, after 1926, the disunity between communist and nationalist parties was observed as well. Even, during that time, several communist defenders were taken into custody or eliminated by the officer in charge of armed forces academy, who was also the nationalist. For that reason, the rest of communist party defenders isolated themselves in the specific frontier region. In later times, this region began to be famous as the source of communist rebellion and the homeland of the communist army which declared the armed force movement to conquer the nationalist military after the Second World War.

The communist forces at that region began to improve themselves, and this group was directed by two main persons named Zhu De and Mao Zedong. During this period, the insurgent group both upgraded their ideology principles and generated their specific authorities looked like Soviet version administration in the same territory. When it was known to the central administration, the nationalist army commenced the blockade movement towards the communist party by the nationalist armed forces to remove them from all territory of China. Despite this soldier's operation, Mao Zedong and his supporters spread their ideas much more quickly, and the extent of their influence became much broader in a short period.

The region called Yanan was explicitly famous for its importance at that time because it was the main umbilicus from which all processes and activities were controlled. Even the rebellion itself was directed from this point much more than ten years, and people in China accepted Yanan as the shining example of transformed China. For that reason, not only local people but also the foreigners began to pay particular attention to Yanan. The media representatives from overseas countries, mainly the Western territories, had been sent to found a formal connection for practicable collaboration opposed to Japan.

On the other hand, today Yanan has identified the place in the history of Chinese communist rebellion because after the establishment of the People's Republic of China this area has been adopting as the starting point of the structured reshaping of individuals'

intellect in China. Till this time, there are significant both ideological and public effects of Yanan soul on institutions and society.

Additionally, this region had another advantage for leaders of communists and its supporters because the “thinking brain” of communists had a chance to prepare an excellent theoretical background before joining the struggle.

Before the Second World War, there was a threat by Japan towards the territory of China that is why the nationalist party had to generate new battle-field combined by nationalist and communist armies to start political and military operation in opposed to the Japanese occupation. During the military process, the actual leadership belonged to the communist party army. After this successful performance over encroachment movements, they gained both monetary and spiritual aid from local people; for that reason, their influence circle spread among different kinds of citizens from villagers to highly literate people. Using this advantage, it created a useful condition to defeat the nationalist army in the second civil war in 1949. It was the critical point to announce the communism as the legal ideology of the whole country.As an aside, during this civil war, it could be claimed that the communist group in China got the advocacy from the Soviet Union. In verses of the communist party, the Western powers were the primary encouragement source for the current government, nationalist party.

When the communist party gained the authority over the nationalist party in power, they began to validate the present constitutional and agricultural strategy, and it was accepted as the leading way to generate “new version of the human being”. To attain the whole goals, they applied the totalism ideologically and started it from the popularization of communism and education system. Then, the same strategy was implemented on all sections from the social life of people to the political administration. Putting the supervision over the citizens, persecution of the individuals who contributed to the interests of other ideologies, the exclusive possession rights over the primary means of public communication and other policies were the main tactics of the communist regime in China.

Moreover, the individualistic attitude or habit of being independent was considered as the main barrier to originate the socialist human and in general, socialism. For that reason, the active supporters of communism in China demanded the abstinence and to give priority to the group over each individual in it for the establishment of desired state pattern.

Additionally, profits of government, collective and communist party are taken into consideration as the most important thing, and a single human being should make obey to the much more superior benefit of government, collective and communist party in each case. The cumulative embrace advantage of all people and every single human being in society is the specific part of the community that is why the obeisance by personality is substantial. Subsequently, the government and party are the typical samples of the entire version of all benefits which belong to the collective and each figure. These indicators of communism are promoted in different spheres of social life like nursery schools or middle schools, universities, offices or factories, the primary means of mass communication, etc.

On the other hand, there is a specific characteristic of the communist system in China that differ it from others. It should be noted that the typical Chinese society is conservative, and there is considerable respect by current society towards the historical convention of their ancestors. For that reason, the blood relationship or affiliation has a significant role in the whole culture of the country. However, the family as the notion began to be under threat after the creation of the People's Republic of China because the collectivity over all citizens in public weakened the superiority of small collective unions like family. On the other hand, the reality is that to supervise the running of the entire community is much more uncomplicated rather than to manage the particular small organisms in the communal life like family.

Another method to institute the demanded state in socialism was the creation of some specific organizations or establishments. These kinds of offices gathered the citizens under the typical class notion. For the principles of communism, no one could be in a higher position than other classes in this kind of community. Otherwise, operations like persecution or brute force were taken into consideration to put into action on the people who broke the law. It is worth noting that this condition brought great respect for toiling class and for that reason in most cases the rebellion before the founding of communist regime is being called as the revolution of people in the toiling class. Even, the citizens who were the proprietor of any possession or personal corporation, wealthy villagers, opposed insurgents and other these kinds of people were announced like the foes of the society, and their names were placed in the blacklist of government because these types of persons were the primary targets administrative powers to eliminate at the shortest time.

It was not essential to be the proprietor or well-off person to be included in the blacklist by authorities. If anyone didn't promote the interests of the prevailing party, didn't attend at the specific activities which supported the tactic of the government or avoided from the collectivism, it meant that he or she was in the opposed position to the party in power and was interested in only his or her benefits and personal independence. For putting an end to the activity of "dangerous" persons was one of the primary purposes of government because they were considered as a threat to the creation and development of socialism.[31]

It should be noted that the policy by the communist party in China mentioned above is not the same version of the new system like in the Soviet Union or described inMarxism, and this strategy was implemented by the current government to originate their own needed personal communism.

Today, it is a fact that the political regime is still the same, but there have been some considerable changes since the times mentioned above. Specifically, the period after the internal reform created the different condition for ideology and policy to develop in another way within the country and it is available to predict what the future internal system will be in China as well.

There is a secure connection between current Chinese society and its ancestors due to their respect for tradition related to their past generation, and it doesn't matter how many years have passed or how much they have improved since that time because people in the Chinese society are just conservative. Subsequently, it should be claimed that there is habituation on the communist ideology by the individuals, and it isn't easy to destroy the whole system in a moment.[32]

As emphasized in the first subpart, the reconstruction activities in the economic field were one of the crucial points in Chinese history. Even, Deng Xiaoping who was the chief designer of this reconstruction broke this stereotype based on the conservatism and laid claim to the Chinese society that people had to set free their brains or thoughts from legal, social

[31] Xueguang Zhou: "*Political Dynamics and Bureaucratic Career Patterns in the People's Republic of China, 1949-1994"*, Comparative Political Studies, November 2001.

[32] Kevin J. O'Brien: *"Legislative Development and Chinese Political Change"*, Studies in Comparative Communism, Vol. xxii, No. 1, pp. 57-75, Spring 1989.

and political restrictions. Otherwise, if the individuals took considerations on the old-fashioned opinions, dogmas and beliefs, there would be not any meaning to implement these kinds of reorganization movements. Due to his approach, the persons who wanted to achieve some goals for the improvement of China should put forward the innovative suggestions and action points that were appropriate with the communal enthusiasm and be the leaders throughout the implementation duration. This point of view on the modification of mental faculties helped to realize the reform and development of the achieved results in China. This success was the result of the triumph of innovative opinions over the extended-standing glimpses. This modern convictions beginning from the economic reform had the significant influence on both political and social spheres in China because this attitude embraced the notions that were placing the role of the human in the middle part of the different social spheres. For that reason, it can be claimed that this transformation made the various fields from the political branch to communal area develop differently. On a side note, it can be observed from the recent history, at least the last twenty years that the transformation contains main elements of democratic perspective as well.[33]

The political regime was strengthened after the official foundation of PRC and the control by the government over people increased according to this development. Subsequently, this strategy caused the breakage of the confidence among citizens because the confrontation among classes and its influence over the individuals' psychology gave rise to the radical expression of disapproval towards the persons who displayed the compassion for the citizens that were supposed as the opponents of the society or the main class. To eliminate this insecurity within the communal, unspecified number of enlightened personalities suggested placing the personages into middle point of development and general-purpose humanity after putting the economic reconstruction into practice at the end of the 1970s. Although it became insolvent when it was applied for the first time, the movement supported the same tactic was purposed again after 1995. At that time, it succeeded the expected result, and for the latest updates, the ideology of the party in power began to include the same idea in its policy. The improvement of every individual has been

[33] Cheng Li: *"China's Changing Political Landscape: Prospects for Democracy"*, Washington, D.C.: Brookings Institution Press, 2008.

started to be evaluated as the priority for the progress of humanity by modern authority figures since 2005.[34]

As noted before, oppression, hostility and ill-treatment were the practised methods to decontaminate the persons who were assumed like the problematic source for their political point of view or other reasons in society. According to the same movement, this method was also criticized by the enlightened and cultured individuals after the implementation of economic reform at the end of the 1970s. They started to defend civil liberties and tried to improve this case in the background of Marxist's standpoint. Still, it was just reviewed like the representing of property owners' interests by the government. Despite this fact, they kept going on to take care of civil rights and inspired some critical points from Western culture to work on it for their society as well. The communist party commenced with opening some discussions about the emphasized topic at the end of the twentieth century. Finally, in the first period of the twenty-first century, the preservation of civil rights and justice was officially included in the fundamental principles of government. [35]

Another change in the inner political system is related to the priority of lawfulness. The governance culture in China hasn't possessed any tradition based on legality. Otherwise, the importance of legitimacy is undeniable through administration because it allows keeping control over the inhabitants by the government. On the other hand, lawfulness is the main instrument to manage the administrative system itself for that reason from the last decade of the twentieth century; the literate people demanded the implementation of the lawfulness. Even its base had been founded since 1985 because, at those times, some authority figures in the communist party claimed that no one in government and society had to use his or her authority to reject the law. Subsequently, this demand started to come in sight in the formal legal papers and was declared like one of the main targets of Chinese administration. During this process, it can be argued that the assembly by the communist party in 1997 was the significant experience throughout the Chinese history because, at the end of this assembly, it was instructed founding the country based on the principles of socialism with the help of legality. This aim was legalized within the foundation of the current government to achieve

[34]Michael F. Martin, Kerry Dumbaugh: *"Understanding China's Political System"*, Congressional Research Service, 31st of December, 2009.

[35] John W. Lewis and Litai Xue: *"Social Change and Political Reform in China: Meeting the Challenge of Success"*, Cambridge University Press, 2004.

the desired country as soon as possible. In addition to this occasion, later, it was proposed that origination of the state derived from the socialism concept under lawfulness basis should be replaced with the institution of the general administration accompanied by the legality as well.

One improvement on the rights of the citizens is based on the possession case. It is a fact that the character of the political regime in China is in the opposing side of personal possession because liberalists mainly support the rights of ownership through history. Subsequently, at the first times, it was rejected by the party in power when some literate individuals initiated to postulate the reason of their possessions. After the same period, there was a specific need for the allowance of the personal property because that kind of economic reconstruction should be followed by the free market economy and especially, property. Despite the unfavourable attitude toward this case, from the beginning of the 1990s, the government commenced changing the point of view to permit the existence of the private property.[36] Even, the enlightened people claimed that the private possession should be improved to improve the general economy that is why the rights on the personal property should be balanced with the sphere which was control under the government.[37]The ongoing discussion finally resulted in 2007. At that time, this case was legally included in the constitution of the country, and for this correction, the rights of ownership by any individuals and government could be broken or failed by no one. Otherwise, this offence is repaid in the case of implementation of punishment directed by the constitution law.

Most of the changes after the reform period were based on political and economic issues. On the other hand, the highly educated people could understand that for the transformation of the state from the core, the individuals in society and the society itself should work on their characteristic, thoughts and attitudes towards the problem. Establishment of a socialist country with a modern basis demanded some changes in the political point of view of the socialist community. Discussion on the political culture began to be practised from the beginning of the twenty-first century, and this factor stimulated the

[36] Bruce Gilley: *"Comparing and Rethinking Political Change in China and Taiwan"*.

[37] Sujian Guo: *"The Ownership Reform in China: what direction and how far?"*, Journal of Contemporary China, 12(36), pp. 553–573,August 2003.

implementation of legality in the governance and social life and the appearance of some elements of democracy as well.[38]

Without avoiding from the mentioned subject, it should be written down that society as the group of civics which has the specific relationship among them for their combined interests and collegial motion is one of the principal components for the improvement of the country. Specifically, some corporations, organizations, unities or alliances established and controlled by the citizens are the central warnings coming from the open economic condition because both of them are the motivators for the democratic management in society.[39] Before the reconstruction policy in the economy of China, these kinds of requisitions for the creation of civil society were evaluated as the support given to the bourgeois stratum and others who were the private possession owners. However, as the result of the improvement after the economy reform, these types of unions began to be more persuaded by the social individuals in the community and even the administration system. Finally, the social position of the civil unions was officially recognized by the government at the end of the 1990s. [40]

As seen above, all these changes which stimulated ongoing on the development of China at the current time happened after the economic reconstruction at the end of the 1970s. As the result of this refinement, China could create its governance, economic and social system under the specific socialist regime which belonged to only China with the most characteristic feature of its economy, mainly political administration based on the socialist function and principally both traditional and modern characteristically society.

2.3. Evolution of Changes in Foreign Policy

The relationship between China and other world countries differed from one another from ancient times because it mainly depends on the periods and history of the political

[38] He Li: *"Technocrats and Democratic Transition: the Cases of China and Mexico"*, Journal of International and Area Studies, Volume 8, Number 2, pp. 67-86,2001.

[39] Min Tang: *"The Political Behavior of the Chinese Middle Class"*, Journal of Chinese Political Science, December 2011.

[40] Chenggang Xu: *"The Fundamental Institutions of China's Reforms and Development"*, Journal of Economic Literature, May 2010.

regimes within the state. For that reason, there is a considerable difference in the foreign policy of China before and after communism.

In the same way that analyzed through the second subpart of the thesis, the connection between China and some world powers was not satisfied from the 1880s until the establishment of the communist party. The inherent political problems, the contradictions among the different groups in society, military actions towards the overseas powers and the improving coercion by the significant foreign opponents caused the valid administrator at that time to become insolvent. It was not accessible to adjust the relations with outside in a short time because the various regions of China were under the impact of the significant world hegemonic powers and until the emergence of divided authorities by these powers within the country the Chinese government had been forced to make agreements with the rivals gained the victory. These abusive contracts damaged both economic and social psychology in China that is why the foreign policy couldn't be controlled as needed by the government until coming to the power of the communist party at the end of the 1940s. Additionally, after the Second World War, it was unavailable to realize the planned foreign policy because the collision between two main poles such as communism and capitalism was the main barrier to accomplish the peaceful external strategy.

Subsequently, the decision-makers in administration firstly started to be engaged in the internal issues to achieve the scheduled tactics on the outward propositions. After the getting power of the communist party in China, the administrative subjects began to implement foreign policy throughout the specific manner. They founded their connection with external countries in three main stages.

Firstly, the contact with the countries which led by the communist regime and the small number of specific states which wasn't controlled under the communist ideology was originated by the party in power. It can be claimed that some of the particular countries were located in the middle region of the Eastern part of the world, for instance, Egypt because since the ancient times, there had been a significant relationship between these people belonged to this area and China.

After the implementation of the first step, the government was mainly concentrated on the second stage. In this part, the number of their contributors increased because they initiated a stable relationship with all countries that were not controlled throughout the

communist strategy. Of course, the countries that were the primary sources of the capitalist approach and their irreplaceable partners were the exceptional cases at that point. Despite the achievement, it should be emphasized that some gaps emerged during the cultural rebellion because all the connection mentioned above was restricted at the end of the 1960s due to this revolt. This revolution included both social and political values. In the primary purpose of the Cultural Revolution, it was claimed that the Chinese community should be purified from the leftovers of capitalism and the traditionalist approach. [41]

Lastly, in the last foreign policy stage, China started the establishment of its relations with political actors or states all over the world after the death of the leader of this revolution. Although this kind of strategy went beyond the limits of all political ideologies and traditions of China, it was necessary to rebuild the foreign policy because the new attitudes towards the economy and specifically, the implementation of the economic reconstruction demanded the similar changes in other spheres of the country as well.

Review of details is the essential way to penetrate the current situation after the Second World War noted previous paragraphs. It should be assigned that there was considerable support by Russia at the initial period after coming of the Chinese communist party to the power. Nevertheless, it didn't continue for a long time. It began to be decreased at the end of the 1950s because the connection between both sides was also subsided, and it was coming from some division issues on the ideological system.

For adjustment of the prevailing circumstance, it was suggested to put the new policy named "Great Leap Forward" into effect under the leadership of the authority figure. This policy involved some ideas such as excellent communication with the major part of the community, improvement of cultivation, removing the control based on the centre power to make balance and others. Despite this initiation, this policy failed to bring the expected result, and it caused the emergence of the counter side that demanded to change the way of thinking and strategy.[42]

[41]Roderick MacFarquhar: "*The Origins of the Cultural Revolution, 2: The Great LeapForward, 1958–1960",* New York: Columbia University Press, 1983.

[42] Niu Jun: *"1962: The Eve of the Left Turn in China's Foreign Policy"*, Woodrow Wilson International Center for Scholars, Washington, D.C., October 2005.

The Cultural Rebellion emphasized before appeared at that time to overwhelm the dissidents, and the official figures of the Chinese government started to accomplish this revolution for the elimination of the "Great Leap Forward" failure. The revolution reached its goals in a theoretical and ideological way, but it disrupted its economic system. Before this result, it was known to the leader of the "dramatic change" that it would damage the structure and negatively affect the economic indicators. However, the authority figure and his supporters preferred to fulfil this revolution because to strengthen the ideology and preserve the completeness of the Chinese citizens around this unique and private mentality were much more critical rather than other material and moral particularities.

At the end of the 1970s, the situation in the Chinese communist party wasn't heartwarming because the conflict could be observed among the members after the death of the principal of the revolution. Subsequently, it caused the coming of Deng Xiaoping to the power, and he modified the applied policy to make relevant it with the current world order.

The modern approach towards foreign policy mainly differed from the previous one. It opened the doors to accept some useful thoughts from external powers, even capitalist supporters. It stimulated the activity of the specific groups which was promoting the opinions against communism. On the other hand, Deng Xiaoping continued to realize his new reform movement as well. Consequently, it was decided to make the agreement between both sides for deceleration of reform speed. Despite this fact, it couldn't prevent the process from achieving the outcome because Xiaoping and his companions had figured out the circumstance and its results in each detail beforehand without disrupting the strong mentality in society. They could understand that the preservation of the communist party specification and the administrative system was the crucial case at that period. Modernization of China and progression in the steady and well-balanced Chinese economic policy would also come after the accomplishment of goal based on ideology. For that reason, the Chinese ideological system and the way of thinking have kept its form throughout the considerable improvement on economic, political, technological, social spheres, etc. till today.[43]

[43] Raees Ahmed Mughal: *"Chinese Foreign Policy: A Study into Consistency and Change"*, "The Dialogue", Volume III, Number 2, June 2009.

The modernization policy of China was mainly based on the growth of the four primary fields such as cultivation, business administration and merchandise, area of study and technology, military and protection system.

Firstly, it should be noted that there was a specific characteristic of the communist system in China. The Chinese social order had constructed on farming in opposed to other countries controlled by the socialist and communist regimes. Before the appearance of Xiaoping in power, it was elucidated that the citizens working in the manufacturing section were too low and predominance belonged to the workers who were engaged in the farming. For that reason, it wasn't a great surprise to see the emergence of the revolution in China rather than the Soviet Union. Even, the internal policy and movements during this period mentioned before were principally based on farming and ideology due to the working characteristic of society in China.

The internal system focused on the cultivation and the foreign policy related to the same case is still considered as the central primacy throughout the state programme. There are two specific reasons which are coming from precise predictions. Initially, the capacity of China is considerably higher rather than in other countries, and it has more superiority in that case. Secondly, it is the fact that most countries are doing their best to be a member of the globalization movement; that is why it is demanded to pay attention to manufacturing and production. Generally, it means industrial improvement is one of the critical points for governments in the modern era. This situation is an excellent chance for China to use the benefit to supply the needs of the agrarian products of the whole world, and it is unavailable to succeed it without any development in modernization of Chinese agriculture.[44]

Moreover, as mentioned above, the area of study and technology has a significant role in the foreign policy of China. This sphere became a sensitive issue after some changes in the government system because the authority figures could understand that there was a considerable difference on thinking brains between China and other capitalist countries focused on the commercial and business sectors. It was the result of the isolation of Chinese researchers and scholars from transnational academic life, and they didn't have a dynamic relationship with top-ranked educational magazines or publishing houses. For that reason,

[44] Baohui Zhang: *"Chinese Foreign Policy in Transition: Trends and Implications"* Journal of Current Chinese Affairs, pp. 39-68, 2010.

the Chinese government initiated a new approach towards this area to eliminate the emptiness in connection with foreign countries.

This approach consisted of two essential steps when it was realized. Firstly, the Chinese government started to invest for the development of the academic area, accurately the scientists or scholars who were the citizens of China because the administrative powers could figure out the importance of education role in the improvement of different branches such as economy, social welfare, defence, etc. in the country.

In the final step, the government intended to broaden the scientific researchers while establishing and improving its connection with other countries because it was also promotion of China and had potential to increase the status of China as the education brand throughout the world.[45]

Additionally, the technology area was a necessary part of this policy as well because the government was trying to preserve the progress of technology and academic spheres in a parallel way. On the other hand, they began to pay attention to the production of technology programs. Of course, the output of both programs and apparatus of technology has a massive amount of advantages for a country. Still, in that case, the Chinese administrators accepted that the trade and sale of programs in the general area were more beneficial rather than bringing it from abroad. [46]

Consequently, China has commenced realizing the foreign policy based on without any interference by any power or state and avoiding from deeply political aimed strategy since the end of the 1980s and the beginning of the 1990s because China has an objective to maintain the healthy and robust economy in the background of conflict absence till recent days.

[45]Zhongjing Huang, Ting Wang and Xiaojun Li: *"The political dynamics of educational changes in China"*, Policy Futures in Education, Vol. 14(1), pp. 24–41, 2016.

[46] Dongsheng Di: *"Continuity And Changes: A Comparative Study on China's New Grand Strategy"*, Historia Actual Online, 2007.

CHAPTER III

THE CURRENT SITUATION IN THE HEGEMONIC WORLD SYSTEM AND CHINA'S POSITION WITHIN THE SYSTEM

This chapter embraces the present processes in the hegemonic system and the role of China within this order. The analysis of China's status in this system is explored around two mains questions: how the relationship between China and the United States can be characterized and what the situation in the relations between China and Russia is. The answers to these questions help to find out the general situation in the hegemonic world system and give some predictions about the prospective attitude of each actor in this case.

3.1. The Relation between China and the United States of America

The modernization process in China in the second half of the twentieth century mentioned before was the starting point to begin and widen the economic, social or cultural relationship with other countries. Specifically, the relations with the United States were founded after the economic reform at the end of the 1970s.

The significant improvement after the reform and changing approach on the policymaking made to pay attention to the relation between China and the United States. The processes following the emergence of official links proved that there was not any balance in this case because the situation can change quickly from negative to positive or vice-versa.

There are two main reasons for this instability. First of all, the improvement of China has an advantage for itself and the United States as well because the collaboration between both sides can stimulate the growth of the economy and help to solve some global issues together. Even, the economic power of China has owned the specific potential which ranked at the top of statistics for the high indicators after 2010. [47]

Opposed to this fact, the United States is worried due to the overdose growth of China and its increasing impact and economic hegemony on the world order. For Chinese scientists,

[47]Roberto Bendini: *"United States-China relations: a complex balance between cooperation and confrontation"*, the Policy Department, DG EXPO, 4th of March, 2016.

the United States doesn't want to share its hegemonic leadership with another potential rival. However, the partnership among these kinds of actors has more benefits from a general point of view. For that reason, supporting Chinese improvement and stable cooperation with it is not easily acceptable for the United States.

Additionally, America is not sure the protection, feature and worthiness of brought output from China due to the unjust and cruel system of labour competition within the country and its applied unbalanced commercial experience with others because the growth in the Chinese production despite this out of economic order also has adverse effects on the global companies and workplaces of America. For that reason, it becomes anxious for the overdose improvement and influence of China over the Western part of the world.

Collaboration between China and America is a well-known factor in the global economic process. Notably, there is a massive variety in the amount of spending by the United States on bringing good and services from China. For instance, now, this indicator is nearly 500 billion dollars while it was not much more than 150 billion at the beginning of the twenty-first century that is why the United States is one of the largest countries, even the first centre at some cases, for China to sell its products. Moreover, China itself comes on the first places for America to export national production as well. Despite this mutual relation, it should be noted that the amount of funding of the United States in China is in the much more superior rate and it has become roughly 65 billion dollars for the last six years.[48]

The mutuality makes each side to come in a middle way in most cases because there is a considerable impact of China over the citizens of the United States and other countries. It is known that the financial condition and social welfare isn't at the same level among American citizens that is why inexpensive buying output from China presents most of the people in the United States various options in the market economy to obtain their daily demands. On the other hand, there are also some circumstances influenced by America, and China should take the development of the economy in the United States into consideration in these cases.

[48]Joshua P. Meltzer and Neena Shenai: *"The US-China economic relationship: A comprehensive approach"*, February 2019.

This mutuality is improving day by day; however, some issues cause the emergence of the rigidity. Some researchers from America see China as guilty throughout this problem. They claim that China is reluctant to be controlled by the conventional economic system determined before and to follow its regulations. Subsequently, they add that the administrative system in China attempts to minimize the price of their national currency and don't try to finish the tasks and responsibilities defined by the official trade organization in the world. Another problem is coming from the shortage of specific juridical principals which should provide equality between local and overseas companies within China. For that reason, despite these problems in the relationship, each side and supporting organizations are doing their best to eliminate these negative characteristics for better improvement.

The appropriate example for this interdependence can be shown in the background of a worldwide recession from 2008 to 2009. During this time, the authoritative figures resolved to invest a significant amount of money on the enormous impulsive projects to generate equilibrium for the inner economic system. This strategy couldn't put a stop to the deceleration of China economy. Still, the stability in the economy was necessary for the country because at least, these motivators could postpone the savage effects of the global difficulty.

The retardation of the Chinese economy after 2009 influenced the relationship with not only the United States but also other countries that sent their goods and services to China for sale and showed the results as predicted. Even, for the recent 3-4 years, some global research centres put forward that it has been one of the urgent dangers for the economy, financial situation, trade, buying and selling processes in the general area. Incidentally, America has been one of the countries affected on a lesser level in this case.

Additionally, this hardship reminded China of its power and potential effectiveness over particular international procedures. Till that time, the participation of China to global affairs has been silent and in the silhouette of America and applied practice of the Western states, specifically the United States, has been utilized to achieve the aim on modernization. After the world crisis, China began to realize its capacity for accession to worldwide matters because in opposed to the United States and other highly developed countries, China accomplished to preserve the robust and durable progress course of action.

Concentration on global issues became more popular in the external strategy of both countries and problems related to the environment and climate were the main ones among them. It is a fact that China and the United States are the major states releasing filth and gases which are dangerous for life.[49] This global issue can be eliminated at a short period if both countries put their efforts together. Nevertheless, none of them is willing to sign a treaty and solve the problem. In contrast, the harmful results of waste matters are much more predominant rather than the outcome of economic improvement.

The influence of Chinese growth over surrounding is going to be worse day by day. Despite this fact, Chinese governance doesn't have a particular intention to make a considerable course of action towards finding a solution to the problem. Even, there have been different kinds of agreements and partnership between China and various countries or international organizations for the reduction of environmental pollution. Still, China has been the first one breaking the pointed indicators and rules during all these cooperations, and this behaviour also damages the reputation of the country itself.

In opposed to this reality, China has participated in different global meetings supporting environmental health and preventing other worst improvements in this sphere. In addition to this participation, it has signed some agreements, specifically two key covenants during this period. Due to these treaties, it can be claimed that now China is the greatest financier on the source of energies that are not depleted by use such as wind, water, etc. and it is the first country that manufactures and uses the solar power in the world.

Generally, the United States and China accept the liability on the guiding principles over environmental issues and its protection. Consequently, the official figures of both countries put forwards that it is essential to be a leader throughout the process for making other world countries pay attention to environmental pollution and follow the same instruction to eliminate its negative results.

As mentioned before, China has begun to admit its irreplaceable role in global processes and among world hegemonic powers after the 2000s. Till that time, mainly during the 1990s. China avoided taking part in the voting process of the United Nation Security

[49]Milad Mahyari and Minoo Alemi: *"Eye on China and United States"*, Broad Research in Accounting, Negotiation, and Distribution, Volume 2, Issue 2, 2011.

Council or intervention to other less powerful countries' internal matters and preferred to be neutral in most global cases.[50] The emergence of a suitable situation after the worldwide crisis of 2008 stimulated China to realize its importance for other external issues and participation in the various international organizations because it was the crucial point to prove its power as the hegemonic actor.

From the general aspect, it seems that there is a bipolar hegemonic approach in the background of the United States and China authority over the world having economic power at top priority. On the other hand, it can be analyzed that China promotes the polygonal administration in some worldwide proceedings throughout different huge organizations such as Group of Twenty and others.

Dominance in a political, economic and social context over the Asia region creates another problematic case for China and the United States. As stated above, China, generally, supports the management with the help of great powers and organizations in different circumstances rather than two main actors. However, the control over Asian territory is highly necessary for each of them, and China doesn't want to share its hegemonic influence over the mentioned region with the other potential rival. On the other hand, making a balance between the preservation of stable cooperation with America and prevention Asia from the intervention of the United States originates another challenge for China.[51]The rapid growth of China promotes the economic development of Asia itself.

Additionally, some cooperation, such as Asian countries in the Trans-Pacific Partnership and others, encourage the indicators of money circle in China based on the trade. Furthermore, in the current period, China is the principal trade partner for the enormous amount of countries in Asia. It means there already has a considerable influence on the Asian region by China.

[50]Jeffrey Henderson and Brent Boekestein: *"Thirsty Dragon, Hungry Eagle: Oil Security in Sino-US Relations"*, IPEG Papers in Global Political Economy, No. 21, November 2005.

[51] Martin King Whyte: *"Paradoxes of China's Economic Boom"*, Annual Review of Sociology, 35: 371-392, 2009.

Consequently, it can be analyzed that now China is the intercontinental leader in the economic sphere of the specific geographical zone. For that reason, it doesn't want to share this region with another power and lose its control over it.

Most American scientists consider the influence of China over the Western market economy as a significant threat for its strength and hegemony. It can be claimed that even the United States can fail to compete with China in some cases because the combination of various social and economic approaches in China such as socialism and capitalism generates the special rivalry rules in trade and general industrial culture which cannot be acceptable for the Western countries.

The United States is eager to come over not only China but also other opponents in Asia and some partnership programs and collaborations are the fundamental help to inject its power over the region. For instance, the Trans-Pacific Partnership can be shown as a simple example for the endeavour of American control in Asia. Therefore, China tries to generate diverse alliances of Asian countries based on economic contribution without involvement and interference of the United States to intensify proper commercial intercourses and strengthen its hegemony on the industrial roots within the emphasized zone.

As noted before, China has been a member of various global or intercontinental establishments since the 1980s, and it is known that nearly all these organizations have been originated by the western power, mainly the United States. This situation generates two main questions on the approach of China towards these companies: Firstly, does China want to be controlled by the regulations of these organizations which are the masterpiece of America or the Western world in a general way? Secondly, does it have the specific intention to give a form to the global system to fulfil its public concern and requires? Actually, it is too hard to find the proper answers to these questions because it can be changeable for the existent case.

Additionally, China shows a high level of self-confidence; that is why there can be some contradictions betwixt the United States and China as a result of the stubbornness of each side on various topics.

It can be examined that the level of this self-confidence and determination in the attitude of China got much higher after the worldwide crisis in 2008. It began to promote the emergence of other substitute international associations and not to follow the instructions of

the real global organizations established by the United States in some cases. Subsequently, it motivated some possible and inevitable strained relations between two states in future circumstances.

The experience resulted after 2015 can be shown as an example of this circumstance. At that time, China started to implement the idea related to the emergence of the intercontinental bank, and its name was the Asian Infrastructure Investment Bank. The main aim of this bank was to provide capital for the basic physical and organizational structures and facilities of the economy in the Asian countries. China began to find the influential collaborators to establish a firm base for the bank and improve its power on production and abilities to sell products abroad of all Asian countries as soon as possible. The response of the United States became too sharp, and it rejected the performance of this bank because some western countries such as the United Kingdom, France and Germany had agreed to be a shareholder. The United States claimed that there was another bank named the Asian Development Bank, which had a similar purpose, and there was no need to create the same one. It is worth noting that the Asian Development Bank was established by Japan and the United States in the second half of the twentieth century. It was expectable reagent by the United States because America argued that this action is the instrument for China to implement its economic hegemony over the Asian region.

In that situation, China made specific changes in the construction of the bank to soften the rejections of the United States. After those modifications, the condition didn't vary, and America insisted not to accept any international institutions or partnership generated by China as the essential and useful organizations.

Nevertheless, the United States had to sit around the same table with China for the solving of global issues again. For that reason, they have the responsibility to save the reciprocal confidence and esteem with each other for proceeding of intercourse.

Today China keeps going on its efforts to execute its actual plans for the establishment of the new international organizations without the participation of the United States. On the other hand, it also knows that it is necessary to implement this strategy by decreasing the possible danger from the United States.

Having a mention about danger, it should be noted that there are possible risks for China from the external powers. For instance, the foundation of armed forces in the specific

territories around China's borders, invading of some controversial regions in China, intervention to internal organizations, etc. can be considered as the principal dangers by foreign actors. For that reason, China clearly understands how necessary to base the definite plan of action for armed forces is.[52]

As emphasized in the previous paragraphs, the new world order was created with the guidance of America after the terrific wars, and it meant the emergence of international law in the same period as well. For that reason, the usage of directions in international law established by America began to spread with imposing its importance to solve the problems among countries or political actors.

Throughout the international law, it is noticed that the specific place has been given to the regions connected with the sea or other water basins. Moreover, it can be analyzed that the United States mainly utilizes this part of the general content not only in the China theme but also in other similar cases. In view of the fact that it understands the importance of territories related to the sea or ocean borders to be a global power. It is already a known practice from history based on the principles of hegemonic powers.

China has pretence on the particular zones in the South and the East China Sea. It also has private arguments about this area that this zone has relativeness with ancient Chinese protectorate. The requirements towards this area make it as one of the debatable issues between America and China that is why China wants to protect this zone from not only the United States but also some neighbours that can be the partner of America in most circumstances.

Existed conflicts between China and neighbours such as Japan, South Korea, Vietnam and others are known from recent history. During these contradictions, the United States showed the observation position, and active interference was absent by it. Till today, the remainders of these conflicts sustain its adverse effects over the relations between the countries. This situation creates a puzzle in front of the United States: Firstly, the regional collision can emerge in the case of absence interference by the United States; secondly, the great clash can happen between these two in the evidence of active meddling as well.

[52]M. Pillsbury: *"The Hundred-Year Marathon: China's Secret Strategy to Replace America as the Global Superpower"*, New York: Henry Holt, 2015.

China shows a great effort to leave behind the United States in most spheres like the economy, military strength and others. Despite this fact, it is inaccessible at the current moment. Even, it hardly seems to achieve this target in prospective times, because the United States is in the first place for spending the enormous amount of money on the military area, and it is mainly growing year by year. For instance, due to the published data of the Stockholm International Peace Research Institute in 2019, the United States has spent 649 billion dollars which is the highest indicator after the spending of the North Atlantic Treaty Organization throughout last year. China is in third place, with only 250 billion dollars expense.[53] The numbers in the statistic for 2019 has already changed, but the situation (the alignment in the schedule) is the same for the United States and China again.[54]

Consequently, now China basically wants to concentrate on the adequate protection policy for its region. In that circumstance, it should calculate both the power of possible external threats and its inherent capability to succeed in dealing with them. It can be claimed that for this moment, China is the substantial dominion which countries in Asia should settle a score with it in most cases. In spite of this advantage, China can predict the dangerous assaults from not only the United States but also some regional neighbours. For that reason, the security of its territory is the most crucial point in the national protection policy, and China knows how much it is inevitable to fulfil the gaps in economic, armed forces and other spheres for the attainment of this goal.

3.2. The Relationship between China and Russia

As observed throughout history, the connection between China and Russia has been mainly unstable, and this relationship fell into decay during the death of the Soviet Union. From the beginning of the twenty-first century, this correlation began to restore, and it helped China and Russia to regain the power to remove their weakness. Coming together again made this relationship more stable as well as it was a sign for the United States to be aware of the new union of two significant actors.

[53] https://www.sipri.org/databases/milex

[54] Dong Wang: *"China's Trade Relations with the United States in Perspective"*, Journal of Current Chinese Affairs, pp. 165-210, 2010.

For the clarification of this relationship, it is significant to find out what types of factors made them come together and encourage this cooperation. Making some official documents and agreements based on collaboration from the starting of the 2000s was the critical motivators for Russia and China to get to know their mutual interests and develop simultaneously.

Additionally, the endeavours to intensify the ties during recent years are the primary tool to establish a new kind of domination against the unipolar hegemonic authority in the world, and this target is the crucial point in the collective benefit of both countries. China and Russia evaluate the operations of the United States' armed forces based on bringing peace within the border regions as a danger for their real ambitions. The list of this kind of operations can be extended. They also consider the approach of not only America but also its great partners in different areas as an impediment because it has significant impact over the unities of the countries. For that reason, these two countries need each other to balance the power-sharing procedure in the global arena.[55]

Furthermore, there is a variety in the attitudes of Russia and China towards the participation in global issues. Russia puts forward its aspiration to be the hegemonic power in the worldwide arena in an openly way. It even can take a risk to be the opponent of the United States in any case that is required to achieve this goal.

On the other hand, China has the intention to be a superior actor in Asia territory, not specifically in the intercontinental area. For that reason, China understands that contrary to Russia, it is not beneficial to come face to face with the United States and the preservation of balancing relationship and making stimulus to Russia for counteraction with the United States is much more suitable to obtain this aim.[56]

Despite this fact, it should be noted that China is progressing to be the hegemonic power in the global arena for future times successfully due to its economic, military and

[55] Olga Alexeeva and Frédéric Lasserre: *"The Evolution of Sino-Russian Relations as Seen From Moscow: The Limits of Strategic Rapprochement"*, China Perspectives, pp. 69-77, 2018.

[56] Nandan Unnikrishnan and Uma Purushothaman: *"Trends in Russia-China Relations: Implication for India"*, Observer Research Foundation, 2015.

other developments. However, it has some anxieties about economic direction because the dominance of the United States currency in intercontinental financial procedures is one of the main impediments for China as well. Thus, China promotes the establishment of a base for commercial relations with Russia over its national currency system.

There can be two main kinds of scenario about the connection between China and Russia in the case of the United States' failure. Firstly, China and Russia can be in a contradicted position for each other if the power of the United States is going to decrease whenever in the coming times. Today one significant intimidation based on the role of the United States and other Western states makes them be together under one umbrella that is why the creation of new collaboration agreements between these two is unavoidable to attain their particular destination.

Otherwise, these ties can be intensified much more in that circumstance rather than the current situation, and it can stimulate the implementation of the enormous projects for the international audience. It is undeniable that there is a possibility of the impoverished country to gain its previous power again.

As noted before, making the new coalitions based on economic improvement is necessary for China to reduce and eliminate the impact of the United States over the Asian countries. In addition to the economic reason, other reasons motivate China to come together with Russia, such as social and political factors.

America is famous for its encouragement about civil liberties, the supremacy of the rules, and the system of government by the whole population. For that reason, the United States wants to blame the other countries which are not controlled by these kinds of principles for ignoring the rights of people and being in the anti-democratic position. In that case, China demands that condemning the political regime of any country is not acceptable because America should demonstrate its polite attitude towards each system of government. The similar approach of Russia makes China joint with each other again.[57]

Furthermore, they argue that the visualization of the specific method of administration suggested by the Western world with the leading of the United States is a significant hazard

[57]Robert Sutter: "*China-Russia Relations Strategic Implications and U.S. Policy Options"*, the National Bureau of Asian Research, September 2018.

for their society. “American Dream” style of living can indoctrinate these assumptions to the psychology of the people. It has considerably destructive potential for the preservation of the steadiness and social order in the country because each state has the individual principles about the controlling of government and its citizens. Thus, both China and Russia intend to concentrate on the inner political constancy and the mental health of the general public.

On a side note, as known from the experiences happened during recent years, the reaction of Russia has never been silent while there was a tendency towards the Western values in the Asian region. The incidents related to Georgia and Kyiv are the great supporters of this thought. These examples prove once more that the great powers in the Asian zone need to keep out the American values from the Asian lifestyle if they want to reduce the impact of the United States over the Asian countries.

One of the mutual attentiveness regards to the maintenance of international security and planned equability. Sometimes both Russia and the United States execute the rigid posture to dictate their ambitions; that is why Russia chooses to antagonize with America much more rather than China. However, all of them understand the seriousness of the situation if there is a chance of collision with armed forces, rocket, nuclear weapons and others. For that reason, Russia and China take the intercontinental tactical safety into account throughout their transaction and pacts in the first steps.[58]

Furthermore, both these countries have determined plans about the physical universe beyond the atmosphere of the Earth. The partnership over the investigation of the cosmic sphere and the progress of the scientific knowledge to do these researches comprehensively is being widened year by year.

During the twenty-first century, there have been some significant conventions between China and Russia, and most of them have embraced other countries demonstrating the contribution through the process. Two particular agreements among the contracts have the necessary places due to their scope of size. These agreements promote the limiting and

[58]Lora Saalman: *“Calculus on Missile Defence and Hypersonic Glide”* in “China–Russia Relations and Regional Dynamics: From Pivots to Peripheral Diplomacy”, Stockholm International Peace Research Institute, pp. 116-123, March 2017.

elimination of examining procedures on the military operations and arms in the vast area. The United States was one of the states that were applied to join. Still, it rejected to contribute and showed some private causes why it was unacceptable for it, such as inaccuracy, gaps in the different sections of the contracts and others.[59]

Meanwhile, the globalization era makes an award over the world; the importance of the internet and its role should be noted in this case. "Nakedness of the internet" to the whole auditory and the independent stream of all kinds of information is one of the debated issues among the countries as well.

China and Russia show their similar attitude in this issue again and argue that there should be a general regulation system on internet usage and independence of the "information production." On the other hand, the United States put forward that the administration system's interference to the internet resources and generate some censorship is antithetical to the values of any democratic regime. Russia and China put forward in the opposed to the United States' arguments that the steadiness in the society is much more essential for the authoritative figures. Consequently, in addition to their opinions, people shouldn't be affected by the negative sides of the internet; that is why the control of internet websites and informational independence is exceptionally critical for the authorities.

One of the columns of this association is related to the buying and selling process of the martial and protection equipment. The importance of strengthening armed forces for China and the reasons to give a high priority to the security system of the territory has already been elucidated within previous paragraphs. The partnership with Russia in this area has begun mainly since the beginning of the 1990s.[60]

As known from history, the incident between the United States and Iraq was famous for at those times. It ended with the battle between these two as a result of the occupation of Kuwait by Iraq. Specifically, Operation Desert Shield was the incredibly helpful case for

[59]Michael S. Chase, Evan S. Medeiros, J. Stapleton Roy, Eugene B. Rumer,Robert Sutter, and Richard Weitz: "*Russia-China Relations: Assessing Common Ground and Strategic Fault Lines"*, July 2017.

[60]Jacob Stokes: *"Russia and China's Enduring Alliance"*, Foreign Affairs, 22nd of February, 2017.

China to compare the potential of its armed forces with the martial system of Iraq and find out the weak points. It should be emphasized that the armed forces of Iraq were sturdy enough for its time, and there was a chance to change the fate of this battle as well.

After that, China commenced making some agreements with Russia, and Russia helped to consolidate these weak points in the equipment of the protection system. In addition to getting the facilities, China needed to acquire the knowledge and skills of this sphere from Russia. Thus, it also suggested being engaged in the production process of the armed forces'facilities together with Russia.

As a result of this collaboration, China achieved to develop its protection strategy and changed the content of getting provisions to the specific technical elements of the general martial tools. After a few years, China even initiated to concentrate on the production of these small elements with the help of obtaining skills from Russia for saving its financial budget.

In the beginning periods of the production strategy together, Russia preferred not to share each detail about all equipment of the martial system, and the teaching process of highly-developed technologies in this section was the fragile topic for Russia. Then, most of those barriers were extinguished slowly by the considerable amount of mutual ambitions against the United States. For that reason, until today, Russia is one of the leading providers for China on the martial and protection equipment as well.

The commercial connection is one of the problematic cases for both China and Russia. From the beginning of the 1990s, they want to improve the part of this thorough communication because even, the volume of trade partnership of China with the United States is much deeper than Russia. Until this time, China has considered Russia as the origin of the natural resources and facility for the armed forces.[61] For that reason, it is evident for each side that there is a need to push forward the commercial branch of association for the preservation of balance with other sections.

[61]Niklas Swanström: "The China and Eurasia Forum Quarterly", Volume 4, No. 4, November 2006.

Moreover, the recent affairs between Russia and Ukraine stimulated this connection and originated the serviceable condition for China. The suggestions about the punitive actions by the United States and its supporters began to be implemented. This circumstance drove Russia into a corner that is why it was obliged to give much more preference to China in trade partnership. This situation also made open the doors for Chinese financers to provide capital for the Russian railroad and transmission system based on the connection over a distance by cable, telegraph, telephone and broadcasting.[62]

The role of Russia as the "production centre" of the natural resources in front of China is still irreplaceable, and its importance keeps going on to grow year by year. The issue between Russia and Ukraine noted in the previous paragraph had a particular impression on the buying and selling process of natural resources. As an aside, the sphere differs from other sectors in this collaboration for its durable characteristic and advancement since the beginning of the 1990s.[63]

Conversely, this association between China and Russia is not perfect and has some restrains itself. As known from the historical occasions, the characteristic of the correlation among countries is too complicated and can be perennial or otherwise. It can be predicted that the continuation of this contribution between Russia and China still is going to last for a while.

Notably, the incidents related to Russia emphasized above, and a punishment activity claimed by the Western actors was the "godsend" for China. Russia didn't have the potential powerful consumer besides China in that condition to sell its enormous amount of natural resources. This situation made Russia lower the prices, and it meant China was the country taken the most benefits in that case.

Till now, this disproportionate characteristic of the cooperation makes Russia more sceptics because Russia thinks that after gaining overdose power, China can apply the pressure over it within the Asian region. To eliminate this scepticism and preserve the

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[62] AlexanderGabuev: *"Friends with Benefits: Russian-Chinese Relations after the Ukraine Crisis"*, Carnegie Moscow Centre, 2016.

[63]Richard Lotspeich: *"Perspectives on the Economic Relations between China and Russia"*, Journal of Contemporary Asia, January 2006.

longevity of the partnership, China does its best to reflect the appearance based on the respectful approach towards Russia as the hegemonic power.

Another disturbing point for Russia is related to the production of the facilities in the armed forces sector. Today, being one of the most martial technology sellers to China has many advantages for Russia as well. In opposed to this fact, China used the situation for its benefit and began to learn the production strategy of most materials when this part of the connection initiated to emerge and improve. Now China has considerable capacity to protect its territory with the private produced armed forces facilities, although the efficiency of this area is not in the highest level itself. For that reason, Russia is obliged to offer its highly developed martial equipment for a sale to keep the dependence of China on the commerce of the military facilities.

Emerging of the self-production system in the Chinese martial technologies area originates another anxiety for Russia. It is evident that if a country sets about working on the manufacture of this equipment, it also initiates to promote these products for sale in other countries. Subsequently, Russia should share some commercial zones in the intercontinental area, specifically in Asia, with China because now the countries in these zones have an alternative to choose their purchase centre. The generation of rivalry between China and Russia creates both some opportunities and challenges for general development itself.[64]

The political collaboration between these two is much more complicated due to their private ambitions. Generally, China prefers not to declare its objection clearly when Russia promotes its aims over debated border regions because China also has similar problematic topics related to its bound zones. Otherwise, Russia demonstrates its protest obviously when any country in the global arena, particularly in Asia, shows the behaviours which imply the possible danger for Russia and the power balance in the world order.

The impact of China and Russia on Asia differs from each other. For instance, China has typical popularity for its economic power not only in the Asian area but also in the global arena. It has beneficial relationships with a considerable amount of countries throughout the

[64]Dmitri Trenin: *"Challenges and Opportunities: Russia and the Rise of China and India"*, Strategic Asia, p. 229, December2011.

world, and today China plays a significant role as the primary exportation source for most of these countries.

Contrary, Russia is one of the critical factors in the protection of the Asian region. Thus, it is the first power demonstrating its reaction when there is the potential for a danger in the territory. Nevertheless, Russia also has an indispensable place in doing business with other states, precisely due to its natural resources.

The difference between the economic partnership of China and Russia with other countries doesn't show the deficit in the capacity of the Russian economy. Most of the potent Western actors, leading the United States, claim that obtaining power based on the low-cost labour in the Chinese economic sphere is unfair. For them, gaining the upper hand of China in this rivalry is possible but not appropriate to the values of democratic and liberal ideologies. This analogy can be applied to the Russian case as well, despite some dissimilarity in the principles and ideals.

Growing economic power motivates China to cover the problematic sections in general development. Furthermore, it gives a chance for China to pay more attention to national safety and the reinforcement of armed forces. This reality makes Russia worry about its status within the area because the rapid improvement of China can cause the loss of Russian dominance over protection in forthcoming years.

The assumption predicted above is undesirable warning about the collision between two leading powers. China can control the situation with the help of disguising its dominancy probability over Russia if it doesn't want to come to an end of the beneficial association very soon.

Moreover, there can be another distressful point if Russia intends to intervene in the East part of Asia, which China advances its ambitions over this zone. Even, it should be noted that as a result of regional targets in this area, there have been conflicts among China and its opponents. Today, Russia gives a hand to these opponents that are also the neighbours of China and vends various armed forces facilities to buy. Consequently, if this contradiction begins whenever again, the trading process can generate a problematic communication between China and Russia when they use the equipment receiving from Russia.

Finally, it should be noted that the cooperation between China and Russia is still prospering and becoming stronger. It makes the United States overthink about the probability of emerging intimidation as well. As concluded from the suppositions above, it is evident to all that any kind of tenseness among China, the United States and Russia is the caution about the origination of discord which has the dreadful capacity to endanger the international peace.

CHAPTER IV

THE APPEARANCE OF CHINA'S POWER IN THE SOUTH CAUCASUS REGION

This section carries importance to examine the presence of Chinese power over the South Caucasus region in itself. The economic and political relationship between Azerbaijan, Armenia, Georgia and China and the possible destiny of this intercourse in future is clarified in a detailed way. Additionally, the implemented techniques like soft power policy and others by China to increase its influence on the South Caucasus countries are analyzed throughout this chapter as well.

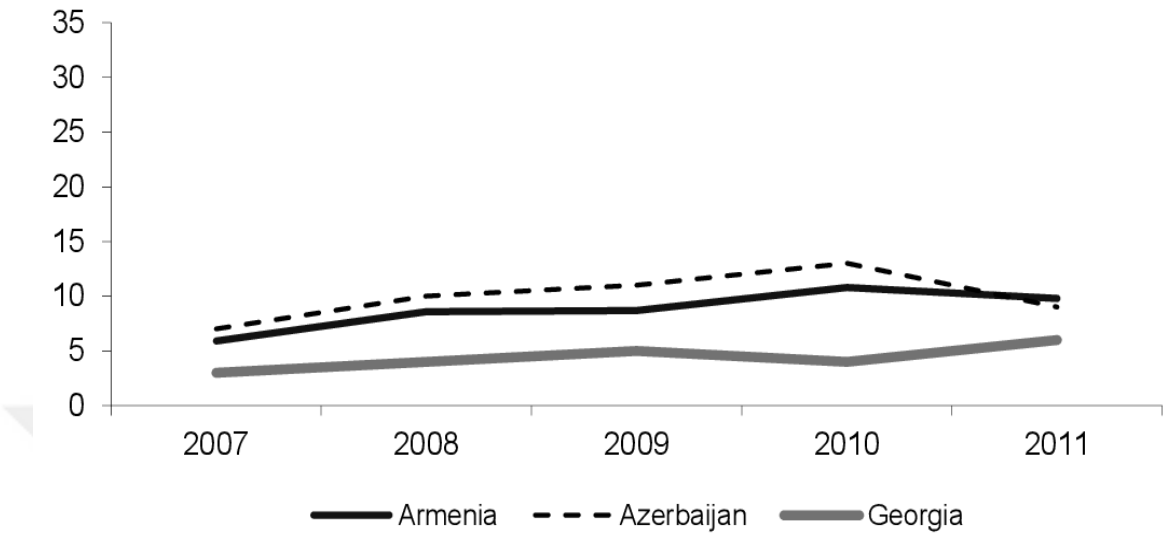
4.1. The Collaboration between China and the South Caucasus Countries Based on Political and Economic Relations

The countries in different zones carry importance for China, and their degree of influence varies from each other as well. It is one of the demands of the globalization era because the prior meaningfulness of borders is not the essential principle to make the relationship and maintain it among countries. The communication between China and the countries in the South Caucasus can be shown as an example in this circumstance.

The South Caucasus region consists of three countries such as Georgia, Azerbaijan and Armenia. Like the region, the South Caucasus has considerable significance for not only China but also other great powers. The natural resources of the emphasized countries in this zone, its geopolitical position and advantageous geographic location and other factors have always made it precious area. The communication of this territory with China originated from the historical periods of the Great Silk Way, but it wasn't distinctive too much for its characteristic. After the emergence of the Soviet Union, this intercourse became feebler because the central one-party government was controlling the foreign affairs of the Soviet Union's members.

The reviving was observed after the collapse of the Soviet regime at the beginning of the 1990s. Like all other countries, Azerbaijan, Georgia and Armenia started to promote their independent foreign policies towards world countries, as well as China. Since that time until

the end of the first ten years in the 2000s, collaboration and specifically, the commercial partnership was still in the same situation, and it could develop gradually.[65]



Figüre 4.1. The percentage of bringing goods and services into the countries in the South Caucasus from China during 2007-2011[66]

	2007	**2008**	**2009**	**2010**	**2011**
Azerbaijan	-	7.5	1.0	2.0	-
Georgia	2.0	1.5	1.0	4.0	4.0

[65]Vakhtang Charaia, Archil Chochia and Mariam Lashkhi: *"The Caucasus 3 Plus the Baltic 3and Economic Cooperation with China"*, Baltic Journal of European Studies, Vol. 8, No. 2 (25), December 2018.

[66] https://wits.worldbank.org/Default.aspx?lang=en

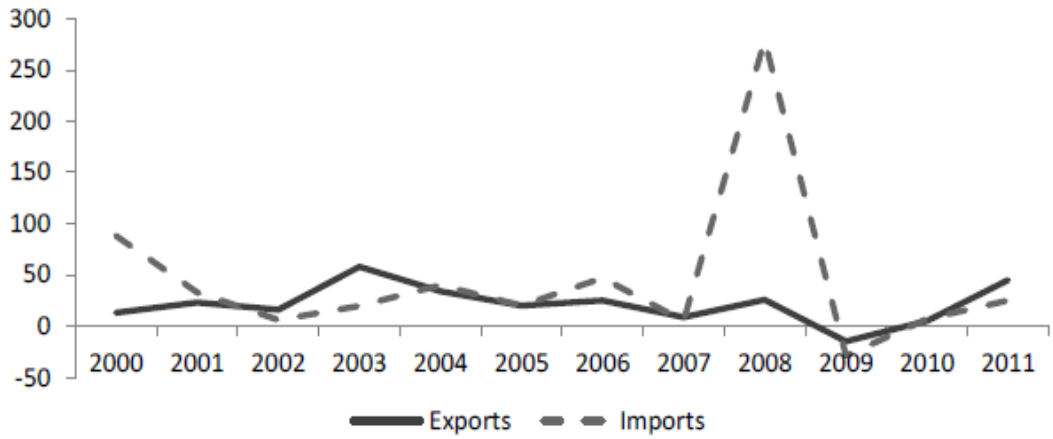
Armenia	0.7	0.2	2.6	3.0	1.2

Table 4.1. The amount of bringing goods and services into China from the South Caucasus countries during 2007-2011[67]

Even the economic indicators after 2010 show that the level of cooperation is not impressive, and there is a little improvement in the percentage of the mutual merchandising process. At the year after 2011, the highest amount of sending goods or services from the South Caucasus countries to China for sale belongs to Azerbaijan with approximately 180 million dollars. This pointer was nearly 30 million dollars in Armenia and 25 million dollars in Georgia accordingly. Furthermore, the countries of the South Caucasus have a lack of experience in the technology section to produce all their needed merchandise. For that reason, the assortments of selling objects to China are limited, and Azerbaijan has an advantage in this case due to its natural resources such as petrol, black gold and others.

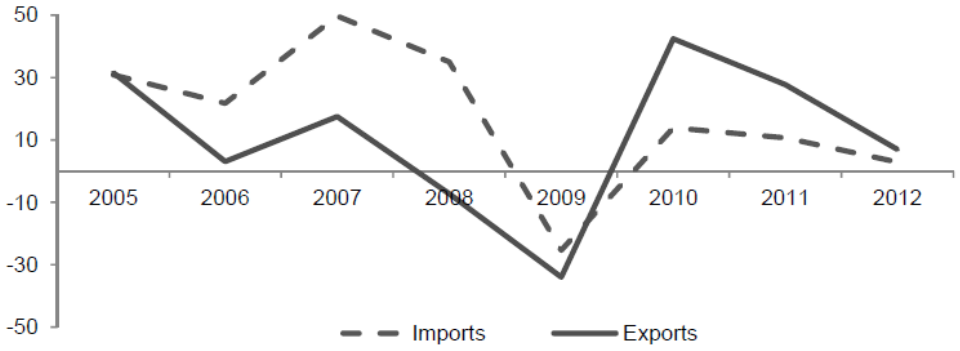
The content of the bringing items or services into the South Caucasus from China for sale is much more comprehensive and embraces various kinds of things. The amount of spending money to purchase the goods from China was in the hands of Azerbaijan throughout the same noted year above with much more than 620 million dollars. There was a rise in this year in comparison with two years ago, but the percentage of this enhancement didn't exceed 10%. The obtained objects were covering mostly technologies and facilities which were utilized in different spheres such as transportation, armed forces, the way of standard life, the broadcasting, etc.

[67] https://wits.worldbank.org/Default.aspx?lang=en



Figüre 4.2. Export and import level of Azerbaijan with China during the first 11 years in the twenty-first century[68]

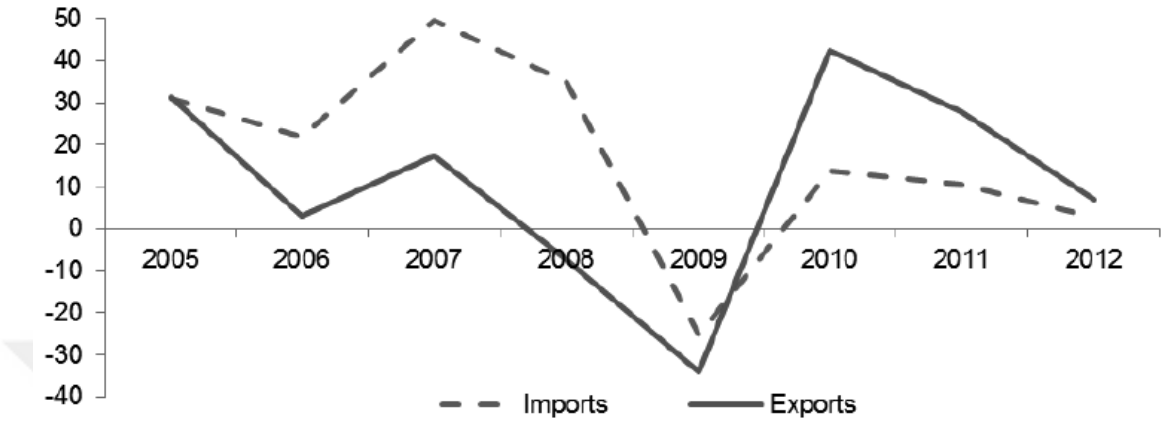
Georgia came on the second place for the expending on the receiving items from China during that year. It was much more than 550 million dollars and had a distinct variety from others. This variety coordinated with the upward movement in the index of the percentage, and it was the highest pointer among the three countries regarding this year. It showed much more than 65% growth in the total expending sum to obtain the facilities. The composition of these facilities was based on similar objects used in various areas like welfare, the sectors relating to the science of medicine, textile, military, transport, attachments for the technologies or decorations, etc.



Figüre 4.3. Export and import level of Georgia with China during the eight years between 2005 and 2012

[68] www.stat.gov.az

Armenia's index was nearly 400 million dollars in that case. In opposed to the progress of the spending rate in Azerbaijan and Georgia, there was a small drop in the expending percentage to purchase the demanded materials from China rather than two years ago. The characteristic of these materials was hypothetically homogeneous as well.[69]



Figüre 4.4. Export and import level of Armenia with China during the eight years from 2005 till 2012[70]

Generally, there is an upward motion in the statistics of the partnership between the South Caucasus countries and China after 2005. For that reason, China intends to save the place of the South Caucasus in merchandising procedures for not to lose its one of the primary sources of earnings.

The considerable decline was observed after 2008, which was famous for the international recession. Almost all countries in the world suffered from internal economic issues. Thus the countries in the South Caucasus also had to face to this downward tendency.

The South Caucasus states mainly concentrate on the selling process of stuff or substances like minerals and various supplies that are formed in nature. Additionally, farming crops are one of the crucial income sources for these countries because this kind of commodities doesn't demand highly improved technology system. As noted before, technologic hardware and its usage is the weak point for the states in the South Caucasus

[69] S. Ishik Bora: *"China's Growing Presence in the Caucasus"*, AVIM Commentary, No: 83, 2017.

[70] www.armstat.am

that is why the promotion of these two sectors and merchandising globally with them bring more benefits.[71]

The intercontinental depression harmed the cost of the national production of these countries. Thus they had to reduce the amount of selling the emphasized products to China as well. Only Azerbaijan wasn't the witness of the significant downturn because it was sending petroleum to China for sale and the decrement in other areas made Azerbaijan expand its merchandising on the black gold to foreign countries.

This superiority of Azerbaijan among Armenia and Georgia has the favourable and unfavourable sides. For its advantageous characteristic, it causes to attain high financial profit and generate its national brand in the global arena. In other respect, strict concentration on oil production makes other branches of economy lame, and the Azerbaijan government is aware of this issue explicitly. Throughout recent years, the government works for the strategy to stimulate "the human capital" to eliminate the dependence on the non-human brain sectors like commodities or resources. Moreover, the administration has notice of the high potential of the country on the farming sphere.

Despite the strengthening partnership with China, Azerbaijan sends its yield predominantly to the Western countries, Russia and Turkey. Armenia and Georgia are also on the imitative position with Azerbaijan in that circumstance as a result of geographic location. These regions save their same important place for Azerbaijan, Armenia and Georgia as the external source to bring the required output. Apropos, it is plain to see that there is neither a merchandising partnership nor social or other kinds of relationship between Azerbaijan and Armenia. This tension is the result of military and political conflict coming from territorial claims by the Armenian side.[72]

Armenia doesn't vary from other South Caucasus countries a lot because it pays attention to the excavated sprout, other diggings and cultivated crops. As noted in the previous paragraph, the Western countries and Russia have significant roles in the trading

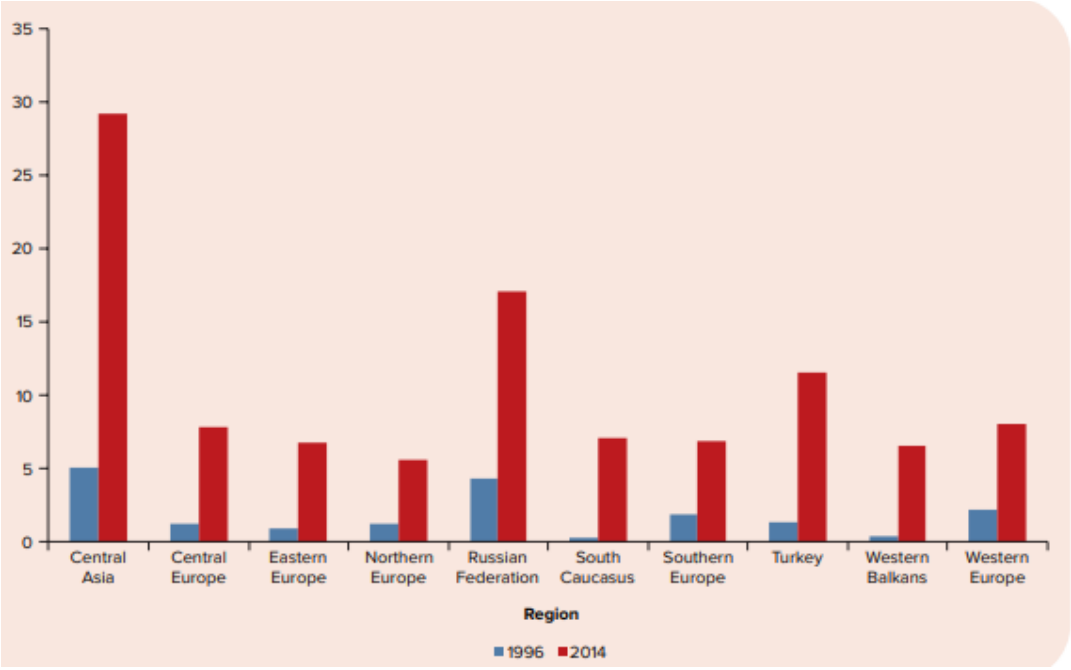
[71] Nadege Rolland: *"China's Ambition in Eastern Europe and the South Caucasus"*, Russie.Nei.Visions, No. 112, Ifri, December 2018.

[72] Stefan Georgescu, Tabriz Garayev: *"Geopolitical Changes in Caucasus after 1991"*, Journal of Institute of Social Sciences 3 (2), pp. 123-151, 2013.

procedures with the South Caucasus countries. Iran is the influential partnership for Armenia in most cases as well. Expressly, it should be noted that Russia can protect its priority for Armenia for a long time.

Georgia shows an almost identical approach to their vending hubs. Opposed to Azerbaijan and Armenia, there is a little weakness in the relations between Russia and Georgia, and it relates to the inclination of Georgia towards the Western countries. To remove this gap, Georgia does its best to corporate and to make strong links with its other neighbours such as Azerbaijan, Armenia and Turkey, the Western countries and the particular Central Asian regions. The commodities like metallic components getting from the subsoil or others and intoxicated liquid refreshments of Georgia, exclusively vino, are the taking attention objects by the overseas marketplaces.

As mentioned before, the collaboration between these three countries and China is going to develop year by year. For that reason, the significant motivation for these countries is to overlap the limited and habitual zones for obtaining more financial power and new intercontinental options. However, the general priority still belongs to the Western countries and their regional neighbours. The statistic below describes how much the amount of transmitting process of things from the South Caucasus countries to China has grown since 1996.



Figüre 4.5. The difference between 1996 and 2014 in the amount of selling wares from various regions to China

China is one of the significant merchandise stations for most of the countries. Thus, there are particular spheres that China has become a master to manufacture and send them to the overseas marketplaces for sale. Specifically, the selling process of technological facilities and available technical structures by China differ from others for its dominancy over the merchandising procedures.

The countries in the South Caucasus also utilize the objects in this highly developed sphere of China to complete the openness of the same section in their country. In addition to this fact, various areas should be discussed throughout this topic because they are famous in trading processes. For instance, farming harvest saves its dominancy in trading, that is why today China can be in the top levels for the indicators of the selling and buying potential of farming crops.

Nevertheless, China, as the region isn't well-qualified for farming operations because only a fifth part of half ground in the entire territory is convenient to grow any farming yield. Moreover, nearly half of the human resources in China make an effort in the mentioned area as work.

The purchasing of the manure from abroad is the main saviour for China for helping to work in the farming area. For that reason, the administration in China should allocate a particular amount of money to the obtaining of the plant food because at the current moment it is an unavoidable process to fulfil requires of both native people and overseas partners. For the removing of waste of money on the manure, the authoritative Chinese figures do their best to concentrate on the specific substances which are formulated artificially. If they achieve this target, it will be more beneficial for the buying side rather than selling one because these synthetic contents are much cheaper than plant food. Moreover, it will help China to reduce its dependence on foreign compost manufacturers.[73]

The trading procedures between China and the South Caucasus countries have already been clarified throughout the previous paragraphs. It can be argued deriving from these references that China can fulfil the farming deprivations of Azerbaijan, Georgia and Armenia

[73] World Bank: *"The Impact of China on Europe and Central Asia"*, ECA Economic Update, April 2016.

without any doubt because the proportion of generating objects from China cannot be compared with the states of the South Caucasus in the same case.

This situation motivates to examine the answer to one question. Do the South Caucasus countries have a chance to occupy their particular position in the competition zone of China? Actually, the response can be positive if some inaccuracies are adjusted in the short term.

These countries principally keep their mind on the manufacture to satisfy the necessity of native residents. In contrast, each state has the particularity that can lend assistance to heighten life quality and expending habits. The countries can use their inimitableness to occupy their private status in the Chinese bazaar because China should slog to find out the equivalent of some crops that make the South Caucasus countries differ from others. For that reason, these countries have to utilize the advantages of their nature. For instance, promotion and putting up for sale of the rugs, qualified and exclusive farming harvests by Azerbaijan, the vino by Georgia and the brandy by Armenia can be shown as an example in this circumstance. It is worth noting that the situation relating to the sale of plant food is also one of the revenue-generating spheres for the South Caucasus states as well.[74]

Manufacturing is one of the highly improved areas that promote the economy of China in the international space. Specifically, the low-cost workforce causes to gain much more money from the sale of the product. In most cases, the expenditure for the origination of these goods can be too lower due to this fact. As noted before, rivalry with China in this area is unacceptable for the Western countries and other powerful countries because of the massive working regime that is against human rights.

For that reason, making collaboration and keeping pace with China in manufacturing is considerably difficult for the South Caucasus countries rather than in the farming area. The process of getting metals and minerals throughout the excavation reaches for aid at this situation. However, there are also some issues creating barriers to make a tight contribution between these states and China.

Firstly, the mentioned kind of business is taken into account as the underlying branch in the overall manufacture system because each state has neither less nor more, a certain

[74] Brenda Shaffer: *"Foreign Policies of the States of the Caucasus: Evolution in the Post-Soviet Period"*, International Relations, Vol. 7, No 26, pp. 51-65, 2010.

amount of commodities to sell and acquire an earning or employ it for the internal necessities. Despite this reality, it doesn't generate much worth than it is expected.

Secondly, the volume of getting minerals and metals in the countries of the South Caucasus is not on the highest level that makes these countries build their partnership and revenues. As emphasized in the preceding paragraphs, only Azerbaijan has the exclusive advantage among the South Caucasus states about commodity topic for its petroleum and natural gas sources.

Thirdly, the long-distance between China and the South Caucasus originates another challenge because selling and purchasing of these materials are high-priced. Its main reason bases on the carrying proceedings of them between Azerbaijan, Armenia, Georgia and China.

These problems don't mean that there is not any relationship in this sphere, or it will not develop. In opposed to these issues, China doesn't want to lose the connection in any field of collaboration because it doesn't intend to give a chance to the potential rivals in the region like some neighbours of the South Caucasus states.

Cloth and garment is also a well-known merchandising area between China and the South Caucasus countries. Low-priced human resources and the large quantity of fabricating goods make China the giant of this area. The Western countries are the main target for China to sell these products, but the countries in Asia and the South Caucasus region has a particular place in this procedure as well.

The position of Turkey expressly should be noted in this case because it is one of the crucial issues for China in the relationship with the South Caucasus. As emphasized above, the proportion of the fabricating materials in China is significantly high, but the quality of products doesn't show the expecting results usually. For that reason, Turkey is the prominent factor for the countries which promote their commercial interests in the region. It should be underlined to make much clearer the situation that people in this region have preferred the purchased cloth and garments from Turkey at recent times. For the opinion of people, quality of Turkish weaving is much better than the Chinese version, and the price is plausible for their budget whereas it is a little higher than the Chinese pattern.

It is evident that Georgia, Azerbaijan and Armenia don't have the superior capability to contend with China to procreate and offer the weaving objects for sale. However, it doesn't point out that these countries are the only point of purchase for China. The ways to preserve the position of the South Caucasus countries in the Chinese marketplace and the advantages of Azerbaijan having the incomparable rugs have already been explored in the prior paragraphs.[75]

To achieve high-ranking production in most spheres like China is not easy for the countries of the South Caucasus, but it is available. China also started to look through its policy, particularly economy policy, after the economic reform at the end of the 1970s. To raise the financial situation and attain the targets in the manufacture in all areas, especially technology, they began from the refurbishment of the academic or scholastic basis. They knew that the young generation was essential for the implementation of new amendments in the general structure that is why people who could be useful in the following times were sent to the prestigious overseas universities to study by the government. Furthermore, the authoritative figures initiated the discussions on innovations and academic advances with highly-developed states. The list of activities to promote China in the global arena can be continued. Still, it displays again that Azerbaijan, Georgia and Armenia should follow the similar evolution in their identical way if they want to succeed the unsurpassed economic purposes.

4.2. The Implementation of Soft Power as an Additional Tool by China over These Three Countries

Today China has sure popularity for its economic supremacy and influence on the world countries. Nevertheless, before making the commercial collaborations, China takes the soft power policy with them in a parallel way. Soft power is a specific tool to promote the expediency of a country towards external objects without making the activities relating to the armed forces and similar ones. It is a noteworthy way that creates a situation for

[75]Giorgi Benashvili and Nika Asanidze: *"Economic Development of the South Caucasus East-West Crossroad"*, The West East Institute, The 2016 WEI International Academic Conference Proceedings, December 2016.

applying state to start affecting not only the official level of governance but also the individuals of any society.

China began to pay attention to this kind of policy before the emergence of the international crisis in 2008. As emphasized through the previous chapters, China commenced one of the most significant economic projects named with "One Belt, One Road" after 2012. This project should embrace much more than a third of the whole number of world countries and more than half of the Earth people. Consequently, it is not difficult to imagine the financial results and its benefits to the whole citizens of these countries as well.[76]

For that reason, China needed the usage of soft power because it was necessary to change the thinking way of people about China towards the positive side. Softening of the humans' opinion living in the intended zone about the economic policy of the Chinese government was highly advisable. This massive project could make people perceive China as the occupier for using economic profits of their countries' location and potential. All these facts stimulated China to work on the societal dialogues and foundation of getting in touch with humans directly.

China planned to start from the scientific aspect because it was the most potent instrument to impact the youth and academicians in the community. The interchange of humans in the academic sphere became one of the priorities for China. The specific centre promoting the Chinese values named Confucius Institute was founded in different countries, including by "One Belt, One Road" project. Till today, the various branches of this centre are active, and many people who want to study at the Chinese universities get to contact with these centres. These points teach individuals the Chinese language or its artistic awareness, and it is the best chance for humans who are interested in the Chinese lifestyle and the country itself.

Additionally, it should be noted that Chinese universities have a particular weightiness in the top-ranking system. Specifically, the universities in China are highly recommended to the persons intending to study in the technology or computer sciences at modern times.

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[76] Anar Valiyev: *"Azerbaijan through the Prism of BRI: China's Mounting Interests and Influence in the Region"*, PONARS Eurasia Policy Memo No. 621, October 2019.

On the other hand, the Chinese administrative powers also make sponsoring for the citizens to investigate their concerned fields in the embracing countries. After the origination of the projects as a result of the Chinese soft power policy, nearly 400 000 native undergraduates, graduates, scholars or academicians have continued their educational life in these countries. It is worth mentioning that some of them have been fully financed by the administration.

Moreover, the contribution and financial support by China towards other countries help to create a positive outlook of China as well. For instance, as observed during the recent affairs relating to the COVID-19, China gave a hand to many countries with technical facilities, medical equipment and other similar instruments which resulted in the appreciates by most of the global auditions.

These kinds of supports are motivated by the improvement of the economic situation in China. This development causes the spread of the Chinese people to other states because the government makes collaboration with foreign companies and has to send its workforces to implement particular assignments. The origination of connection between humans from different countries is taken into account as one of the most "effective weapon" in soft power. These persons are the potential sources to represent their culture and country from a positive perspective. It means that one person can have much more ability to change someone's negative opinions about his/her country rather than official or governmental activities if there is a good relationship between them. For that reason, the human factor should be underestimated in that case.

The attitude of China towards the South Caucasus countries is almost the same in the soft power issue. China can understand that at this time, the cooperation between these two sides can be flexible or not too tight, but in the coming years, it can be intensified as a result of soft power. Furthermore, the states in the South Caucasus are also encompassed in the "One Belt, One Road" project; that is why the maintenance and consolidation of the partnership are desirable for the current moment.

The implementation of soft power policy in the South Caucasus area beforehand has another advantage for China because it is a kind of guarantee to sustain the cooperation. The position of the official figures is not eternal, and other persons can supersede them due to the consequence of any elections. The newly coming person can have an opposite approach

to the previous positive connection with China. Subsequently, it can be a motive for the disruption of the relations between the sides. On the other hand, owning the affirmative status in the mind of the general citizens has a significant profit for China to prevent this possibility in this case because the new candidate should keep pace with the common expectation of individuals if she/he intends to gain the people's sympathy.

The volume of the soft power policy by China is not on a sufficient level in the South Caucasus territory. Its execution has been successful in the academic sphere that is why China is interested in the origination of the Confucius institutes promoting and teaching the Chinese language as well as its culture in different learning and teaching places. The proportion of individuals who want to keep going their academic life in China is increasing year by year.

The fully-funded scholarship programs by the Chinese government motivate the persons to apply these centres and learn the Chinese language for getting a chance to study in the Chinese perspective universities. The reason for the soft power productiveness in the academic sphere is logical because it is an undeniable fact that there is some emptiness in the specific branches of the educational system. Of course, some of these gaps come from the Soviet regime and people being born during the post-Soviet period aren't willing to restrict their education locally. Even, some of them evaluate the teaching process in their countries as the inspired system from the Soviet-stylish methodology. For that reason, they either establish their academic life from a bachelor in foreign universities or continue their bachelor degree with the master, PhD or other improvements of professional skills abroad.[77]

The preference of individuals to overseas universities also stimulates the countries in the South Caucasus to work on the new strategy for the developments in the academic section. For instance, the government in Azerbaijan does its best to achieve a particular theoretical methodology to practice its public schools and universities for keeping pace with modern standards. Moreover, there are various types of programs by the administration for sending students to the top-ranking foreign universities. These programs cover all fees of the persons during the education period. The principal goal of these activities is to bring up the

[77] Dr Vasif Huseynov: *"Use of Soft Power in Tandem with Economic Expansion: Examining the Case of Chinese Soft Power in South Caucasus"*, Caucasus International, Vol. 8, No: 2, 2018.

educated and skilled young personnel because it is significant to get back these cadres to fulfil the gaps in the system and use their "brain capital" for the benefit of the country in a positive way.

The lack of the expected results of soft power in other sections is predictable beforehand. For example, there are various types of press agencies in Azerbaijan, Armenia and Georgia. Most of them are local, and some of them perform as the local branch of the foreign press. The second kind of news bureaus naturally belong to particular countries and obtain their primary support from the core centres in their countries. Nearly all the latter types of news firms are the local departments supported by the Western countries and Russia. China doesn't have any similar version of "addition" in the media sphere of the countries in the South Caucasus.

Furthermore, the absence of the Chinese media subsidiary can also be associated with the unfamiliarity between the languages. From the aspect of the language barrier, there is not any difficulty for Russian press agencies to corporate with local companies because Azerbaijan, Georgia and Armenia are the post-Soviet countries and the Russian language isn't strange for the citizens.[78] The press from the Western countries doesn't face great hardship as well. The international status of the English language and the popularity of the learning process of this language among young generation bring a considerable advantage to the companies from the Western countries.

Consequently, the considerable differences between cultures and languages seem like the main obstacle to China for the execution of the soft power based on the negotiations over the general citizens. According to the mentioned issues, the Chinese government understands that to eliminate these barriers will take a long time. For that reason, applying the soft power on the academic field is taken into account as the primary instrument to create and sustain the persistent positive impression in the mind of people.

The soft power policy cannot be restrained with the negotiations or other imitative activities over the community. The different angles of the economic or social partnership are also considered practical actions during the fulfilment of the soft power policy. The general

[78] Michael Bishku: *"The South Caucasus Republics and Russia's Growing Influence: Balancing on a Tightrope"*, MERIA Journal, Vol. 15, No 01, 2011.

communication between China and the South Caucasus region has already been analyzed throughout the preceding paragraphs. Despite this fact, it should be better to do a detailed review to be whale at this topic that is why the research of the partnership between China and Azerbaijan, China and Georgia, China and Armenia is advisable to look at the big picture.

Azerbaijan has an affordable geographic position for the project of China because Azerbaijan plays the corridor role in the region, and China can transfer its production to the European states and the countries from Libya to Afghanistan with the help of Azerbaijan. The setting in motion of Baku-Tbilisi-Akhalkalaki-Kars railroad three years ago opens the doors wider for China to merchandise at the international level. It is assumed that China will be able to transmit much more than a tenth of its general products to the European countries with the help of this track. Additionally, the money circle in the economic collaboration between China and Azerbaijan is progressing year by year, and there is a considerable distinction in the indicators from the initial years of freedom at the end of the twentieth century till the current moment. For that reason, today, China is one of the top five countries merchandising with Azerbaijan broadly at approximately 1.5 billion dollars.[79]

Coming to the approaches of the citizens towards China, the situation differs from the governmental relations. As noted before, China created specific centres like the Confucius Institute to promote its language for the foundation of the social link. With this, the students applying for the full scholarship programs by the Chinese government are getting a chance to expand their range of vision and academic knowledge in the Chinese universities each year. Currently, two branches of this institute operate in Baku which is the capital of Azerbaijan.[80]Additionally, the Chinese administration arranges the particular contests to measure the level of the Chinese language skills of the persons joining these centres in their countries. After that, the Chinese administration originates a condition for the winners as an award to take part in the educational institutions during summer and travel the various regions in China. Over these activities, both Azerbaijani and Chinese cultural days allow each side to get to know the culture, society and lifestyle of the opposing team. Every year,

[79] Bai Lianlei: *"Azerbaijan in the Silk Road Economic Belt: A Chinese Perspective"*, Caucasus International, Vol. 6, No: 1, 2016.

[80] https://www.digmandarin.com/confucius-institutes-around-the-world.html

the exciting memories of the former contributors motivate more individuals to be registered in these centres to broaden their language skills and mental outlook.[81]

On the other hand, some circumstances shake the increasing positive viewpoint of citizens towards China. It is evident that the collaboration based on the selling and buying process of the armed forces' equipment between China and Armenia is in a different size.[82] Specifically, selling of the numerous missiles and its facilities by China to Armenia irritates Azerbaijanis.

Due to another example, Chine gave a hand Armenia and sent a vast amount of medical equipment or other demanded objects during the spread of the coronavirus in Armenia. Of course, at that time, China showed its help to the various countries because the virus became a considerable threat to the world countries in a mondial level and supporting one another was essential for the humanity. In addition to this reality, prevention of the sickness in one country also means the protection of social health and security in other countries. Despite these facts, the English translated version of the message comprising friendship between China and Armenia on the sending supplementary products caused the adverse reaction by the Azerbaijanis, as well as Turkish people.[83] This message was expressing their friendship's improvement and the volume of this close relationship which was compared with the height of Mount Ararat.

From the historical point of view, Mount Ararat has particular importance as the symbol for Armenia. The religious and spiritual meaningfulness of this mountain is the firm basis for the requirement of Armenians about the association of Mount Ararat with Armenia. However, the mount locates within the borders of Turkey, and it has belonged to Turkey since the treaty of Kars and Moscow in 1921 officially.

As a consequence of these activities, the opinions of Azerbaijanis on China are unstable today, and the applying soft power policy by China cannot work in this case.

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[81] http://english.hanban.org/node_13617.htm

[82] Nadege Rolland: *"China's Ambition in Eastern Europe and the South Caucasus"*, Russie.Nei.Visions, No. 112, Ifri, pp. 16-19, December 2018.

[83]http://www.mfa.gov.tr/sc_-21_-chc-nin-covid-19-baglaminda-ermenistana-gonderdigi-yardim-hk-sc.en.mfa

Especially, selling armed forces techniques and equipment to Armenia is one of the most annoying and distrustful behaviour for Azerbaijanis because, at the current moment, there is a known issue in the relations of Azerbaijan and Armenia. It means that the armed forces of Armenia use these facilities and instruments against Azerbaijan during the breaking of the ceasefire and it will continue until the solution of this problem between Azerbaijan and Armenia.

When it comes to the partnership between China and Georgia, China is willing to make more progress in the contribution with Georgia rather than Azerbaijan and Armenia. Georgia has the treaties representing merchandising without payment with the European countries. China puts money into some spheres of manufacture in Georgia and the products which are made in the financed fields by China obtain the effortless direction to reach the "bazaar" in the European region as a result of these treaties. Therefore, Georgia has a specific place in the attitude of China towards the South Caucasus.

Subsequently, at recent times, much more than 110 million dollars as credit was spent in the framework of "One Belt, One Road" for the building of the ways in Georgia and it was recommendable to convey the Chinese products from Georgia to the European countries comfortably.[84] Even today, China keeps going on paying out a colossal amount of money in various social and economic plans in the region of Georgia. For instance, the building of modern places or shopping centres for the merchandising processes, establishment of innovative worldwide educational institutions, etc. by China in the territory of Georgia can be shown as an example.

Georgia got another advantage three years ago in collaboration with China because they signed a contract about merchandising without payment between each other. Thence, Georgia entered into an advanced agreement with China after a similar experience with the European Union. It made Georgia be in the matchless and beneficial situation rather than other countries in the South Caucasus. Now, Georgia is the only one in the South Caucasian

[84]Dr Ozgur Tufekci: *"China's Belt and Road Initiative: Rise of Chinese Eurasianism as a Eurasian Integration Strategy against Atlanticism?"*, Caucasus International, Vol. 8, No. 2, pp. 33-42, Winter 2018.

region that has the treaty on the merchandising without cost with China and the European countries.

This contract with China was an entirely accurate option for Georgia because the communication with Russia wasn't very balanced, and the aggressive circumstances could be observed between these two as well. For that reason, Georgia was conscious of the situation and time to find another possible enormous economic power instead of Russia for the collaboration. As stated by the intercontinental facts and figures, there is a considerable improvement in the financial circle of global cooperation between Georgia and China in comparison with the initial years after gaining the independence at the end of the twentieth century. At early times, this indicator was not much more than 4 million dollars. On the other hand, after 2016 it has shown roundly 950 million dollars. Thus, nowadays, China is among the top three countries merchandising and making economic association with Georgia.

Moreover, the enhancing amount of funding by China makes Georgia an active industrial point in South Caucasus. The foundation of the first electric plant, the rising quantity of the transferring money as funding and help every year since gaining the sovereignty, the architecture of the merchandising highways and railroad tracks, origination of thousands of vacancies for the citizens and other activities are just the particular part of the total profits that have been presented by China to Georgia.[85]

As a result of the creation of new workplaces in Georgia also cause coming of Chinese employees to Georgia. However, sometimes Georgian people don't show a positive reflection towards new arrivals. On the other hand, this attitude doesn't belong to everyone in a country, and it isn't a critical problem in the standard of the entire population.

When it comes to the other branches of the soft power policy, China carries on the implementation of soft power in the academic field in Georgia. After the origination of the Confucius Institute in Armenia at the beginning of 2008, China did the same performance in Georgia as the following activity. In a general way, the office engages in the encouragement of the Chinese language, as well as its culture. All information on what is the fundamental

[85] Azad Garibov: *"Friends and Foes in the South Caucasus: Sources of Divergent Security Policies and Alliances in the Region"*, EUCACIS Online Paper No. 9, September 2019.

mission and goals of these hubs have already been analyzed throughout the paragraphs above.

Then another department of this hub was set up in the other university three years ago. In these days, these offices actuate in much more than 20 academic establishments. Generally, there are two main centres of this institute in the capital of Georgia.[86]On a side note, the Chinese authorities send different native pedagogues and advisers during various periods to simplify the training and learning processes. For the data of Chinese officials in Georgia, the number of citizens who have applied these hubs and learned the Chinese language is over 950. Even, each twelvemonth, much more than twenty persons in Georgia get an option to keep up their academic life in the universities of China with fully-funded bursaries which are presented by the Chinese administration.

This partnership is being strengthened with exciting kinds of societal activities and plans. They help to remove the tremendous civilized distinctions because they are highly recommended actions for any two nations to get to know each other very well. In various seasons, both China arranges exhibitions describing their ethnic heritage, competitions based on the music or other spheres of the Georgian and Chinese art in Georgia. As a result of these activities, year by year, more citizens are interested in China, its lifestyle and other societal branches stimulating by the soft power policy of the Chinese executive.

Lastly, Armenia also has a beneficial connection with China, and it is progressing over the contribution in the different sections. Nevertheless, this contribution cannot be mirrored in the "One Belt, One Road" project because the boundaries of Armenia are not open with Azerbaijan and Turkey due to the illegal possession of 20% land of Azerbaijan region by Armenia.[87] For that reason, Armenia seems to be in an insulated situation within the framework of this project.

To remove this disadvantage, Armenia pays enormous attention to the merchandise with China. China has been in the list of the top three countries merchandising with Armenia

[86] https://www.digmandarin.com/confucius-institutes-around-the-world.html

[87]Suleymanov Elchin, Bulut Cihan and Rahmanov Farhad: *"Economic and Political Analysis of Azerbaijan-Turkey Energy Relations"*, Journal of Management, Economics, and Industrial Organization, Vol.1 No.2, pp. 24-44, 2017.

throughout the recent three or four years. The facts and figures of Armenia put forward that the commercial circulation from China to Armenia and vice versa grew much more than 45% after 2017 and it was approximately much more than 300 million dollars.

Moreover, Armenia doesn't intend to accept the reality of the insulating situation easily because the government is aware of that associating to "One Belt, One Road" will gain a considerable profit to the economy of Armenia. Therefore, the authoritative figures deeply care about the foundation and performance of "International North-South Transport Corridor". This conveyance passage primarily makes the connection between Iran and the European countries. To provide the reach of production from Iran to the states in Europe or conversely, this transition way should pass the region of Armenia and some harbours of Georgia in the sea that is why the merchandising process through this passage is an excellent source of benefit for Armenia.

On the other hand, the expense of this passage is over 2.8 billion dollars, and it is too over the standard monetary situation in the economy of Armenia. For that reason, the administration in Armenia has in prospect for the participation of China in this plan. The primary mission is to provide a steady position in a line of "One Belt, One Road" concept making ties between China and the European region.

Furthermore, as emphasized above, there is a significant communication relating to the selling and buying process of the armed forces' equipment between China and Armenia. Armenia can be counted as one of the potential recipients in the Caucasus region for China in this sphere.

China has in mind to form its favourable impression in the public opinion of Armenia. Thus, the implementation of soft power policies, such as sending help or other activities has a significant role in this case. For instance, respect to some economic data, Armenia has accepted much more than 35 million dollars from China to increase the level of the monetary situation during the last eight years. In addition to this support, China also satisfies the requirements of the residents in Armenia with the endowment of numerous transportation facilities. Both citizens and authoritative individuals in governance appreciate the contribution of China because the insulated circumstance and tense relationship with the particular neighbours make Armenia experience the limited improvement. For that reason,

from the early times, the supports were the well-pointed soft power activity by China towards Armenia.

The specific branch of these activities binds up the academic field. Organizing opportunities in the scientific sphere by China for the countries in the South Caucasus have already been investigated through the previous paragraphs, but it is advisable to look through the same issue in case of youth in Armenia again. Foremost, it should be underlined that there are individual contracts between Armenia and other states and their main goal is to train the young qualified generation of Armenia in the overseas universities. However, the number of these states doesn't overrun ten and China is the famous one among these countries. Even Chinese universities are one of the most preferred options for applying persons in Armenia. As an aside, each year, the average of 270 or 280 persons among Armenian citizens are determined to continue their academic life with full covered scholarship programs in overseas universities introduced by the contracts between the countries.

Regarding the enormous precedence to the universities in China, it is related to the presence of Chinese soft power in Armenia at early times. In the same year when it was decided to begin the soft power policy intensively by the Chinese government, the teaching head office connected with the Chinese language and culture was originated for the first time in Armenia. Till the current year, this office keeps going to draw the attention of more Armenian young and there is only one Confucius Institute centre in the capital of the country.[88]

Besides, China gave access to the more improved teaching centre in the metropolis of Armenia two years ago, and its capacity is more excessive than the other one. Native instructors from China perform all pedagogical activities connecting with the learning procedures of speech skills in Chinese. China spent much more than 10 million dollars to complete the architecture and activate it. For the officials in Armenian administration, these actions, as well as the inauguration of the last office, helped to bring closer the distant

[88] https://www.digmandarin.com/confucius-institutes-around-the-world.html

cultures of two nations.[89] Therefore, it stimulated the positive relations between not only China and Armenia but also the communities of these countries. In the meanwhile, the role of living Armenians in China should be underlined in this case. Although the number of them is not so much, nearly 600-700 people, the power and the broad scope of impact of the Armenian diaspora is the critical point in making positive communication between states. This fact is acceptable for most Armenians and members of diasporas living in other overseas countries as well.

[89] Dr Vasif Huseynov: *"Use of Soft Power in Tandem with Economic Expansion: Examining the Case of Chinese Soft Power in South Caucasus"*, Caucasus International, Vol. 8, No: 2, 2018.

CHAPTER V

CONCLUSION AND EVALUATION

Overall, it can be deduced that the fundamental argumentation about the possibility of China to be the global hegemonic power in this thesis is near enough to actualize in the case of obtaining real strong dominancy over the Asian region. As examined above, China witnessed a significant development after the economic reform at the end of the 70s in the twentieth century, and this transformation became a successful pattern for most countries. The affirmative results of this reform in China have already been analyzed through the previous chapters, but it didn't make good progress in the countries implemented the same reform policy. It can be made inferences from this case that each state has particular economic potential and endurance to execute economic reformation. Every country should analyze the current power of the economic system and make financial planning according to the situation before applying a similar reform.

Till today, China faces significant economic issues such as low cost of labour, the existence of an enormous amount of workers working for 1 dollar a day, lower level of average salary than targeted one and others. Despite these problems, the current economic power of China gives a chance to assume that China is the possible candidate for being the global hegemonic power. Furthermore, the execution of advanced technologies and innovations in production to reduce the depollution and other kinds of global environmental issues is one of the new characteristics of the Chinese economy. Nevertheless, it is observed that China takes the first places in the list of criticism of the Western countries due to the ignorance of the ecological problems and treaties signed to solve these problems during economic activities.

In addition to the economic system of China, it can be claimed that the communist regime dominates in the political and social life of China, whereas the general economic order activates based on capitalist values. Even if the roots of the Chinese internal political and social life come from the imperial administration, wars with external powers during the nineteenth and twentieth century, humiliating contracts signed as the result of these conflicts caused to change the regime. It can be evaluated that alteration of the government was necessary because the individuals in society also began to feel this humiliation psychologically, and this situation was incredibly dangerous for the existence of the state.

They needed a new ideology to save their spiritual heritage. For that reason, communism gained a victory as the consequence of the clashes among various doctrines, and the supporters of communism started to create a mentally new version of human.

It can be analyzed that the communist regime in China is different from other models until this time because Chinese society is too conservative, and people immensely respect their ancestors. There is a decisive role of the values like blood connection and relativeness in the whole culture. On the other hand, communism promotes people's collectivity rather than family factor in the management of the state and community because controlling different "family institutions" in a society inhabited by a large number of people. The difference between these two approaches and the administration style of population and state, having a specific balanced policy between the varieties, is the central part of critic points that distinguish the Chinese communist system from others. Incidentally, it should be emphasized that the tendency towards democracy and some taken steps related to the democratic values in the Chinese regulations in recent years are noticed as well.

According to this condition, the foreign policy of China is planned and developed based on collaboration with foreign countries for obtaining more economic power. At the given moment, China maintains a balanced relationship with overseas partners or states and does its best to avoid the conflicts in most cases. However, it had a significant combat relationship with most of the currently associated countries. It can be put forward that this kind of relationship is incredibly necessary for China to make financial cooperation and get more power in this sphere. On the other hand, despite being a qualified economic partner of China, there is the condemnation and accusation for some internal rigid political rules in China by the external actors, specifically the Western countries. Still, China doesn't care about these negative comments and tries not to pay attention to this affair.

Notably, the correlation of China with the United States and Russia, which are always in competition with each other in the hegemonic world system, differs from other relations for its size and capacity. Firstly, it should be mentioned that the partnership between China and the United States improves each year in many areas. Chiefly, the production of inexpensive goods in China and its selling process to foreign countries, the growing demand of low-income persons in the United States for these products, progressing amount of investments by the American companies in China, etc. make to develop this connection as the interdependency. Contrary to this reality, it can be predicted that America will not agree

comfortably with the circumstance if China becomes the hegemonic economic power in the global arena. Even it can share economic dominance with China. Still, the United States doesn't intend to go fifty-fifty on the political hegemony with not only China but also any country. For that reason, America displays intervention almost in all cases that can cause further progress in the economic and political domination of China and attempts to prevent all menaces and possible disadvantages for the power of the United States. Therewithal, similar reactions like these actions are also represented by China. Specifically, to increase its influence over the Asian region in an enormous volume and weaken the status of the United States in this region is one of the main targets of China in the present period. In addition to this fact, China generates different kinds of new alliances with Asian countries without the participation of the United States to achieve its goal. Consequently, it means that both China and America don't put out of control each other's actions or behaviours and none of them has in mind to concede in this rivalry because obtaining global hegemonic power takes the first places in the agendas of both sides.

As for Russia, the relationship between China and Russia positively develops year by year. Cooperation between them in various fields and the considerable capacity of these spheres disturb America. It is evident that collaboration between two possible hegemonic powers is the primary source of danger for another potential country, and coming together of these powers creates the favourable condition to eliminate this country as well. Therefore, in the current circumstance, to strain the relationship with China or Russia isn't beneficial for the United States because every step taken towards conflict or tension is the stimulus for getting closer of Russia and China.

Furthermore, Russia gives priority to its ambitions in the relationship with not only the United States but also China because of the particular allegation for the global hegemonic power. For that reason, it puts on show the original position not to take a step back in the solving procedure of any problem. China is aware of this situation, and it should be better for China to promote its policy without hurting the ego and hegemonic ambitions of Russia smartly and softly. Besides that, the collaboration with Russia, which is comparable with America for its high level of power, is logical if China wants to leave America behind in this competition and to fill gaps in some fields, particularly in armed forces' equipment area. Otherwise, there is a probability for the happening of an overwhelming clash if the interests of China and Russia come into collision, and each side promotes their ambitions clearly

without making concessions. Primarily, this circumstance can cause disappointing results for the countries in the Asian region.

At last, the correlation between the states in the South Caucasus and China keeps going on improvement in an upward trend. Notably, partnership based on the merchandising stimulates the economic ties between them. The countries in the South Caucasus primarily concentrate on the selling process of the natural resources to the foreign countries due to the lack of experience in the technology sphere. As a result of gaps in the technical facilities, these states cannot manufacture all products that people need in their industry; that is why China uses this situation for its benefit and introduces self-produced products to the South Caucasus countries. Individually, this selling and buying process continues to progress every year without any problems for the low prices of goods made in China. As mentioned above, the states in the South Caucasus territory are engaged in the sale of natural resources and commodities to China and other overseas countries. Specifically, Azerbaijan has more advantages in this case because it has fame for the extraction and selling process of petroleum and similar products in the world arena. Even, Azerbaijan doesn't face considerable disruptions in the manufacturing and selling of these commodities rather than other sections.

Nevertheless, it has also some disadvantages because focusing on the petroleum area causes dependence on only one sphere and rusting of different production fields. For that reason, in recent years, the Azerbaijan government emphasizes the importance of "human capital" or "the capital of the human brain", and supports the fulfilment of this policy for the advancement of the country. It should be accepted that the balanced development among all manufacturing fields and human with his/her brain capital will be able to save the growth of the general production process after the depletion of some natural resources.

Despite the improving relationship with China, the Western countries and Russia still are the main point of sale for the countries in the South Caucasus due to specific problems like the existence of long-distance between China and this region, etc. Thence, China keeps going on making various economic cooperations and diversified projects to develop these partnerships because all of them are essential for taking advantage and China doesn't intend to lose its potential revenue-generating region like the South Caucasus in Asia.

Moreover, it should be underlined that of course, the production capacity of China and the states in the South Caucasus is not on the same level and their power and current capabilities in merchandising cannot be compared with China. Notwithstanding, it doesn't mean that the procreated goods by these states don't have a chance to possess their specific position in the Chinese bazaar. To achieve this goal, they should pay attention to the manufacture of the objects that can differentiate them from others not only in China but also among whole world countries. For instance, the unmatched rugs and top-quality and outstanding agricultural outputs of Azerbaijan, brandy of Armenia and vino of Georgia can be shown as the sample in this case.

When it comes to applying soft power policy by China over the countries in the South Caucasus region, it can be concluded that China genuinely intends to assure its position in the South Caucasus. For achieving this goal, the principal tool is not only making friendly cooperation with authoritative figures but also creating its "pink image" in the citizens' point of view. As logically, it will save the reputation and potion of China in these countries in the case of replacing the easygoing administrative persons with the opposed ones. Consequently, China understands the necessity of the power of the soft power policy and its impact over the individuals. Despite lacks of some advantages such as language barrier and the significant distinctiveness in the lifestyles and mentalities, the establishment of societal projects, activities to eliminate these differences and obstacles like origination of the Confucius Institute to encourage the Chinese language and culture in Georgia, Azerbaijan and Armenia, making mutual contracts in academic spheres are the particular methods for the Chinese government to implement its soft power policy.

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