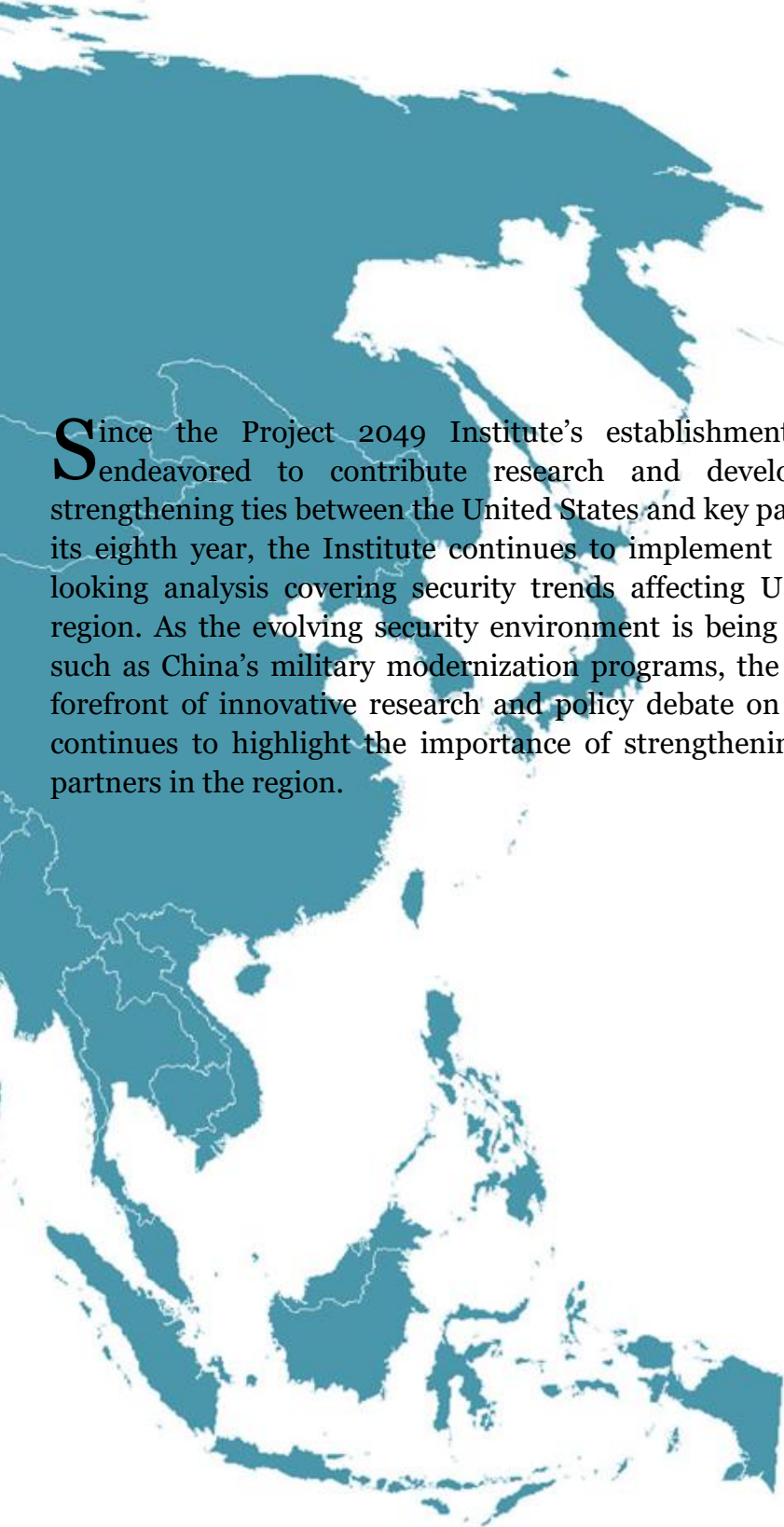


PROJECT  
2049  
INSTITUTE

**2014 Annual Report**

## Annual Report




Since the Project 2049 Institute's establishment in 2008, the Institute has endeavored to contribute research and develop innovative approaches for strengthening ties between the United States and key partners in Asia. Now approaching its eighth year, the Institute continues to implement programs and publish forward-looking analysis covering security trends affecting U.S. interests in the Asia-Pacific region. As the evolving security environment is being shaped by major driving forces such as China's military modernization programs, the Institute continues to be at the forefront of innovative research and policy debate on China's military ambitions and continues to highlight the importance of strengthening relations with key allies and partners in the region.

## Program Highlights

**Japan's Global Engagement and U.S.-Japan Cooperation:** Sponsored by the Sasakawa Peace Foundation in Japan, this program was completed at the end of March. On March 4th, the Institute hosted a well-attended conference on the U.S.-Japan alliance and Japan's regional partnerships. This conference brought together a distinguished group of experts and presenters, including Ambassador Richard Armitage for opening remarks; Dr. Amy Searight from the Office of the Secretary of Defense (OSD), Tetsuo Kotani from the Japan Institute of International Affairs (JIJA), Dr. Stacie Pettyjohn from RAND, Dr. Jennifer Lind from Dartmouth, Dr. Satu Limaye from the East West Center, Catherine Lea from Center of Naval Analyses (CNA) as panelists; Robert Zarate from Foreign Policy Initiative (FPI), and Elbridge Colby from Center for a New American Security (CNAS). All of these speakers contributed to the discussions and helped to steer the audience towards a deeper and clearer understanding of U.S.-Japan bilateral relations and Japan's role in the region. In addition to this conference, several publications were posted on our website in association with this program.

**Leaders Program Keynote Dinners:** In 2011, the Project 2049 Institute launched an educational and intellectual exchange-based program for leaders in the government, non-governmental and private sectors. This program centers on a series of keynote dinners focused on current foreign affairs and implications of global developments for the Asia-Pacific region. In 2014, keynote dinners featured Commander of the Pacific Fleet Admiral Harry Harris (PACOM Commander nominee), Under Secretary of Defense for Policy Christine Wormuth, Japanese Ambassador Kenichiro Sasae, and Assistant Secretary of Defense for Asia David Shear. Featured guests gave keynote addresses at each of these dinners and took questions from the audience.

**Taiwan Exchange Program:** As part of our comprehensive program on Taiwan, Former Deputy Secretary of State Mr. Richard Armitage led the annual delegation visit to Taiwan in March 2014 and met with President Ma Ying-jeou. This year's delegation included Dr. Victor Cha, John Bellinger, Holly Morrow, and others. In addition, Executive Director Mark Stokes, President/CEO Randall Schriver and Research Fellow Ian Easton have visited Taiwan on separate occasions as part of our field visits in 2014.




**Taiwan Visiting Scholars Program:** In 2012, the Institute launched an exchange-based program for former practitioners in the Taiwanese government and leaders in the non-government and private sectors to visit Washington for two weeks to participate in a visiting scholars program. This year, Dr. Yang Da-ching, Senior Research Fellow from the Department of China Affairs at the Democratic Progressive Party (DPP) spent two weeks in DC in June/July and met with key interlocutors working on Taiwan issues for intellectual exchanges on U.S.-Taiwan relations and cross-Strait politics and economics.

**Prospect Foundation:** In 2014, the Project 2049 Institute continued its intellectual exchange program with the Prospect Foundation based in Taipei. The two think tanks conduct regular consultations on developments in U.S.-Taiwan relations and cross-Strait policies. The relationship centers on a series of meetings in Washington, D.C. and Taipei and occur when experts from the institutes visit the respective countries.

**Research on PLA Modernization:** In 2014, Project 2049 continued its research initiative focusing on PRC's military modernization efforts. With the generous support of the Sasakawa Peace Foundation USA, the aim of this project is to support the U.S.-Japan Commission on the Future of the Alliance. Commissioners include American counterparts such as Richard Armitage, Aaron Friedberg, Mike Green, and John Hamre, while Japanese counterparts include Jiro Hanyu, Ryoza Kata, Yukio Okamoto, and others. Project 2049 has contributed to the interim and final reports for the Commission, focusing on PLA military modernization and the evolving Asian security environment.

**China's Sixth Generation Leaders: The Changing Landscape of Chinese Communist Party Security Policy:** In late 2014, the Project 2049 Institute obtained a grant to conduct research on future leadership changes in the Chinese Communist Party. This project will evaluate Chinese strategies for influencing U.S. policy through its governing structure and composition, take into account the factors associated with career progression and succession, identify leading candidates during the formative years of their political careers, and assess their potential policy orientations. The results of this research will help to provide a means for anticipating the future trajectory of Chinese foreign policy and uncover Chinese mechanisms for influencing U.S. policymakers.



**Burma Transitions Initiative:** In 2014, the Project 2049 Institute, with the support from the Department of State’s Bureau for Democracy, Human Rights and Labor (DRL), continued its two-year project in coordination with local Burmese partner, the Assistance Association for Political Prisoners (AAPP), to establish a Burmese-led platform to support former political prisoner rehabilitation and reintegration in Burmese society. Project 2049 CEO/President traveled to Burma in April 2014 along with Program Director Senior Fellow Kelley Currie. An additional support grant for this project was obtained in 2014 from the Foundation to Promote Open Society (FPOS).

**Assisting Burma’s Nascent Public Policy Think Tanks:** In July 2014, Project 2049 Institute, with support from the National Endowment for Democracy (NED) launched a program to support the development of high quality, independent, Burmese-developed policy analysis and its effective use. Program activities include mapping an organizational inventory and a qualitative needs assessment, training and skills building for approximately 10 organizations, and establishing a platform for networking among Burmese research institutions called the Burmese Policy Research Network. Senior Fellow Kelley Currie is managing this program with the help of Burmese political scientist Min Zin currently based at University of California Berkley.

### **Research Highlights**

#### **China’s Evolving Reconnaissance-Strike Capabilities: Implications for the U.S. Japan Alliance**

This report by Ian Easton examines key elements of the military modernization program being undertaken by China. After describing efforts currently underway to assure the PLA’s capacity to acquire, track, and target adversaries’ naval and air operations, this study then assesses capability gaps in the Japanese and American militaries that create vulnerabilities Beijing could exploit to undermine the defensive utility of the alliance. The paper concludes with three recommendations on countermeasures that Tokyo and Washington could take to assure the defense of Japan in the years ahead.

#### **The Alliance: Toward a Stronger U.S.-Japan Partnership**

This report is the Capstone Report for the U.S.-Japan Exchange Program sponsored by the Sasakawa Peace Foundation. Authored by Randall Schriver, Ian Easton, and Sabrina Tsai, the paper explores Japan’s renewed engagement in Asia and explains how it is contributing to a strengthened U.S.-Japan alliance. It analyzes security dynamics in the Asia-Pacific, outlines challenges and opportunities for the alliance, examines Japan’s international outreach and regional presence, and concludes with recommendations for policymakers in the United States and Japan.



### **Able Archers: Taiwan Defense Strategy in an Age of Precision Strike**

This study by Ian Easton describes efforts currently underway in the People's Liberation Army for conducting precision strike operations against Taiwan, and explores Chinese military-technical writings to better understand related plans and capabilities. It assesses Taiwan's military modernization program, particularly its efforts to deny the PLA air superiority. This paper concludes with a brief discussion on Taiwan's future defense strategy and offers recommendations for policymakers.

### **America's Allies and Nuclear Arms: Assessing the Geopolitics of Nonproliferation in Asia**

Robert Zarate, then-Policy Director at the Foreign Policy Initiative, analyzes the U.S. strategy of nonproliferation in Asia, with particular focus on U.S. nonproliferation policy toward allies such as Japan or South Korea. Due to the emergence of nuclear competitors in the region and the lack of a formal NATO-like alliance in Asia, the author argues that the U.S. should maintain its policy of nonproliferation toward its allies in Asia.

### **China's Air Defense Identification System: The Role of PLA Air Surveillance**

This study by Mark Stokes studies the PLA air space management and surveillance structure in the context of China's demarcation of an Air Defense Identification Zone (ADIZ) in the East China Sea in November 2013. He argues that the establishment of an ADIZ in the East China Sea and the potential future establishment of an ADIZ in the South China Sea could raise serious challenges in Taiwan and "have a coercive squeeze effect on Taiwan's sovereign airspace."

### **"Destined to Cooperate": Japan-ROK Naval Cooperation and its Implications for U.S. Strategic Interests in Northeast Asia**

This study by Samuel Mun analyzes how an evolving Northeast Asian security landscape has created compelling reasons for Republic of Korea Navy (ROKN) and the Japanese Maritime Self Defense Force (JMSDF) to cooperate. The Japan-South Korea navy-to-navy relationship is discussed in the context of broader trends in Japan-South Korea security ties and U.S.-Japan-ROK trilateral security cooperation.

## AsiaEye Blog Posts

- “Opportunities Outweigh the Obstacles: A U.S. Perspective of Japan-ROK Naval Cooperation” by Samuel J. Mun
- “Taiwan’s China Policy: Struggles and Opportunities in Cross-party Cooperation” by Lauren Duffy
- “5 Faulty Assumptions About Taiwan” by Dan Blumenthal
- “Washington Should Highlight US-Taiwan Engagement Efforts” by Sabrina Tsai
- “South Korea-China Relations: Limits of the ‘Strategic Cooperative Partnership’” by Samuel J. Mun
- “Roots of Turmoil in Xinjiang: The Socioeconomic Divide between Uyghurs and Han Chinese” by Liana Tai
- “Taiwan, Asia’s Secret Air Power” by Ian Easton
- “After Hong Kong, Macau?” by David Gitter
- “China’s Economic Leverage in Hong Kong a Warning for Taiwan” by David Gitter
- “Modi’s Visit to Tokyo: A Snapshot of Japan-India Relations” by Kota Takahashi
- “China’s Friendship Treaty: a Distraction from South China Sea Diplomacy” by David Gitter
- “Japan’s Snap Election: a Risky Game for Abe and Abenomics” by Kota Takahashi

## External Articles/Publications

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- “‘Destined to Cooperate’: Japan-South Korea Naval Relations,” by Samuel Mun, *The Diplomat*
  - “China’s Deceptively Weak (and Dangerous) Military” by Ian Easton in *The Diplomat*
  - “The Forgotten Link: Taipei’s discreet ties with Pyongyang could aid in engaging reclusive regime,” by Russell Hsiao and Sabrina Tsai in *Strategic Vision* (Vol. 3, Issue 13) published by The Institute of International Relations of National Chengchi University
  - “Double Down on Taiwan,” by Julia Famularo and Terry Giles in *The Diplomat*
  - “Taiwan, Asia’s Secret Air Power,” by Ian Easton in *The Diplomat*
  - “After Hong Kong, Macau?” by David Gitter in *The Diplomat*
  - “China’s Friendship Treaty: A Distraction from South China Sea Diplomacy,” by David Gitter in *The Diplomat*
  - “U.S. Taiwan Relations: Hobson’s Choice and the False Dilemma,” by Russell Hsiao in *Strategic Asia 2014-15* published by The National Bureau of Asian Research



## **Public Events Highlights**

As part of the Institute's public education initiative, the Institute regularly holds public seminars on timely issues affecting U.S. interests in the Asia-Pacific region.

### **“Japan’s Role in a Globalized World: The U.S.-Japan Alliance and Regional Partnerships” held at the Carnegie Endowment for International Peace**

This conference was held on March 4 and was intended to facilitate greater understanding of Japan's foreign policy, clarify Japan's future challenges and objectives, and outline recommendations to promote Japan's global and regional engagements. Discussion topics included U.S. policy objectives for the alliance, Japan's security framework, Japan's role in global force posture, and regional relations between Japan and South Korea, Southeast Asia, and India, respectively.

### **“Taiwan’s Sunflower Movement: A New Political Landscape” held at the University of California**

This event, co-hosted by Project 2049 Institute and the Formosan Association for Public Affairs (FAPA), brought together experts and observers of Taiwanese politics and cross-Strait relations to discuss Taiwan students' occupation of the Legislative Yuan intended to protest against the passage of legislation on a Trade Service Agreement with China. Some of the topics of discussion included the underlying reasons for the protest and implications of the protests for Taiwan's domestic politics, foreign policy, regional security, and cross-Strait relations.

### **“The Taiwan Policy Review at 20 Years: Assessing the Future of U.S. Taiwan Policy” held at the Rayburn House Office Building**

This event convened a variety of U.S. and Taiwanese experts to commemorate the 20<sup>th</sup> anniversary of the Taiwan Policy Review (TPR) of 1994, examine U.S. policy since the TPR, and assess where U.S. policy toward Taiwan will head in the future.

### **2014 International Conference on New Asian Dynamics and the Role of Taiwan held in Taipei, Taiwan**

This event, co-hosted by the Taiwan Brain Trust and the Project 2049 Institute, gathered U.S. and Asian experts and former policymakers to Taipei to discuss Taiwan's role in an evolving Northeast Asian security landscape.

## Hearings

Staff and affiliates of Project 2049 Institute also testified on Capitol Hill on Taiwan and China in 2014:

- On January 30, 2014, Mark Stokes testified before the United States Economic and Security Review Commission (USCC) hearing titled, “China’s Military Modernization and its Implications for the United States.”
- On April 3, 2014, Randy Schriver testified before the Senate Foreign Relations Committee Subcommittee on East Asian and Pacific Affairs at a hearing titled, “Evaluating U.S. Policy on Taiwan on the 35<sup>th</sup> anniversary of the Taiwan Relations Act (TRA).”
- On June 5, 2014, Ian Easton testified before the U.S.-China Economic and Security Review Commission at a hearing titled “China’s Relations with Taiwan and North Korea.”
- On December 2, 2014, Kelley E. Currie testified before the House Committee on Foreign Affairs Subcommittee on Asia and the Pacific in a hearing titled, “Hong Kong: A Broken Promise?”

## Private Roundtables

The Institute regularly hosts distinguished officials and speakers for private roundtables. In 2014, the Institute hosted the following guests:

**Andrew N. D. Yang**, Former Minister of National Defense

**Daching Yang**, Taiwanese Visiting Scholar program and Senior Research Fellow at the Department of China Affairs of the Democratic Progressive Party

**William Lai**, Mayor of Tainan, Taiwan

## Media Citations

Staff and affiliates of Project 2049 Institute were cited in major U.S. and international media outlets including the New York Times, Reuters, the Wall Street Journal, the Washington Post, the Telegraph, the Washington Times, the Washington Free Beacon, Defense News, Taipei Times, and other outlets.



## 2014 Statement of Activities and Financial

| <b>REVENUES/GRANTS</b> |                |
|------------------------|----------------|
| <b>Subtotal</b>        | <b>768,282</b> |
| <b>EXPENSES</b>        |                |
| Salaries & Stipends    | 356,865        |
| Office Rent            | 34,000         |
| Other Operating Costs  | 32,450         |
| Travel                 | 93,479         |
| Program Execution      | 221,929        |
| <b>Subtotal</b>        | <b>738,723</b> |

*The Project 2049 Institute works under the guidance of our Board of Directors, Board of Advisors, and International Advisory Council. Our Board members and Advisors hold varied backgrounds in government, private sector, and academia.*

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Non-Resident Senior Fellow

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### **Seunggyu Bak**

## Location and Contact Information

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*For more information about the Institute, please visit us online at [www.project2049.net](http://www.project2049.net).*

