

## Cultural, social and historical values in the shaping of Turkey's investment and energy policies

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The aim of this project is to uncover the hitherto under-explored role of cultural, social and historical values in the shaping of Turkey's national investment and energy policies, and of Turkey's interaction with international regulatory frameworks. Existing scholarship on the interplay between international law and national policymaking is characterised by a dearth of empirical studies. The project aims to fill this gap by directly engaging with Turkish policymakers and carrying out a novel historical and socio-legal analysis of the formation and implementation of energy and investment policies in Turkey and the role of unique competing national and international values therein. Not only is Turkey one of the major recipients of foreign direct investment but it also plays a considerable role as an investment exporter both within its region and beyond. Due to its unique geopolitical position, Turkey is also one of the major players in the global and regional energy security matrix.

The project will be conducted in four stages. Firstly, a national legal framework on energy and investment will be mapped and analysed, with focus on the process of the formation and implementation of laws and policies on investment in energy. Secondly, a focus-group study and interviews with government officials involved in the making or implementation of energy and investment policies will be conducted. Thirdly, the findings will be embedded into existing legal, sociological and political science scholarship about the impact of socio-cultural and historical values on national and international economic policies. Finally, a concluding report and a paper detailing a set of targeted policy recommendations, evaluating broader theoretical implications of the project findings and setting out a follow-up research agenda will be published and disseminated.

Since the aim of the project is to explore the impact of socio-cultural and historical values on the interplay between international economic law and national energy and investment governance in Turkey, this research will benefit national and international policymakers by providing them with fresh and evidence-based insights into how effective energy and investment policies ought to be designed. The project will also benefit NGOs and campaign groups involved in influencing international and national policy agendas in the areas of energy, investment and sustainable resource management. Likewise, the project will benefit a broader academic community, both globally and within Turkey, by bridging the gap between the currently isolated discussions about the role of unique socio-cultural and historical factors in shaping the way in which countries interact with international regulatory regimes and the way in which they design national, bilateral and multilateral policy on investment and sustainable energy development. As energy policies play an exponentially

important part in the global geopolitical scene, the engagement with Turkish policymakers and focus on the laws and policies of Turkey will make a novel and timely contribution to the growing but still limited body of literature on energy, investment and global security. The project will also benefit Turkish scholars by integrating their voices into the existing debates and providing a platform for their engagement with international policymakers and NGOs.

The first tranche of interviews was conducted in May 2014. A primary focus was on the consequences of Turkey's involvement in the international investment regime as a state party to investment treaties and a defendant in disputes brought against Turkey by foreign investors. Unsurprisingly, the interviews produced rich and novel insights into the interplay between international investment policymaking and arbitration, on the one hand, and Turkish law and policymaking, on the other. The level of awareness about international investment law among government officials appears to be uneven. However, the interviews suggest that an analysis of the impact of international investment law on governance in specific areas such as investment and energy should take into account Turkey's participation in other international and supranational frameworks, including its agreements with the European Union and the ensuing harmonisation of Turkish national legislation with EU regulations.

Other preliminary findings stemming from the interviews reveal that, in contrast with Latin American states and certain post-communist countries which also have been active in the international investment arena (including in their capacity as defendants in investment arbitration cases brought against them by foreign corporations), Turkey's overall perception of the international investment regime appears to be generally positive. This can be attributed to the fact that Turkey acts both as an exporter and an importer of investment. Also, although investment treaties have been used by foreign investors to sue the Turkish government, they can also be (and have been) harnessed by Turkish investors operating abroad.

It is expected that the next stage of interviews and case studies will produce further useful insights, thus contributing to a more nuanced understanding of the way Turkey acts as a rule-taker and a rule-maker in the international legal arena.

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