

## Chapter 5: Conclusion

The end of the Cold War marked a real watershed in Europe's post-war political and economic development. The disintegration of the former Soviet Union and the disbandment of the Warsaw Pact symbolized a major change in the political configuration of Europe. The accompanying de facto collapse of CMEA presented its own economic challenges and opportunities. In particular, East European countries that had previously been tied to the USSR were now free not only to initiate efficiency-enhancing, market-orientated reforms and privatization, but also to develop their own foreign trade in accordance with the principle of comparative advantage.

Taipei set its eyes on developing closer ties with the Ukraine and Belarus, primarily for their economic potential, as well as their membership of the United Nations Organisation. Thus China's veto in various inter-governmental organisations would not have affected their decision on relations with the ROC. Taipei placed particular hope on establishing diplomatic ties with Belarus and Ukraine, even though both indicated their unwillingness in this regard. As for the Baltic state, Taiwan first of all hoped of pulling diplomatic allies from the ruins of the USSR.

In general, in the immediate aftermath of the end of the Cold War new investment opportunities became available in the former Soviet Union and former East European socialist countries. Taiwan's response to such opportunities was, however, quite modest.

In the current situation when international environment are changing rapidly, EEC are on the way of systemic changes and have enough capability to increase their influence on international arena.

In this regards, for Taiwan it would a good strategy to keep develop and enhance mutually beneficial cooperation with EEC in order to open up horizons for survival in international community, in particular to break through the diplomatic barriers which

dogged it for so long. In terms of this the promotion of Europe-oriented policy in parallel balance with westward and southward orientation would be a very logical solution.

After many years of development, Taiwan's relations with the United States have become established on a solid foundation. Observing the present development of international commercial relations, it is evident that “westward orientation”<sup>97</sup> has now become too blindly enthusiastic, useful negotiating chips now gradually eroding; and that despite abundant government exhortation to develop southward [into Southeast Asia], there is reluctance to do so owing to the higher risks involved. Europe-oriented policy, in contrast, appears to have no positive thrust, lacking any comprehensive planning. In fact, it is foreseeable that over the next decade, a number of Central and Eastern European countries will be continue to joining the European Union one after another, thereby making the world's largest economic body even more giant. And with the unification of European currencies and trend toward development of common foreign-relations and security policies, the EU's influence upon the international community will assuredly exert an ever greater decisive force and far-reaching impact. It therefore behooves Taiwan government to give more encouragement to Taiwan enterprises to swiftly march on the countries of Eastern Europe, expanding and developing business opportunities and thereby paving the way for stronger, close-knit ties with the EU.

Due to the fact that over the past five decades Taiwan has developed its economy with an export-oriented approach, its traditional formula for engaging in international trade has for the most part been to import raw materials and export finished products, persisting in this way up till the present day - a fact proven by the swarming of Taiwan businessmen to China to set up factories. Now, a half century later, Taiwan entrepreneurs ought to take a new, critical look at themselves and understand the world from a broader, deeper perspective. EEC and Taiwan have much room for developing mutual potential with respect to accessing and utilizing all manner of Eastern European resources and investments in order to strengthen Taiwan's role in the international trade

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<sup>97</sup> Here by under the term ‘westward orientation’ the author assuming the orientation on developed countries of Western Europe and USA according with tradition in European school, which is different from terminological assumption in Taiwan where ‘westward orientation’ means orientation to Mainland China.

arena. Taiwan is already equipped with excellent prerequisites for launching into Eastern Europe.

Indeed, Taipei already did succeed in establishing ‘substantive’ relations with some states in Eastern Europe, including China’s strategic partner Russia. Given its lack of prior contacts and resulting ignorance of the region’s peculiarities, China’s diplomatic influence and the increasing lure of the expanding Chinese market, Taipei’s capacity to do so is quite remarkable. However, it could be argued that ‘substantive’ relations were as beneficial to EEC as they were for Taiwan. Therefore, their establishment resulted from a convergence of economic interests. Taiwan’s influence attempts – relying upon promises of large investments and sporadic soft loans and humanitarian relief – helped Taipei to stage high-profile visits and accelerated the formation of ‘substantive’ partnerships, but ‘substantive’ relations would have been forthcoming without these added inducements.

Reluctant to part with its wealth, Taipei did not connive to construct an asymmetrical interdependence – whether in terms of aid or trade – with any EEC. This explains Taiwan do not succeed to break out from China-imposed isolation through greater diplomatic recognition in EEC. However, it successfully transformed EEC into a market hungry for its processed goods and a source of raw materials needed by Taiwanese industry. Measured against the less-ambitious secondary objectives, both political and economic, Taiwanese economical diplomacy performed remarkably well.

The author believes there are more theoretical studies should be done on the topic of this research. The limitations of this study includes the difficulties to collect first hand information, for instance interview; the regulations of volume for the Master’s thesis; and lack of appropriate description and investigation of so-called “China’s factor” in regards of EEC and Taiwan relations, which is related to the limited possibilities to collect and observe the required amount of periodical materials written on Chinese in terms of time constrain. However, this issue assumed as a priority for the author’s future research.