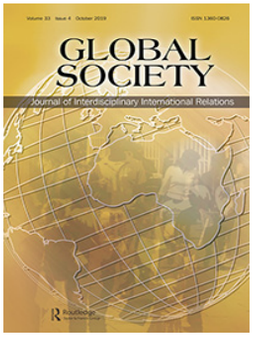

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# Monetary Orientalism: Currency Wars and the Framing of China as Global Cheater

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# Monetary Orientalism: Currency Wars and the Framing of China as Global Cheater

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*China stands as a paradigmatic sign of deep angst for the United States in late stage capitalism, a menacing spectre of foreignness and otherness that organises Western popular anxieties at a time where nothing is fixed within international markets. Focusing on the so called "currency wars" debate that erupted in the early twenty-first century, when the PRC was accused of devaluating its currency, this article contends that PRC's representation as a prime currency manipulator and cheater can be conceptualised through what I am calling monetary Orientalism or the ways imperialising thoughts circulate around monetary flows in relation to a rising Asiatic superpower. This framework serves as a prime lens for situating US nationalist sentiment and its sense of an exceptional global self against what it perceives as a global other.*

## Introduction

The meteoric rise of China upon the world stage seems to hasten the end of the near economic hegemony once enjoyed by the United States, which must concede ground to a "Chinese Century" and the problems this entails.[1] Focusing on US media coverage over the so called "currency wars" that erupted in the early twenty-first century, I recognise the ways the People's Republic of China (PRC) mediates global anxieties about fast-changing precarious times, and how it reflects what I am calling monetary Orientalism. Insofar as China was most blamed by the United States for devaluing its legal tender to gain an unfair cost advantage in global exports, I consider the former's growing influence within international political economy as refracted through an ideological cultural prism. In this context, I contemplate what kind of symbolic and material currency the PRC holds for the (post)neoliberal order, grasping political entanglements as well as alternatives to knowledge foreclosed in the casting of the Chinese as the world's number one cheaters.

This article concerns partially the technical minutiae of modern currency regimes as it focuses mainly on it the ideological fixing and framing of those regimes. It offers a critical perspective for tackling the public debates surrounding China's wrangling of its currency, the remnibi (RMB). It finally attends to the traffic in

1. Laurence J. Brahm (ed.), *China's Century: The Awakening of the Next Economic Powerhouse* (New York: Wiley, 2001).

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global ideas of Chinese people and the state, and why hard currency is important in articulating abstract ontological matters of us vs them.[2] In doing so, I recognise how the designation of China as money schemers reproduces neo-Orientalist logics that foreclose US close ties to China's economy, while adding to the "Sinophobia" currently at play in the West (Wirman 2016). As intellectual grounds for imperialism and colonial culture, Orientalism can be defined as a Western body of writing and thought regarding the East according to the scholar most identified with the term, Edward Said. In his foundational work *Orientalism* (1977), Said claims that public affairs in the US

> include a healthy interest in the Orient … if the world has become immediately accessible to a Western citizen living in the electronic age, the Orient too has drawn nearer to him, and is now less a myth than a place criss-crossed by Western, especially American, interests (27).

Orientalism continues to sustain itself, says Said, within news media and academic disciplines like economics, international relations, and finance that distribute geopolitical awareness across fields of interest and cultural texts. There is much to be interrogated in terms of what I am calling monetary Orientalism, which I define as the ways Orientalist thinking and truths operate through technical monetary concerns and numismatic angst, the effect of which reinforce ideas of cultural otherness and duplicity often within the tense relationship between a superpower and its rising economic rivals. This optic recognises that the antipodal sense of the West vs East can still be found today, especially in concerns about the influence of Chinese banknotes within the largest financial market sector.

Engin Isin in his work on "political Orientalism" finds that the overarching imperialist structure or discourse described by Edward Said prevents us from thinking of nation-states as the main reason for a weakness in global citizenship.[3] Relatedly, political battles between states forces us to think of the theory of monetary Orientalism in relation to global capitalism, and whether this is an organic connection or constructed synthetic one. In short, this begs the big question of whether global capitalism is inherently and essentially Orientalist. The general point or theory I am forming here finds that Orientalism is complicit with global capitalism. This follows Daniel Vukovich's argument that Orientalism is being reconstituted through a new Sinological form that has shifted the idea of "otherness" from an essentialist logic or "pure difference" to one of sameness or general equivalence, where residual forms of colonial discourse merge with anti-communist ones.[4] Even if China is becoming almost the same as the United States and the West in terms of capitalist development, I find the monetary Orientalism attached to China conforms to the postmodern *cultural* logic of capitalism described by Fredric Jameson who observes the

2. Will Kenton, "What is the 'CNY (China Yuan Renminbi)", *Investopedia* (13 January 2018), available: <https://www.investopedia.com/terms/forex/c/cny-china-yuan-renminbi.asp>.

3. Engin F. Isin, "Citizenship after Orientalism", in *Challenges to Citizenship in a Globalizing World: European Questions and Turkish Experiences* (London: Routledge, 2005), pp. 31–51.

4. Daniel Vukovich, *China and Orientalism: Western Knowledge Production and the PRC* (London: Routledge, 2013).

"schizophrenia" of global interactivity and circulation, which he argues are no less ideological.[5]

There is a growing body of research that examines China from the perspective of cultural representation and how it circulates as an Orientalised global signifier of otherness and difference. Existing scholarly arguments in need of amendment via the notion of monetary Orientalism are traditional international relations or economical frameworks that do not look at cultural mediations of monetary policy. Beyond pondering whether China is (or is not) engaged in competitive devaluation, I call on rival modes of thought that look at cultural politics and ideology for understanding the same dynamics. My major contribution is to theorise monetary Orientalism, and US monetary Orientalism specifically, to develop a set of claims about currency wars as a symptom and product of broader social inflections. Monetary Orientalism can be applied to other Asian nations, but the litmus case is China as this country presently seems to embody of a civilisation threat (as a communist nation, a military power, and economic powerhouse)—one that poses the biggest threat to US.

My concept of monetary Orientalism resonates with the notion of fiscal Orientalism by Fan Yang, who argues that narratives that dramatise China's ownership of US national debt project a menacing yellow future that racializes the effects of financialisation by perpetuating a sense of indebted American citizenship to a foreign non-Western nation.[6] But my focus on China is not about citizenship or debt, but considers the related specific issue of currency and asks whether China can have a membership within a global financial system governed by the dollar and US monetary imperialism (and a global culture ruled by ideas of American cosmopolitism and liberalism). While Yang's notion of fiscal orientalism focuses on the power contention between two symbiotic nation-states in terms of a "rising" Chinese creditor and a "declining" American debtor (379), I want to use monetary orientalism to signal the cheating aspects connected with China that Yang did not discuss in the spectacular nature of fiscal Orientalism (but something mentioned in passing in her work on fake Chinese consumer product brands).[7] Monetary Orientalism is a species of a broader general Orientalism rather than a unique type of many separate Orientalisms. Its relation to global capitalism is as a social characteristic or feature. It is specific when one thinks of differences in the meaning of *financial* (commercial activity related to raising funds and capital), *fiscal* (government taxes and debt), and *monetary* (money supply and circulation, its rate of growth, and interest rates by central banks).[8] The regulation of money by central banks and their interplay with many other sectors suggests a semi-autonomous role (compared to monetary or fiscal policy-making), an assumption of apolitical work this article is trying to debunk. Here, I pay attention to "currency work" and how it falls privy to political pressure that take shape in the popular imaginary.

5. Fredric Jameson, *Postmodernism, or, the Cultural Logic of Late Capitalism* (Durham: Duke University Press, 1991), p. 272.

6. Fan Yang, "Fiscal Orientalism: China Panic, the Indebted Citizen, and the Spectacle of National Debt", *Journal of Asian American Studies*, Vol. 19, No. 3 (2016), pp. 375–396.

7. Fan Yang, *Faked in China: Nation Branding, Counterfeit Culture, and Globalization* (Indiana University Press, 2015).

8. Definitions from Oxford Dictionaries, available: <https://en.oxforddictionaries.com> (accessed 3 March 2019).

**The Currency Wars as Culture Wars**

Kathleen R. McNamara's *The Currency of Ideas* (1998) is instructive here, since she makes the argument that any discussion of monetary politics must also engage the social contexts in which international monetary politics takes place. She considers how the notion of a European community—compensating for what they saw as US "mismanagement of the Western world's affairs"—allows for countries with weaker currencies like France and Italy to participate in a continental monetary system held up by stronger currencies from the Netherlands and Germany.[9] Policy choices are nurtured within a cultural environment of ideas, rather than following neat economic trends.[10] My sense of monetary Orientalism echoes the work of sociologists like McNamara as well as Ann Hironaka (2017) who argues for theorising a "world society" perspective based on a Great Powers hierarchy with superpowers battling over symbolic "tokens" of power like world prestige such as the status of national currency. The world society is shaped by a new G3 (China, Europe, and the US) with Japan displaced as leading power. This elite group is lop-sided with imperfect regional integration, favouring advanced countries with floating exchange rates. This disadvantages newly marketized nations like China, which liberalised its currency regime much later. As Andrew Walter writes:

> None of the G3 countries are good citizens as regards international macroeconomic policy coordination … Both the US and EU have used the global regime to try to force a reluctant China to accept first mover adjustment costs, but their ability to do so differs markedly. The relative openness of the US policymaking system to interest group influence and the relative coherence of its institutional structure give the US much greater leverage over China. The EU has found it much more difficult to act coherently at the global level, at the expense of particular sectors within Europe and its own status within the global system.[11]

A critical appraisal of the currency war debates spotlights the PRC as the prime target and bogeyman for negative projections by key actors in the United States. In articulating itself a s good global citizen and China as a bad one, the US is able to protect national interests and reputations in an age of economic insecurity and flux against an Asiatic communist threat. Economists have focused on the mechanics of currency manipulation by China using statistical data to discuss the PRC's "currency aggression" with some submitting that "as the biggest nonaggressor, the United States is plainly suffering".[12] The verdict is debatable in terms of

9. Kathleen R. McNamara, *The Currency of Ideas: Monetary Politics in the European Union* (Ithaca: Cornell University Press, 1998), p. 123.

10. We do not always recognise these conditions and currencies of ideas because of intellectual monoculture, especially in disciplines like American IPE, which she argues is based on based upon an allegiance to liberalism, rationalism, and quantitative methodology rather than pluralism or heterogeneity of thought. See Kathleen R. McNamara, "Of Intellectual Monocultures and the Study of IPE", *Review of International Political Economy,* Vol. 16, No. 1 (2009), pp. 72–84.

11. Andrew Walter, "Global Imbalances and Currency Politics: China, Europe, and the United States", in Robert Ross, Øystein Tunsjø and Zhang Tuosheng (eds.), *US-EU-China Relations: Promoting Cooperation and Managing Conflicts of Interest* (London: Routledge, 2010), p. 273.

12. William Cline and John Williamson, "Currency Wars", *Policy Briefs in International Economics* (January 2010), p. 2.

who exactly can be considered a currency manipulator, but officially currency manipulation is defined as when a country upsets the "sustainable" rate of equilibrium between net purchases of foreign assets by the public sector and the state's liabilities and output. Economists disagree on the equilibrium rate, but also whether the sovereign wealth funds like the large holdings held by oil producers like the UAE, Qatar, Saudi Arabia, and Kuwait count as part of the overall equation.[13]

Others concerned with the cultural side of things elucidate how a "global China" conjures Orientalist fantasies and myths regardless of what it does with currency, where a most favoured trading nation for the US is positioned as an outsized threat defined by cultural deviance, inscrutability, barbarism, and nefariousness. My work adds to an interdisciplinary field of study concerned with the "othering" of China by contextualising how narratives about currency—who has it, who wields it, who is abusing it—can elaborate on perceived antagonisms, pondering all the meanings elided under "cheating China." In doing so, it speaks to overlapping issues of culture and economics that concern scholars in global studies as well as other fields.

In the heady economic boom years following the turn of the twenty-first century, one that saw the ascendancy of China as a major economic player, it had been a widely acknowledged "secret" among world economists and leaders for years that the renminbi was undervalued, giving the country an edge in selling and buying low-priced products on the commodities market like crude oil. This comparative advantage boosts state-protected enterprises and a trade surplus held by the PRC against the US. Such an accusation detracts from the fact that China became the biggest foreign holder of credit to the greatest debtor nation. By 2015, China held over $1.4 trillion in US treasury securities, something the Bush administration used to leverage American power and expansion in places like Iraq. This outstanding debt continues to be perceived as one main way China can potentially control, undercut, and possibly destroy the USA.

Having surpassed Japan to become the world's second biggest economy in 2010, China's pricing of domestic products and goods in foreign money rather than RMB allowed communist leaders to keep a tight rein on its capital inflows and minimise exposure to big risks that could harm its fragile developing economy. Despite US pressures for China to peg its currency to the dollar, the Chinese government remained keen for years on leaving the RMB out of the basket of other global reserve currencies like the yen, euro, and pound during its early double-digit growth spurt in the 2000s, as this made the country vulnerable to the open currency market. When China dropped the RMB's value multiple times in 2015 against the rising performance of the dollar—the currency's biggest fall in two decades—this prompted a rapid selling of global stocks, bursting the equities market.[14] US steelworkers hit by devaluating effects on Chinese exports berated the PRC's "one-off" fixing effect, even though this "market-driven depreciation" was something the People's Bank of China said it was "working hard to keep from getting out of control" (Dolan 2016).

13. See C. Fred Bergsten and Joseph E. Gagnon, *Currency Manipulation, the US Economy, and the Global Economic Order* (Washington, DC: Peterson Institute for International Economics, 2012); Joseph E. Gagnon, "Combating Widespread Currency Manipulation", *Policy Brief in International Economics* (July 2012), pp. 1–18.

14. Pat Regnier, "Why China's Currency Has Been Knocking down US Stocks", *Time*, 12 August 2015.

Though the adjustment was quite small (a pragmatic response to real prospects of stagflation), the PBC's quantitative easing (QE) efforts to debase the RMB's nominal exchange rate, allowing it to fall fast in such a short amount of time, was seen by media pundits and policy makers in the US as ratcheting up a currency war, which would precipitate deflation in the country and cause commodity prices to spike for consumers (Clinch 2016). China faced accusations of distortion and subterfuge, despite operating in an international system ruled mightily by Western-based investors, and the fact that it was responding to the US fixing its own interest rates.

All this seems to follow Laura Kang's observation of the "Asianisation" of latter-day issues related to capital flight, offshore banking, national deficits, external debt schemes, financial deregulation, and attacks by transnational speculators—global issues sideswiped under the naming of major events like the "Asian financial crisis" of 1997. Though the troubles of that meltdown related to currency speculation worldwide (spreading across Brazil, the US, and Russia), the Thai government was primarily blamed for floating its baht and spreading "financial contagion" to other countries.[15] Conversely, though the securities asset bubble crash created by Wall Street in 2007 affected numerous countries, its primary basis in Western industrialised nations and the United States was enough to call it a "global recession," suggesting differences in how universal globality (and cultural specificity) is determined and named.

But when China latched on to some of these structural readjustments after joining the World Trade Organization in 2001, tweaking its currency relative to the vagaries of new financial winds, the widespread unrest resulting from all these incremental changes by such a huge domestic market on the rest of the world spotlighted "how China's problems have suddenly become global ones".[16] Powerful US politicians like Republican Mitt Romney and Democratic Senator Charles E. Schumer, alongside US manufacturing industry representatives, were quick to thrash China as a currency manipulator. Such a label, if officially adopted by US Congress, would trigger punitive sanctions and protectionist tariffs. Currency wars, however, touch upon more than an issue of competition between trading rivals. It also denotes a creeping sense of US dollars being eventually replaced by Asian money, and an abiding dread that American politics can be tainted by "yellow hands."[17] On the other hand, US politics has already seeped into the Orientalist thinking on money matters. Carlos Ramirez found a

15. While Thailand should face opprobrium for not regulating investors and short-term interest rates more closely, not to be underestimated is the impact the raising of interest rates by the Federal Reserves which upped the value of the dollar, pulling investors away from Southeast Asia at the time. Asian export prices became less competitive rising in price in the global markets. Combined with foreign debt accumulation and lack of currency reserves, this forced many governments into financial collapse. China for its part was willing to buy back its currencies, absorbing part of the impact and helping to stabilise the region. For more on this issue, see Taimur Baig and Ilan Goldfajn, "Financial Market Contagion in the Asian Crisis", *IMF Staff Papers*, Vol. 46, No. 2 (1999), pp. 167–195.

16. Angus Grigg, "China is the Frontline in the New Currency Wars", *Financial Review*, 15 January 2016.

17. Such concerns with Chinese money seem to echo an earlier moment in 1996, when the Clinton campaign faced allegations that it took money from foreign donors; the DNC began working with the FBI to hunt down Chinese names and those with Asian surnames, such racial profiling embarrassed the party after those claims proved to be mostly false. In this example, Asians were lumped into one as faceless monied Orientals, Chinese or not. See Robert Lee, *Orientals: Asian Americans in Popular Culture* (Philadelphia: Temple University Press, 1999), pp. 1–2.

statistical correlation between a US congressperson bashing China and accepting monetary contributions from interest groups that favour legislation against China (claims of currency manipulation is counter-productive he says by slowing down the nominal rate of appreciation of the renminbi against the dollar and affecting confidence levels).[18]

The circulation of Chinese money, and the undue influence it evokes, throws sharp relief onto the assumed divides between global insiders and outsiders, between global players and global cheaters. American and British op-ed pieces from popular finance magazines commented on the potential fallout of a sinking dollar and China's sharp doctoring of the yuan. Though some recognised that "global currency losses are also a sign of a much bigger picture," titles like those from CNN Money are suggestive enough to ask: "Is China Sparking a Global Currency War?"[19] Other titles are more provocative: "China 'Fully Prepared' for Currency War," suggesting that the PRC is arming itself for a forex (foreign exchange) battle in militaristic fashion.[20] Despite the vocabulary of technical expertise, Edward Said argues that the obscurantist specialised language of economics provides an "ideological supply" of Orientalist knowledge that can now be "retooled for better manipulation of its supposed object," such that one could argue that currency wars are culture wars, where "recycled Orientalists" presume a perfect America and a "perfidious China".[21]

Against such hyperbole, China's central bank deputy governor Yi Gang explained his country's preparation for a currency war in purely pragmatic terms: "China is prepared. In terms of both monetary policies and other mechanisms, China will take into full account the quantitative easing policies implemented by central banks of foreign countries".[22] The World Bank found the mega-devaluations of the RMB in the early 1990s as "a realistic exchange rate policy" for emerging market spreads.[23] By 2016, imminent threats of a "currency war" were palpable. From 2009 through 2011, China's central banks adjusted the yuan numerous times to stimulate depressed exports after hurting from an economically weakened United States, rather than leaving the currency open to further downturns of market-determined arbitrage. "This has been primarily driven by structural factors, including the substantial appreciation of the real exchange rate," Yi Gang argues.[24] He goes on to say, "In the face of the uncertain global environment, the Chinese government will continue to take effective measures to maintain growth stability and accelerate the restructuring of the economy".[25] Such monetary fixes led Japan in 2013 to do the same with the yen; the European Central Bank followed suit. However, US Treasurer and Democrat Senator Lindsay Graham rang alarms of the looming global problems incurred by China's currency manipulation, undercutting the open "free market" by way of strict domestic capital controls.

18. Carlos D. Ramirez, "The Political Economy of 'Currency Manipulation' Bashing", *China Economic Review,* Vol. 27 (2013), pp. 227–237.

19. Patrick Gillespie, "Is China Sparking a Global Currency War?", *CNNMoney,* 7 January 2016.

20. Louisa Peacock, "China 'Fully Prepared' for Currency War", *The Telegraph*, 2 March 2013.

21. Edward Said, *Orientalism* (London: Penguin, 1977), p. 90.

22. Louisa Peacock, "China 'Fully Prepared' for Currency War", *The Telegraph*, 2 March 2013.

23. Surjit S. Bhalla, "Chinese Mercantilism: Currency Wars and How the East Was Lost", *India Council for Research on International Economic Relations. Working Paper no. 45* (July 1998), pp 8–9.

24. Annie Lowrey, "A Tightrope on China's Currency", *New York Times*, 22 October 2012.

25. Ibid.

Currency intervention however is a common practice that countries like Germany have employed before and roundly criticised for doing so, but if we contrast the Chinese case with Germany, we will see no "Orientalist" rhetoric, but an "othering" that pales in comparison to the kind flung at China. While Trump's top trade advisor, Peter Navarro, claims the German Deutsche mark is "grossly undervalued" (and Germany's trade surplus percentage with the US bigger than China when compared to its size) he finds China to be a more "aggressive" problem without giving further qualification for opinion. Similarly, in the 1980s, Japan and West Germany were the targets of the 1985 Accords, where it was agreed the US dollar should be depreciated against those nations' currencies, but it was Japan targeted by the media as a Godzilla-like monster taking over American businesses through the yen. Germany remains part a close ally of the US and economic leader in the European Union, so problems unique to it are brushed aside while foreign countries are spotlighted. We might ask what type of rhetorical ploy is at work when financial magazines today call Germany the "China of Europe?".[26]

After the 2008 financial crash in the US, the Federal Reserve slashed interest rates to zero percent, flooding the world with cheap dollars and government bonds.[27] Such brash policies were not interpreted as a predatory strategy (though protested by countries like Brazil), but China's precautionary actions in reaction to this fiasco were taken as a single-minded effort to drive down all currencies, though China had "no intention or need to participate in a currency war" according to Ma Jun, the chief economist at China's central bank.[28] The PRC's depreciation of the RMB, a move interpreted as floating the yuan in the future and offering it up as another safe reserve currency for the world was misunderstood as firing the opening salvo to a currency war, where Beijing mobilises "foreign exchange dark arts" and the yuan "as a hidden weapon" in order to boost its "trade arsenal" and "drag currencies onto the battlefield".[29]

Things became even more heated when China's drafted rules to allow the yuan to be denominated in gold, setting off a storm of controversy around a centrally planned economy driving the global market price for one of the most durable of liquidities and undoing deep American monetarism.[30] Per a critical US business analyst, it is assumed the PRC is "taking action to depreciate its currency, when in fact it is allowing market forces to determine the value".[31] Since early 2016,

26. Istvan Dobozi, "Trump is Right: Euro has Helped Germany become the China of Europe", *Financial Times*, 23 January 2017.

27. Adam Shell, "Currency War: What You Need to Know; China's Move – Which Makes US Goods More Expensive to Buy—Suggests its Economy is Worse off than Thought", *USA Today*, 13 August 2015.

28. Mehreen Khan, "Global Currency Wars: Why China's Devaluation is a Peace Offering Misunderstood by the World", *The Telegraph*, 22 August 2015.

29. Tom Rees, "China's Next Riposte in US Trade Spat Could Be 'Hidden Weapon' of Currency Devaluation", *The Telegraph*, 15 April 2018.

30. While US holds the largest amount of gold in the world, and China's holdings of gold is less than 2 percent of all its foreign reserves, the PRC holds the largest amount of foreign currency reserves in the world, which can be bought or exchanged for gold. Every time, China's banks buys gold it is in huge amounts that then causes a hit to the gold market. Regarding the yuan, shifts are occurring with the rise in international clearing houses and loosening of currency exchange restrictions by China has leaders to allow better for circulation.

31. This is a quote from Nick Sargen, chief economist at Fort Washington Investment Advisors. See Shell, "Currency War", op. cit.

China's made attempts to sell off its foreign reserves to stop the weakening of the yuan against the strong surge in the dollar after a hike in US interest rates, and curb attacks from hedge fund managers betting against China to reduce investor confidence. China's attempts to respond to global market pressures are not always viewed as rational approaches to deal with a fickle economy, but a mad dash by a one-party state to undermine Americans. Meanwhile, the Bush administration's neglect of the dollar's value during the 2000s was meant as an effective subtle way of pressing other countries like China to buy US treasury bills at over $1 trillion, to finance costly US war efforts. Despite the rolling foreign credit afforded by this, the possession of such enormous debt in foreign hands presented serious troubles for US with the "relative and absolute loss of the nation's capacity to retain its centrality within the global political economy".[32]

## US Monetary Orientalism and the New Cold War

During these tense times, the leading US-based financial publication *Wall Street Journal* regularly posted photos to accompany articles on currency wars that visually invoke the Chinese red menace (see figure 1). While the RMB comes in various colours, from blue to purple to green depending on the denomination, the red ¥100 in its communist association was always chosen and pictured overlaying or burying the greenback, pushing it down toward the bottom, suggesting who are the real losers in the cash game. The negative press about China was not limited to the US but can be found in the UK with the British financial magazine, *The Economist*. In an article published on 23 September 2010, "The Yuan Goes Global: A Mao in Every Pocket," it suggested in a tongue-in-cheek manner that having Chinese cash is comparable to possessing Mao Tse-Tung's little red book used for indoctrination during the Cultural Revolution. The suggestion of communist infiltration of every human heart and mind as a military-oriented gesture mirrors another *Economist* illustrated cover about the currency wars, which featured dollars, pounds, and yuan flying in the sky shooting each other like fighter jets with one greenback downed (figure 1).

Paper planes become the vector for imagining a war between a trans-Atlantic Anglophone liberal order and Asiatic illiberal belligerents. This accepts the PRC in purely sinister realpolitik terms, forwarding the tendentious belief that China should not challenge the US and "instead to embrace American freedom and values".[33]

On the flip side, "positive" hype about China as a potential rescuer of the world using the yuan as a substitute for a diminutive dollar puts too much emphasis on the PRC's ability to buoy an unsustainable world market system based on overconsumption, fragile asset bubbles, and dwindling securities. The "good China" experts characterise the PRC as would-be global saviours, but criticises the country's refusal to step up to this proscribed leadership role without understanding China's unique problems.[34] While President Donald Trump agonises over the dangers posed by "cheating China" to American workers, some writers downplay

32. Giovanni Arrighi, *Adam Smith in Beijing* (London: Verso, 2007), p. 203.

33. Shell, "Currency War".

34. Logan Wright and Daniel Rosen, "How China Can Prevent a Currency War?" *Wall Street Journal*, 14 December 2015.

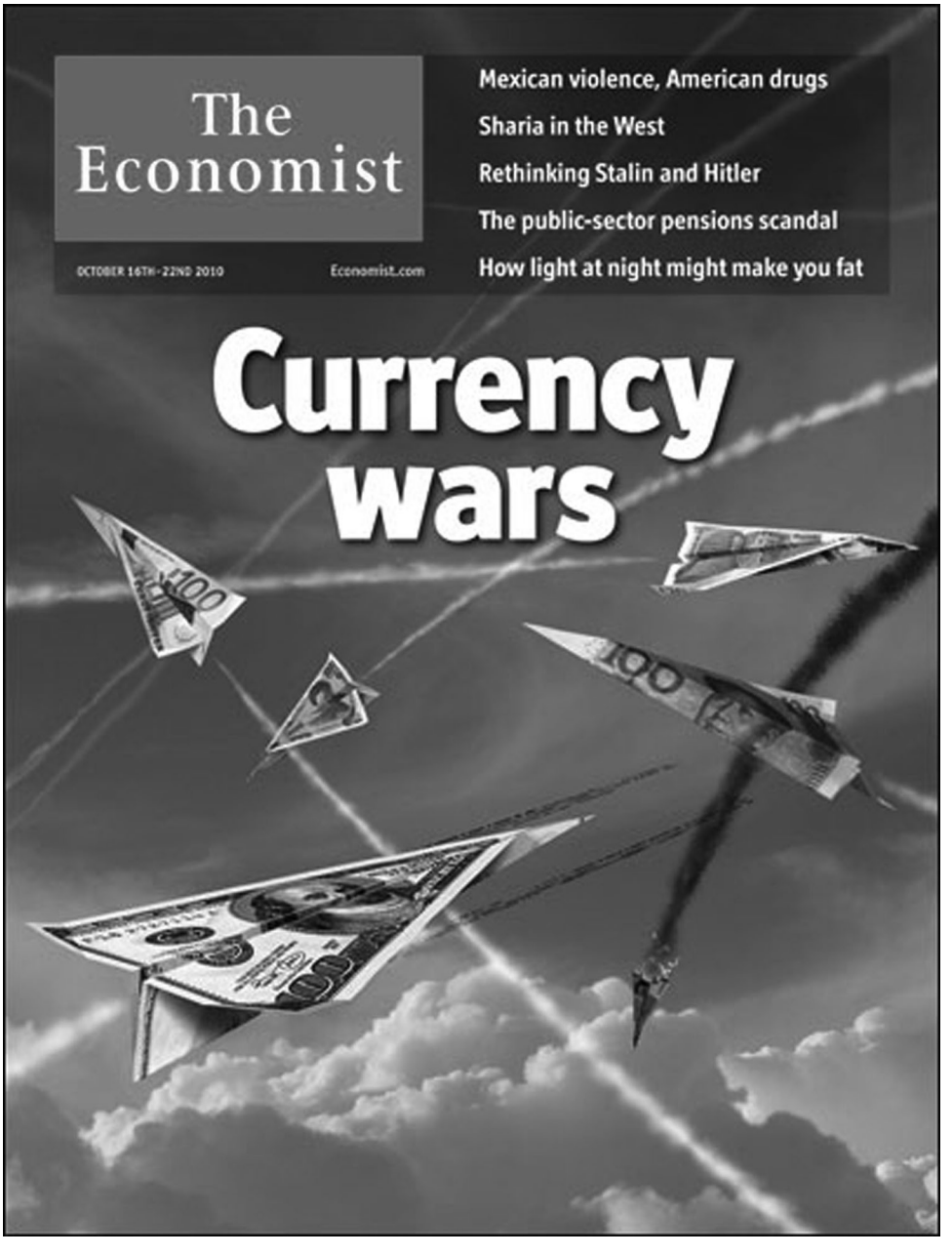


**Figure 1.** Cover for The Economist 16 October 2010.

that sense of threat, arguing for the West to learn from and even become more like the Chinese. These positive narratives, sometimes latently Orientalist, serve an ulterior purpose, allowing Westerners to turn momentarily toward the East as a way of understanding their shortcomings in order to save the West. The cover of another *Economist* news on Nov. 11, 2010 feature proclaims: "China Buys up the

World: And the World should stay Open for Business". It portrays a picture of Mao extending his hand with US dollars to the reader, and the author of the corresponding article argues that demonising China's advance as opportunist ignores its boon to global capitalism (even if the image can be read differently): "To reject China's advances would thus be a disservice to future generations, as well as a deeply pessimistic statement about capitalism's confidence in itself".[35] The phrase that capitalism lacks confidence in itself appears to allude to the real lack of confidence in US capitalism to deliver the goods to the world; (Western) capitalism is unmarked while China is otherized through sleight-of-hand.

The United States has consistently adopted currency policy as a what Negri and Hardt call an "imperial arbiter," especially since the creation of the Bretton Woods system (China could not join when it became communist in 1949). This international system forged after World War II insured the "quasi-imperialist relationship of the United States over all the subordinate nonsocialist countries".[36] What came to be known in the early twentieth century as "dollar diplomacy" developed into dollar dominance to promote American commercial investment and banking interests throughout the "Third World," including China. The year before Richard Nixon visited the Asian giant in 1972, marking a watershed moment when the PRC warmed to exchange with the West, the president unhinged the oversupplied dollar from its international convertibility to gold, a jolt resulting in other industrialised nations floating their money and creating a universal fiat currency market. The "Nixon shock" became the "China shock" with the PRC picking up the slack of industrial overcapacity and saturated consumer markets in the West. Since the 1990s, China's massive economy has been revving up global growth and economic output at a time when many industrialised nations had matured and slowed.

But when things go sour as they do in cycles of boom and bust, China becomes the easy target of foul play. When the QE strategies of China are couched as smoke and mirrors of an immoral communist government, such monetary Orientalism brings ideas of "global Asia" into close orbit with those of "the Orient." With its ascension to the WTO in 2001, China presented an Asian face that was not pro-Western or acquiescent quite like Japan. Despite its close economic relationship with the US, Marxist-Leninist nations like the PRC still operate in semi-autonomous fashion, such as locking the US out of a rival world bank it had created in 2015 known as the Asian Infrastructure Investment Bank. Working against PRC's global agenda, US protectionists feel compelled to pivot against an essentialized monolithic China that appears to be building its own global empire (instead of reacting to US empire). In 1997, political scientist Samuel Huntington famously offered his influential "West and the Rest" thesis to depict future international conflicts based on civilisation differences, which cannot be assuaged by "the rest" adopting modernisation schemes and economic reforms from "the West".[37] My criticism along with others of Huntington (though he roundly criticised Western arrogance) concerns how this culturalist argument belies the deep integration of the economic world-system, and how signs of global modernity are made to circulate

35. "China Buys up the World: And the World Should Stay Open for Business", *The Economist*, 11 November 2010.

36. Michael Hardt, and Antonio Negri, *Empire* (Cambridge: Harvard University Press, 2001), p. 265.

37. Samuel P. Huntington, *The Clash of Civilizations and the Remaking of World Order* (New York: Penguin Books India, 1997).

in ways not so easily mapped along cultural fault lines of a Western civilisation versus Sinic one.

But the sheer spectacle of a mighty (and monied) China that can say "no" forces the US to take pause and marshal its security interests against an immutable Oriental juggernaut. In proposing a "complexity theory" to study currency matters, James Rickards argues that the US has been a leading advocate of dollar debasement, especially in the recovery efforts after the world wars, where the reckless lowering of interests by the Fed and printing of the dollar since at least the 1970s exhibits what he calls the greatest gamble in financial history, a de facto currency war on the rest of the world.[38] These measures heavily benefit and aid the US though they are couched as necessary global measures, such as the Smithsonian Agreement of 1971, which facilitated an international agreement among American allies to allow for the floating of the dollar in an attempt to pull the US out of a recession. USD appreciation led Washington to force the G-7 economies in 1985 to permit the dollar's devaluation.[39] Such international agreements benefitting the US exclusively will not work under a postmillennial global context since command economies like China have not historically been part of the "West" and refuse to bow to forcible pressures from it. The "Washington Consensus" and US-promulgated principles of free market enterprise now works against a nebulous "Beijing Consensus" that mixes market pragmatism with state absolutism.[40]

Without factoring its real effective devaluation by association with US induced inflation, the yuan enables the dollar to stay afloat and expand global liquidity. In the 2000s, China fixed its yuan to push it closer to its real value based on considerations of measured stopgaps for path-dependent economisation. Yet, this devaluation was taken as currency manipulation by Americans, even though ballooning US sovereign debt owed to China was causing the Chinese to act in cautious fashion. The Gordian knot that binds the world's two biggest economies is swept under the rug when the PRC is censured for sparking a global currency war, even though it was the latter that pushed to former to take steps to fix its currency. As a financial consultant for the Federal Reserve put it: "The idea that China is this monster, a gorilla in the world economy, is not true. They are very scared. They made one very large mistake: they trusted the US. They are beginning to wake up to that".[41] Since the drawing of the Soviet Iron Curtain, the PRC has taken on the role of America's number one enemy even though the United States stands to lose so much if the China falters.

The close relations among competing superpowers is vital to understanding Orientalism in economic terms. G. Balachandran asks if "finance Orientalism" was at work in the UK's commandeering currency strategy toward India in the early twentieth-century with England working to get credit from the US to finance its stretched empire during WWII.[42] The lack of development by India

38. James Rickards, *Currency Wars: The Making of the Next Global Crisis* (New York: Penguin, 2011).

39. MC Govardhana Rangan, "Currency Wars: Dollar vs Yuan vs Euro through the Ages", *The Economic Times*, 14 August 2015.

40. Joshua Cooper Ramo, *The Beijing Consensus* (London: Foreign Policy Centre, 2004).

41. The quote is from Jim Rickards, the chief financial officer of the consultancy Oro Capital Advisors. See Ian King, "Look in the Mirror, China Told, Don't Blame the US; Former Fed Member Defends Policy on Dollar", *The Times*, 6 December 2010.

42. G. Balachandran, "'Finance Orientalism'? Britain, the United States, and India's Wartime Currency Crisis, 1914–1918", *South Asia: Journal of South Asian Studies*, Vol. 16, No. 2 (1993), pp. 89–106.

and the fall of the rupee at a time of great postwar world economic expansion was held back by an Anglo-American imperial compact with US bankers and treasury officials banning gold outflows to India. Later in the century with the ascent of a global finance market, Gerry Psomiadis uses the term "financial Orientalism" to decidedly explore Western anguish around Japanese bankers and corporations believed to be engaged in a form of invisible colonisation of the United States.[43] Such worries, he believes, refract globalising economy-based Orientalisms where "we are exposed to a landscape where culture and geopolitics breed nicely with finance and economics creating new (same) Orientalist discourses that serve only to reinforce established opinions and tired stereotypes."

In the 1980s, Japan appreciated the yen, which was interpreted by the US as fomenting an "economic Pearl Harbor" and catalysing a trade/currency war as encapsulated by a news article of time that proclaims how "Japan Buys US with Our Money," remarking how Japanese quickly reconvert dollars to an appreciated yen to turn a profit.[44] Despite having the second largest holdings of foreign reserves in the world, Japan eventually fell into long recession and Japan-bashing diminished as China bashing gained steam. The positioning of the Japanese as ruthless upstarts characterised by savvy management, sophisticated financial instruments, and high-tech business enterprise differs somewhat from the general perception of the Chinese as sinister cash-hungry lower-class communist hordes engaged in black market racketeering, money laundering, and comprador double-dealing. Orientalisms are, as Lisa Lowe writes, indeed heterogeneous and contradictory.[45] Monetary Orientalism therefore spotlights the associations of a militarised China with crude banality and base monied interests, which differs from the treatment of Japan, a thoroughly modern power closely allied with the US that epitomises high-tech capitalist modernity. Speaking broadly, monetary Orientalism is an extension of the legal Orientalism framework of Teema Ruskola, who critiques the paradigm of US as a country of rules and laws and the PRC as the emblematic site of lawlessness and corruption, the latter "believed to exercise [its] agency primarily through economic rather than legal and political means, at least according to their media portrayals".[46]

The premature declaration that China is engaged in a secret war through monetary measures recuperates a Manichean Cold War language of good and evil, activating what analysts call China's "nuclear option". If the US starts a trade war with China over currency, claims Peter Schiff, CEO of an investment firm that helps investors diversify out from the dollar, China "would end it on the first day with an atomic currency bomb … We can't fight a trade war with China-we don't have any weapons, just IOU's."[47] A nuclear Armageddon is possible, except the weapon of choice for mass destruction is money. In late 2011, the US Senate passed a currency law fearful that not taking pre-emptive strikes would bring economic ruin to the United States. The law slapped on duties on countries that devalued their currency in a not-too-subtle jab at China. This bill was vetoed by the

43. Gerry Psomiadis, "Financial Orientalism: Capitalism, Culture and Technology", *CTheory,* (November 2015), pp. 11–25.

44. Paul Harvey, "Japan Buys US with our Money", *Kentucky New Era*, 6 September 1988.

45. Lisa Lowe, *Critical Terrains: French and British Orientalisms* (Ithaca: Cornell University Press, 1994).

46. Teemu Ruskola, "Legal Orientalism", in Eve Darian-Smith (ed.), *Laws and Societies in Global Contexts: Contemporary Approaches* (London: Cambridge University Press, 2013), p. 82.

47. Paul Tharp, "China Holds All the Chards in Trade Wars", *The New York Post*, 9 August 2007.

House, because many congressional officials feared not only China's opprobrium, but a destabilisation in world trade and worsening of the US economic crisis because of this harsh action. Yet, a year earlier the House passed a bill with bipartisan support that would slap tariffs on Chinese goods to pushing China for undervaluing the RMB, an act Fareed Zakaria calls "pointless posturing and at worst dangerous demagoguery".[48] In the eyes of US media and political elites, the PRC is always to be held with some suspicion if not ambivalence, as China and America demarcate two polar ends in a global system, where cultural distinctions still matter. Fast drops in financial equilibrium and banking rates are often calibrated as Chinese cruelty and craftiness, which underline deep questions about how we know who "we" are based on our interactions with others.

## The American Global Self vs the Chinese Global Other

Under the neo-Orientalist partition of our complex integrated world into East and West, we find a Global American Self that is poised against a Global Chinese Other.[49] A constant fixture in US political demonology, global China holds enormous symbolic currency for motivating US reassertions of its vulnerability and moral superiority as a global actor and Big Brother. This postmillennial binary updates the philosophical dialectic of "self vs other" elucidated by Todorov, Hegel, Levinas, and other post-Enlightenment thinkers.[50] The PRC's transformation into industrial dynamo and superpower poses more than the hard evidence of another "Asian miracle"; it is a tell-tale sign of an a non-Western antagonist who is not entirely innocent but one willing to play the game. As Leema Ruskola writes, the push for China to "self-Orientalize" itself, staying secretive in ways that reifies classic ideas of Oriental inscrutability parallels Americans' wish to "self-Americanize" itself with the implication that "Chinese are lemmings, Americans individuals, Chinese are despotic, Americans democratic; China is changeless, America dynamic. Together, these notions form an analytically indissoluble complex of meanings so that often to invoke one is to invoke them all."[51]

In the configuration of a global Self vs Other, the Chinese are considered the bona fide global cheaters, and the Americans are the global standard-bearers needing to come back with a vengeance as seen in presidential candidate Mitt Romney's efforts to paint the Chinese as an "economic yellow peril".[52] Donald Trump used similar terminology in his presidential campaign: China's artificial depression of the yuan, he claimed, makes the country the "grand champions at manipulation

48. Fareed Zakaria, "The Real Challenge from China: Its People, Not Its Currency", *Time*, 7 October 2010.

49. Ulrich Beck, Natan Sznaider, and Rainer Winter, *Global America? The Cultural Consequences of Globalization* (Liverpool: Liverpool University Press, 2003).

50. Jean Baudrillard and Charles Levin, *For a Critique of the Political Economy of the Sign* (Canterbury: Telos Press Publishing, 1983).

51. Teemu Ruskola, "Legal Orientalism", in Eve Darian-Smith (ed.), *Laws and Societies in Global Contexts: Contemporary Approaches* (London: Cambridge University Press, 2013), p. 83.

52. Michelle Murray Yang, "At War with the Chinese Economic Yellow Peril: Mitt Romney's 2012 Presidential Campaign Rhetoric", *Journal of Intercultural Communication Research*, Vol. 45, No. 1 (2016): 45–69.

of currency".[53] This is considered "the greatest theft ever perpetrated by anyone or any country".[54] At a speech at the Economic Club of New York in 2016, Trump says that "I will instruct my treasury secretary to label China … and I like China … they're my tenant, they buy condos all the time … but you know what? They're a currency manipulator … grand master level".[55] Here, rich Chinese people purchasing Trump real estate and China the country are spoken as one (customers and enemies), and his denunciation of currency manipulation digs at China gaming a supposedly fair system. In his official economic speech for the campaign, he states, "Any country that uses its currency to take unfair advantage of the United States (which is many countries) will be met with sharply, tariffs and taxes. I'm going to instruct the US trade representative to bring trade cases against China, both in this country and at the WTO".[56] In this quote, there are many countries taking advantage of the US, but it is China called out in name. The US is positioned by Trump as global policeman with moral authority to protect world trade against the Chinese who are the worst offenders of all time. By fooling the US as the vanguard of neoliberal values and WTO, China is essentially cheating the world.

While his predecessor Barack Obama called China's currency matters as a sovereign issue for the PRC, Trump on a campaign-trail reproached China for destroying US sovereignty and "raping" the American economy (diabolic connotations of an immolate Fu Manchu are heavy in this metaphor), but the bashing of China as the greatest thief in history was matched by a wait-and-see posture by a Chinese government that had grown accustomed to bluster from American politicians diverting "attention from the decline of the US and … the efforts of Washington and Wall Street to rein in Beijing."[57] When Trump became president, he reversed his campaign promise of labelling a China currency manipulator, hoping that the latter would help contain the nuclear threat of North Korea and its potential destabilisation of the Northeast Asian region. And just like that, the China-bashing talk that animated political aspirations a year before changed to reflect another geopolitical reality, suggesting that monetary Orientalism is provisional, when other more dangerous Orientalist threats are awaiting. Nonetheless, Trump is waging a "cold currency war" to weaken the dollar, says a US economist, by setting billions of protective tariffs in 2018 against the PRC and jumpstarting a trade war.[58] In hopes of maintaining financial stability, China has no plan for any currency devaluation for the foreseeable future in spite of the advantages it might wield as a powerful retaliating weapon against US tariffs.[59] In that same year, the US Treasury placed India on its global watchlist for currency cheaters for having a large trade

53. Steve Holland and David Lawder, "Trump Calls Chinese 'Grande Champions' of Currency Manipulation", *Reuters*, 24 February 2017.

54. David Feith, "Trump Would Make China Great Again: His Tough Talk on Trade Masks a See-No-Evil Approach to the Real Threats from Beijing", *Wall Street Journal*, 21 April 2016.

55. "Trump: China Will Be Labelled Currency Manipulator", *CNBC*, 15 September 2016.

56. "Donald Trump Economic Speech: Calls China as a Currency Manipulator", *Mango News*, 28 June 2016. (accessed 28 March 2019).

57. Mahdi Darius Nazemroava, "Washington's Financial Currency War on China: The Eclipsing of the US Dollar by the Yuan", *Strategic Culture Foundation*, 30 August 2015.

58. Daniel Shane, "Is the U.S. Waging a 'Cold War' to Weaken the Dollar?" *CNN Money*, 2 February 2018.

59. Yujing Liuyiuling, "Why Beijing Has Intention No Intention of Devaluing the Yuan; China Will Not Risk Financial Stability, even with a Trade War, Economists Say", *South China Morning Post*, 13 April 2018, p. 6.

surplus with the United States (Taiwan and Thailand running significant current account surpluses were not added to the list). This suggests that (potential) superpower status is key to monetary Orientalism even though India has run account deficits since 2005, not even fulfilling one of the Treasury's major criteria for the currency manipulator labour.[60]

Under Trump's presidency, Germany, Japan, South Korea, Switzerland, and India were placed on the US Treasury's monitoring list for potential currency tampering, but it was only China singled out for its "increasingly non-market direction" in the Treasury's biannual report to Congress, which reiterates the stagnancy and waste associated with communist-driven economics.[61] Along with Japan, South Korea has worked closely with the US every time (especially after being criticised by Trump in a Tweet) to avoid being labelled a cheater and US has supported the Bank of Korea during the country's currency crisis in 2008. Meanwhile, Germany is subsumed to a weak eurozone currency. Indeed, the very last time US Treasury labelled a country a currency manipulator was in 1994 when China was named. Before that only South Korea and Taiwan after the 1988 Trade Act required the US Treasury to assess major trading partners for currency manipulation. The fact that Switzerland, Israel, Norway, and others have escaped this designation (though they are known for seriously undervaluing) suggest that US direct competition with "Asian Tigers" is reason why the Treasury put so much focus on Japan in the 1980s, South Korea and Taiwan in the 1990s, and the PRC in the 2000s.

Beyond quantitative parameters, we must always address the cultural foundations of global monetary politics, and we must also look at social mechanisms in terms of the material conditions under which this relationship holds. There are valuable benefits from more engagement with cultural approaches to IPE,[62] practice research that looks at how money flows,[63] or post-structuralist literature that recognises the postmodern nature of economic discourse.[64] Building upon Manfred Steger's notion of the global imaginary as a form of consciousness that emerged in the wake of the communications and trade,[65] I take in consideration the US wrestling with currency war as more than a bilateral trade issue, but a global imaginative one. While the global "is nobody's exclusive property," Steger claims, it finds substantiation in the claims of the media and ruling elites that march along the nationalist lines of us versus them, even when the world is more and more integrated.[66] In assessing China's vilified status-position within

60. The US Treasure Dept. uses three measures to determine a currency manipulator: (1) Bilateral trade surplus with the US to be $20 billion; (2) current account surplus at 3% of country's GDP; (3) net purchases of foreign currency to 2% of country's GDP over a year. See Pragya Srivastava, "US Puts India on Currency Manipulator Watchlist But Here's Why It's Not a Big Deal", *Financial Express*, 16 April 2018.

61. U.S. Department of the Treasure Office of International Affairs, "Macroeconomic and Foreign Exchange Policies of Major Trading Partners of the United States", *U.S. Department of the Treasurye*, April 2018, available: <https://home.treasure.gov>.

62. Kathleen R. McNamara, "Of Intellectual Monocultures and the Study of IPE".

63. Bill Maurer, Smoki Musaraj, and Ivan Small (eds.), *Money at the Margins: Global Perspectives on Technology, Financial Inclusion and Design* (New York: Berghahn Books, 2018).

64. Stephen Cullenberg, Jack Amariglio, and David F. Ruccio (eds.), *Postmodernism, Economics and Knowledge* (London: Psychology Press, 2001).

65. Manfred Steger, *The Rise of the Global Imaginary: Political Ideologies from the French Revolution to the Global War on Terror* (Oxford: Oxford University Press, 2008).

66. Ibid., ix.

US currency wars discourse, I recognise that tight global monetary networks do not vaporise political distinctions. If anything, economic globalisation morphs these fault lines. Indeed, Donald Trump's eagerness to call out the European Union as cheating America seems to suggest it is no longer a simply homogenous West vs East divide at play, but a self-aggrandized exceptional American selfhood poised against its proliferating Others. Like those other global signs of otherness ("Islamic Terrorism," "African Poverty," "Arab Dictators," "Latin American Socialism") the sign of a Cheating China enables a potential reading of "new Orientalisms".[67]

The difficult convertibility for the yuan and the tag of "cheating China" reveals less about the state of China than it does about US worries over its debt-ridden economy. It speaks to the Orientalist standards by which Chinese protectionism is measured against that of the United States. Insofar as the "global" demarcates the integration of the planet's territories and peoples, the currency war discourse relies on the colonial idea of an uncivilised outside in contrast to the interiority of a rational self.[68] The configuration of China as global other and cheater fails to grasp the enduring legacy of Orientalism, deflecting from residual American empire as well as what many economists have described as the "dollar trap," given the great privilege the greenback enjoys as the world's most traded currency and the US as head of the World Bank. Chinese officials and scholars have argued that the US "abuses its monetary freedom and passes on the costs to the rest of the world in the form of currency depreciation and financial instability."[69] Overuse of the dollar as the world's reserve currency gives it long-term credibility and prestige despite devaluating pressures on it, whereas China struggles to internationalise and stabilise the yuan in a moment where almost two-thirds of the world's reserve currencies are in dollars. Yet, the revaluation of the renminbi, according to a Carnegie report, will not improve US trade deficits or trade-offs. One Carnegie-sponsored report sternly recommended the US learn fiscal responsibility and save money instead of blaming China all the time for its money problems.[70]

The state-run Xinhua Chinese news agency speaks of China as a consistently fair country that has been maligned by those who refuse their own responsibilities: "From the perspective of reality, the exchange rate issue is inappropriately politicised. This issue in the economic domain has become an excuse for some economies to shift domestic problems onto others."[71] The dumping of American domestic problems onto foreign others distributes monetary Orientalist awareness across a plane of representation characterised as a political zero-sum game. In 2010, China internationalised settlement schemes allowing the yuan to be traded in every country, while allowing offshore yuan-denominated currency markets in Hong Kong. This radical approach to currency was initiated by the state rather than led by market considerations. Such state efforts can be viewed as salvaging a

67. Ngai-Ling Sum, "Globalization and its 'Other (s)': Three 'New kinds of Orientalism' and the Political Economy of Trans-Border Identity", in *Demystifying Globalization* (London: Palgrave Macmillan UK, 2000), pp. 105–126.

68. Denise Ferreira Da Silva, *Toward a Global Idea of Race* (Minneapolis: University of Minnesota Press, 2007).

69. Sebastian Mallaby and Olin Wethington, "The Future of the Yuan: China's Struggle to Internationalize Its Currency", *Foreign Affairs*, (January/February 2012), p. 136.

70. Uri Dadush and Vera Eidelman (ed.), *Currency Wars* (Washington: Carnegie Endowment for International Peace, 2011), p. 95.

71. Xinhua News Agency Domestic Service, "Chinese Agency Says Currency War Would Lead to an "All Lose" Situation", *BBC*, 16 October 2010.

wobbling world market dependent on a deteriorating marketized dollar. But despite or in spite of the dollar's primacy, fantastical ideas about the Middle Kingdom's yuan served a linchpin for public figures who have built their careers on bashing the first civilisation to develop paper currency and a robust banking. Monetary Orientalism towards China today demonstrates how apocryphal formulations of a mysterious atavistic dynastic state resistant to open trade is interwoven with latter-day rumblings about a secretive communist state hostile to the rest of the world. The Orientalist qualities attributed to modern China echoes how feudal China embodied a premodern "Asiatic mode of production" characterised as retrograde and backwards. Thus, even when global China circulates as a sign of advanced capitalism, it can be described as provincial, insular, and even anti-global as seen in a *Financial Times* title: "How to Fight the Currency Wars with Stubborn China."[72]

Anguish over China's foreign currency substitution and debasement glosses over a longer premodern history where debasement was common within a Eurasian world-system. In *Chinese Money in Global Context*, Niv Horesh observes that China's "defensive" posture to foreign trade and coinage departs from the "offensive" strategy of the British and the Americans based on leveraging imperial debt.[73] Under British-controlled Shanghai, student activists called for an all-out currency war against foreign notes and moneychangers in China due to their downward pressures on local currency.[74] From this broader historical perspective in which China is a vital part of the West's monetary development, he says we might wish to eschew foregoing notions of "war'" with China and approach it as a traditionalist power not engaged in brinkmanship and one that historically "eschews substantive public indebtedness"?[75]

Beyond monetary pricing, another charge made against China by frustrated Western traders is that it is stockpiling reserve foreign currency as well as gold and not selling them when prices fall. Alternatively, China stands accused of dumping paper assets like US Treasury bills too without care for its global impact. From both ends, the Chinese appear not to honour fair play, accumulating hard currency and letting it play freely in the market. The meticulousness with which the PRC monitors its currency can be traced back fears of foreign encroachment under the nineteenth century Opium Wars, which precipitated a trade imbalance leading to imperial China's copper currency depreciation and the plundering of the country's specie and gold bullion stocks by foreigners.[76] But with a one-party state unwilling to allow the unregulated free-flow of money, red China looms large as another reiteration of the "Oriental despotism" described by sociologist Max Weber, where an autocratic state appears to be hoarding money and extracting seigniorage for its imperial coffers, propelling "deflationary movements as a result of non-monetary use of monetary metals".[77] Approaching China in a static

72. Martin Wolf, "How to Fight the Currency Wars with a Stubborn China", *Financial Times*, 5 October 2010.

73. Niv Horesh, *Chinese Money in Global Context: Historic Junctures between 600 BCE and 2012* (Stanford: Stanford University Press, 2013), p. 244.

74. Ibid., 169.

75. Ibid., 247–248.

76. John Peter, *Roberts, China: From Permanent Revolution to Counter-Revolution* (London: Wellred Publications, 2016).

77. Max Weber, *The Theory of Social and Economic Organization* (New York: Oxford University Press, 1947), p. 306.

eternally frozen state, Westerners consider the "possibility of the non-accumulative value of gold".[78] This follows Eric Hayot's assessment of early colonial trade: "To exchange a Chinese mandarin for a European fortune was thus, essentially, to exchange stasis for movement, or, to put things in more explicitly economic terms, to exchange noncirculating capital for its circulating cousin".[79] The negative endpoint of China's manipulation of currency and gold is waste, undermining the system of economic rationality and system that Weber finds synonymous with Western/American bourgeois capitalism. By 2014, the RPC's hoard of foreign reserves began to shrink without much recovery, showing reality never aligns with stereotypes.[80]

## Conclusion

This article unpacks a specific form of Sinophobia in contemporary global contexts via the concept of monetary Orientalism and discussions of China as a currency manipulator during the so called "currency wars" at the turn of the century. It finds that China's global otherness can be analysed in contrast to the US self-ordained identity as global protector of free markets and free will. Employing media discourse and frame analysis, it provides a needed cultural/communication studies approach to international relations, emphasising a critical turn to representations in order to deepen understandings of the geopolitical encounters between the US and China. In November 2015, the IMF announced plans to make the renminbi a world reserve currency, a shocking cap to years of accusation of China unfairly fixing its currency and piling up stores of forex (foreign exchange), mostly dollars. The official acceptance of a currency from a developing market (rather than a fully developed economy) seemed to put an end to accusation of a currency wars years earlier, but it does not entirely change the monetary Orientalist terms of appraising the PRC, because global China and an internationalised renminbi are the signal events of a coming Chinese Century in which the United States no longer calls the shots, and this always has political resonance. The currency of China—literally and figuratively—has a singular hold on the imaginary of the global and America's place in it, shaping war scenarios, real and imagined. The monetary Orientalism attached to the PRC renders it as an object of fear, loathing, and even desire based on the promise of a contingent fiat monetary system run on "Mao" money. Missing from this picture are the internationalised "Chinese economies" that do not follow rationales about the Chinese nation-state. Focusing on what China can do to "us" ignores the various forms of Chinese capitalism which contribute to the yuan's value, propelled by Macao and Hong Kong and the large overseas Chinese diaspora.

The currency of an Orientalised "China" fluctuates according to the many demands made on it. By evaluating its framing under monetary Orientalism, this article highlights the ways cultural imaginaries inform market relations, the

78. Sarita See, "Accumulating the Primitive", *Settler Colonial Studies*, Vol. 6, No. 2 (2016), pp. 164–173, pp. 7.

79. Eric Hayot, *The Hypothetical Mandarin: Sympathy, Modernity, and Chinese Pain: Sympathy* (London: Oxford University Press, 2009), p. 33.

80. Chuin Wei Yap, "China's Forex Reserves Fall by Record $107.9 Billion on Yuan Fears", *Wall Street Journal*, 7 January 2016.

latter already operating and running on speculations of unsafe harbours, mergers, or takeovers. This article critiqued the *global political economy of signs* and how the semiotics of currency helps understand the declining power of the USD and the US writ large. Vexations over the fate of the renminbi and the dollar symbolise more than worries over nominal units of financial exchange, revealing the heated responses to the turning of the tables within a shifting global order, something that scholars must take heed as monetary Orientalism continues to inflect public discourse. From here, we might further ask how this might translate into future bilateral or market outcomes, and what they might have in terms of suppressing the real effective value of the RMB. The monetary Orientalism of Trump enabled him to verbalise the stakes of his presidency as a matter of restoring national prosperity and security, while reinforcing China as a global foreign threat to a resurgent American globalist self.

Contrasting with the global project of Americanisation in the twentieth century, the processes found in the "Sinophification" of the money market in the early twenty-first century calls for innovative methods for studying China beyond our conventional area studies schools of thought. In an economically (dis)integrated world, where the illusory value of currency (and the nation-state) operates in conjunction with Orientalist phantoms floating around the world, it becomes imperative to reconsider what the "global" means and who gets to possess it. As long as China is positioned as global cheater, there is no recognition of the interwoven forces that bind all, and the fact that the place of "the Other" is as elusive as money itself.

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