

Perspectives Comparison in US Media Toward E-CNY:
A Content Analysis

By

Pei-Yu Chung

鐘珮予

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DEPARTMENT OF INTERNATIONAL AFFAIRS

This senior paper was presented

by

Pei-Yu Chung
鐘珮予

It was defended on

November 13, 2021

and approved by

Reviewer 1: Wen-Pin Lin, Chairperson, Department of Southeast Asian Studies

Signature: _____ Date: _____

Reviewer 2: Yufita Ng, Assistant Professor, Department of Southeast Asian Studies

Signature: _____ Date: _____

Adviser: Yu-Hsuan Lee, Assistant Professor, Department of International Affairs

Signature: _____ Date: _____

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Pei-Yu Chung, B.A.

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Abstract

This research investigates the historical development and comments from foreign media of e-CNY issued by People's Bank of China through a content analysis method. The materials are from the mainstream media in the United States and are categorized as “left-leaning media” and “right-leaning media” according to the research by Tim Groseclose. Next, the content of these materials would be further classified as “positive” and “negative” through the coding systems introduced in this research. According to the results, the right mainstream media tend to establish negative comments by the statements that e-CNY would threaten the USD’s status, reflecting the concerns among the right and businesspeople in the US. On the other hand, though these kinds of negative comments could also be observed in the left mainstream media, the overall opinion is relatively neutral, indicating that the left in the US encourages innovation in China and is willing to communicate with China.

TABLE OF CONTENTS

INTRODUCTION	1
Research Background	1
Motivation.....	2
Research Purpose	3
Research Question	3
Contribution	3
Limits	4
Delimits.....	4
LITERATURE REVIEW	5
The Monetary System: From Shell to Dollar.....	5
The Third-Party Payment: Booming with Government Support.....	6
A Sensation of CBDC: Beijing’s Ambition	8
Sino-US Relation: Full of Cynicism in Beijing Winter Olympics.....	12
Summary	15
METHODOLOGY	18
Research Design.....	18
Source of Data.....	19
Data collection	19
Method of Data Analysis	19
Media Selection	20
Summary	21
DATA ANALYSIS	22
Resolve Corperational Monopoly	25
Intensifying Governmental Monopoly.....	26
Non-Rivalry	28
Rivalry.....	30
Technology Improvement	32
Nationwide Surveillance.....	34
Economy Reorganization.....	36
Reduce Crime.....	38
Not Reliable	40
Improve International Standing	41

CONCLUSION	43
Right-leaning media tend to be against e-CNY	43
The left-leaning media worries about the issues of monopoly	43
BIBLIOGRAPHY	45

INTRODUCTION

Research Background

If you pay \$100 physically at a wet market in China, you might be rejected because cashiers will not have the changes. Goods, services, or contracts in China are all purchased through third-party payment, such as Alipay and WeChat pay. The third-party payment not only dominates the 1.4 billion people's daily lives but has also increased their living quality since its emergence in 2004. A report by IMF has stated that two giant companies have dominated total transactions, with mobile payments making up about 75% of total payments in 2016.¹

Although these third-party payments are already convenient enough, the Chinese government has not stopped thinking about issuing digital yuan or so-called e-CNY. E-CNY equips a significant characteristic that is different from Bitcoin due to its "national endorsement". National endorsement means that e-CNY is regarded as having the same status as cash and thus cannot be refused by any transaction, whereas Bitcoin may be refused by the bank. In 2020, the e-CNY has been available in 11 Chinese cities and scenarios since, including Shenzhen, Shanghai, Chengdu, and Beijing Winter Olympics.²

However, there have been disputes between the Chinese government and scholars or media over the intentions of issuing e-CNY. According to People's Bank of China, the objectives of e-CNY are, firstly, to diversify the forms of cash provided to the public by the central bank, satisfy the public's demand for digital cash, and support financial inclusion. Secondly, it is employed to support fair competition, efficiency, and safety

¹ Ms. Longmei Zhang and Ms. Sally Chen, "China's Digital Economy: Opportunities and Risks," 2019, no. 016 (2019), <https://doi.org/10.5089/9781484389706.001>; Chen, "China's Digital Economy: Opportunities and Risks."

² GT Staff Reporters, "China's digital yuan charms users at Beijing Winter Olympics," *Global Times* 2022, <https://www.globaltimes.cn/page/202202/1251867.shtml>.

of retail payment services. Thirdly, it attempts to echo the international initiative and explore the improvement of cross-border payments.³

However, many scholars and media believe that there are other intentions behind issuing e-CNY that the Chinese government has not admitted. Firstly, for example, one might argue the full control of e-CNY by the government may be used as a surveillance tool to monitor citizens.⁴ Secondly, the researcher noticed a concern about the impact of e-CNY on third-party payment. As e-CNY becomes popular with national backing, third-party payments have become a competitor. In April 2021, for example, authorities fined Alibaba 18.2 billion yuan (about US \$ 2.8 billion) for failing to follow rules and engaging in anticompetitive behavior, and WeChat was forced to adhere to traditional banking norms.⁵

Motivation

There are two motivations of the research. Firstly, the prior research that conducted in China about the third-party payment – Alipay, motivated the author to do further research since it is one of the aspects of China's economic miracle. Since Chinese economic reform, the Chinese government has been emphasizing the importance of private sector to the domestic economy and encouraging its development. The development of Alipay has well demonstrated the “socialism with Chinese characteristics”. Since the reform and opening up of China, the concept of private ownership of property in the capitalist system has been introduced, and this change is mainly reflected at the economic level. However, this policy is doubted with the advent

³ Working Group on E-CNY Research and Development of the People's Bank of China, *Progress of Research & Development of E-CNY in China* (2021).

⁴ Aislinn Keely, "Lawmakers voice anxiety about China's digital yuan during CBDC hearing," 2021, <https://www.theblockcrypto.com/post/112684/lawmakers-voice-anxiety-about-chinas-digital-yuan-during-cbdc-hearing>.

⁵ Debopama Bhattacharya, "Digital Yuan (e-CNY): China's Official Digital Currency," (2022), <https://doi.org/10.1080/09700161.2022.2039582>.

of e-CNY. The perspective reckons that the purpose of e-CNY is to take away the power and wealth held by third-party payment companies. As a result, the purpose of e-CNY is worth to be discussed further.

Secondly, electronic money is an inevitable trend in the future due to the rapid technology changes in the world. The progressions of Bitcoin, Libra Coin and CBDC are all self-evident. However, the CBDC may change the US dominated financial system and thereby bring a new currency war. It has been a truism since time immemorial that a strong nation has a strong currency. When Britain was the hegemon, the British pound was the most well-recognized currency in the world. When the US replaced the UK as the hegemon, the US dollar instead became the most effective currency. However, what differentiates now and the past is that the currency is no longer depends on gold reserves, and thus the possibility of the RMB replacing the US dollar as the world's currency has become even less likely according to this basis. But the emergence of the CBDC, and the follow-up by various countries, has raised this possibility again. Therefore, in the literature review, we will discuss how the value of a country's currency is determined and the relationship between power and money.

Research Purpose

The purpose of the research is to compare how different ideologies influence media and thereby influence people in the US. To answer the research purpose, the research focuses on political affiliation and the word choice of the media.

Research Question

How do US left-wing media and right-wing media narrate e-CNY?

Contribution

The contribution of this research is to broaden our existing understanding towards leftists and rightists. Though the gap between the left and the right is more and more

apparent, especially in countries facing political polarization, evidence and explanation are essential to prove this. Moreover, e-CNY is a new technology and this research provides verified how the left-leaning and right-leaning media have different viewpoints on this topic.

Limits

Firstly, the personal subjective is inevitable. A researcher's subjective view refers to the values and opinions that he or she brings to research. Since a subjective view is unavoidable, this research may be influenced by subjective interpretation of the results. The limit on the time periods is should also be noticed. The time periods of the data collected are from 2020 to 2022. Therefore, the research cannot represent the full picture of political spectrum in the US. Thirdly, the data consists of 20 reports from US media. With the small number of samples and the time limit, these findings need to be corroborated in larger cohorts.

Delimits

As stated above, the time period is restricted between 2020-2022 due to the fact that e-CNY is an emerging technology and the consideration to reflect the latest opinion from the left and right. Also, the “renowned” news media are selected to represent the general opinion, meaning that articles written by radicals (whether by the leftists or rightists) are relatively scarce in this research.

LITERATURE REVIEW

The Monetary System: From Shell to Dollar

Before discussing whether e-CNY would bring a new round of international competition, we need to understand how a country's currency is measured in terms of its value because that is the key point that determined the dominant role of the US dollar. In ancient times, people use shells as a way of payment. Generally, the value of the ancient currency was depending on its intrinsic value. For ancient people, the most disturbing problem of the currency was its value. Most countries have their own currencies and there are significant differences in the rules and regulations governing financial transactions between countries, further complicating the issue. Things changed until the emergency of the gold standard.

According to Richard Vedder, the international financial community had little coordination in the late 19th and early 20th centuries. The world's financial center at the time was in London and most of the major trading nations were on the gold standard, which meant that the currency used for settlement could be converted into gold. If a country used its currency to buy too many imported goods or invest too much abroad, it would lose its gold reserves, which would force it to restrict the supply of its currency and credit, often resulting in deflation. After the First World War, Britain permanently abandoned the gold standard in 1931, and the United States followed suit two years later. The collapse of the gold standard reflected the end of British dominance. As we will discuss later: the largest economies have key international currencies.⁶

In 1944, the Bretton Woods Agreement and the International Monetary Fund (IMF) were born out of a conflict between the old and the new powers, laying the foundations

⁶ Richard Vedder, *The Global Financial System* (2009), https://web-archive-2017.ait.org.tw/infousa/zhtw/E-JOURNAL/EJ_GlobalFinancial/evolving.html.

for today's global financial system. The Bretton Woods Agreement did not create a separate supranational reserve currency, but rather the member countries agreed to peg their currencies to the US dollar and maintain fixed exchange rates. The US pegged the dollar to gold, re-establishing the gold standard that had existed between the two world wars. The US dollar thus became the global reserve currency backing all other currencies.⁷ Although the fixed link of \$35 per ounce, intended to indicate that the greenback was "as good as gold," is no longer in place, the dollar remains the dominant reserve and international currency.⁸ Later, we will discuss the advantages of becoming an international currency and what China did for this position.

The Third-Party Payment: Booming with Government Support

To have a deeper understanding of the monetary system of China, we ought to start with the relations between the Chinese government and Alipay. Trace back to the millennium, online shopping was not ideal as they are now. On Taobao, the sellers used to adopt "pay first, send later" to ensure the payment of goods from the buyers. However, paying first was too risky for buyers because they could not confirm the goods before paying the money and there were online shopping scams everywhere. For increasing the consumption of buyers, Alibaba launched a third-party payment platform called Alipay in 2004. Alipay was set up to resolve the risky transaction between buyers and sellers. It allows buyers to deposit money into a virtual account before buying. After the buyers receive the goods and confirm that they are correct, Alipay would then allocate money to the seller. This function successfully attracts the attention of the consumers. Not only increased the purchase intention of online shopping but also lays

⁷ Ken-Hou Lin, Neely, Megan Tobias, *Divested: Inequality in the Age of Finance* (Oxford University Press, 2020).

⁸ Barry Eichengreen, "Bretton Woods After 50," *Review of Political Economy* 33 (2021), <https://doi.org/10.1080/09538259.2021.1952011>; Eichengreen, "Bretton Woods After 50."

the foundation for China's success in e-commerce.⁹

Although Alibaba was already a leading enterprise of the shopping platform at that time. They were not satisfied with the status quo, they had bigger ambitions. In late 2012, President Xi Jinping changed the trajectory of economic policy when he took over the country, emphasizing the importance of the private sector in the economy and the necessity to modernize the commercial banking system, build modern financial markets, and write and enforce commercial regulations.¹⁰ Later, Alipay becomes a platform-based ecosystem that has been extensively embraced for usage in various fields. For example, utility payments, taxi bookings, restaurant order-and-delivery services, bike-sharing, rental payments, insurance subscriptions, and wealth management are the services provided. One thing worth noting here is that Alibaba's status towards China government had increased amorously by cooperating with government. Soon after this cooperation beginning to be questioned, mostly about data surveillance. The endorsement of the government has allowed them to collect the mass of data from the citizen, from the transaction amount transfer in the bank to mobile power that borrow from the street, those data are used for various purposes. For example, Sesame credits is a credit investigation system that gathers data from the government and financial system and thoroughly analyzes user activity on Taobao, Alipay, and other platforms. Some Media often criticize these factors because of their Orwellian nature.¹¹

The third-party payment not just dominates the daily lives of 1.4 billion people,

⁹ 王謹榆 歐素華, "電子商務的生態脈絡—以第三方支付為例," (2014), <https://doi.org/10.6495/CIMBM.2014.008>.

¹⁰ Paola Subacchi, *The People's Money: How China Is Building a Global Currency* (Columbia University Press, 2016).

¹¹ Gladys Pak Lei Chong, "Cashless China: Securitization of everyday life through Alipay's social credit system—Sesame Credit," *Chinese Journal of Communication* (2019), <https://doi.org/10.1080/17544750.2019.1583261>.

but also increased domestic consumption. A report by IMF has stated that two giant companies (Alipay and WeChat pay) have dominated total transactions, with mobile payments making up about 75% of total payments in 2016.¹² However, the third-party payment companies were challenged by the emergency of e-CNY, which is an electronic money issued by People's Bank of China (PBOC). This will be explained more detail in the next section.

A Sensation of CBDC: Beijing's Ambition

Although third-party payments are already fulfilling daily needs and have a well-cooperating relationship with the government, the Chinese government has been developing e-CNY. According to China Briefing, the e-CNY is a digitized version of the renminbi, also known as the digital yuan and officially called the Digital Currency Electronic Payment (DC/EP). It is issued by People's Bank of China (PBOC).¹³ In 2020, the digital yuan has been available in 11 Chinese cities and scenarios since, including Shenzhen, Shanghai, Chengdu, and Beijing Winter Olympics.¹⁴

China was not the first country to generate the idea – a digital form of fiat currency issued by the central bank of a country, or so-called central bank digital currency (CBDC). The Sand Dollar issued by Bahamas was the first CBDC to gain widespread acceptance. Since 2014, more than 60 central banks have examined CBDCs while some have already entered the implementation. Atlantic Council has indicated that Bahamas, Saint Kitts, Nevis, Antigua and Barbuda, Saint Lucia, and Grenada, have formally introduced their CBDCs. Furthermore, it is worth noting that, developing counties demonstrate higher acceptance than developed counties. According to the report from BIS, the main reason that emerging market countries are developing CBDC faster than

¹² Chen, "China's Digital Economy: Opportunities and Risks."

¹³ Arendse Huld, "China Launches Digital Yuan App – All You Need to Know," *China Briefing* 2022, <https://www.china-briefing.com/news/china-launches-digital-yuan-app-what-you-need-to-know/>.

¹⁴ Reporters, "China's digital yuan charms users at Beijing Winter Olympics."

developed countries is that many emerging market countries urgently need to launch central bank CBDC to effectively solve problems, such as limited liquidity of their banknotes, easing abnormally large fluctuations in their currency exchange rates, and improving currency orientation tracking ability. In the future, CBDC is likely to become a dominant currency in the world, due to its special characteristics: liquidity, safety, and integrity.¹⁵

However, the safety of e-CNY has been questioned. A study has suggested three concerns about e-CNY. Firstly, in the information area, Cyber-attack exists anywhere. If hackers damaged the technical system, people's confidence may cause another monetary crisis. Secondly, for those people in remote areas, certain preconditions may arise if such individuals do not own or are unable to utilize a smartphone. Thirdly, the supervision challenge is another issue. As more countries adopt their own CBDCs, the transaction will become more and faster in the world. Increased unwanted international spillovers might lead to unfavorable volatility in currency exchange rates.¹⁶

On the other hand, CBDC's emergence also implies the possibility of changing the international financial system which has been dominated by the US dollar. According to Paola Subacchi, Professor of International Economics and Chair Advisory Board at the Global Policy Institute at Queen Mary, University of London. "The link between a nation's economic development and its international standing has always been reflected in the world of currencies. Countries that are well integrated at the regional or global level have both well-functioning and relatively open market economies and international currencies—and among them, the largest economies have key

¹⁵ Andreas & Wehrli, Codruta Boar, *Ready, steady, go? – Results of the third BIS survey on central bank digital currency*, Bank For International Settlements (2021).

¹⁶ Huang, Shiyun Li & Yiping. "The Genesis, Design and Implications of China's Central Bank Digital Currency." *China Economic Journal* (2021). <https://doi.org/10.1080/17538963.2020.1870273>.

international currencies or reserve currencies”.¹⁷ From this perspective, China's desire to internationalize the Renminbi may be due to its desire to enhance its international status. However, with strict capital control, the internationalization of the Renminbi has been deemed a tough road.

Yu-Lu, Chen, who is a deputy governor of People's Bank of China has pointed out China is going to liberalize capital control step by step. “Although China is currently a country with strict capital controls, it will continue to liberalize its capital control step by step and improve the structure of the financial system”. As a deputy governor of People's Bank of China, Yu-Lu, Chen’s remarks could almost be equated with official opinion. Furthermore, Chen also explained that China’s monetary policy is associated with the society's status quo. “China's monetary policy at the beginning of the reform and opening up was price stability and economic growth, reflecting the need to restore productivity in Chinese society at the time. As the economy has grown, the economic policy has now become maintaining the stability of the currency and promoting economic growth”.¹⁸ From this perspective, e-CNY may be used as a tool to achieve both stability and free capital flow, just right for China's monetary policy.

According to the official statement of PBOC, one of the objectives of e-CNY is to improve cross-border payment. “Firstly, to diversify the forms of cash provided to the public by the central bank, satisfy the public’s demand for digital cash, and support financial inclusion. Secondly, it is employed to support fair competition, efficiency, and safety of retail payment services. Thirdly, this attempts to echo the international initiative and explore the improvement of cross-border payments”.¹⁹ China’s intention of attracting foreign users is obvious. In addition to official statements, China

¹⁷ Subacchi, *The People’s Money: How China Is Building a Global Currency*.

¹⁸ 陳雨露, *人民幣國際化：走向世界之路* (三聯, 2017).

¹⁹ China, *Progress of Research & Development of E-CNY in China*.

also demonstrated their ambition for e-CNY during the Beijing Olympics where Deutsche Welle named it as a digital currency race.²⁰ During Beijing Olympics foreign visitors can download an e-CNY wallet to suit their everyday payment needs without having to open a bank account. The program enables foreign citizens temporarily visiting China to swap e-CNY for foreign bank deposits, making financial services more accessible.²¹ Prior to this, foreigners were not allowed to open a personal account in China at will. This seems to imply that China is trying to relax capital controls through e-CNY, similar to the monetary policy of "liberalizing capital control step by step" discussed above.

Additionally, it is worth noting that the US has a strong attitude towards e-CNY. In July, three US senators including Marsha Blackburn, Roger Wicker, and Cynthia Lummis asked the US Olympic Committee to prohibit American athletes from using e-CNY during the 2022 Beijing Olympics.²²

Olympic athletes should be aware that the digital yuan may be used to surveil Chinese citizens and those visiting China on an unprecedented scale, with the hopes that they will maintain digital yuan wallets on their smartphones and continue to use it upon return. The integration of China's digital currency into global commerce has many problematic privacy implications. These concerns are especially pronounced given the Chinese Communist Party's use of new and emerging technologies to suppress the Uyghur minority, the people of Hong Kong, and those across China who strive for freedom of expression. These concerns are

²⁰ Ashutosh Pandey, "China heats up digital currency race with e-CNY debut at Olympics," *Deutsche Welle* 2022, <https://www.dw.com/en/china-heats-up-digital-currency-race-with-e-cny-debut-at-olympics/a-60701261>.

²¹ "Popularity of e-CNY at Beijing Winter Olympics reflects China's ambition to broaden its use," *EU Reporter* 2022, <https://www.eureporter.co/world/china-2/2022/02/19/popularity-of-e-cny-at-beijing-winter-olympics-reflects-chinas-ambition-to-broaden-its-use/>.

²² Sherry Fei Ju, "At Winter Olympics, Beijing tries to sell world on digital yuan," *Aljazeera* 2022, <https://www.aljazeera.com/economy/2022/2/4/at-olympics-beijing-sees-chance-to-sell-world-on-digital-yuan>.

not hypothetical. Rather, digital payment platforms such as WeChat, are already being used to surveil, threaten, and arrest Chinese citizens.

Furthermore, the full content on Marsha Blackburn's blog has repeated the word 'Surveil' several times to emphasize their concerns.²³ Not just purely out of privacy concerns, another US senator Pat Toomey had a point. According to Reuters, Senator Pat Toomey raised worry in a letter to Treasury Secretary Janet Yellen and Secretary of State Antony Blinken that the Chinese government may exploit the worldwide event to assist its digital yuan, called e-CNY, develop a global foothold.

The importance of remaining a leader in the global digital economy and supporting new innovations like digital currencies is a significant domain of strategic competition with other countries, including China.

Toomey has emphasized the leading role of the US dollar and the competitive capacity of China. From the discourse, we can see that US officials reckon e-CNY is a threat to the long-standing dominance of the US dollar.²⁴

Sino-US Relation: Full of Cynicism in Beijing Winter Olympics

The negative remarks from US officials are not unexpected. On the one hand, the deterioration of US-China relations has created this situation. On the other hand, the US is concerned that the e-CNY will pose a threat to the US dollar, just as the US dollar

²³ Roger Wicker Marsha Blackburn, Cynthia Lummis, "Blackburn, Wicker, Lummis Urge US Olympic Committee to Prohibit Athletes From Using the Digital Yuan," July, 19, 2021, <https://www.blackburn.senate.gov/2021/7/blackburn-wicker-lummis-urge-us-olympic-committee-to-prohibit-athletes-from-using-the-digital-yuan>.

²⁴ Lang, Hannah. "Republican Senator Urges U.S. To Monitor China's Digital Yuan Push During Olympics." *REUTERS*, 2022. <https://www.reuters.com/world/us/republican-senator-urges-us-monitor-chinas-digital-yuan-push-during-olympics-2022-02-04/>.

previously replaced the British pound as the world currency.

Firstly, since the beginning of the trade war between the United States and China, the accusations and criticisms against each other have become increasingly intense. When the United States has long accused China of unfair trade practices and intellectual property theft, and China believes the United States is attempting to stifle its rise as a global economic power.²⁵ It has also been suggested in papers that the confrontation between the US and China was caused by former US President Donald Trump. The Sino-US trade war was a nationalistic campaign manipulated by Trump for gaining votes during the election. After taking office, President Trump's administration levied tariffs on Chinese imports shortly, and China has struck back. The trade war is still going on, and during the COVID-19 epidemic, Trump has said several times that the COVID-19 epidemic is a Chinese-made virus and named it as Chinese virus. According to Brad Bushman, Professor of Communication and Rinehart Chair of Mass Communication, the Ohio State University. The media and political leaders' use of terms like "Chinese virus" is unlikely to change people's beliefs or attitudes. However, it can elicit negative stereotypes, heighten prejudice, and even incite hate crimes. Even though this is unsubstantiated political propaganda, it has contributed to the hatred of many Americans towards Asians and has exacerbated the deterioration of Sino-

²⁵ Eichengreen, Barry. "Bretton Woods after 50." *Review of Political Economy* 33 (2021): 552-69. <https://doi.org/10.1080/09538259.2021.1952011>.

American relations.²⁶

Secondly, Until the 21st century, the dollar was still dominant in the financial system of the world. This phenomenon has been well explained by what writer has quoted from Paola Subacchi in the last section. “The link between a nation’s economic development and its international standing has always been reflected in the world of currencies”. Because of the supremacy of the dollar, Washington has been able to borrow money at low rates and exercise enormous power in a variety of other ways, such as by using the international payments system to impose sanctions on individuals and organizations in other nations. Darrell Duffie, the Dean Witter Distinguished Professor of Finance at Stanford University has pointed out the supremacy of the U.S. dollar in international payments may someday be threatened by the e-CNY. “The Chinese government has long desired the dollar’s position to be diminished and its own currency, the renminbi (RMB), to be more widely adopted in international trade and financial settlements”.²⁷ As we have explained in part 1. When a country has a relatively strong currency, it has a relatively strong international position. Therefore, the extreme rhetoric of US officials on e-CNY could be explained as an attempt to

²⁶ "Calling the coronavirus the ‘Chinese virus’ matters – research connects the label with racist bias," 2022, <https://theconversation.com/calling-the-coronavirus-the-chinese-virus-matters-research-connects-the-label-with-racist-bias-176437>; Bushman, "Calling the coronavirus the ‘Chinese virus’ matters – research connects the label with racist bias."

²⁷ Elizabeth Economy Darrell Duffie, *Digital Currencies: The US, China, And The World At A Crossroads*, Hoover Institution Press Publication (Stanford University, 2022), <https://www.hoover.org/research/digital-currencies-us-china-and-world-crossroads>.

defend the national interest.

Summary

In the literature review, we have discussed numerous aspects related to e-CNY. Firstly, the monetary system in the world and how does US dollar become dominant. As noted earlier, when a country has a relatively strong currency, it has a relatively strong international position. From the gold standard to the Bretton Woods system, the US dollar replaced the dominant position of the British and has enjoyed the benefits of being an international currency for a long while. However, as China grows stronger, its ambition for internationalizing the RMB is bound to create irreconcilable conflicts between China and the United States, just like what Thucydide's trap has illustrated.

Secondly, the development of electronic money and the cooperation between government and third-party payment in China. As Yu-Lu and Chen have mentioned, China's monetary policy adjusts according to society status quo. In late 2012, President Xi Jinping changed the trajectory of economic policy when he took over the country, emphasizing the importance of the private sector to stimulating the economy. At that time, Private enterprise in China was very well established. Now that China has almost caught up with the developed countries, the emergency of e-CNY and relevant policies seem to reflect bigger ambitions.

Thirdly, the progress of CBDC and how does Chinese government operate it.

Although the Chinese government have claimed that e-CNY is purely for domestic usage, there are many speculations that reckon that e-CNY is aimed to replace the dominant position of the US dollar. Especially the move that allows foreigners to pay by e-CNY without opening a bank account during Beijing Winter Olympics has demonstrated China's ambition.

Fourthly, the relationship between China and US. The author has concluded 2 factors why the US tends to oppose e-CNY. On one hand, the tension in relations between the US and China. Since US former president took the office, he has been taking protectionism and constantly saying that China is a country that steals technology. Since then, the relationship between the US and China has been in decline. The rhetoric on both sides is also becoming more radical. On the other hand, e-CNY becomes a threat to the dominant position of the US dollar. Many studies and government officials have pointed out the possibility of the situation. Plus, the Chinese government is actively promoting e-CNY and cooperation with other countries. As described in the Thucydides Trap: a rising power must challenge the existing powers, and the existing powers must respond to this threat, and war is inevitable.

Fifthly, the relationship between China and Russia. From the literature review, we can find out that Russian media tends to support e-CNY, which is extremely different from US media. There are some factors that may cause the situation. The similarity of

ideology, close geographical proximity geography, and historical relations made the strong relationship between Russia and China. However, media freedom in Russia is relatively low. Freedom House also pointed out Russian government have controlled most media. Nevertheless, using content analysis to analyze the words that Russian media and US media used still can help us explore the triangle relationship between the US, Russia, and China.

METHODOLOGY

This research aims to compare the opinions of the left-leaning media and the right-leaning media in the US towards e-CNY affected by their ideologies and/or strategies to appeal to its viewers. To answer the research purpose, the research focuses on political relations, word choices, and tones in media reports as follows: The research question: How do US left-wing media and right-wing media narrate e-CNY?

Research Design

The study will be conducted by a content analysis approach to answer the research question. Firstly, the author use the ADA Score Table made by Tim Groseclose for the selection of left-leaning and right-leaning media. Next, the reports/articles from these US media will be collected if certain keywords are found. Thirdly, the author code these texts into 10 genres according to their context in the unit of paragraph and cull those are not suitable for any genre. Finally, the author explain the meaning both from the quantities of paragraphs coded and their tones. Regarding the data, the time period is from 2020 to 2022 and the sample size will be 20 articles/reports for each side of the media. Moreover, the collected data will be categorized and coded by MaxQDA. Afterwards, each data will be given meaning by an analytical approach. That is, the example of each genre will be provided and I will mainly focus on the difference of viewpoints between the left-leaning and right-leaning media.²⁸

²⁸ Jeffrey Milyo Tim Groseclose, "A Measure of Media Bias," *The Quarterly Journal of Economics* 120, no. 4 (2005), <https://doi.org/10.1162/003355305775097542>.

Source of Data

The data source of the research was news articles from the United States since the goal of the research is to see how different ideologies impact media in the US. For details, please refer to the next section.

Data collection

To search the relevant articles, the keywords “e-CNY”, “Digital Yuan”, and “CBDC” are used during data collection. Furthermore, the data exceeding the time period, 2022 to 2022, will be excluded. Afterwards, Nvivo is used to code and categorize the data.

Method of Data Analysis

The sources of the data are based on new media of the United States, which are 40 articles in total. To be more objective and unprejudiced, the author adopted and distributed samples according to research from Tim Groseclose. The research is to measure US media ideologies and categorize them by “ADA Score” which is a measurement to calculate the frequency of media quotes from certain think-tanks and then compare the score with congress members. Following is the table made by Tim Groseclose. According to him, the Higher the ADA Score, the left the media is.²⁹

²⁹ Ibid.

Table 1. Source: Tim Groseclose (2005), A Measure of Media Bias

Media outlet	Period of observation	Estimated ADA score	Standard error
<i>ABC Good Morning America</i>	6/27/97– 6/26/03	56.1	3.2
<i>ABC World News Tonight</i>	1/1/94– 6/26/03	61.0	1.7
<i>CBS Early Show</i>	11/1/99– 6/26/03	66.6	4.0
<i>CBS Evening News</i>	1/1/90– 6/26/03	73.7	1.6
<i>CNN NewsNight with Aaron Brown</i>	11/9/01– 2/5/04	56.0	4.1
<i>Drudge Report</i>	3/26/02– 7/1/04	60.4	3.1
<i>Fox News' Special Report with Brit Hume</i>	6/1/98– 6/26/03	39.7	1.9
<i>Los Angeles Times</i>	6/28/02–12/29/02	70.0	2.2
<i>NBC Nightly News</i>	1/1/97– 6/26/03	61.6	1.8
<i>NBC Today Show</i>	6/27/97– 6/26/03	64.0	2.5
<i>New York Times</i>	7/1/01– 5/1/02	73.7	1.6
<i>Newshour with Jim Lehrer</i>	11/29/99– 6/26/03	55.8	2.3
<i>Newsweek</i>	6/27/95– 6/26/03	66.3	1.8
<i>NPR Morning Edition</i>	1/1/92– 6/26/03	66.3	1.0
<i>Time Magazine</i>	8/6/01– 6/26/03	65.4	4.8
<i>U.S. News and World Report</i>	6/27/95– 6/26/03	65.8	1.8
<i>USA Today</i>	1/1/02– 9/1/02	63.4	2.7
<i>Wall Street Journal</i>	1/1/02– 5/1/02	85.1	3.9
<i>Washington Post</i>	1/1/02– 5/1/02	66.6	2.5
<i>Washington Times</i>	1/1/02– 5/1/02	35.4	2.7
Average		62.6	

Media Selection

To be more objective, there are 20 articles come from left-wing media and the other 20 articles are from right-wing media. Following is the process of media selection.

For left-wing media, The table of ADA Score illustrates that the Wall Street Journal ranking highest in US media at 85.1 %. While New York Times and CBS Evening News are the second highest at 73.7 %. Therefore, New York Times and Wall Street Journal have decided to be where left-wing resources come from. The reason opt for New York Times rather than CBS Evening News is because New York Times includes more articles related to e-CNY, that is what we are examining.

For right-wing media, on the contrary to left-wing media, the author looks for the lowest ADA Score because that is where the most possible right-wing media might be. Turning to the lowest score, the Washington times ranked the lowest among US media, which is written at the bottom of the table, at 35.4%. The following lowest is Fox News Special Report, at 39.7. Therefore, the Washington Times and the Fox News Special Report have become the main resource of right-wing media.

Summary

Initially, there are 40 articles that include some keywords related to e-CNY or CBDC in the certain paragraph collected. However, when it goes to examination, 12 articles are irrelevant to our research goal, which is e-CNY. Therefore, the final data end up being 28. Left-wing media accounts for 16 and right-wing media account for 12.

Table 2. The Quantity of Collected Data Source: created by the author

Original Data	40
Irrelevant Data	12
Final Data	28
	* Unit: article

DATA ANALYSIS

There are 126 paragraphs have been collected and distributed into 10 different categories as following table.

Table 3. Categorization of Themes

Categories	Description
Resolve corporational monopoly	Indicates that E-CNY could end/mitigate the concerns that third-party payment would be monopolized by companies such as Alipay or Wechat pay.
Intensifying governmental monopoly	Indicates that the development of E-CNY brings side-effects, such as the banishment of other digital payments such as Bitcoin.
Non-rivalry	Indicates that E-CNY is basically another form of CNY and thus is impossible to threaten the USA's international standing.
Rivalry	Indicates that the intention of developing E-CNY is to threaten the USA's international standing.
Technology improvement	Indicates that E-CNY is a state-of-the-art technology and the world should not be left behind China's improvement.
Nationwide surveillance	Indicates that E-CNY is a way of controlling people's everyday life by Chinese government.
Economy reorganization	Indicates that the development of E-CNY breaks the rigid framework of China's financial system.
Reduce crime	Indicates that Chinese government could combat crime by looking up the transational records of people.
Not reliable	Indicates that E-CNY is not robust in terms of its technologies.
Improve international standing	Indicates that E-CNY is a good way to improve China's international standing.

Source: created by the author

The author's assumption is: Rightwards Media tend to be against e-CNY, due to the nature of the right-wing is mostly the one who protects traditional values and avoids reform; on the other hand, the nature of left-wing is tend to positive reform and abolish traditional ideology or system thereby create a new one.

The table below shows the quantity of coding between left/right-leaning media. Overall, there are 126 paragraphs have been coded. Looking at the two sides of media, left-leaning media seems to have a higher quantity of coding. Including "Intensifying governmental monopoly", "Non-rivalry", "Technology improvement" and "Economy reorganization". This could be explained by the fact that the left-wing media tend to have a more diverse perspective, including positive and negative toward e-CNY at the same time.

Other things worth noting are the categories that right-leaning media have higher frequencies of coding – "Rivalry". This could be explained as right-leaning media tend to reckon that e-CNY is threatening US's international standing. Compared to left-leaning media, right-leaning media seem have a narrow perspective, it rarely mentions the positive side of e-CNY. In other words, the result somehow corresponds the author's assumption.

Table 4. Quantity of Categorization in US Left-leaning/Right-leaning Media

Source: created by the author

Categories	Leftward Media	Rightward Media
Resolve corporational monopoly	2	0
Intensifying governmental monopoly	11	5
Non-rivalry	4	0
Rivalry	6	11
Technology improvement	10	3
Nationwide surveillance	27	10
Economy reorganization	9	1
Reduce crime	8	1
Not reliable	5	0
Improve international standing	9	4
Total	126	

Resolve Corporational Monopoly

This category focuses on the perspective that e-CNY is a tool to counterbalance the payment method in China, not dominate the payment method. Since 2004, third-party payments have dominated the payment method in China. Most transactions are made by Alipay or WeChat pay. Although it flourishes in China's economy, the government seems afraid this overwhelming power may be out of control, thereby replacing it. There are two paragraphs that have been coded in this category, all from left-leaning media, and none of them is from right-leaning media. Matching our assumption that left-leaning media tend to persuade reform and abolish tradition.

Following is the quotation from one of the coded paragraphs:

The mass adoption of digital payments in the world's most populous nation has made the use of physical cash virtually obsolete—a trend that has alarmed China's central bank, which has been conducting small-scale rollout trials for its digitized legal tender since late 2019.³⁰

This article also mentioned that during the 2022 Olympics, Alipay and WeChat Pay are excluded from payment methods, even though they have been the most popular payment methods in China for a long time. Turning to the perspective of the media, it believes that e-CNY is a tool that the Chinese government use to counterbalance third-

30 Jing Yang, AnnaMaria Andriotis. "At the Winter Olympics, Beijing's Digital Yuan Push Puts Visa in a Bind." *The Wall Street Journal*, 2022. <https://www.wsj.com/articles/beijings-digital-currency-push-at-winter-olympics-puts-visa-in-a-bind-11644402602>.

party payments. In recent years, the capabilities of third party-payments grew extremely. From toilet tissue to the Sesame Credit (a social credit system that is created by Ant Financial Services Group) all their living needs are determined by them. Jiemeng Yang also pointed out that e-CNY has a rivalry relationship with other digital currencies.

According to the latest statistics from the Coinmarketcap website, there are more than 10,000 types of digital currencies, and the total market value of these digital currencies exceeds 2.5 trillion. They have a certain competitive relationship with CBDCs including e-CNY, and impairing the ability of the central bank to conduct monetary policy as a monopoly.³¹

Chinese government insist that e-CNY will not replace other form of payment, instead, it diverse the payment method in China so that citizen can have more choice. However, the actions they did, excluding third-party payment in Olympic and prohibiting bitcoin are different from what they alleged.

Intensifying Governmental Monopoly

There are minor differences from the last category. This category focuses on the perspective that government wants to weaken the power of third-party payment and cryptocurrencies thereby making e-CNY indispensable. Compare to the last category which merely 2 paragraphs have been coded, this category has a higher quantity of

31 Jiemeng Yang, Guangyou Zhou. "A Study on the Influence Mechanism of Cbdc on Monetary Policy: An Analysis Based on E-CNY." *PLoS One* (2022). <https://doi.org/10.1371/journal.pone.0268471>.

coding. There are 16 paragraphs that have been coded, 11 paragraphs from left-leaning media and 5 from right-leaning media. This may imply that left-leaning media pay attention to the anti-monopoly and free market; right-leaning media rarely attach importance to it. Following are the quotations from left-leaning media in this category.

China is paving the way for e-CNY's use, including by crimping the power of the private app providers and setting the stage for digitizing a range of financial assets, from artwork to bonds, which will make e-CNY indispensable.³²

Creating a central bank digital currency and making crypto transactions illegal were part of the Chinese government's broader effort to channel citizens away from popular private financial services providers, such as Alipay and WeChat.³³

The perspective from left-wing media doubts the ambition of Beijing. They reckon the purpose of e-CNY is not merely to diversify the payment service but to establish a monopoly in payment thereby firmly controlling its citizen. On the other hand, the perspective from right-leaning media has slightly different.

Issuing and controlling a state digital currency is the "new battlefield" among the great powers, and China had to roll out a new payment system network to break the dollar "monopoly," declared the central bank's official journal.³⁴

³² Areddy, James T. "China's Digital Currency Challenge: Winning Hearts and Minds." *The Wall Street Journal* 2021. <https://www.wsj.com/articles/chinas-digital-currency-challenge-winning-hearts-and-minds-11638441000>.

³³ Livni, Amy Qin and Ephrat. "China Cracks Down Harder on Cryptocurrency with New Ban." *The New York Times*, 2021. <https://www.nytimes.com/2021/09/24/business/china-cryptocurrency-bitcoin.html>.

³⁴ Marks, James. "China's Hybrid Warfare in the Crypto Space Sees Victory in Sight." *The Washington Times*, 2021. <https://www.washingtontimes.com/news/2021/jan/20/chinas-hybrid-warfare-in-the-crypto-space-sees-vic/>.

*The pronouncements came as Beijing was piloting the rollout of its digital yuan, issued by the central bank, the only legal token for users in the People's Republic of China.*³⁵

Rightward is generally considered as the one who supports the free market; leftward is generally considered as the one who supports the governmental intervention in the market. However, the result of this category is opposite to common sense. Left-leaning media tend to condemn the government monopoly in payment service; though right-leaning media did not mention supporting government monopoly in payment, nor mention against it. Overall, the perspective that e-CNY is a tool to establish state monopoly has higher support than e-CNY is a tool for diverse state payment.

Non-Rivalry

Same as Chinese officials mentioned, this category focuses on the perspective that e-CNY is not a threat to the United States and the dollar. There are 4 paragraphs coded in this category, all from left-leaning media, none of them from right-leaning media. This may imply that right-leaning media firmly believes that e-CNY is a threat to the United States. Following is the quotation from left-leaning media:

Chinese central bankers say it is not an effort to supplant the dollar, and Martin Chorzempa, a senior fellow at the Peterson Institute for International Economics, said digitization wouldn't fix issues that made the yuan unattractive as a reserve currency in the first place — like capital controls, which mean you can't exchange

³⁵ Ibid.

*it easily at all times.*³⁶

*None of these are likely to be threatened by a foreign currency, and certainly not because that foreign currency is a C.B.D.C.*³⁷

The perspective mainly talking about e-CNY is not a threat to the United States based on a few reasons that will make it unattractive. Firstly, the digital version of RMB has no different from RMB. The characteristic of capital control is a fatal weakness to replace dollar hegemony. In addition to having a stable reserve of value, liquidity is also important as a monetary hegemony. Secondly, one trait of e-CNY makes it unreliable – trackable. According to PBOC, the government have the right to check every single transaction since that is a move against money laundry or crime. According to Ahmet and Farrukh, capital constraints and the very illiquid structure of the Chinese monetary system limit the RMB's acceptability as a worldwide currency. As a result, while the growth of e-CNY may have a substantial influence on the international monetary system due to China's first-mover advantage in issuing CBDCs, it does not constitute a genuine challenge to the US dollar's supremacy any time soon.³⁸

Although the perspective of e-CNY is not a threat to the status of the United States

³⁶ Smialek, Jeanna. "Still Getting Your Head around Digital Currency? So Are Central Bankers." *The New York Times*, 2021. <https://www.nytimes.com/2021/04/26/business/economy/fed-digital-currency.html>.

³⁷ Smialek, Jeanna. "A Top Fed Official Says Digital Currency May Be the Money Equivalent of Parachute Pants." *The New York Times*, 2021. <https://www.nytimes.com/2021/06/28/business/fed-digital-currency-quarles.html>.

³⁸ Ahmet FarukAysan, Farrukh NawazKayani. "China's Transition to a Digital Currency Does It Threaten Dollarization?". *Asia and the Global Economy* 2, no. 1 (2022). <https://doi.org/10.1016/j.aglobe.2021.100023>.

is controversial and against the mainstream, it has a reasonable argument. Overall, the 4 paragraphs coded are from left-leaning media. Right-wing media do not consider e-CNY as innocent, instead, it considers e-CNY as a bomb to the US and it demonstrates the ambition of China want to increase its international status thereby replacing the United States. In the next category (Rivalry), right-leaning media has the only higher quantity of coding that is never shown in other categories.

Rivalry

This category is about the perspective that e-CNY is a threat to United States and the dollar. There are 17 paragraphs have been coded in this category. On contrary from all other categories, right-leaning media have more coded paragraph than left-leaning media in this category. Precisely, 6 from left-leaning media, 11 from right-leaning media. The data illustrates that right-leaning media tend to believe that e-CNY is a threat to United States than left-leaning media. Following are the quotations from right-leaning media:

If China is able to supplant America as the No. 1 economy in the world, it will then quickly likewise be able to supplant us as the No. 1 military, too. The right kind of leadership from Washington on cryptocurrency can make sure that doesn't happen.³⁹

Allowing federal employees to utilize the digital yuan would provide Beijing with yet another opportunity to spy and steal from the U.S. Once China is in your wallet,

³⁹ Whitley, Jared. "Will America or China Be No. 1 in Cryptocurrency?" *The Washington Times*, 2020. <https://www.washingtontimes.com/news/2020/nov/4/will-america-or-china-be-no-1-in>

*they will never leave.*⁴⁰

The perspective from right-leaning media is mainly about China wants to replace US by e-CNY. Chinese government may set banks in the countries they have commercial relationship with and thereby replace dollar to become world's reserve currency. Meanwhile, they call for government to take actions to response this situation.

On the other hand, the perspectives from left-leaning media are generally more diversified and inclusive. Though they also regard E-CNY as a potential threat to the US and the status of USD, they recognize that digital payment is trending. For example, one article noted that the first country applying CBDC was Bahama rather than China.

*From the Bahamas to China, global central banks are experimenting with digital offerings, fueling concerns on Capitol Hill that the Fed might fall behind the competition.*⁴¹

From the analysis above, we can find that the right-leaning media are more radical and adversarial compared to the left-leaning media in this genre. There are some interesting observations about this. First, the feeling of "Rivalry" needs to be substantiated by ideologies. While the left emphasizes the importance of diversified

⁴⁰ Alic, Haris. "Gop Senators Move to Prevent Biden's \$1.2 Trillion Infrastructure Bill from Benefiting China." *The Washington Times*, 2021. <https://www.washingtontimes.com/news/2021/aug/3/gop-senators-move-prevent-bidens-12-trillion-infra/>.

⁴¹ Jeanna Smialek, "Still Getting Your Head Around Digital Currency? So Are Central Bankers.," *The New York Times* 2021, <https://www.nytimes.com/2021/04/26/business/economy/fed-digital-currency.html>.

culture and communication with others, the right safeguards their traditional values, and these include the status of their countries and the status of a certain currency.

Apparently, to attract the view of a certain group of people, these media need to focus on the different aspects when covering E-CNY. Furthermore, this is the only genre that the right-leaning media outnumber the left-leaning media, which is a sign that “rivalry” is not only one of the thoughts towards E-CNY for the right but also the most important one. Hence, if readers want to know more about the core concerns of the right, studying the rivalry between the US and China will be a good start.

Technology Improvement

We have 13 paragraphs coded in total, 10 for the left-leaning media and 3 for the right-leaning media respectively. This perspective appreciates the technical values behind E-CNY and advocates that the world should learn from it rather than oppose it. Overall, the left-leaning media support this idea whereas the right-leaning media do not show much recognition. This result could again be expected by the differences between the supporters of the left and the right: the left is more open to new concepts and foreign countries, and thus gives the explanation of the intention behind E-CNY from all kinds of aspects, while the right tends to regard E-CNY as an emerging threat to USD.

China has convinced financial policy makers everywhere of its resolve to create a digital version of its currency, even helping to spur the Federal Reserve to study

*developing an electronic version of the dollar.*⁴²

*An organization of central banks, the Bank for International Settlements, has said that most monetary authorities are considering similar moves, though none has tested an official digital currency on the scale China has.*⁴³

For example, these two paragraphs extracted from the left-leaning media see the strengths of E-CNY: it is state-of-the-art technology, and the Federal Reserve could benefit from it by learning how China crosses the barriers of issuing the digital version of its currency. Another strength of learning from E-CNY is its scale. Though many experimental products regarding issuing electronic money are also seen in America, the national-wide implementation of this in a country having population over than 100 million is only available in China. By learning the experience from it, the US could evaluate the risk, cost, and benefit of issuing its own electronic money better.

*China has been at the forefront of developing facial-recognition technology, which is now used in everything from government and corporate surveillance of citizens and employees, to toilet-paper dispensers in public bathrooms.*⁴⁴

*Chinese technology giants have leapfrogged U.S. companies in popularizing mobile payments. Now, they are trying to get people to bypass their smartphones and make payments by simply looking into screens.*⁴⁵

⁴² James T. Areddy, "China's Digital Currency Challenge: Winning Hearts and Minds," *The Wall Street Journal* 2021, <https://www.wsj.com/articles/chinas-digital-currency-challenge-winning-hearts-and-minds-11638441000>.

⁴³ Ibid.

⁴⁴ Stella Yifan Xie, "Using Smartphones to Pay? That's So Yesterday in China," *The Wall Street Journal* 2019, <https://www.wsj.com/articles/using-smartphones-to-pay-thats-so-yesterday-in-china-11560218821>.

⁴⁵ Ibid.

In comparison, the left-leaning media also admit to the advancement of China's digital technology, but they focus on the hazard and negative intentions behind it rather than seeing its potential. For example, they regard the main intention of issuing E-CNY as monitoring people's daily life from every aspect. In short, it is well-recognized by both sides of the media that E-CNY is new and advanced. The left-leaning media see this as an opportunity while the right-leaning media regard this as an emerging threat.

Nationwide Surveillance

There are 37 paragraphs coded in total, 27 for the left-leaning media and 10 for the right-leaning media. It is the biggest category of its quantity of being coded, which might be seen as the "consensus" of both the left-leaning media and the right-leaning media. In other words, though they might have a different image of E-CNY, they all recognize that nationwide surveillance is the biggest drawback/threat of E-CNY.

As China moves closer to rolling out its new digital cash, there are concerns the government will track every transaction—not just of citizens but of foreign companies in the country.⁴⁶

A state-controlled digital currency would allow the government to collect data and keep tabs on citizens' everyday transactions and would make it easier for the government to control access to an individual's funds, among other concerns.⁴⁷

⁴⁶ Jing Yang, "China's Digital Yuan Puts Ant and Tencent in an Awkward Spot," *The Wall Street Journal* 2021, <https://www.wsj.com/articles/chinas-digital-yuan-puts-ant-and-tencent-in-an-awkward-spot-11627210802>.

⁴⁷ Amy Qin and Ephrat Livni, "China Cracks Down Harder on Cryptocurrency With New Ban," *The New York Times* 2021, <https://www.nytimes.com/2021/09/24/business/china-cryptocurrency-bitcoin.html>.

The left-leaning media first admit that China is the one taking the first step in the area of issuing electronic money and regards CBDC as a future trend, even a necessity. However, when talking about how China deal with privacy policies, they are unanimously concerned about China’s disastrous arrangement. For example, according to Progress of Research & Development of E-CNY in China, the Chinese government is empowered with the right to investigate the consumption record of individuals in order to “prevent the crime when necessary”, which is a vague term and thus could lead to the unrestricted surveillance to citizens.

People outside of China are wary of accepting and using a Chinese currency because of the heavy hand of the Chinese government in owning and controlling key parts of the financial system.⁴⁸

PBOC officials have indicated that they will harness huge amounts of DCEP data to enhance monetary policy and monitor for illegal activity, officials higher in the Chinese government have stressed DCEP’s value as a tool for enforcing party discipline⁴⁹

At first glance, there is no huge distinction between the opinions of the left and the right. However, minor differences could be seen in its tone and manner. For instance, the right-leaning media focus on persuading people “not to use” E-CNY, whereas the right-leaning media are against surveillance from a more analytical perspective. To

⁴⁸ Richard W. Rahn, "U.S. dollar could be dethroned internationally by digital currency," *The Washington Times* 2020, <https://www.washingtontimes.com/news/2020/jan/27/us-dollar-could-be-dethroned-by-digital-currency/>.

⁴⁹ Joseph Clark, "Lawmakers call for vigilance as China advances digital currency," *The Washington Times* 2021, <https://www.washingtontimes.com/news/2021/aug/2/lawmakers-call-vigilance-china-advances-digital-cu/>.

summarize, freedom from surveillance is the consensus of both sides of people. Interestingly, we can still see the subtle differences between the contents provided by the left-leaning media and the right-leaning media: The left oppose to this from a humanitarian perspective, while the right take this fact to support their claim that E-CNY is a threat to both the US and human society.

Economy Reorganization

Ten paragraphs were coded in this category, nine for the left-leaning media and one for the right-leaning media. This perspective regards the invention of e-CNY as a tool to enforce economic transformation in China due to the long-term closure of its economy. From a theoretical framework, we could explain the function of e-CNY by the Impossible Trinity where a country cannot have capital mobility, free exchange rate, and autonomous monetary policy at the same time. For example, China's RMB sacrifices capital mobility in exchange for autonomous monetary policy.⁵⁰

On the other hand, if e-CNY takes a different approach to the technical design, it may function as another currency system and help change the financial system of China. For the statistical result, the right does not support this idea, while the left recognizes this, which satisfy the assumption that the right tends to uphold the status quo whereas the left encourages innovative idea. Let's look at some pieces of evidence from the left-

⁵⁰ 彭德明, "不可能的三位一體原則下之貨幣自主性 — 兼論國際外溢效果與最適匯率制度," *國際金融參考資料* (2014).

leaning media.

Digital money promises to change how governments track and manage their economies; it might potentially unlock financial services for the poor world-wide and in the process shake up banks, foreign-exchange markets and cryptocurrencies such as bitcoin, while increasing personal convenience and eroding individual privacy.⁵¹

Cryptocurrency makers and watchers said the comments were most likely meant to pave the way for China to create its own digital currency, both to tighten controls as well as to make China's currency more readily available outside the country.⁵²

Left-leaning media generally sees the advantage that e-CNY is helpful to China's economic quandary. However, they also take a balanced view that the risk of being under surveillance cannot be accepted by most people under any circumstance. The left takes the violation of human rights the most seriously. On the other hand, there is only one paragraph discussing the function of economic transformation by e-CNY in the right-leaning media.

China — unlike any other nation — can create a digital yuan that offers the speed, low cost and security of digital dollars. With its large reserve of dollars and trade surplus with the United States, Beijing could ensure its value stays constant against the dollar."⁵³

⁵¹ James T. Areddy, "China's Digital Currency Challenge: Winning Hearts and Minds," *The Wall Street Journal* 2021, <https://www.wsj.com/articles/chinas-digital-currency-challenge-winning-hearts-and-minds-11638441000>.

⁵² Cao Li, "China Gives Digital Currencies a Reprieve as Beijing Warms to Blockchain," *The New York Times* 2019, <https://www.nytimes.com/2019/11/06/business/china-bitcoin.html>.

⁵³ Peter Morici, "Why the Fed's refusal to issue digital dollars threatens national security," *The Washington Times* 2020, <https://www.washingtontimes.com/news/2020/feb/17/why-the-feds-refusal-to->

It is interesting that even though it admits the unique strength of e-CNY that cannot be simulated by others, it still emphasizes the credit of the United States. It is not difficult to tell that the right usually takes an America-oriented perspective and it is consistent with our hypotheses.

Reduce Crime

We have 9 coded paragraphs in this genre, 8 from the left-leaning media and 1 from the right-leaning media, which is a similar distribution to the last genre. This category focuses on the function of crime reduction brought by e-CNY. For example, governments could hit crimes such as money laundering by looking up all the transactions through e-CNY or at least have deterrence. However, while the left generally accepts this viewpoint, we can see that the right is not persuaded by the quantities of paragraphs coded.

Human rights advocates say such granular data could help fuel China's social credit system, in which Beijing uses digital surveillance to police behavior such as jaywalking or poor spending habits. But some early users aren't bothered by such warnings.⁵⁴

A state-issued e-currency would help China's government know more — much,

issue-digital-dollars-thre/.

⁵⁴ David Uberti, "Surveillance Risks Shape How Central Banks Test Digital Currencies," *The Wall Street Journal* 2022, <https://www.wsj.com/articles/surveillance-risks-shape-how-central-banks-test-digital-currencies-11647941400>.

*much more — about how its citizens spend their money, giving it sweeping new powers to fight crime and manage the economy while also raising privacy concerns.*⁵⁵

For example, these two paragraphs from the left-leaning media recognize that e-CNY could hit the crime, but with the price of sacrificing one's privacy, which is consistent with the left's consensus that human rights are first and foremost.

*PBOC officials have indicated that they will harness huge amounts of DCEP data to enhance monetary policy and monitor for illegal activity, officials higher in the Chinese government have stressed DCEP's value as a tool for enforcing party discipline," the report reads".*⁵⁶

On the other hand, the right-leaning media also embrace the idea that e-CNY is effective in reducing crime, which is a popular goal for both the left and the right. Nonetheless, it in the end puts emphasis on the evil of e-CNY that it is a tool to enforce "the will of CCP". Theoretically, e-CNY gives the government more conveniences hitting the crime due to the characteristic that transactions through e-CNY will leave a digital record. However, one would shun using e-CNY if he knows how it operates. Hence, however convenient checking the transaction records it is, e-CNY might have only limited effect.

⁵⁵ Raymond Zhong, "China's Cryptocurrency Plan Has a Powerful Partner: Big Brother," *The New York Times* 2019, <https://www.nytimes.com/2019/10/18/technology/china-cryptocurrency-facebook-libra.html>.

⁵⁶ Zhong, "China's Cryptocurrency Plan Has a Powerful Partner: Big Brother."

Not Reliable

This minor category states that e-CNY is not reliable with regard to its technologies. We have only 5 paragraphs coded, all of which are from the left-leaning media. The major difference between notes and e-CNY is that the former relies on the internet, which is convenient to some degree despite the fact that it will become a disaster if some problems happen to the internet. From the statistics, it is a perspective that only concerned by the left.

When flooding inundated a central Chinese metropolis over the summer, the calamity dented a key plank of the country's much-watched bid to replace paper money with digital currency: reliability.⁵⁷

An increasingly cashless society has already caused societal problems like elderly people being practically unable to hail taxis without the right apps.⁵⁸

The left-leaning media find the problem not only about the availabilities of the internet but also about future development. E-CNY functions as a medium simulating the transformation to a cashless society, and this will force some people without the ability (or have difficulties) of learning how to pay without cash. For example, the elders living in the countryside or someone with physical difficulties.

⁵⁷ James T. Areddy, "China Flooding Exposed Risks in Beijing's Plan to Launch Digital Currency," *The Wall Street Journal* 2021, <https://www.wsj.com/articles/china-flooding-exposed-risks-in-beijings-plan-to-launch-digital-currency-11634654928>.

⁵⁸ Ibid.

These kinds of problems are not rare in China, as the government seek to expedite the construction of every aspect. From infrastructure to financial innovation, it always takes an approach of “let some people get rich first”. However, in order to become a richer and more progressive society, this measure does generate some phenomena, such as worsening economic inequalities and overurbanization.

Improve International Standing

We have 13 paragraphs coded in this category, 9 for the right-leaning media and 4 for the left-leaning media. Generally, these two sides of the media have the same perspective that e-CNY could be a tool for improving the international standing of China.

Some economists said China’s digital currency would also make it easier for the renminbi to compete with the U.S. dollar as a global currency because it can move internationally with fewer barriers. But Chinese officials and analysts have said many other changes would be necessary for that to happen.⁵⁹

The People’s Bank of China’s Cross-Border Interbank Payment System is designed to rival the dollar-based money-transfer system known as Swift. China is also working with other central banks to make a digital version of its yuan acceptable in other countries.⁶⁰

⁵⁹ Cao Li Nathaniel Popper, "China Charges Ahead With a National Digital Currency," *The New York Times* 2022, <https://www.nytimes.com/2021/03/01/technology/china-national-digital-currency.html>.

⁶⁰ James T. Areddy, "Fearful of Getting Cut Off, China Pushes for Self-Reliance," *The Wall Street Journal* 2022, <https://www.wsj.com/articles/fearful-of-getting-cut-off-china-pushes-for-self-reliance-11651588187>.

The left-leaning media put emphasis on the improvement of the international standing of China is determined by how much e-CNY is recognized by the world. Roughly, international standing has a positive correlation to its currency power. The stronger a country is, the more value is its currency, and vice versa. The concern is that problems such as surveillance devalue the e-CNY, and hence influence China's international standing.

The Chinese have been particularly keen to make their currency a global currency and have set up banks in foreign countries where China has aid or investment programs to operate with the Chinese yuan rather than the USD.⁶¹

The digital renminbi, also known as Digital Currency/Electronic Payment (DCEP) in China, is directly in line with China's push to place its currency as a player on the global stage and coincides with Beijing's progress in other technologies like artificial intelligence.⁶²

On the other hand, right-leaning media are more concerned about the possibility that USD be replaced by e-CNY/CNY. It is consistent with our hypotheses that the right values his country while the left embraces all kinds of values.

⁶¹ Rahn, "U.S. dollar could be dethroned internationally by digital currency."

⁶² Clark, "Lawmakers call for vigilance as China advances digital currency."

CONCLUSION

In conclusion, the research has two major findings.

Right-leaning media tend to be against e-CNY

The statistical data in the categories “Rivalry” and “Non-rivalry” substantiates our assumptions to the right. Though it might be intuitive from our understanding of the right, we can prove the idea and know the extent (Like how conservative the right-leaning media is). This research takes a deeper observation of the right’s ideologies.

To be specific, the only genre that the right-leaning media have more paragraphs being coded than the left-leaning media is “rivalry”. This might reflect the thought that the right considers e-CNY to be harmful to the status of the US and USD. On the other hand, there is no paragraph of right-leaning media being coded in the genre “non-rivalry”, which is consistent with the belief that the left tends to embrace innovations and innovations will not cause harm to the US.

The left-leaning media worries about the issues of monopoly

Though not directly related to our research questions, it is interesting that the left-leaning media are concerned about this issue. Traditionally, the left supports government intervention in order to solve the problem brought by the free market. Conversely, the right favors the free market due to the effectiveness pushed by the

“invisible hand”.

However, things change when compared to our findings. The left-leaning media which shall be more supportive of government intervention are strongly opposing the idea of the monopoly by the government, while the right-leaning media do not emphasize this. Monopoly is one of the issues that the free market cannot resolve. When this collides with the intention of the government, the left will be more supportive of the free market.

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