TALLINN UNIVERSITY OF TECHNOLOGY
School of Business and Governance
Department of Law

Minna Lindqvist

CLIMATE CHANGE IN POLICY-MAKING AND CHINA'S STATUS

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Supervisor: Holger Mölder, PhD

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Minna Lindqvist ……

(signature, date)

Student code: TASB 156152

Student e-mail address: minnalindqvistemail@gmail.com

Supervisor: Holger Mölder, PhD:

The paper conforms to requirements in force

……

(signature, date)

Co-supervisor:

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TABLE OF CONTENTS

ABBREVIATIONS

ABBREVIATION:	DEFINITION:
BTR	Biennial Transparency Reports
BUR	Biennial Update Report
CDM	The Clean Development Mechanism
CGE	The Consultative Group of Experts
CO2	Carbon Dioxide
COP	The Conference of the Parties
DESA	United Nations Department of Economic and Social Affairs
EU	The European Union
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GHG	Greenhouse Gas Emissions
GNI	Gross National Income per Capita
HDI	The Human Development Index
HDR	Human Development Report
INDC	Intended Nationally Determined Contributions
IPCC	The Intergovernmental Panel on Climate Change
KP	The Kyoto Protocol
LAC	Latin America and the Caribbean
MOF	The Ministry of Finance
NCs	National Communications
NDC	Nationally Determined Contributions
NDRC	National Development and Reform Commission
NGO	Non-governmental Organization
OECD	The Organization for Economic Co-operation and Development
PA	The Paris Agreement
PPP	Purchasing Power Parity
RD&D	Research, Development and Deployment
UN	The United Nations
UNCTAD	United Nations Conference on Trade and Development
UNDP	The United Nations Development Programme
UNFCCC	United Nations Framework Convention on Climate Change
WB	The World Bank
WESP	The World Economic Situation and Prospects report
WTO	The World Trade Organization

ABSTRACT

China's developing country status is granting it exemptions in climate change policymaking under the international framework. Regardless of the status, China has become the biggest greenhouse gas emitter and the second-largest economy globally. This thesis will examine China's status in climate change policymaking and its justification. The research begins by assessing China's affordability and accessibility to renewable energy. China's goals in getting exemptions as a developing country under the Kyoto Protocol and the Paris Agreement negotiations will be researched through the Sebastiaan Princen agenda-setting strategy. Justification for the status will be opposed by the advanced economy argument and supported by the developing country argument. This thesis concludes that China's status as a developing country is no longer justified. China has become a hybrid economy with features from both developed and developing countries, which indicates that it has progressed from the developing country status.

Keywords: China, developing country, climate change, policymaking

INTRODUCTION

Since China's climate change policymaking started under the international framework, it has been categorized as a developing country. In the early 1990s, China was present in international negotiations to establish the United Nations Framework Convention on Climate Change (UNFCCC) and with other developing countries, China wanted to make sure that it would get "common but differentiated responsibilities" in climate mitigation (Ohta, 2016, p. 7). Now that China has become the world's second-largest economy (Benoit & Tu, 2020, p. 22) and is investing in other developing countries like an advanced economy (Ding, et al., 2021, p. 18) its status has been questioned by its peers (Weinhardt, 2020, p. 398). According to The World Economic Situation and Prospects report (WESP) used by the United Nations Department of Economic and Social Affairs (DESA) and the United Nations Conference on Trade and Development (UNCTAD), China has been classified as a developing country since the earliest report, made in 1998 (DESA, UNCTAD, 1998). China's developing country status gave it exemptions from climate change mitigation targets in one of the first international agreements, the Kyoto Protocol (KP), established in 1997 (Ohta, 2016, p. 7), and later gave it more flexibility in the Paris Agreement (PA) framework from 2015 onwards, when it came to peaking in Greenhouse Gas emissions (GHG emissions) and making stricter policies, than developed countries (Benoit & Tu, 2020, p. 22).

The thesis statement is that China is using its developing country status in climate change policymaking to accelerate its economic growth. It is crucial to research the debate over whether China should be classified as a developing or a developed country when it is getting exemptions in international climate agreements under the status, and its increasing GHG emissions keep adding to the global climate crisis at the same time (Benoit & Tu, 2020, p. 5). The research will answer three questions related to the statement: 1) How does the status of China as a developing country influence its policies on climate change?, 2) How China's national interests in economic growth have impacted its climate change policymaking? and 3) Is China's developing country status in the international arena of climate change policymaking justified?

The cause-and-effect relationship between China's developing country status and the exemptions in international climate agreements leading to lighter climate change policymaking is examined in

this research. Mainly qualitative secondary sources are used to assess this problem with supportive quantitative references, such as statistical data regarding country classification from the Human Development Index. As a prominent part of the methodology, Sebastiaan Princen's policy agenda-setting strategy will be used to help structure China's goals in getting exemptions as a developing country during the KP and the PA negotiations. Even though the model is based on agenda-setting in the European Union (EU), in this thesis the same method is adjusted to suit China's needs. The Prince strategy was chosen for this thesis since it gives structure to the agenda-setting process (Princen, 2011, p. 938).

In the first chapter, China's status as a developing country will be defined in the international framework. Since both the KP and the PA were signed under the United Nations (UN), China's status in the organization will be assessed through UN definitions and supported by the World Bank (WB) and the World Trade Organization (WTO) definitions. Also in the first chapter, China's affordability and accessibility to renewable energy are assessed to set the background for China's capabilities when transferring to sustainable energy. The focus throughout the second chapter will be on the exemptions China is getting under the developing country status and on how China's national interests are affecting its climate policy negotiations. In the second chapter China's climate change policymaking according to the rules by the KP and PA and the differences in responsibilities between the developing and developed countries, will be explored.

The justification for China's developing country status has two sides, opposing and supportive. In the discussion part of the thesis, China's advanced economic growth and its prospects are used as an opposing argument for the current status and the domestic issues with uneven distribution of wealth as a supportive argument. The discussion part also addresses China's prospective future regarding economic growth, political progress and cooperation in the international arena including a notion of its increasing investments in other developing countries (Ding, et al., 2021, p. 7). The discussion part of the thesis is followed by conclusions drawn from the research, where the justification for China's status is reviewed.

1. CHINA'S AFFORDABILITY AND ACCESSIBILITY TO RENEWABLE ENERGY AS A DEVELOPING COUNTRY

1.1. The United Nations definitions of a developing country

The United Nations Development Programme (UNDP) uses country classification with the help of the Human Development Index (HDI), which measures countries' performance in longevity, income and education. Longevity measures life expectancy from birth, income is measured by Gross National Income (GNI) per capita and education by comparing expected years of schooling to the actual amount of years spent studying. According to the Index, by using the above measurements, countries are divided into low-, medium-, and high human development countries with also a fourth category of very high human development. From 1995 to 2005 China was categorized in the medium human development category, but between 2015 and 2019 China was able to rise to the high human development category (Nielsen, 2011, p. 8), (UNDP, 2020, pp. 2-3). HDI has been published via Human Development Report (HDR) and in the report, countries were also divided into industrial and developing (Nielsen, 2011, p. 8). Later on, the HDR introduced the top one quarter as developed countries and the rest three quarters as developing countries (Nielsen, 2011, p. 9). When dividing countries into different groups, such as developed and developing, no simple universal definition tool exists (Nielsen, 2011, p. 5). Different organizations use their classifications and in this thesis, the definitions of the UN will be used, since the KP and the PA both work under the organization.

Another form of measurement is The World Economic Situation and Prospects (WESP), which is an annual publication by the UN on the state of the world economy. The report classifies countries into three different categories for analytical purposes, according to their wealth and development; developed economies, economies in transition and developing economies. China has been categorized as a developing economy by WESP since the first report was published in 1999 (DESA, UNCTAD, 1998). During the international climate agreements, the KP and the PA, China has kept the status of a developing economy according to WESP (United Nations, DESA, 1999-2022). In addition to WESP, the UN uses the WB's categorization of GNI per capita, where China is classified as an upper-middle-income country, even though, on the WESP scale, China is considered as a developing economy (United Nations, DESA, 2022, p. 151).

Since according to the UN China is defined as a developing economy and by UNFCCC as a developing country, it is entitled to assistance when it comes to climate change mitigation, from the UNFCCC. The Consultative Group of Experts (CGE) serving the PA also, is a group of experts with the primary responsibility to give technical assistance and advice to developing countries. The experts assist countries in the preparation of climate change reports including national communications (NCs), biennial update reports (BURs) and biennial transparency reports (BTRs). The CGE trains a technical experts team who then can analyse national BURs under UNFCCC and assists a secretariat in training experts in charge of reviewing BTRs under the PA. The secretariat advises countries to participate in transparency arrangements under UNFCCC and PA and facilitates aid to developing countries planning their NCs, BURs and BTRs. The secretariat also organizes training workshops, prepares guidance materials, collaborates with bilateral and multilateral support programmes and encourages information exchange between countries (UNFCCC, 2022).

1.2. The World Bank definition

The WB defines country development annually through classification which divides countries into four different groups; low, lower-middle, upper-middle, and high-income countries. The classification happens by measuring GNI per capita and local currencies are converted to US dollars (The World Bank, Data, 2022). Since the beginning of the KP negotiations in 1995, China's economy has developed from the status of low income to 1999 status of lower-middle-income to the current status of upper middle income from 2010 onwards (The World Bank, 2022). According to the WB, China has reached that status with exports, low-paid labour and resource-intensive manufacturing. Swift national economic growth outpaced institutional development that China needs to tackle by focusing on a fair business environment, solidifying the regulatory system and following the rule of law to secure sustainable growth. In recent years, economic growth has slowed down due to declining labour force growth, the investment returns have diminished and production has slowed down. China's economy is vital when it comes to international demand, therefore rebalancing the economy is important. The government has plans to alleviate economic inequality with progressive taxation and with an improved social protection system, which would also advance private consumption and protect the vulnerable (The World Bank, 2022).

1.3. The World Trade Organization definition

According to the definitions by the UN and the WB, China still belongs to the developing group, but since the WTO does not have an official classification as countries define themselves, China classifies itself as a developing nation. China uses its lower status to be a part of the Global South for its strategic interests and to gain privileges. The United States and the European Union have called for China's "graduation" from the lower status for economic competitive reasons and have suggested that WTO would also formalize their country classification to exclude China from the developing nations group. When it comes to the WTO, neither the developing nor the developed country groups have been able to change the lack of country classification but it has become more difficult for China to justify its status (Weinhardt, 2020, pp. 396-397). As a justification for its status, China leans toward the argument of comparatively low per capita Gross Domestic Product (GDP), even though its total national GDP is well advanced. China, therefore, uses economic indicators as a strategy to hold on to its emerging power and its developing country status (Weinhardt, 2020, p. 397).

1.4. China's affordability and accessibility to renewable energy during the Kyoto Protocol

Since China is defined as a developing country and it is making a transfer to renewable energy, its ability to afford and access the new energy type is crucial to evaluate. In 2006 China surpassed the United States in GHG emissions globally and became the world's largest emitter, which made it especially essential for China to rethink national energy consumption (Benoit & Tu, 2020, p. 22). There are a lot of challenges related to energy since it is tied to the economy on an everyday basis and the Chinese government has recognized this. Through laws, policies and regulations the government has tried to make this transition easier. For these reasons, The Renewable Energy Law was enacted in China on 1st January 2006, which supports the development of different renewable energy sources like wind-, solar- and hydropower and ocean-, biomass-, and geothermal energy (Zhao, et al., 2011, p. 24). Because of the law, the amount of installed capacity of renewable energy of the total installed capacity, increased after years of decline. Already the next year in 2007, over 7% of primary energy production was hydropower in China and it grew rapidly within the next years at an approximate 11% rate annually. The aforementioned is a good example of how renewable energy development is influenced by China's policy framework (Zhao, et al., 2011, p. 25).

China has a notable history of using renewable energy for rural development with some of the world's largest programmes on biomass and -gas, small hydro, wind and photovoltaics (Liming, 2008, p. 4). By 2008 China had already reached the world's leading role in rural renewable energy systems alongside India, for example, with over 200 000 wind turbines in rural areas and over 20 wind turbine generator manufacturers nationwide in China (Liming, 2008, p. 4). The national development of the wind turbine industry, which is virtually immune to global economic fluctuation, brought down turbine prices up to 25% in the West and over 35% in China. Also in solar cell production, China surpassed its competitors the United States and Japan from 7% in 2005 to 61% in 2012, because of initiatives directed by the Chinese state (Gang, 2019, p. 13). In China, small hydropower was the most used type of renewable energy from 2003 through 2008 because of its low capital cost and China's advanced technology around it. Due to plentiful resources and modern technology, the popularity of biomass energy and wind power also grew during that same timeframe. Even though China has plenty of energy resources when it comes to solar photovoltaic power, consumption advanced slowly, because the development costs were high. Instead, solar water heater systems were widely used in China, which had become the biggest in selling, producing and holding the solar water energy, taking 77.3% share of the global total in 2005. China had issues with ensuring consistent financial support from authorities towards renewable energy development when it comes to the Renewable Energy Law (Zhao, et al., 2011, p. 25). To make sure renewable energy development was supported, the Ministry of Finance (MOF) issued a Fund in 2006 that provided grants and loans, especially to remote areas and islands in China (Zhao, et al., 2011, p. 26). Also, a Renewable Energy Development Special Fund for research and development was set by the MOF because China wanted to pursue renewable energy equipment production by 2010 and by 2020 to own the intellectual equipment production property. Under the Renewable Energy Law, a pricing system was implemented through a cost-sharing mechanism to keep up with the high costing development of the renewable energy sector (Zhao, et al., 2011, p. 27). Since 2005 China has implemented regulations and policies, which have led to national industrialization and mass production of renewable energy. Due to the measurements mentioned in this chapter taken by China, it was able to reduce its energy consumption per GDP unit by 1.8 up to 4.6% annually from 2006 to 2009.

1.4.1. International cooperation in renewable energy development

Even though China had implemented laws, policies and regulations to support renewable energy production and development, the Chinese Government recognized the need for foreign collaboration. Compared to foreign nations, the renewable energy sources in China were

underdeveloped with issues like lack of funding and technology innovation, poor industrial structure and the need for development experience. When it comes to cooperation in renewable energy development, China had created approximately 63 bilateral or multilateral partnerships with different foreign governments and international organizations by 2010 (Zhao, et al., 2011, p. 1). The most important assets for China in international cooperation were receiving financial support, importing advanced technology, and development of policies, human resources and the renewable energy market (Zhao, et al., 2011, p. 1110). When collaborating with the EU, four major phases were focused on; protecting the environment, updating knowledge in technology, industrial collaboration and research & development (Zhao, et al., 2011, p. 1106). One of the most important agreements China made with the EU was the EU - China Strategic Partnership Agreement on Climate Change of 2005 since the main goal of the agreement was to reduce the energy technology costs and to utilize each other's renewable energy technologies (Zhao, et al., 2011, p. 1107). For example with the United Kingdom and Germany, China had deepened its collaboration in funding and policy discussions, since some members of the EU were more reluctant to cooperate. The cooperative relationship China had with the United States also followed a certain pattern; demonstrating projects, collaboration in technology and structuring dialogue (Zhao, et al., 2011, p. 1106). One of the agreements between the two nations called The First China-US Strategic Economic Dialogue "Cooperation Protocol for Energy Efficiency and Renewable Energy" was important for China because it promised to improve collaboration in trade and economy (Zhao, et al., 2011, p. 1107). The collaboration with the United States was relatively stifled after all, because of technology import controls and financing regulations implemented by the United States (Zhao, et al., 2011, p. 1106).

1.5. China's affordability and accessibility to renewable energy during the Paris Agreement

Over the years China has used tariffs, subsidies and state incentives to advance industrial planning in renewable energy development (Gang, 2019, p. 12). For example in 2017, China was able to enhance renewable energy development by 125.9 billion US dollars, which was approximately half of the total investment share globally. China's eco-friendly energy investments grew rapidly and the 2017 share comprised 36.6% of China's total electric power capacity that was installed that year, 26.4% of the total national power generation. China has also become one of the major manufacturers and exporters of renewable energy because out of the total global, roughly two-

thirds of solar panels and nearly half of the wind turbines are produced in China (Sun, 2020, p. 3). China is one of the leading developers of hydropower energy globally and already in 2016 was responsible for over a quarter of the world's total generation of electricity. Despite the high development levels of hydropower, China has issues storing the energy and while it is building more hydropower plants, it is also trying to resolve the storage problem by expanding storage capacity (Sun, 2020, p. 8). In 2016 China was also leading the wind energy market for eight years in a row. The development of wind power in China is crucial because it is relatively affordable, has a short construction period and has expansion possibilities because approximately 50% of China's geographic area has wind power potential (Sun, 2020, p. 13). One of the problems with using wind energy in China is an uneven distribution. More than 28% of wind energy is concentrated in northern China which takes up to 6.7% of the total national energy consumption while only 4.7% of wind energy is concentrated in the southeast where 20.5% of the total national energy is consumed (Sun, 2020, p. 14). Due to its geographical location, China has solar energy resources that could replace 1.7 trillion tons of coal per year in energy production. In 2015, China also became the biggest solar energy producer in photovoltaic power, surpassing Germany (Sun, 2020, p. 17). The solar energy industry is growing in China despite factors like financing and policy barriers that are slowing the expansion down (Sun, 2020, p. 24).

Compared to developed countries, China's energy infrastructure is outdated because it extensively relies on coal, which is rarely used in the aforementioned nations. In 2018, of the total energy consumption in China, 58% came from coal when in contrast in the Organisation for Economic Co-operation and Development (OECD) countries the number was 15%. China has plenty of affordable coal reserves and the main reason for new coal plants is economic growth, sometimes used by local officials to advance in their careers (Baark & Gang, 2021, p. 2). China still has coal-intensive industries originating from when it rushed to broaden its production capacity and is still struggling to change to greener energy while expanding the system to meet growing demand. China's electricity generation capacity is expected to double by 2040 when it already grew six times bigger from 2000 to 2018. To make greener choices, China is going to have to replace power plants and carbon-intensive resources while growing its energy infrastructure (Benoit & Tu, 2020, p. 18).

As a developing country, China struggles with institutional difficulties in managing the energy sector through insufficiency in collecting statistics and implementing policies. Unlike advanced economies, China lacks high-quality reporting when it comes to standardized statistics. As an

example, China's National Economic Census made significant errors when reported coal production was 39% lower than the actual number in 2000, a mistake discovered by the National Bureau of Statistics while reviewing the data in two rounds. Due to poor performance in data gathering, China has difficulties in implementing new policies in the fields of energy and the environment. Being geographically broad and having infrastructural constraints places limits on distributing central policy mandates, which leads to the central government delegating responsibility to local authorities when implementing energy and environmental policies. There is also inconsistency in views and interests between the capital and local governments, which is exposed when local authorities are unwilling to follow national policies instructed by Beijing. The disagreements with the capital lead to local governments interpreting and implementing national policies corresponding to their local or personal interests. Even if the local governments would try to follow national guidelines, enforcing some policies could be problematic due to resource limits and could violate health standards or building codes. Policy implementation and enforcement problems are seen especially in poorer regions in China, which are typical for a developing country (Benoit & Tu, 2020, p. 19).

2. CLIMATE CHANGE POLICY-MAKING IN CHINA

2.1. Princen policy agenda-setting strategy

Sebastiaan Princen's agenda-setting strategy is used to help construe and understand China's goals in getting exemptions as a developing country under the KP and the PA negotiations. The strategy divides agenda-setting in policymaking into four different challenges; firstly, gaining attention to the issue at hand, which includes; mobilizing supporters and arousing interest, secondly, building credibility for the issue, which includes; capacity-building and claiming authority (Princen, 2011, p. 931).

The general idea for gaining attention is to convince supporters of the issue at hand, that they should invest their attention to it while at the same time preventing possible opponents from getting involved. Part of gaining attention through mobilizing supporters is venue shopping, which means finding the most receptive venue to present the issue at. Arousing interest happens through "big words" by emphasizing the moral or symbolic importance of the issue at hand and "small steps" by conducting studies or organizing events over the issue. In building credibility, the most important thing is to convince decision-makers and possible supporters that the issue at hand is fit for their specific organization or agreement to handle it. Capacity-building consists of intergroups, networks and forums formed or sought out by the proponents to deal with the issue. Claiming authority can happen through linking the issue with already existing policies or identifying common ground between the issue and the organization. The main goal in agenda-setting is getting policy- and decision-makers to pay attention to the issue by creating a credible plan according to the aforementioned framework. Even though the Princen strategy is originally set for the EU, in this thesis it is placed within the UN's framework. Instead of the EU policy-makers, China needs to convince its negotiating partners about its exemption goals in climate change policymaking (Princen, 2011, pp. 928-931).

	Venues	*Frames*
Gaining attention	Mobilizing supporters	Arousing interest
Building credibility	Capacity-building	Claiming authority

Figure 1. Four strategies in EU agenda-setting
Source: (Princen 2011, 928-931)

2.2. The Kyoto Protocol

During the first discussions about climate change mitigation, China wanted to make sure it will be referred to as a developing country with "common but differentiated responsibilities" by appealing to three arguments, the historical responsibility argument, the equity argument and the development sovereignty argument. When it comes to forming the UNFCCC in 1994, China was reluctant to participate in the conversation about climate change at first due to doubts concerning the science around human-made GHG emissions. Along with India, China strongly claimed, appealing to the historical responsibility argument, that developed countries were mainly responsible for the rise in global emissions because of the Industrial Revolution and should bear the main consequences of mitigation. China also referred to the equity argument on basis that it did not have as high per capita emission levels as developed countries. Nationally they also wanted to decide how to use their natural energy resources and receive financial and technological support when implementing climate policies thus introducing the development sovereignty argument. Even though China was defending strongly its rights as a developing country, it wanted to be present in the KP talks, which were held from 1995 until the KP entered into force in 2005 (Ohta, 2016, p. 7).

2.2.1. Gaining attention

During the KP discussions, China was able to gain and lose supporters because of its fluctuating and detached climate change policy commitments. China was able to gain attention and trust from other developing countries as their potential leader and the EU and Japan when it decided to ratify the KP. At first, in 2001 the United States with George W. Bush as the President declared that it would not ratify the KP, even though it was the biggest emitter of GHG. The main reason for them to step out was the fact that China and other emitters were not required to make considerable reduction policies, while the United States would harm its economy by doing so. (Ohta, 2016, p.

8). From Princen's strategy point of view, the United States stepping out was beneficial for China, since it was not their supporter, but an opponent. On the other hand, China managed to lose its supporter's trust by the way it did not fully commit to all of the KP targets. When using the venue shopping strategy for its needs in climate issues, China focused on the KP negotiations. As international negotiations in the KP began in Bali at the Conference of the Parties (COP) number 13, late 2007 about the medium- to long-term emissions mitigation targets, China refused to commit to legally binding targets by pleading that other developing nations should do the same. Tensions between China and other participating countries intensified since it had become the largest Carbon Dioxide (CO2) emitter globally and substantial reductions in GHG emissions from China and the United States were called for. Alliance of Small Island Nations and environmental Non-governmental Organizations (NGOs) were concerned about China's rising energy consumption because it had rapidly passed the United States. At the COP15 negotiations, China also promoted unprofessional behaviour in front of its supporters and opponents and was able to lose the attention of supporters at the venue. China sent an untrained official from the Foreign Ministry to represent the country, who then held up the negotiations while constantly consulting Beijing, paradoxically not advancing its foreign relations (Ohta, 2016, p. 10).

2.2.2. Building credibility

In the KP negotiations and when building credibility in climate change policymaking, China had two issues it focused on: firstly, deciding its position in the international emissions trading machine that was being negotiated by the industrial nations and secondly, preventing specific commitments in emissions reductions being forced upon the developing countries (Ohta, 2016, p. 7). In 2000 China decided to do mild climate change mitigation when it saw a capacity-building advantage in taking on the Clean Development Mechanism (CDM), which was added to the KP, suggested by Brazil. The CDM aimed to reduce GHG gas emissions through cooperation between the developed and developing countries and China, being a developing country, launched CDM projects with help from Asian Development Bank and other funds. China was able to claim authority and safeguard its economy by linking its climate policymaking with the already existing CDM. When it comes to the international carbon tax discussion, China under the leadership of President Hu Jintao, firmly opposed it at the May 2007 The Intergovernmental Panel on Climate Change (IPCC) meeting and refused to agree on the mutual target of allowing global temperatures to rise to 2 degrees Celsius above the preindustrial levels by 2050, on basis that there was not enough scientific proof to make that decision. The same year China's National Development and Reform Commission (NDRC) created a National Climate Change Program for capacity-building, where it

was promised that China would reduce 20% of its energy consumption per unit of GDP by 2010. After criticism from other nations for not making strong enough promises, in advance of the COP15 talks held in Copenhagen, China decided to focus on carbon intensity per GDP as a medium-term target and committed to reducing it by 40-45% below 2005 levels by 2020. During the KP talks, China was able to gain attention and build credibility for its policy-making by negotiating "common but differentiated responsibilities" for the developing nations, gaining technical and financial assistance, a functioning Clean Development Mechanism and respect from its peers, developing and developed countries (Ohta, 2016, p. 8).

2.3. The Paris Agreement

2.3.1. 2015 Agreement

2.3.1.1. Gaining attention

By using the PA negotiations as a new venue for emissions mitigation talks, under the leadership of President Xi Jinping, China had gained more convinced supporters than in the KP negotiations. China was able to achieve praise from the domestic and foreign press by being active and constructive in the Paris Climate Summit. Both China and the United States were leading by example in cooperation and the Chinese negotiators united with the French and the Americans to compromise and clear away any misconceptions, which enabled deal-making in Paris (Li, 2016, p. 50). Even though China had been more involved with the PA beforehand and more of a "proactive builder", tensions between developed countries led by the United States and developing countries mainly represented by China and India, remained active. China wanted to secure its financial aid after the KP expired in 2020 and used the "big words" strategy when referring to the "common but differentiated responsibility" argument which had originally made the United States not ratify the Protocol at the beginning of the contract. In addition to making smaller reductions in GHG emission levels than the developed countries, China lost supporters also when it was heavily criticized for its regular human rights protection violations, according to international treaties. During the PA negotiations, Chinese delegates admitted to the need of finding a better communication approach regarding where China stands in the international arena. Despite the criticism towards China, it managed to get its voice heard when it comes to standing up for the developing countries and foreseeably, it plays a meaningful role in future climate negotiations when deciding the outcome (Li, 2016, p. 51).

2.3.1.2. Building credibility

During the PA climate negotiations, China agreed to set concrete emissions mitigation targets under the developing country status. China made four long-term goals in the first intended nationally determined contributions (INDC) submitted in 2015 for the PA. The goals included peaking in carbon dioxide emissions at the latest in 2030, lowering carbon dioxide intensity per GDP by 60-65% from the levels they had in 2005, increasing the usage of non-fossil fuels as primary energy to 20% and expanding forest stock volume by approximately 4.5 billion cubic meters from the levels of 2005. According to, for example, U.S. Energy Information Administration, International Energy Agency and Tsinghua University, China's INDCs indicated a significant contribution to lowering GHG emission levels globally, which helped China to claim authority among its peers. China also intended to peak its coal consumption by 2020 and limit oil consumption by replacing these with natural gas, nuclear, hydro and other alternative renewable energy sources (C2ES, 2015, p. 1). In climate change policymaking, China built up credibility by making bilateral agreements on clean energy with Germany, the United Kingdom, India, France and the United States, of which the latter is the most significant one to China, considering their relationship during the KP negotiations. The cooperation between China and the United States happened on the city-level between governments before the Paris negotiations when 11 Chinese and 18 cities from the United States made plans on reducing carbon emissions. China was able to also collaborate with influential individuals from the United States such as Bill Gates and was able to get more funding for clean energy research (Li, 2016, p. 50). Collaborating with other nations helped China's capacity-building because it was creating networks and forming alliances with developed countries in climate mitigation policies. Since the KP was expiring in 2020, China wanted to advocate for developing countries and make sure that the PA also offered a mechanism that would help with funding and technology. Even though China was closely collaborating with developed countries, alongside India, it also demanded that the developed countries should increase their carbon emissions cuts further than the developing countries because they did not want to be left behind in economic growth. The developed countries agreed to the plea and made a promise to resolve how they could raise 100 billion US dollars per year for developing countries to help them mitigate and adapt to climate change (Li, 2016, p. 51). This made China, once again, built its credibility in the international arena by convincing its supporters to offer aid.

2.3.2. 2020 Agreement

2.3.2.1. Gaining attention

Along with the new nationally determined contributions (NDCs) submitted for the 2020 PA, China intended to work more closely with the international community to achieve innovative, green and mutual development, take advantage of new technology and industry, and focus on green recovery when it comes to the rebuilding the world economy after the pandemic (UNFCCC, China, 2020, p. 3). By calling for increased collaboration and reliance on multilateralism when forming climate governance systems together that aim for sustainable development and green energy, China wanted to gain attention for its climate policy needs and arouse interest by using the "big words" strategy when talking about the issue. While highlighting the importance of cooperation, China still wanted to maintain the "common but differentiated responsibilities" between the developed and developing countries, that exempt the latter from certain emission targets. China appealed to its opponents on climate issues when emphasizing the importance of abstaining from unilateralism and protectionism when making climate change mitigation policies and condemned countries that were planning to implement carbon border adjustment mechanisms (Froggatt & Quiggin, 2021, p. 28). China also referred to the "small steps" Princen strategy when urging other countries as well to perform advanced technology research to achieve breakthroughs when transferring to greener energy, as China itself was planning to do (UNFCCC, China, 2020, p. 48).

With cooperation on international climate issues, also competition increased between continents. When the United States, led by then-President Donald Trump, announced in 2017 that the United States will be leaving the PA, China and the EU announced that they will stay committed to the NDCs regardless of the United States' stance and increased their national goals (Froggatt & Quiggin, 2021, pp. 24-25). Both China and the EU saw their roles in climate change mitigation elevated and as more important when there was less interaction with the United States, which had become an opponent on climate issues due to President Trump. Even though China's alternating supporter and opponent, the United States, was going to be resigning from the PA, the element of competition was present again when the EU introduced a carbon tax on imported goods that China heavily objected to (Froggatt & Quiggin, 2021, pp. 25-26). The mistrust between international actors in climate mitigation and the poor functionality of the current trust-based NDCs is consuming China's relationship with its supporters. This is projected to possibly lead to the implementation of China's objected carbon border tax in the future, or to more strictly followed

NDCs (Froggatt & Quiggin, 2021, p. 28). This would possibly negatively affect China's attention gaining for its concerns in climate policy-making based on international agreements.

2.3.2.2. Building credibility

In the updated NDC goals made in 2020, China intended to have national carbon dioxide emissions peak before 2030 and obtain carbon neutrality by 2060. China built its credibility by increasing the goal of reducing carbon intensity per GDP unit from 60-65% in the 2015 Agreement to well over 65% from the 2005 levels. The national increase in using non-fossil fuels as a primary energy source is targeted to rise to 25% from the promise of 20% made in 2015. Forest stock volume is expected to rise to 6 billion cubic meters from the 2005 levels and to raise their total wind and solar power to over 1.2. billion kilowatts until 2030 (UNFCCC, China, 2020, p. 2). In the updated version of NDCs, China again looked after its capacity-building and called for its network of developed countries to provide more funding to the developing nations and to take the lead in emission mitigation targets, by referring to their history of the Industrial Revolution (UNFCCC, China, 2020, p. 43). China also reminded collaborating countries about the Belt and Road Initiative it had established in 2019 to deepen cooperation in climate-related issues between think tanks, international organizations and government agencies among the total of 130 other members of the initiative (UNFCCC, China, 2020, p. 45). In the new goals, China aimed for capacity-building by emphasizing the importance for all countries to focus on changing to low-carbon technology with high economic benefits, and to uphold industrial cooperation. China also committed to strive for technological breakthroughs, to reach green renewable energy, low-carbon transportation and building smart cities (UNFCCC, China, 2020, pp. 47-48). By referring to a self-created initiative and safeguarding the developing countries, China made sure it was building credibility for its needs among international actors.

When it comes to helping other developing countries, China committed to building its credibility and network by carrying out South-South cooperation with the capacity it had. China emphasized that it will continue providing aid to its developing counterparts including African countries, small island developing states and least developed countries in mitigating climate change, with China's South-South Climate Cooperation Fund. China's aid to other developing countries includes strengthening low-carbon construction, and managing and operating sustainable infrastructure when it comes to climate change. China's goal is to finance developing nations to an extent where they can achieve sustainable development and eventually shake off poverty (UNFCCC, China, 2020, p. 48).

Since China, the EU and the United States are responsible for approximately half of the CO2 emissions globally, capacity-building through collaboration between these three is crucial. Despite confrontations and divergences between the international actors, the three have been able to reach a consensus on climate change commitments through negotiations (Baark & Gang, 2021, pp. 1,3). This particular arena is important to China because it has been able to claim authority by finding common ground with the other international actors. Even though the competition for global leadership has increased over the last years in climate mitigation, the nature of it has shifted in a positive direction. The three major emitters have turned to use soft power by competing with reaching their mitigation targets sooner than planned. China, the EU and the United States have all decided to show international responsibility and pledge to reach carbon neutrality by mid-century (Baark & Gang, 2021, p. 5).

2.4. Differences between the Kyoto Protocol and the Paris Agreement

The PA was adopted in 2015 by 196 countries, under the UNFCCC, as a legally binding international treaty to help reduce GHG emissions and slow down global warming. One of the main goals for participant countries is to reach a national peak in GHG emissions as soon as possible and currently, according to the national plan made in 2020, China has planned to peak in 2030 (UNFCCC, China, 2020, p. 2), (UNFCCC, The Paris Agreement, 2022). In the PA, countries submit their 5-year plans for reducing GHG emissions, called the NDCs as they determine how they are going to not only reduce national emissions but build resilience to adapt to a changing climate. In comparison to the KP's 2-degree rule, the PA countries including China, are committed to limiting global warming to 1.5 degrees in comparison to pre-industrial levels. Unlike in the KP, countries were able to make long-term low greenhouse gas emission development strategies (LT-LEDS) which include the short term 5-year plans; NDCs and sets long-term development priorities for countries, which are nevertheless not mandatory. Developing countries are supported financially, with technology and in capacity-building by developed countries by Article 9 in the PA. More vulnerable countries need financial assistance in mitigation because emissions reduction as well as adapting to climate change require large-scale investments (UNFCCC, Paris Agreement, 2022).

2.5. Responsibilities of developing and developed countries

As countries contribute to the PA through their NDCs, the demands vary among the developed and developing countries. As aforementioned, developing countries are supported through finance, technology and capacity-building and throughout the Agreement, developed countries are expected to make stricter national policies regarding climate change, than the former. In developing countries, the UNFCCC Adaptation Committee and the Least Developed Countries Expert Group are advised to consider mitigation assessment methodologies that would not place a disproportionate burden on them. Regional cooperation and networking are advised also by creating centres around the issue. In Article 2 of the PA, adaptation support for developing countries is encouraged and it is emphasized that countries have "common but differentiated responsibilities.. in the light of different national circumstances". The Green Climate Fund, the largest fund that helps countries fight climate change, is expected to accelerate aid to the least developed and developing nations to help them with national adaptation, policies and other projects regarding climate change (United Nations, FCCC, 2016, p. 8). One of the biggest goals regarding financial aid from developed to developing countries is to collect the annual goal target of 100 billion USD. Countries have not yet been able to reach this goal and for example, in 2019 the total amount collected was 79.6 billion, 2% more than the previous year 2018. It has been projected by the OECD that developed countries will be able to reach this annual goal by 2023 (OECD, 2021).

3. CHINA'S DEVELOPING COUNTRY STATUS DILEMMA

3.1. The advanced economy argument

China's economy has grown drastically during the 21st century which also made it the second-largest economy in 2010 (The World Bank, 2022) and the biggest emitter of GHG in 2006 (Benoit & Tu, 2020, p. 22). Other countries are watching China closely for this reason and the developing country status has received criticism because of its impact on the energy market and climate change. One of the reasons why China's status as a developing country is pondered upon is that it has real consequences when considering global development in climate change mitigation and adaptation hence the policies that China makes impact the rest of the world. When defining itself as a developing country, China refers to its domestic issues with uneven distribution of wealth and according to findings, it is a country with a combination of characteristics from both developing and developed nations (Benoit & Tu, 2020, p. 5).

When making an argument that China is a developed country, there are three points to back it up; the size of China's economy, the modern quality and expanded energy system and surrounding infrastructure, and leadership in technological advancements related to energy issues (Benoit & Tu, 2020, p. 9). Being the second-largest economy in the world, China's national GDP well surpasses every other developing country globally and when comparing purchasing power parity (PPP), China already surpassed the United States in 2014. When comparing, for example, the world's fourth-biggest economy, Germany's national GDP to China's from 2008 to 2018, it is 60 trillion US dollars smaller and based on this economic relationship, China should not possess a developing country status with preferential treatment. China also has a centralized economic and political structure which allows the government to manage national finances and energy resources, whereas the United States' system for instance has mostly private sector investors (Benoit & Tu, 2020, p. 9). Centralized control has allowed the Chinese government to finance the world's largest and highly advanced energy system and surrounding infrastructure. China has been able to install nuclear capacity comparable to the United States and France and has been projected to outperform them by 2030, coal power generation fleet has already surpassed the United States and the EU. Furthermore, China is developing its natural gas network to service residential heating, industry, transport and power sectors. The national high-speed railway system has been improved since 2008 by 25 000 km which is over the total amount of high-speed railway lines globally. China has

invested in national energy-related research, development and deployment (RD&D) containing clean alternatives and it will most likely outperform the United States in RD&D in the public sector as the global top investor (Benoit & Tu, 2020, p. 10).

3.1.1. Investments in other developing countries

One of the reasons why China's status as a developing country can be challenged is the amount of aid and investments it makes to other developing nations because China has an important role in trade, investment and innovation in other developing countries. The troubles that China is facing with country development are similar to other growing economies like implementing new growth models, ageing workforce, building modern health systems and lowering carbon energy usage (The World Bank, 2022). Even so, China finds itself in an interesting situation since it has increased its financial investments in other developing nations significantly in the last decades. China's foreign direct investments (FDI) have surged from modest levels in the early 2000s to investments of 140-200 billion US dollars per year, from 2015 onwards. China mainly invests in Asian developing countries but has also made contributions to Latin America and the Caribbean (LAC) (Ding, et al., 2021, p. 7). China's contributions to other developing nations, especially out of Asia, have been welcomed by the recipients but also met with scepticism by other countries because of China's possible geopolitical agendas instead of commercial objectives (Ding, et al., 2021, p. 4).

China's investments were found to resemble advanced economies' behaviour when investing in developing countries, with the amount being higher when there was a high comparative advantage to China but a low advantage for the destination country. China also invests heavily in other developing nations because of excess capacity and LAC countries reciprocally can fill their investment gaps with these contributions (Ding, et al., 2021, pp. 18,21). There are a few different speculation assumptions on why China chooses to invest particularly in the LAC countries, Asia or Africa, the latter also being a recipient of contributions. One of the reasons might be that China can assimilate to the other developing nations which makes cooperation easier and lays out more options not only on a state level but on a business level for Chinese companies. On the other hand, doing business with LAC or Africa gives China access to natural resources, technology and raw materials such as oil (Abdullah & Fitri, 2015, pp. 80-81).

3.1.2. China's future economic growth

With its current status and ambition, China is headed to being a high-income society by 2030. Five different elements would indicate China's success in economic growth and development; exploitation of opportunities in global economics via open trade and investment, maintenance of macroeconomic stability, plenty of savings and investments, allowing markets to distribute resources and being led by convincing and devoted government. China sees itself in the future as a modern society comparable to the Western world with modern economic and social structures. There are three specific goals that China wants to achieve; first, inclusive policies that would allow all citizens to take part in national legal, economic and political institutions. Second, balanced living with nature which includes preserving land, water and air and third, China wants to be included as an equal in the international community and cooperate on common goals and issues, and be integrally involved in global institutions (World Bank, 2013, p. 15). To achieve a desirable form of society, China has set up an Energy Innovation Action Plan from 2016 to 2030, where innovation is focused on 15 different areas, for instance; deep-sea extracting of gas and oil, capturing and storing of carbon, investing in nuclear, solar and wind power and investing in energy storage and energy-efficient technology (Benoit & Tu, 2020, p. 10).

3.2. The developing country argument

China has identified itself as a developing country in the international arena for several decades suggesting that it has an underdeveloped material capacity and therefore is unable to take a global leading position (Yang, 2021). China has also referred to its uneven distribution of wealth, which comes across as inadequate energy for heating homes, low consumption of household electricity and lack of access to clean cooking. Approximately one in three households have no access to clean cooking technology which leads to health problems including premature death. Access to clean cooking in some areas of China is evaluated to be worse than in other developing countries like Indonesia, Egypt or many Central and South American nations. Even though according to the WB China is categorised as an upper-middle-income country, the possibility for clean cooking in the country has regularly been 25%age points lower than for other nations in the same category like Brazil, Turkey and Mexico (Benoit & Tu, 2020, p. 12), (United Nations, DESA, 2022, p. 156). When it comes to energy used for heating, China has consistent distribution problems from the northern parts of the country to the south because the national heating service is unreliable and of poor quality. The Chinese central heating plan, which was implemented in the 1950s, does not

include the southern parts of the country like Shanghai, which leads to insufficient or a lack thereof of central heating in the winter season. In the northern parts of the country, populous cities like Zhengzhou struggle to distribute energy, despite the central heating plan. Even though China generates power at the highest levels globally, household consumption has remained relatively low, at the same levels as in Thailand, also a developing country. Compared to the household consumption average level of 2,296 kWh/capita in 2016 in the OECD, the consumption level was 611 kWh/capita in China (Benoit & Tu, 2020, pp. 12-13).

Inequality within China can be detected when comparing urban and rural areas such as Beijing municipality and Gansu province. While Beijing has a GDP per capita nearly compatible with that of the advanced economy of Portugal, Gansu's GDP per capita parallels more with that of a developing country Guatemala. The municipalities of Beijing, Shanghai and Tianjin have incomes that are over two times higher than the national regional average while eight other provinces have at least 30% below regional average income levels. Broad differences in regional income reflect the varying energy consumption between urban and rural areas. Six regions in China exceed the world average residential electricity consumption per capita while most other regions are lower in consumption than the national average (Benoit & Tu, 2020, p. 13).

When it comes to energy demand in China, the national pattern is common for a developing country. Consumption of energy per capita increases in low- and middle-income countries when per capita income increases, this is happening in China even though it is an upper-middle-income country (Benoit & Tu, 2020, p. 14). One of the reasons for this is that in China, the industrial sector generates approximately 45% of GDP and is the source of an increase in national energy consumption (Benoit & Tu, 2020, p. 16). The energy intensity of GDP is also relatively high due to the reconstruction of inadequate infrastructure, especially in poor regions, including buildings and roads. The reconstruction is energy-intensive and China is spending a lot more of their GDP in this process than advanced economies. Energy demand in China has increased also due to rapidly growing consumerism, especially with cars and fuel, which can be identified in other developing countries in immature car markets (Benoit & Tu, 2020, p. 17).

China is infamously known for its poor air quality, especially in urban areas, which is one of the most noticeable symbols of its developing country status. Coming from a low-income to an upper-middle-income country expanded the Chinese economy and along with that, pollution levels also rose. According to a global list made in 2019 of the 100 most polluted cities, China is one of the

dominating countries with 48 cities on the list when in comparison, no high-income countries were mentioned. China has made improvements with air pollution from 2013 to 2018 by reducing seven cities to one, in the world's ten worst-list of air polluted cities. Still to this day, national air pollution remains a health problem since people are exposed to high levels of it every day. An increase in the use of coal because of uncertainty in economic growth and energy security, suggests that the problem of air pollution will be difficult to tackle for China (Benoit & Tu, 2020, p. 18).

3.3. A hybrid economy

China is using the economic resources, that it has managed to gather during its successful years, to promote its energy interests both in developing and developed countries through diplomatic efforts, investing and trading. China has also managed to create a more profound relationship with other developing countries by leading by example, which for instance the United States has not been able to do. By having both developing and developed countries' characteristics, China has managed to gather authority and become a hybrid country (Benoit & Tu, 2020, p. 5). This description captures China's status in the international arena, rather than trying to place it in a developing or developed status category. As a hybrid country, China is in the same group as South Korea and Russia but differs from these because of its massive economic weight, which is why, China is considered the only hybrid superpower in the world (Benoit & Tu, 2020, p. 27). As China intends to continue its economic growth to abolish poverty, it is going to require a lot more energy than advanced economies. With increasing energy usage, China's influence on trade and emissions globally will grow through energy-related issues (Benoit & Tu, 2020, p. 5). With China's increasing energy demand, it is projected that other countries are going to demand elevated climate mitigation from China, regardless of its effect on national development. Because climate change is also going to affect China's progress, stricter climate policies would benefit sustainable development at home and internationally. Due to the Covid-19 pandemic and energy insecurity by the trade war between the United States and China, China's stricter climate policymaking might be delayed. Although, when China decides to prioritise emissions mitigation, it will have a strong capacity through the economy, technology and solid influence to do so and lead other developing nations by example (Benoit & Tu, 2020, p. 6).

CONCLUSIONS

The justification for China's developing country status and its effects on national climate change policymaking under the international framework was researched in this thesis. In the first chapter, China's affordability and accessibility to renewable energy were assessed by exploring it in two different timeframes according to the KP and the PA accords. When it comes to renewable energy, three main conclusions based on research can be made. Firstly, China has plenty of resources to utilize but a domestic problem with even distribution of energy. Secondly, due to government funding, China has become a global leader in rural renewable energy systems, solar cell production and in the development of hydropower energy. And thirdly, from bilateral and multilateral partnerships in the energy market, China was mostly looking for funding and advanced technology from the EU and the United States among other collaborators. Even though China is moving towards a sustainable future, heavy reliance on coal is setting a collision between renewable energy and fossil fuels and is slowing down national attempts on lowering total GHG emissions.

The thesis research questions: 1) How does the status of China as a developing country influence its policies on climate change? and 2) How China's national interests in economic growth have impacted their climate change policymaking? were answered in the second chapter with the help of Princen strategy in agenda-setting. In the two major international climate mitigation accords, the KP and the PA, China focused on negotiating exemptions and funding for the developing countries. According to China, the developed countries are mainly responsible for the rise in global emission levels, appealing to the three arguments; the historical responsibility argument, the equity argument and the development sovereignty argument. During the climate negotiations, China was, on the other hand, trying to collaborate with the developed countries as one of the biggest GHG emitters globally, and on the other, standing up for the developing countries that were suffering from climate change the most. China was able to negotiate many exemptions for itself and its counterparts together with the other developing countries without losing collaborative relationships with the developed nations.

Since China's status as a developing country in the international arena has been criticised, by especially the developed countries, arguments from opposing and supporting sides were presented in the third, discussion part of the thesis. To argue against the developing country status, the advanced argument was presented. China's massive economy, modern energy system and surrounding infrastructure, and leadership in technological advancements related to energy issues

are the main reasons China could be considered a developed country. Paradoxically, the aforementioned things have been funded by the developed countries due to China's pleas, over the years. Also, by funding other developing countries annually with hundreds of billions of US dollars, especially when it has the comparative advantage over the recipient, China has created uncertainty among countries about its status and motives. China's possible geopolitical agendas and potential benefits from natural resources, oil and technology in the receiving countries have raised scepticism, especially in the developed countries.

When arguing for China's developing country status, it was found through research that most of its domestic issues stem from the uneven distribution of wealth. China has problems with distributing heat and renewable energy to the southern parts of the country from the northern parts, which puts a strain on national development and the economy. Uneven distribution of energy between the poor rural areas and rich urban areas leads to an unfair cycle in energy consumption, when rural citizens cannot pay for energy nor are receiving enough of it. Even though a massive portion of China's renewable energy is produced in rural areas, it is distributed elsewhere. Chinese citizens are also suffering from health issues due to bad air quality, emissions from coal plants and poor access to clean cooking, especially in the rural areas.

When it comes to China using the developing country status in climate change policymaking to accelerate its economic growth, the thesis statement holds after the research. Since China became the biggest GHG emitter in 2006 and the second-largest economy in 2010, its developing country status has gotten difficult to justify. China has become a global leader in rural renewable energy systems, but still uses coal plants in energy production for economic growth and political benefit. In the PA China and other developing countries were strict about getting exemptions and funding, even though China was already globally the biggest GHG emitter and the second-largest economy, as stated above. China also spends hundreds of billions of US dollars in other developing countries annually, with its economic and national development goals in mind. During the KP negotiations China's aims for exemptions might have been well argued for, but as a hybrid superpower, getting exemptions would be unjust. The reasons that would make China a developing country, come mostly from uneven distribution of wealth, which is a domestic policy issue and should mainly be managed within national borders.

A recommendation for further research on the topic could be an analysis of domestic policy issues' effect on foreign policy. Should domestic issues affect foreign policy to the extent they have in

China’s case? At the moment China’s uneven distribution of wealth has granted it exemptions in the international arena to a considerable extent, which seems to set the current state of the answer for the question. The fact that China is currently called a hybrid superpower implies that it is in a transitional phase moving further from its developing country status, but in which direction, remains to be seen.

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APPENDICES

Appendix 1. A map of China

Source: (Unicef, China, 2018)

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