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Tytuł w języku polskim:
Wpływ czynników geopolitycznych na postrzeganie atrakcyjności lokalizacji zagranicznych inwestycji bezpośrednich

Tytuł w języku angielskim:
The impact of geopolitical antecedents on the perceived attractiveness of foreign direct investment locations

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1. Introduction

The contemporary global economic order is undergoing profound transformation, moving away from the integrative phenomena that dominated the early 21st century toward increasing fragmentation and regionalization. This shift is driven by escalating geopolitical tensions, including the confrontation between the US and China and the war in Ukraine, which combined with digitalization and the development of artificial intelligence (AI) are redefining the business environment. Traditional strategies, effective in predictable contexts, are losing relevance in a world defined by VUCA (volatility, uncertainty, complexity, ambiguity) or BANI (brittleness, anxiety, nonlinearity, incomprehensibility).

One of the consequences of these dynamics times is an 11% decline in foreign direct investment (FDI) inflows in 2024 compared to 2023, forcing companies to reconsider their investment strategies. Increasingly, trends such as reshoring, nearshoring, and friendshoring are being observed. At the same time, the decoupling process between China and the United States is transforming global supply chains and redistributing investment, prompting firms to allocate capital in regions perceived as more predictable and politically favorable.

This dissertation demonstrates that managerial decisions regarding FDI are shaped not only by economic conditions but also, by geopolitical risk. This risk is analyzed from two complementary perspectives: classical geopolitics and critical geopolitics. Classical geopolitics focuses on the influence of geographic area and international relations, including economic exchange, whereas critical geopolitics examines how social discourse, shaped by centers of power affects societal perceptions and political decisions. A comprehensive understanding of contemporary geopolitical processes requires consideration of both approaches, with traditional analyses (such as the significance of national borders) complemented by the informational dimension of power, arising from the dynamic development of digital technologies and AI.

The dissertation highlights the role of information distortion in shaping managerial perceptions and its impact on the evaluation of FDI location attractiveness. In location decision making, managers are guided not by objective optimization but by the choice of a location perceived as sufficiently satisfactory, established by Herbert Simon's concept of bounded rationality. Such decisions are largely shaped by subjective interpretations of reality, influenced by media, political narratives, and selective access to information. The study

analyzes the impact of information distortion on decision makers perceptions through eight key geopolitical factors: disinformation, propaganda, reflexive control, reflexive games, color revolutions, false flag operations, deepfakes, and cyberattacks. These determinants have a strong psychological component and directly affect corporate decision-making processes. Consequently, organizations are compelled to adapt their risk management strategies through geographic diversification, the implementation of advanced analytical tools, and reliance on expert knowledge in geopolitical risk analysis.

2. Objectives and Questions

The contemporary global investment landscape is increasingly shaped by complex geopolitical threats and information distortions, whose influence is further intensified by the dynamic development of technology, particularly artificial intelligence (AI). These phenomena contribute to market destabilization, the erosion of investor confidence, and disruptions in supply chain operations, ultimately making foreign direct investment (FDI) decisions—especially in developing countries, subject to heightened risk. Against this backdrop, the subject of this dissertation is an analysis of the impact of selected geopolitical determinants on managerial decision making in the context of FDI location choices. Special emphasis is placed on the role of information distortions in shaping decision makers perceptions and their evaluation of potential investment locations.

The main objective of the research was to identify and characterize the aforementioned geopolitical factors, as well as to determine the mechanisms by which they influence managerial decisions regarding FDI location choices. Additionally, the study pursued several specific objectives, including:

1. conducting a critical review of the literature on geopolitics and location theory to establish the current state of knowledge regarding the relationship between geopolitical factors and FDI,
2. identifying and characterizing historical and contemporary geopolitical events that have influenced managerial investment decisions,
3. comparing existing research on FDI determinants with analyses rooted in the perspective of critical geopolitics,

4. formulating recommendations for enterprises planning foreign expansion through FDI.

Based on these considerations, three interrelated research questions were developed, forming the logical structure of the analysis of geopolitical factors influencing managerial decisions on FDI location:

- Do all the analyzed geopolitical factors—such as disinformation, propaganda, reflexive control, reflexive games, false-flag operations, cyberattacks, deepfake technologies, and color revolutions—exert a significant impact on the decision-making process?
- To what extent are these factors interrelated, and what is the nature of these relationships—complementary, synergistic, or mutually exclusive?
- Which of these factors play a dominant role in shaping perceptions of investment location attractiveness in the context of geopolitical risk?

All analyses presented in this dissertation assume that location choices are made under the condition that fundamental non geopolitical criteria of attractiveness like operating costs, market access, infrastructure, and regulatory environment. Accordingly, the study focuses on how geopolitical factors modify the perception of locations that are economically satisfactory but may nonetheless be perceived as risky or uncertain due to information distortions and geopolitical tensions.

3. Chapters

The structure of this dissertation has been designed to enable a systematic and multidimensional exploration of the impact of geopolitical factors on the location of foreign direct investment (FDI), taking into account both theoretical foundations and empirical findings. Each chapter corresponds to successive stages of the research process, progressing from conceptual and theoretical analysis to the operationalization of selected variables and the interpretation of results.

The first chapter presents the evolution of geopolitical thought from classical definitions and assumptions, through post war transformations, to the contemporary critical approach. It incorporates aspects of geoeconomics and global civilizational challenges, while also analyzing the impact of geopolitical events on international institutions and the competitiveness of economies.

The second chapter offers an analysis of the evolution of classical economic theories of FDI location, with particular emphasis on institutional theory, the OLI paradigm, internalization

theory, and location theory. These frameworks provide the foundation for further discussion, enabling an understanding of the mechanisms behind investment location choices in the context of shifting global conditions. Complementing this section is a systematic review of the literature, with particular attention devoted to the geopolitical factors considered in prior FDI research. This analysis makes it possible to identify a research gap related to the insufficient consideration of information distortions and psychological factors in managerial decision-making.

The third chapter addresses methodological issues. It begins with an identification of the research gap, emphasizing the need for more in-depth analyses of psychological geopolitical factors affecting investment decisions. Eight key determinants are distinguished: disinformation, propaganda, reflexive control, reflexive games, color revolutions, false-flag operations, deepfake technologies, and cyberattacks. The chapter provides a detailed discussion of the research method applied is Total Interpretive Structural Modeling (TISM) which allows for the identification and prioritization of relationships between factors. It also describes the sampling process and questionnaire design, ensuring the reliability and validity of the results.

The fourth chapter presents the empirical findings of the study, comprising three phases: preparatory, operational, and validation. The MICMAC analysis enabled the identification and classification of relationships among the selected geopolitical factors, highlighting their interconnections and their degree of influence on managerial decision making. The findings are contextualized with examples of legislative regulations and case studies, situating the analyzed phenomena within a broader practical framework. The final part of the chapter interprets the results in light of selected economic theories, underscoring the role of managerial perceptions and geopolitical conditions in FDI location decisions. The chapter also outlines research limitations and suggests potential directions for future inquiry in this area.

4. Research Methodology

This dissertation employs the Total Interpretive Structural Modeling (TISM) method, which belongs to the family of Multi-Criteria Decision-Making (MCDM) tools used in the analysis of complex decision making processes. TISM is a qualitative and exploratory method that enables the identification, structuring, and interpretation of relationships among diverse factors

influencing strategic decisions made by enterprises. Its flexibility and interpretive nature make it particularly suitable for investigating processes involving multiple variables, the interrelations of which are complex and often difficult to capture quantitatively. Such is the case with FDI location choices, where decisions are affected by a range of economic, social, and most importantly geopolitical factors, whose significance may depending on context and the international environment.

In this study, TISM was applied to capture and systematize dependencies among determinants of investment region attractiveness. On the one hand, the method allowed the identification of factors that shape the perception of a location as favorable; on the other hand, it enabled the construction of a hierarchical model in which individual factors were organized according to their relative influence. A particular value of TISM lies in its ability to analyze both direct and indirect relationships, thereby offering investors a more comprehensive picture of the entire structure of determinants and allowing for a more accurate interpretation of their role in the investment process.

It is important to emphasize that TISM is especially useful when the research problem has not been extensively explored, and available data do not allow for definitive conclusions. This applies precisely to geopolitical factors, whose impact on investment is significant yet extremely difficult to measure. The subjectivity of assessments and the unpredictability of political situations mean that classical analytical methods may prove insufficient. In this context, TISM constitutes an appropriate tool for uncovering hidden interdependencies among factors.

Due to the exploratory nature of the adopted research method, no hypotheses were formulated in this study. In exploratory methods such as TISM, hypotheses assuming the primacy or dominance of specific factors would be not only difficult to defend but also methodologically unjustified. Instead of hypotheses, research questions were employed to guide the analysis and to facilitate the open discovery of relationships without prior assumptions. This approach is consistent with established standards of TISM application and is widely accepted in the scholarly literature.

The temporal scope of the study covers the period from 2021 onwards. The TISM methodology provides answers to three key questions from a holistic research perspective: "What?" identifying the factors significant for the perception of location attractiveness; "How?" analyzing the interrelations among determinants; and "Why?" explaining the causal

relationships between factors. This three-tiered approach enables a more comprehensive understanding of the dynamics of geopolitical influences in investment decision making.

The study involved 40 experts selected according to defined criteria. Each participant was required to have at least 15 years of professional experience in foreign direct investment-related work and to be currently or formerly employed in enterprises classified under section C of the Polish Classification of Economic Activities (PKD - C) 2007. The experts represented diverse industrial sectors, including food production, chemicals and chemical products, pharmaceuticals, non metallic mineral products, machinery and equipment, motor vehicles, trailers and semi trailers, among others.

The research was carried out in three stages in line with the TISM procedure. The preparatory stage involved the development of a research questionnaire designed to identify and assess critical geopolitical factors. The operational stage encompassed the actual survey, in which respondents evaluated the importance and interconnections of the factors. The validation stage aimed to verify the results, confirm their consistency and reliability, and construct a hierarchical model.

As a result of applying the TISM method, a comprehensive picture of the relationships between geopolitical factors and the FDI decision-making process was obtained. The findings not only identified key determinants of location attractiveness but also clarified how these factors influence one another and in what hierarchy they can be organized. This provides investors with a tool to support strategic investment decisions and offers researchers a methodological framework for further exploration of the geopolitical influences on economic processes.

5. Findings

The contemporary dynamics of geopolitics have undergone profound transformation, shifting from classical forms of projecting military power to far more complex and difficult-to identify modes of rivalry, often referred to as hybrid warfare. Increasingly, geopolitical competition takes place within the cognitive domain, where the primary objective is to shape perceptions and influence the decision-making processes of key actors. The era of artificial intelligence, characterized by its global reach and the near-instantaneous flow of information, has significantly enhanced the effectiveness of psychological instruments of influence. Their

impact extends beyond the political or military sphere, penetrating directly into the economic domain, including processes related to foreign direct investment.

The psychological geopolitical factors analyzed in this dissertation play a particularly significant role in the developmental strategies of enterprises. FDI is highly sensitive to changes in the perceived stability and attractiveness of markets. The research findings indicate that the central challenge for managers is the gap between perception and reality. This gap is not merely a by-product of global information processes but increasingly a deliberate geopolitical strategy aimed at undermining the long-term investment appeal of certain countries or regions.

The analysis conducted with the TISM method enabled the identification of the hierarchy and interrelationships among eight key geopolitical factors affecting managerial decisions on FDI location. The results indicate that factors such as disinformation, propaganda, reflexive control, and reflexive games exhibit strong influence, though largely indirect, deriving from transitive relationships. Conversely, factors such as color revolutions and false flag operations demonstrate even greater influence, suggesting their central role within the structure of interdependencies. The factor identified as most influential was deepfake technology, which affects nearly all other determinants, underscoring its growing importance in the context of contemporary information threats. Cyberattacks were also found to exert significant influence, though in a more selective manner. The analysis confirms that most of the factors are strongly interconnected and that transitive relationships play a crucial role in shaping the overall structure of influence. These findings highlight the complex, multi-layered nature of information distortions, necessitating multidimensional approaches to investment risk management.

Among these threats, deepfakes driven by advances in artificial intelligence pose a particularly severe danger to perception accuracy. Unlike classical disinformation techniques, which rely on selective reporting or distortion of information, deepfakes enable the creation of convincing but entirely fabricated images and sounds. The consequences of such tools may be profound: the risk emerges of discrepancies between objective economic realities and manipulated perceptions. In practice, this may lead firms to forgo potentially profitable investments, or managers to demand higher risk premiums, basing their decisions on manipulated signals. In the long run, such psychological manipulation may reduce capital inflows, destabilize economies, and isolate selected states all without resorting to overt, costly

military or economic measures. In this way, perception management becomes a strategic weapon of considerable significance.

As a result, one of the key challenges for managers engaged in FDI processes is the ability to distinguish truth from perceptual manipulation. This requires not only systematic collection and analysis of data from multiple sources but also the cultivation of critical thinking and the capacity to generate alternative scenarios. Traditional approaches, based on passive reliance on publicly available information, prove insufficient. Instead, the implementation of counter perception strategies becomes essential. Such strategies constitute a deliberate set of techniques, procedures, and operational measures designed to mitigate the adverse effects of information distortion.

A counter perception strategy should encompass analytical measures, such as building proprietary, independent databases and verification networks, as well as organizational initiatives, including the development of managerial competencies in geopolitical risk analysis. Equally important is the strengthening of organizational resilience through investment in tools that monitor information trends and enable early detection of manipulative attempts. In the long term, counter-perception strategies represent a vital complement to classical risk analysis methods and should be treated as an integral component of FDI location decision-making processes.

6. Contribution to Science

The decision regarding the location of foreign direct investment constitutes one of the key elements of a company's development strategy, and its importance is increasing in the context of today's economy, which is marked by high dynamism and the growing influence of geopolitical factors. Traditional location models prove insufficient, as they fail to fully account for the complexity of managerial decision-making processes, particularly with respect to the rising significance of geopolitics often marginalized in classical economic theories of FDI.

Institutional theory emphasizes that managers are increasingly focused on geopolitical factors of a psychological nature, which manifest in phenomena such as disinformation and manipulation. A growing distrust of official data encourages managers to internalize information through their own verified sources, thereby reaffirming the validity of concepts such as information asymmetry, opportunism, and bounded rationality in decision making.