

Teaching guidelines

FDI in the Age of Geopolitical Uncertainty

This work was supported by the Polish National Agency for Academic Exchange, Strategic Partnerships, “Higher Education for Resilient Economy”, grant number (BNI/PST/2023/1/00016)

Material information

The prepared teaching material is designed to support courses within the field of international business, particularly those focusing on topics such as international strategic management, foreign market entry strategies, international market analysis, globalization, and regionalization. The content sits at the intersection of geopolitics and international management, offering students a broader contextual understanding of how political, economic, and institutional dynamics influence business decisions across borders.

Primarily targeted at bachelor-level students, the material is structured to align with undergraduate learning objectives, ensuring accessibility while encouraging critical thinking. It introduces key concepts through real-world examples and encourages students to analyze international business challenges from a geopolitical perspective. This approach supports the development of analytical and strategic skills necessary for operating in complex global environments.

While the core audience is undergraduate students, the material is also suitable as supplementary reading or discussion content for master-level courses. It can enrich advanced seminars by offering foundational perspectives or be integrated into modules that explore geopolitical risk, international policy, or market entry frameworks. Its adaptable structure allows instructors to modify or expand content depending on the academic level and course focus, making it a flexible resource for a range of international business curricula.

Learning objectives and outcomes

This teaching material aims to illustrate how contemporary global geopolitical disruptions influence foreign direct investment (FDI) location decision-making. The core objective is to help students understand the interconnection between geopolitical dynamics and international business strategy.

Learning outcomes are categorized as follows:

Knowledge

- The student is able to name and differentiate between classical and critical geopolitics.
- The student is able to identify and explain factors that influence the FDI location choices of companies.
- The student is able to define and interpret interdependencies between geopolitical factors impacting FDI location decisions.

Skills

- The student is able to design models that incorporate geopolitical risk into international equity entry modes.
- The student is able to interpret the impact of information distortion on FDI patterns.

Social Competences

- The student is able to voice and communicate their understanding and perception of information distortion to others.

Overview

The provided teaching materials—comprising both a PowerPoint presentation and a video lecture—are designed to support university-level instruction on the intersection of geopolitics and international business, with a specific focus on foreign direct investment (FDI) location decisions. Both materials follow an identical structure, allowing flexibility in how instructors choose to engage with students, either through live lecture delivery or asynchronous learning.

The materials begin by contextualizing the discussion within the contemporary global environment, characterized by rapid change and uncertainty. This section introduces the concept of the VUCA world—volatile, uncertain, complex, and ambiguous—as a framework for understanding the dynamics currently shaping global markets and strategic decision-making. This serves to anchor the students in the real-world relevance of the topic.

Following this, the concept of geopolitics is defined and explained, providing both historical and conceptual grounding. The lecture then transitions into a detailed overview of major geopolitical disruptions that have impacted the European Union and its global position since 2020. These include rising tensions in global trade, energy crises, shifting alliances, and the impacts of regional conflicts.

The next section illustrates how such geopolitical factors directly and indirectly influence FDI location decisions, emphasizing both risk and opportunity dimensions for multinational enterprises. Here, students are introduced to the distinction between classical and critical perspectives on geopolitics, enabling them to approach the topic through different analytical lenses—one focused on state-centric power and geography, the other on discourse, perception, and non-traditional actors.

The core of the material presents a recent study conducted on the topic, highlighting the factors considered in the analysis—such as regulatory risk, information distortion, security threats, and global political stability. A brief overview of the methodology used

is included, specifically focusing on the use of Total Interpretive Structural Modeling (TISM) to create a hierarchical model of interdependent geopolitical factors influencing FDI.

Finally, the results of the study are presented, showing how different geopolitical variables interact and which ones hold the greatest structural influence. The material concludes with a discussion on the implications of these findings, both for international business theory and for practitioners, especially managers involved in global strategy and market entry decisions. The insights provide a valuable framework for understanding the strategic complexity of operating in today's geopolitically fragmented world.

Pre-lecture preparation

To maximize the benefits of this lecture, students are encouraged to review key concepts and models related to FDI location decision-making, as widely discussed in international business literature. Given the broad array of theories available, the specific models students should focus on may depend on the overall structure and objectives of the course in which this lecture is incorporated. However, a foundational understanding of the OLI paradigm (Ownership, Location, Internalization) is particularly recommended, as it provides a comprehensive framework for analyzing why and where firms choose to invest abroad. Familiarity with additional models—such as the Eclectic Paradigm, Transaction Cost Theory, or Institutional Approaches—may also enhance students' ability to critically engage with the geopolitical dimensions of location decisions introduced in the lecture. Reviewing recent case studies or examples of FDI affected by geopolitical factors will further support students' understanding and help them connect theory with real-world developments.

Suggested usage

For bachelor-level courses, it is recommended that the materials—both the PowerPoint presentation and the video lecture—are used primarily for in-class discussion. This format allows instructors to guide students through more complex concepts, such as geopolitical factors and information distortion, which may require additional clarification and real-world examples. The interactive setting also supports critical thinking and encourages students to relate theoretical insights to current global developments. While both formats (PPT and video) can be used independently, combining them in a classroom environment fosters engagement and allows instructors to adapt the material based on students' understanding.

For more advanced groups, such as students specializing in International Business or those at the master's level, the materials can be effectively used in asynchronous, self-paced learning. In this context, the content serves as a deepening resource that broadens students' understanding of how geopolitics intersects with FDI decision-making, supporting more independent and critical analysis.

Engagement activities

This lecture can be supplemented with a range of interactive activities designed to enhance student engagement and deepen understanding of the topic. These activities are flexible and can be used either before the lecture to activate prior knowledge, or after to reinforce key concepts and encourage critical thinking. They are suitable for both live and asynchronous teaching formats.

Activity	Description
Think-Pair-Share: VUCA and Global Markets	<p>Objective: Ground students in the concept of the VUCA world.</p> <p>Prompt: “Which element of VUCA (Volatility, Uncertainty, Complexity, Ambiguity) do you think has the most impact on FDI location decisions today? Why?”</p> <p>Activity: Students think individually, discuss in pairs, then share with the larger group. Responses can be posted on a shared board or discussed aloud.</p>
Timeline Exercise: Geopolitical Disruptions in the EU (2020–Present)	<p>Objective: Understand historical and recent geopolitical developments affecting the EU.</p> <p>Task: Provide students with major events (e.g., Brexit, Ukraine war, energy crises). Ask:</p> <ul style="list-style-type: none"> • “What immediate effects did this event have on FDI attractiveness in the EU?” • “Can you identify any long-term structural implications?” <p>Follow-up Discussion: How might different industries be affected differently by these disruptions?</p>
Debate: Classical vs. Critical Geopolitics	<p>Objective: Explore contrasting geopolitical frameworks.</p> <p>Setup: Split the class into two groups:</p> <ul style="list-style-type: none"> • One defends classical geopolitics (state-centric, geography-driven). • One defends critical geopolitics (discourse, perception, non-state actors).

	<p>Debate Questions:</p> <ul style="list-style-type: none"> • “Which perspective better explains FDI decision-making in today’s world?” • “Can a multinational enterprise afford to ignore either perspective?”
<p>Case Study Discussion: FDI Location Risk Assessment</p>	<p>Objective: Apply theory to practice.</p> <p>Prompt: Present a hypothetical scenario: A tech company is choosing between investing in Hungary, Turkey, and Vietnam.</p> <p>Questions:</p> <ul style="list-style-type: none"> • “What geopolitical risks are relevant in each location?” • “How would a classical vs. critical lens alter your analysis?” • “Which location would you recommend, and why?”
<p>“What If?” Scenario Analysis</p>	<p>Objective: Build scenario planning skills.</p> <p>Prompt: “What if the U.S.–China trade war escalates again?” or “What if Russia disrupts gas supply to the EU this winter?”</p> <p>Question:</p> <ul style="list-style-type: none"> • “How would these scenarios reshape FDI location decisions in the EU and beyond?” • “How can firms stay agile in such environments?”

Post-lecture activities

Following the lecture, students can further engage by exploring how analytical models are constructed using methods such as Total Interpretive Structural Modeling (TISM) and other Decision-Making Trial and Evaluation Laboratory (DEMATEL) techniques. These methods offer structured approaches for identifying and analyzing complex interdependencies among geopolitical factors influencing FDI decisions. Students can examine how relationships between variables are mapped, categorized, and prioritized, gaining insight into hierarchical modeling and system thinking. This hands-on exploration not only deepens theoretical understanding but also enhances practical skills in interpreting strategic risks. It prepares students to apply these tools in real-world international business contexts.