



საქართველოს სტრატეგიისა და საერთაშორისო ურთიერთობების კვლევის ფონდი  
GEORGIAN FOUNDATION FOR STRATEGIC AND INTERNATIONAL STUDIES

# FREE AND OPEN INDO-PACIFIC (FOIP) STRATEGY AND ITS IMPLICATIONS FOR GEORGIA, INTERNATIONAL ORDER, DEMOCRACY AND ECONOMIC DEVELOPMENT

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## **International Politics and Japan's Foreign Policy Vision**

Japan is in favor of the liberal international world order which is beneficial for any country in the world and the Free and Open Indo-Pacific (FOIP) strategy should be assumed as a conceptualization of this notion. The major focus of the FOIP is the promotion of international commerce which should be implemented in a rule-based international order. Also, in this regard, it should be mentioned that the FOIP is emphasizing its focus on the Association of Southeast Asian Nations (ASEAN) to guarantee peace and prosperity in the Pacific region and stability and prosperity for its countries.

Russia's unprovoked and unjustified invasion of Ukraine is a seismic event in the history of international relations that will change geopolitical perceptions significantly. The USA's credibility will be dramatically affected reflecting the efficiency of its actions aimed at stopping Russia's military aggression. Although many are caught by surprise by the aggravation of Russia's belligerence, it should be mentioned that the rising aggressiveness of Putin's policy became explicit a long time ago. Since 2008, Putin has been promoting the substantiation of the Eurasian ideology whose modern concept was developed by the Russian scholar, Aleksandr Dugin, who is prominent for his radical views.

However, Putin's Russia is still a short-term threat while China represents a medium to long-term threat. In comparison to Russia, the threat originating from China is structural in which major changes are less expectable in the forthcoming future.

While focusing mainly on its economy to exert its influence, China still may double down on establishing a sphere of influence through coercive measures as well. To some extent, it has already applied this type of policy which leads to the creation of China's hegemonic order. The power gap between Japan and China is increasing at Beijing's advantage.

The US, which is the most important ally for Japan, is constantly sending firm signals to Beijing that any attempt to change the status-quo would not be tolerated. In that sense, Taiwan's security guarantees look almost similar to NATO member nations. However, seemingly, the USA is short of the capabilities to tackle all rising threats and challenges. But considering the reality on the ground, the Indo-Pacific should remain on its priority list.

The case of Ukraine unfortunately proves that international institutions, which have been created with the main mission of preventing military aggression and ensuring sovereignty and the territorial integrity of the states, are malfunctioning. Against such a background, the search for new security mechanisms is accelerating.

In order to counter the risks, Japan is looking around in search of reliable and trustworthy partners with shared values. Some multiple arrangements there are already in place which aim at the prevention of Beijing's hegemonic ambitions. The Quadrilateral Security Dialogue\* (QUAD) is one of them. Although not having any military component, the QUAD plays a very important role in terms of the coordination of the member states' policies.

### **Japan-Georgia Relations**

Despite distant geographical locations, Japan and Georgia have a lot in common that enhances ties between the two states. The most important of them are the dedication to values, the commitment to the "Global West" and the adherence to the liberal democracy, a free market and the rule of law.

Japan strongly supports Georgia's sovereignty and territorial integrity which is a principal issue for it, especially taking into consideration its own experience with Russia which occupies its northern territories. Japan also firmly contributes to the success of Georgia's non-recognition policy. However, taking into consideration its position in the Indo-Pacific region, Tokyo has the potential to help Georgia in persuading Nauru to withdraw its recognition of Abkhazia and South Ossetia/Tskhinvali Region as independent states.

In 2011, Japan recognized Georgia's status-neutral documents which is a very important part of Georgia's non-recognition as well as engagement policy with the population living in the occupied territories of Georgia. Along with that, Japan provides Georgia with humanitarian assistance for internally displaced persons from Abkhazia and South Ossetia/Tskhinvali Region.

Beyond this, Japan and Georgia generally support each other in the international arena and they promote each other's resolutions and candidates in international organizations. In 2021, these states signed two very important treaties – on bilateral investment and on double taxation which could promote further cooperation between them.

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\* Consists of four countries: the United States, Australia, India and Japan.

Thanks to various programs, many young Georgians have been able to go through high quality training programs in Japan. There are also some trainings specially designed for public servants of Georgia's energy sector.

Japan also tries to enhance Georgia's connectivity through investing in infrastructure and other economic projects. Considering its railroad and sea-ports capabilities, Georgia has great potential to play an important role in Japanese connectivity with the EU. In this regard, It should be considered that the Black Sea is becoming increasingly important not only for the Caucasus but for Eurasia and Europe as well.

The Anaklia deep seaport project seems to be very important in the promotion of Georgia's reputation as a regional hub and transit country. Japan has had clear interest to participate in this project. Japanese support to the Anaklia Development Consortium was very large, proactive and creative. There were mutual visits that kicked off greater attention from the Japanese government and the Ministry of Economy, Trade and Industry of Japan gave a grant in 2019 to do a feasibility study. Considering that the Russian Black Sea port of Novorossiysk is being very limited now because of the sanctions applied against Russia, not having Anaklia online is all the more dramatic.

Beyond the Anaklia deep seaport, Japan has substantial interest in Georgia's energy sector. The Japan International Cooperation Agency (JICA), which has been present in Georgia since 1995, has been assisting Georgia for years in the energy sector, providing it with grants and transferring technology. The JICA's assistance includes some famous projects such as the East-West highway (Zestaponi area) and solar panels which were one of the first in Georgia. The large ongoing project is a loan given to the Bank of Georgia in November 2021 with the engagement of the JICA and the ADB. The total amount of the loan is USD 200 million of which 100 million comes from the JICA with the specific purpose to finance small and micro business.

The JICA is supporting Japanese language studies which are becoming popular in Georgia. There is an average of 300-400 students who are learning Japanese. The JICA is also working with the Ministry of Education and Science of Georgia in inviting professionals in order to establish new standards of education in Georgia. Another direction is agriculture in which the JICA has been inviting Japanese experts to share Japanese cooperation models in Georgia for many years now.

Japanese interest in the energy sector is also reflected in the presence of Japanese companies in Georgia (there are 26 such companies). The Tokyo Electric Power Company (TEPCO) is the largest investor from them as it has

already invested in the Dariali hydro power plant and purchased a third of its shares. This project amounts to USD 123 million.

## **Opportunities for Future Cooperation**

The bilateral investment treaty and the treaty on double taxation signed by the parties in 2021 open new opportunities to attract Japanese companies to Georgia.

On the background of Russia's unjustified and unprovoked invasion of Ukraine, the international community has applied unprecedented sanctions against Russia that lead its market to the state of collapse. Thereby, many international companies, including Japanese companies, which were largely present in Russia, have already left the country. Considering Japanese interest and friendly relations with Georgia, at least some of them may relocate their offices to Georgia in the case of offering suitable conditions, something which will promote it to a regional hub.

Japan has substantial interest in the development of Georgia's hydro power industry. Energy efficiency is one of the key problems for Georgia and there are very tangible opportunities provided by Japanese companies to improve Georgia's performance in this field.

Japan has very good experience and technology in LNG, SNG and gas storage as well as in providing and transporting gas in different modes from which Georgia could also benefit. Fossil fuel in Georgia – oil and gas are another dimension where Japanese experience could be shared.

Digitalization is key to enhancing the middle corridor through Georgia. Japan's assistance in this also seems very promising.

Sharing Japanese experience in team-work, modern management and work ethic could bring substantial benefits to Georgia as well.

Japan is already engaged in many projects and there are plans for Japanese companies to be presented in various countries in the field of innovations and technology that open up huge opportunities for Georgia. Fintech technologies is another area of potential cooperation with Japan.