

Leszek Sykulski

GEOPOLITICAL RISK IN THE ANALYSIS OF INTERNATIONAL RELATIONS

Abstract:

The article briefly shapes geopolitical risk as a form of political risk relating to international politics. Geopolitical risk consists of possible threats resulting from international competition between states for access to and use of natural resources, expansion of their zones of political and economic influence (e.g. competition for sales markets), as well as competition for control of strategic areas (including trade routes).

The concept of risk covers many scientific disciplines and disciplines, as well as everyday areas of life. Generally speaking, it is an indicator of an event or condition that may cause losses. Different disciplines ranging from mathematics (e.g. decision theory) to economic, technical sciences, social sciences and social sciences take action to assess, assess, measure, quantify, measure a specific threat, its magnitude, prevention options and, finally, risk management¹.

Political risk is the type of risk that can be observed by governments, international organizations, corporations, individual investors in the face of specific decisions and political developments inside or outside the country, as well as more general conditions related to international politics and the international balance of power. Political risk refers to the threat of economic loss as a result of political action. The assessment of political risk is related to the analysis of current circumstances and the forecasting of political

¹ M. Goszczyńska, *Człowiek wobec zagrożeń. Uwarunkowania oceny i akceptacji ryzyka*, Warszawa 1997; E. Plucinski, *Zarządzanie ryzykiem w procesie dostosowania Polski do rynku Unii Europejskiej – wybrane aspekty*, Wrocław 2002; R. Studenski, *Ryzyko i ryzykowanie*, Katowice 2004; U. Beck, *Spółeczeństwo ryzyka*, Warszawa 2004.

changes affecting the change in the likelihood of achieving economic objectives².

Various forms of political risk may affect investors: e.g. legal changes, legal and political changes undertaken by the authorities, events of political instability (social unrest, coups d'état, terrorist acts, civil wars, international armed conflicts). They can also threaten the very structures of the state and the stability of larger geographical regions. This may be manifested both in difficulties with the implementation of diplomatic initiatives, or more broadly foreign policy strategy, problems of border disputes or, finally, e.g. international political and military disputes. Political risk assessment should take into account longer-term prospects. In analyses of, for example, the so-called country risk, a stable democratic system guaranteeing social freedoms should not be assessed a priori as determining low political risk. Macro and micro scales are most often taken into account when estimating risks resulting from political decisions and events. The macro scale refers to the political impact on all entities in a given country or region. The micro-scale focuses on the risk of individual industries or even on the chances of success of individual projects (e.g. in connection with planned legal changes)³.

An important element of political risk analysis is country risk. This term is used separately from the term political risk, although it often includes its diagnostic elements and is included in the assessment of political and geopolitical risks. Country risk refers to the risks associated with investing in a specific country in the face of possible changes in the business environment resulting in a loss in profits or a decline in the value of assets. These changes may be of macro- and microeconomic, legal and systemic, social or, finally, political and international character. Country risk assessment is undertaken by numerous international organizations, credit rating agencies, corporations. Econometric analyses are often used in the development of global and regional country risk indices, as well as detailed country-specific analyses, although qualitative political analyses are also taken into account. However, unlike political risk analyses, which include analyses of political stability of often entire geographical regions, country

² E. Clark, *Valuing Political Risk*, "Journal of International Money and Finance", 1997, vol. 16, no. 3, 1997, p. 484-485; S. J. Kobrin, *Political Risk: A Review and Reconsideration*, "Journal of International Business Studies", 1979, vol. 10, no. 1, p. 67-80.

³ I. Bremmer, *How to Calculate Political Risk*, „Inc. Magazine”, April 2007, s. 101.

risk, as the name suggests, focuses on a strictly single country analysis, with the dominant role of economic indicators.

International policy is an area diametrically different from the internal policy of the state. The latter is based on the existence of central government and the principle of hierarchy. In the area of international relations, understood as cross-border relations between political entities, there is a lack of central authority, a regulator capable of managing the political life of international entities in an organized manner. While in political relations within the state we are dealing with a factor of subordination, in international politics there is a factor of coordination. This kind of anarchy, or rather polyarchy (a multitude of decision-making centers) influences, among other things, the fact that international relations are, to a much greater extent, the domain of force and violence. This is due to the lack of sovereignty, capable of imposing uniform rules on a global scale, which makes international politics much more dynamic and turbulent than internal politics⁴.

The most important element of international politics is the state understood as a politically organized group of people, having central authority, residing in a certain territory and having a legal and international personality respected by other political entities. However, attention should be paid to the growing role of non-state political entities in recent decades, which often play an important role in the shaping of international politics (e.g. international organizations or supranational corporations). It is also worth stressing that sovereignty does not protect the state against external interference. In international politics, smaller and poorer countries are subject to the domination of large and rich countries⁵.

International relations include both international policy-making factors and different forms of international policy. The former include military, geographical, normative, humanitarian, cultural, demographic, ideological, ethnic, scientific and technological, ecological,

⁴ J. Czaputowicz, *Teorie stosunków międzynarodowych. Krytyka i systematyzacja*, Warszawa 2008, s. 30-32; M. G. Roskin, T. L. Cord, J. A. Medeiros, W. S. Jones, *Wprowadzenie do nauk politycznych*, Poznań 2001, s. 485-486.

⁵ T. Żyro, *Wstęp do politologii*, Warszawa 2004, s. 135-136; M. G. Roskin, T. L. Cord, J. A. Medeiros, W. S. Jones, *Wprowadzenie....*, s. 485.

interdependencies, etc. The latter include the following factors: military, geographical, normative, humanitarian, cultural, demographic, ideological, ethnic, scientific and technological, environmental, interdependence, etc. The latter are the main factors that influence international policy. The main forms of international relations are based on diplomatic activity, including diplomatic special missions, permanent diplomatic representations, international conferences or international organisations⁶.

We treat the notion of science as a disciplined and organized social activity, with the following features: concerning only facts we deal with in the world, formulating verifiable sentences intersubjectively, practiced with methodological and content-related diligence that characterizes the scientific community, practiced by specialists professionally dealing with a given subject matter. Thus, the cultivation of science must meet the following basic norms: intersubjective communication, universality, conditional nature of scientific theorems, must include scientific theory (theorems, laws, theses, hypotheses)⁷.

One of the key concepts of science is the concept of paradigm, introduced by Thomas S. Kuhn, an American physicist and historian of science. It is worth noting that the protagonist of this concept was the Polish biochemist Ludwik Fleck, who formulated the notions of thought style and thought collective. In Fleck's theory, the thought style is a kind of form that shapes the way of perceiving the reality under study. This form is common to the whole community of scientists belonging to a given intellectual collective. It does not mean the complete identity of thinking, but it focuses the scientists' efforts on the common subject and the scope of cognition, creating a permanent belief system and its own terminological grid. Thomas S. Kuhn formulated the notion of paradigm as a certain research model, containing a set of beliefs, values, methods or research techniques characteristic for a given scientific community. The paradigm therefore provides assumptions and interpretative criteria for scientific research⁸.

⁶ Ibidem, s. 14-17.

⁷ M. Sułek, *Metody i techniki...*, s. 11.

⁸ G. Musiał, *Paradygmat – prawo nauki – rozwój społeczny. Ujęcie metodologiczne*, Katowice 1997, s. 11-13; M. Sułek, *Metody i techniki...*, s. 13.

In order for a new paradigm to emerge within a given discipline, Kuhn believes that there must be several factors, first of all, there must be a scientific output "sufficiently original and attractive for a competitive school to be built on this basis". At the same time, this achievement must meet the condition of openness, so that it "leaves the new school with a variety of problems to be solved". Paradigms are therefore scientific achievements which are characterized by the above mentioned features⁹.

Paradigm is a set of beliefs, assumptions and values of the community of researchers. Thanks to its existence and on its basis the accumulation of knowledge is achieved. Within each paradigm there are anomalies, i.e. facts that cannot be reconciled with theory. These anomalies can be tolerated by researchers for decades, but at some point the anomalies begin to accumulate and thus a paradigm crisis occurs, which means that it is persistently impossible to solve a problem according to traditional assumptions. A paradigm crisis can, and usually will, depending on the accumulation of anomalies, lead to a paradigm shift. Paradigm changes, on the other hand, as well as changes in the conceptual articulation of the world, result in a new view of the whole field of research¹⁰.

What is important in Kuhn's reflections is the connection between the concept of paradigm and the concept of institutional science. The emergence of certain theorems, theories or their practical applications create a dense tradition of scientific research. Importantly, Kuhn stresses that the paradigm does not have to explain all the phenomena it covers. It is an accepted model, a model that "is subject to further refinement and refinement in new or more specific conditions"¹¹.

One of the key elements of the paradigm is its inspiring value for the community of scholars. In order to explain scientific problems, scientists practicing science within a given paradigm may have different opinions on how to explain or interpret research. As Kuhn emphasizes, even if the

⁹ T. S. Kuhn, *Struktura rewolucji naukowych*, Warszawa 1968, s. 26-27, 34.

¹⁰ K. Zamorski, *Dziwna rzeczywistość. Wprowadzenie do ontologii historii*, Kraków 2008, s. 130-136; J. Pomorski, *Historyk i metodologia*, Lublin 1991, s. 79-86.

¹¹ *Ibidem*, s. 34, 39.

community of scientists does not manage to formulate a uniform set of rules, it is not a necessary condition for the existence of the paradigm itself¹².

Another important question Thomas Kuhn introduced into the theory of paradigm and scientific revolution is the question of the role of tradition in the development of science. Three main areas can be considered here: theoriocognitive (a way of abandoning one theory for another and their mutual relationship), historical (discovering processes and turning points), sociological (group value and functioning in recognition by the scientific community). While writing about the development of scientific research, Kuhn defined the pre-paradigmatic and paradigmatic stages of science. In his opinion, almost all sciences go through an early stage, i.e. the pre-paradigmatic stage. At this stage different groups and schools clash with each other. Sometimes researchers manage to overcome this pre-paradigmatic state and present exemplary achievements in the form of theory. Such achievements, i.e. paradigms, are recorded in textbooks and are described in the history of famous classics (e.g. Newton's work). Kuhn called the period of the Kuhn paradigm "normal science". The term "normal scientist" appears. A normal scientist expects discoveries of what is expected and predictable rather than surprising novelties¹³.

Among Kuhn's reflections on the paradigm and its role in science, it is also worth noting the theory of inter-theoretical incommensurability. Paradigmatic changes are points of discontinuity in the development of knowledge. In the case of paradigm shift, we are dealing with questioning the cumulative model of knowledge, which is possible only within the paradigm, within the normal science. Kuhn claims that during the change of theory, the emergence of a new paradigm, we are dealing with such a change of language that it makes it impossible for scientists to communicate in a reliable way (intersubjective agreement). Lack of a common language means that it is impossible to demonstrate the advantages and disadvantages of the theories analyzed. In this case, the thesis of

¹² Ibidem, s. 60-61.

¹³ Ibidem, s. 9-17.

incommensurability means that alternative languages of theories are completely incomparable or untranslatable¹⁴.

Geopolitics as an organized scientific activity was born in the second half of the 19th century at the junction of social sciences and humanities (political sciences, military sciences, history) and earth sciences (geographical sciences). Initially, the main area of interest of the emerging new thinking style was the study of the influence of environmental (geographical) factors and conditions on the formation of states, forming borders and shaping the policy of a given political entity. Using synthetic geographical and historical analyses, geopoliticians tried to capture the regularities in historical development, influencing, among other things, the formation and collapse of states and their specific forms, such as superpowers or empires. Over time, the scope of interest in geopolitical research has expanded considerably, adopting a global scale, including research on the distribution of natural resources, the course of strategically important communication lines, analysis of the causes of the emergence of cities, industrial regions and the impact of demographic changes on international politics. The clamor that linked these analyses was the study of power in the (long) time of (large) space¹⁵.

Geopolitics focuses on the balance of power between political units (mainly, but not only states), which have specific interests and possibilities of their realization in time and space. Power shapes the possibilities of action on the international arena. Geopolitics examines international politics as a game of forces and interests of their participants, each time the factor of time and space is taken into account in conditions of limited resources. Such an approach focuses research efforts on the analysis of geopolitical rivalry, which - in the understanding of game theory - is a zero-sum game (a fixed-sum game). In this competition, the advantage of one party is a loss for the other, assuming that political units compete for power, in which on a global scale - in synthetic terms - is always equal to 100%. Geopolitical

¹⁴ L. Sykulski, *Geopolityka akademicka – między nauką a paradygmatem. Spór wokół semiotyki geopolitycznej*, [w:] R. Domke (red.), *Między historią a geopolityką*, Częstochowa 2009, s. 23-25.

¹⁵ F. Korkisch, *Geopolitik – Geostrategie – Geoökonomie. Grundlagen und Bedeutung in der Vergangenheit, Gegenwart und Zukunft*, „Österreichische Militärische Zeitschrift“ 1987, nr 1, s. 18-19.

competition is therefore an attempt to ensure adequate participation in this whole¹⁶.

The concept of power is defined differently in science, depending not only on the discipline or research school, but also on the language in which it is created. In English the word power means power, power, power, power, power, potential. It distinguishes itself from the notion of force, which means direct (physical) strength. The common elements, which combine different definitions of power, is the assumption in its meaning of some kind of potentiality and mediocrity. The definitions given by authors such as Hans Morgenthau and John George Stoessinger emphasize not only the dimension of material resources that make up power, but also the dimension of intangible resources and the ability to exert non-physical influence, directed e.g. at the minds of the decision-making elites of a potential opponent¹⁷.

Geopolitical competition always takes place within a system of powers and architecture of interests of individual political entities, which form an international balance of power and interests. The balance of power existing in a given period of time is always a derivative of geopolitical rivalry, which is dynamic, but - which is worth stressing - the result of historical processes and is difficult to change in a short time. Deep and radical changes are generally introduced as a result of wars, which are often only a formal result of changes that have already taken place in the system of powers. As Saul B emphasises. Cohen, geopolitical rivalry takes place in a world of dynamic balance between political entities. According to American geopolitics, the world is organized rationally and, as such, scientifically possible. It compares it to a diamond, from which divisions along specific lines can be expected, not random ones¹⁸.

Geopolitics can also be understood as a sub-discipline of political sciences of praxeological nature. Praxeology is a general theory of efficient operation. Each action, whether on individual or state grounds, is a solution to three decision-making problems: setting goals, indicating resources and formulating strategies (ways of transforming resources into goals).

¹⁶ M. Sułek, *Metodyka analizy geopolitycznej*, „Przegląd Geopolityczny” 2011, t. 3, s. 9.

¹⁷ D. Michalik, *Modelowanie i symulacje międzynarodowego układu sił*, Toruń 2012, s. 12-13.

¹⁸ *Ibidem*, s. 10-11.

One of the most popular divisions of science is the division into formal sciences using deductive reasoning (mathematical sciences and logic) and empirical sciences. Another typology, proposed by Wilhelm Windelband, introduced a division into nomotic and idiographic sciences. The first group shows the sciences creating laws (gr. *nomos* - law), detecting regularities in the surrounding reality. The second group consists of sciences which study only single phenomena, separate phenomena (gr. *idios* - special)¹⁹.

Scientific reasoning can be divided into four main forms: deductive, inductive, reducing and abductive. Deductive reasoning is characterized by the use of axioms, nomological models in which the conclusion is always based on premises. Within this form of reasoning, we can separate enzymatic reasoning. This is a reasoning in which one or more of the premises are deliberately omitted because they are obvious. Deductive reasoning is characteristic of mathematical sciences and logic. Inductive reasoning is based on reasoning, in which the conclusions that precede the premises are first formulated, contrary to deductive reasoning. The number of possible premises (facts) is unlimited, hence the conclusions are valid until new facts appear, which will refute the assumptions. It is therefore characteristic of this reasoning to move from detail to the general public. Inductive reasoning is widely used by all empirical sciences. Abductive reasoning means reasoning aimed at creating the most probable explanations of given phenomena and processes. Its purpose is to create the most probable research hypotheses. The concept of abduction was introduced by the American philosopher Charles Peirce. Reduced reasoning assumes a form of reasoning in which the premises make the conclusion plausible. It is widely used in prognostic research, e.g. in the areas of security and defense²⁰.

¹⁹ T. Jemiolo, A. Dawidczyk, *Wprowadzenie do metodologii badań bezpieczeństwa*, Warszawa 2008, s. 12-13; M. Sułek, *Metody i techniki badań stosunków międzynarodowych*, Warszawa 2004, s. 12-13.

²⁰ L. Sykulski, *Wybrane problemy współczesnej ontologii i epistemologii geopolityki*, [w:] Z. Lach, J. Wendt, *Geopolityka. Elementy teorii, metody i badania*, Częstochowa 2010, s. 21-24; W. Pytkowski, *Organizacja badań i ocena prac naukowych*, Warszawa 1985, s. 154-157; L. Sykulski, *Rozumowanie abducyjne a proces badawczy w geopolityce – przyczynek do epistemologii geopolityki*, [w:] R. Domke (red.), *Między historią a geopolityką*, s. 24-25. T. Jemiolo, A. Dawidczyk, op. cit., s. 28-29.

The issue of power, its significance, scope, determinants, causes of formation, development, collapse, evaluation, modelling, etc. is one of the fundamental issues of geopolitical research. As Hans Morgenthau pointed out: "The concept of political power is one of the most difficult and controversial problems of political science. According to the American theoretician of political realism, political power is the relationship of control between politicians and the nation, the psychological relationship between those who exercise power and those who surrender to it. By extending this relationship to an international dimension, power becomes the ability of a political entity to impose its will by various available means on other political entities in a given region or on a global scale²¹.

The geopolitical approach to the study of international politics is characterized by a desire not only to outline the conceptual categories of power, but also to search for various forms of dimensioning the subjects of this policy. The most important forms are here: resources, potential and power. By resources we mean the size/quantity of elements of the environment, including natural resources, human resources, resources of knowledge and skills, capital resources. The difference between potential and power is based on assigning to the first concept of potential, a conditional possibility of occurrence, which may occur in certain conditions in time and space due to political will and organizational, technological or economic possibilities. The potential may be positive and then we define its components as stimulants (powerful) or negative - crisis potential - the factors of which we define as destimulants (powerful)²².

By power - after Raymond Aron - we mean 'the ability of a political entity to impose its will on other political entities'. In such a terminological convention, power becomes the ability to "do, create or destroy". John G. Stoessinger defined power as "the ability of a state to use its material and non-material resources in a way that will influence the behavior of other states". We are therefore faced with two main factors that make up power: potential, that is to say, a possible pool of forces, means and circumstances that act as a stimulant or a destimulant, and political will, which in many

²¹ H.J. Morgenthau, *Polityka między narodami. Walka o potęgę i pokój*, Warszawa 2010, s. 47-48.

²² A. Łaszczuk, *Analiza geopolityczna potęgi państw*, [w:] Z. Lach, J. Wendt (red.), *Geopolityka. Elementy teorii, wybrane metody i badania*, Częstochowa 2010, s. 70-71.

cases determines the growth or decline of the power of a given political entity.

The assessment of a political unit's power is comparable to that of other units. The place of a political entity in the hierarchy of other international relations depends directly on its power. It is worth emphasizing that the aspiration to maximize power is treated in geopolitics as an immanent feature of political units (states, political-military alliances, centers of power). There are many criteria for assessing power (powerful factors). These include, for example, the following sets of factors:

- geographical conditions (size and shape of the territory, geographical location, raw material resources, resource sufficiency, access to seas and oceans, strategic land transport routes, climate);

- demographic determinants (number of inhabitants, national and ethnic structure - social cohesion, age structure of the population, natural growth, migrations, national character, level of health care, level of education);

- economic conditions (production volume, selection and services, GDP structure, technological development, state of transport networks, share in international exchange, level of economic growth, degree of economic self-sufficiency, level of development of high technology industry, economic stability, level of prosperity, degree of advancement of nuclear and space technology);

- military conditions (number of peacetime troops, degree of war-time mobilization, level of saturation with modern military technology, degree of training, standards of combat readiness, level of development of the armaments sector, level of self-sufficiency of arms industry production);

- historical and sociological conditions (historical experience, images of one's place in the world and relation to the world - geopolitical codes, ability to influence through the national diaspora,

political determinants (stability and authority, form and level of strategic culture, political will to achieve the strategic objectives of the political entity, prestige of the entity on the international arena, membership and role in

international organizations, type and density of international networks, effectiveness of diplomacy, number and nature of international disputes)²³.

Due to their selection of analyzed factors, three most characteristic forms of power are distinguished: political-military, economic, demographic-spatial. By combining the above dimensions, we obtain further forms of power: economic-military, economic-demographic-spatial, demographic-spatial-military²⁴.

Geopolitical risk is a form of political risk relating to international politics. Geopolitical risk consists of possible threats resulting from international competition between states for access to and use of natural resources, expansion of their zones of political and economic influence (e.g. competition for sales markets), as well as competition for control of strategic areas (including trade routes). Of particular importance in the assessment of geopolitical risk is the estimation of the international power system on the one hand, and the international interest system on the other hand, taking into account the forecasting of possible conflicts.

BIBLIOGRAPHY

Bremmer I., *How to Calculate Political Risk*, „Inc. Magazine”, April 2007.

Clark E., *Valuing Political Risk*, „Journal of International Money and Finance”, 1997, vol. 16, no. 3, 1997.

Czaputowicz J., *Teorie stosunków międzynarodowych. Krytyka i systematyzacja*, Warszawa 2008.

Goszczyńska M., *Człowiek wobec zagrożeń. Uwarunkowania oceny i akceptacji ryzyka*, Warszawa 1997.

Jemioło T., Dawidczyk A., *Wprowadzenie do metodologii badań bezpieczeństwa*, Warszawa 2008.

Kobrin S. J., *Political Risk: A Review and Reconsideration*, „Journal of International Business Studies”, 1979, vol. 10, no. 1.

Korkisch F., *Geopolitik – Geostrategie – Geoökonomie. Grundlagen und Bedeutung in der Vergangenheit, Gegenwart und Zukunft*, „Österreichische Militärische Zeitschrift“ 1987, nr 1.

²³ A. Łaszczuk, *Analiza...*, s. 71-72.

²⁴ M. Sułek, *Podstawy...*, s. 35.

- Kuhn T. S., *Struktura rewolucji naukowych*, Warszawa 1968.
- Łaszczuk A., *Analiza geopolityczna potęgi państw*, [w:] Z. Lach, J. Wendt (red.), *Geopolityka. Elementy teorii, wybrane metody i badania*, Częstochowa 2010.
- Michalik D., *Modelowanie i symulacje międzynarodowego układu sił*, Toruń 2012.
- Morgenthau H.J., *Polityka między narodami. Walka o potęgę i pokój*, Warszawa 2010.
- Musiał G., *Paradygmat – prawo nauki – rozwój społeczny. Ujęcie metodologiczne*, Katowice 1997.
- Plucinski E., *Zarządzanie ryzykiem w procesie dostosowania Polski do rynku Unii Europejskiej – wybrane aspekty*, Wrocław 2002.
- Pomorski J., *Historyk i metodologia*, Lublin 1991.
- Pytkowski W., *Organizacja badań i ocena prac naukowych*, Warszawa 1985.
- Roskin M. G., Cord T. L., Medeiros J. A., Jones W. S., *Wprowadzenie do nauk politycznych*, Poznań 2001.
- Studenski R., *Ryzyko i ryzykowanie*, Katowice 2004; U. Beck, *Spółeczeństwo ryzyka*, Warszawa 2004.
- Sulek M., *Metodyka analizy geopolitycznej*, „Przegląd Geopolityczny” 2011, t. 3.
- Sulek M., *Metody i techniki badań stosunków międzynarodowych*, Warszawa 2004.
- Sykulski L., *Geopolityka akademicka – między nauką a paradygmatem. Spór wokół semiotyki geopolitycznej*, [w:] R. Domke (red.), *Między historią a geopolityką*, Częstochowa 2009.
- Sykulski L., *Wybrane problemy współczesnej ontologii i epistemologii geopolityki*, [w:] Z. Lach, J. Wendt, *Geopolityka. Elementy teorii, metody i badania*, Częstochowa 2010.
- Żyro T., *Wstęp do politologii*, Warszawa 2004.
- Zamorski K., *Dziwna rzeczywistość. Wprowadzenie do ontologii historii*, Kraków 2008.