

GEOPOLITICS FOR BUSINESS PEOPLE

International MBA IMBA-EN SEP-2024 S-IBE

Area Economics

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Term: Concentrations

Category: regular

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Professor: **MILO JONES**

E-mail: mjones@faculty.ie.edu

Research Fellow, The Changing Character of War Centre, Pembroke College, Oxford

PhD in International Relations, University of Kent

MA with Distinction in International Relations, University of Kent

MBA, London Business School

BA, Northwestern University, Art History

Dr MILO JONES has been teaching at IE since 2009. He also a Visiting Research Fellow at the Changing Character of War Centre, Pembroke College Oxford, teaches at Imperial College London, serves on the board of a private US FMCG company with over \$250 million in annual sales, and is a Senior Adviser for Geopolitics and Technology for Arcano Partners in Madrid. In 2013, Stanford University Press published *Constructing Cassandra: Reframing Intelligence Failure at the CIA, 1947-2001*, which is based on Milo's 2009 PhD dissertation. You can watch Milo discuss the book with Dr. Mark Lowenthal, former Vice Chairman for Evaluation on the CIA's National Intelligence Council, [here](#). In the past, Milo worked as a Senior Manager for Accenture in London and as a stockbroker at Morgan Stanley Dean Witter in New York. He also served as an officer in the US Marine Corps and is a graduate of the US Army's Airborne School at Ft. Benning. He is a Fellow of the Salzburg Global Seminar, a member of the International Institute for Strategic Studies, and a member of the Association of Former Intelligence Officers. A native of Manhattan, Milo now lives in Warsaw.

Office Hours

Office hours will be on request. Please contact at:

mjones@faculty.ie.edu

SUBJECT DESCRIPTION

Everyone – including your competition – leaves business school understanding the basics of company accounts, marketing, operations, and business strategy. So what? “Average is over” and the baseline MBA curriculum is a dangerously naive career tool kit. After IE, you'll need to judge the most likely moves of M&A rivals, and to probe the incentives of competitors, politicians, regulators, central bankers and NGOs. You will need to become a sophisticated gatherer and consumer of information. You'll also need to have an appreciation for your own and others' psychological biases, vulnerabilities and strengths. Moreover, you will be competing against teams skilled in harnessing every edge that Artificial Intelligence (AI) and “Big Data” offer. In other words, to complement the generic MBA toolkit, you need tools to add value doing what humans do better than AI: asking good questions, gathering unique data, formulating new hypotheses, interrogating anomalies and synthesizing disparate facts. In addition to big picture trends, this course is designed to give you those tools.

This is not a conventional “Business Intelligence” course. It introduces a set of methods and ideas drawn from the Intelligence Community (e.g. the CIA, FBI, MI6, CNI, etc.) to help you analyze the flood of qualitative information – what you might call non-spreadsheet or non-market opportunities and risks – that have an impact on business. After this class, you'll ask better questions, and you'll use economic, political, social, and personal information to make better business decisions.

LEARNING OBJECTIVES

The learning objectives of this course are:

- To give participants an understanding of what the discipline of geopolitics entails, and how it can be applied to illuminate business strategy.
- To give participants an understanding of contemporary geopolitical trends, and the constraints on world leaders, the macro-economy and business decision makers.
- To give participants a "tool kit", drawn from the world of intelligence analysis, to analyze people and foreign affairs more subtly, quickly and accurately than their competition.
- To give participants some basic intelligence "street smarts" regarding how to protect their private and professional information and reputations.

TEACHING METHODOLOGY

A few of the topics and techniques discussed in this course are not ethical. Some are even illegal. I teach them because you need to be aware of how the world sometimes works. For the avoidance of doubt: **I do NOT advocate or condone illegal or unethical behavior or other types of corruption in business, finance or any other part of life.** But – especially if you want to fight it - you had better understand it!

While intensely practical, this course involves a fair amount of reading and some tolerance for theory: if you do not like both, please don't register for it. In addition to reading and thinking, it consists of lectures, cases and in-class exercises and presentations. While you will sometimes work in groups in class, it is critical that you understand that the course hinges on your active individual participation. The grading criteria reflect that the quality of your questions and in-class contributions are vital to a good result both in terms of learning and for your grade. Questions about or inspired by class readings are also most welcome. I reserve the right to "cold-call" students if class discussion is flagging, or if an individual appears to be "hiding" (though I have yet to have to do this with any frequency). The slides from each lecture will be distributed after each class. During class your central job in class is to listen, to think, to participate and to question me, the material and one another. If you take notes, end every sentence with a question mark. The readings rarely repeat anything from the lectures – they are there to round out your thinking.

Some of the readings are “old” (e.g. from more than a decade ago!). **If you believe that “newness” of cases and ideas equates to importance, please avoid this course (and good luck!).**

Learning Activity	Weighting
Lectures	30.0 %
Discussions	30.0 %
Group work	20.0 %
Individual studying	20.0 %
TOTAL	100.0 %

AI POLICY

In this course, the use of generative artificial intelligence (GenAI) is encouraged, with the goal of developing an informed critical perspective on potential uses and generated outputs.

However, be aware of the limits of GenAI in its current state of development:

- If you provide minimum effort prompts, you will get low quality results. You will need to refine your prompts to get good outcomes. This will take work.

- Don't take ChatGPT's or any GenAI's output at face value. Assume it is wrong unless you either know the answer or can cross-check it with another source. You are responsible for any errors or omissions. You will be able to validate the outputs of GenAI for topics you understand.

- AI is a tool, but one that you need to acknowledge using. Failure to do so is in violation of academic honesty policies. Acknowledging the use of AI will not impact your grade.

Suggested format to acknowledge the use of generative AI tools:

I acknowledge the use of [AI systems link] to [specify how you used generative AI]. The prompts used include [list of prompts]. The output of these prompts was used to [explain how you used the outputs in your work].

If you have chosen not to include any AI generated content in your assignment, the following disclosure is recommended:

No content generated by AI technologies has been used in this assignment.

PROGRAM

SESSION 1 (LIVE IN-PERSON)

Introduction

Lecture description: What is the subject “Geopolitics”? Is it possible to “predict” geopolitical major events? How does geopolitical change relate to business? Are geopolitical forecasts any different from astrology? If so, how? This lecture will seek to explain the basic thinking behind geopolitics, and introduce the geopolitical approach to the world.

Article: The Methodology of Geopolitics (Strategic Forecasting, Inc.) (CED)

Article: Thinking Straight (Journal of American Intelligence Professional, VOL. 48, NO. 3, 2004) (CED)

SESSION 2 (LIVE IN-PERSON)

Scale, Resources & Routes: The World is Not “Flat”

Lecture description: How do different nation-states and economies compare across basic dimensions? How are economically important resources distributed around the world? How do resources “get to market”, and why does it matter? What is the future of energy? Is the world running out of resources?

Working Paper: The World Explained in Maps (GPF, Geopolitical Futures, 2020)

SESSION 3 (LIVE IN-PERSON)

Demography: Has the Future Already Arrived?

Lecture description: What is demography? Why might one say “the future has already arrived”?

What difference does demographic change make for business? What are the major demographic trends that will affect business over your careers?

Article: With Great Demographics Comes Great Power (Foreign Affairs, July /August 2019) (CED)

SESSION 4 (LIVE IN-PERSON)

Culture & Politics: More instability to come?

Lecture description: Is Populism (however defined!) rising? Is conflict between cultures and states inevitable? What difference does this make for business, and why are politics important for business? What sorts of political and cultural pressures are governments and societies currently experiencing? More importantly, why are these occurring now?

The working paper is **OPTIONAL**, and should be read **AFTER** our class as a **partial summary of the lecture**.

Own Material: Milo Jones: Strategic Uncertainty, Digital Technology and Formal Cause

SESSION 5 (LIVE IN-PERSON)

3-GRAIN Technology: Six Digital Geopolitical Wildcards

Lecture description: What is the special role of technology in geopolitics? What are the six general-purpose digital technologies that will have key geopolitical impacts in the future? What difference does this make for businesses, governance and society?

Multimedia Material: Genetic Engineering Will Change Everything Forever (Youtube)

SESSION 6 (LIVE IN-PERSON)

Tasking: Deciding What Information You Need to Collect

Session description: This session seeks to explode some myths about organizing a search for information and then collecting it. It also starts to offer some of the concrete tools for thinking through complex qualitative problems and evaluating Open Source information (Osint). We will seek to answer questions like:

- 1) Can you trust the "wisdom of crowds"?
- 2) How valuable are "secrets"?
- 3) What can we learn about due diligence and information gathering from intelligence agencies?
- 4) Why should you prepare maps of your ignorance, and how might you do so?
- 5) Why do intelligence analysts make a distinction between puzzles and mysteries?

The *New Yorker* piece "Open Secrets" is **OPTIONAL**, and can be read **after** class to reinforce some of the points of the lecture.

Article: Open Secrets (The New Yorker, January 8, 2007) (CED)

SESSION 7 (LIVE IN-PERSON)

Intelligence Collection, Part One: Humint: Recruiting and Running "Spies"

Session description: this session introduces the basics of Human Intelligence (Humint). It covers what most people think of when they think of "spying" (which is usually a misnomer). We will seek to answer questions like:

- 1) Why do people "spy" on others?
- 2) How do you find and recruit such people? In other words, if you want to "hack" humans, where do you begin?
- 3) How can you recognize and protect yourself from such techniques?

Article: The Psychology of espionage - Wilder (Studies in Intelligence Vol. 61, No. 2 (Extracts, June 2017) (CED)

Article: The Psychology of espionage - AFIO (Intelligencer: Journal of US Intelligence Studies, Spring 2016) (CED)

Article: Harvey Weinstein's Army of Spies (The New Yorker, November 6, 2017) (CED)

Please note that there are two readings with the same title, but they are different articles. **The Harvey Weinstein piece is optional!**

SESSION 8 (LIVE IN-PERSON)

Intelligence Collection, Part Two: Cyber Intelligence, Signals Intelligence, etc.

Session description: this session introduces collection techniques that go beyond human sources: Cyber Intelligence, Signals Intelligence, Imagery Intelligence, etc. and discusses their uses in a business context. We will seek to answer questions like:

- 1) What is traffic analysis?
- 2) How has the widespread use of computers changed signals intelligence?
- 3) What sort of signals, cyber and imagery intelligence is used in business and finance?
- 4) How are businesses and individuals attacked and penetrated by cyber spies and criminals?
- 5) What are the basic steps you should take – now! – to make yourself a harder target?

No readings for this session! You get a break. You might start the work for the next session, which involves a fair amount of reading and work.

SESSION 9 (LIVE IN-PERSON)

Analytic Exercise: Looking for WMD in San Serriffe

Session description: In this session, you will play the part of intelligence analysts supporting a UN arms inspection team seeking to locate a covert biological weapons facility in the imaginary country of San Serriffe. We will seek to answer questions like:

- 1) What is probabilistic thinking?
- 2) What is Bayesian Thinking?
- 3) What is the Analysis of Competing Hypotheses technique?
- 4) What is the use of “absent evidence”?

This session will set the stage for your group assignment, which will be completed during and after the class!

Own Material: A WMD in San Serriffe A Case V1.0

Own Material: WMD in San Serriffe B Case V1.0

Article: The Destruction of Al-Kibar (The Intelligence Journal of U.S. Intelligence Studies, Volume 25 • Number 2 • Fall 2019) (CED)

Article: How Israel nearly failed to spot Syria’s nuclear reactor, from the man who found it (The Times of Israel) (CED)

Working the A and B case to get an answer is required! The Olsen and Bar Shalom pieces are 100% **optional**.

SESSION 10 (LIVE IN-PERSON)

“Cons games” and Frauds That Every MBA Should Understand

Session description: This session provides a basic understanding of some aspects of practical psychology through the lens of famous frauds, con games, and embezzlement. The aim is to be able to spot these, and to protect yourself from them better.

We will seek to answer questions like:

- 1) How are con games and frauds organized?
- 2) What specific aspects of human nature do they target and use?
- 3) How can you spot them?

Because the San Serriffe case generates a lot of work, we will keep this light - no readings!

SESSION 11 (LIVE IN-PERSON)

Analysis of “Macro” Actors

Session description: This session provides frameworks and perspectives on a key question for understanding nations, governments, bureaucracies and other large organizations: who exactly is taking action, and why? We will seek to answer questions like:

- 1) What tools and models are available to constructing a reliable understanding of “International Incidents” and their business consequences?
- 2) How can you determine what “game” is being played, who might be playing it, and what their motives and incentives are?

Please be prepared to discuss the case IN DETAIL. In particular, come prepared to discuss three questions:

- 1) Why is there an apparent stoppage in Chinese REE exports?
- 2) Who or what is responsible for the apparent stoppage?
- 3) How might you explain their actions?

Own Material: Milo Jones: Chinese Rare Earth Elements in 2010: Actors and their actions

The case for this session is extremely important; you will be bored stiff if you do not read the case and prepare your answers with care.

SESSION 12 (LIVE IN-PERSON)

Dirty Money – How it is Moved, Tracked and Laundered?

Session description: In most intelligence operations (and in all criminal operations) illicit or “dirty money” plays a part. To stay away from it you need to understand it. This session will seek to answer questions like:

- 1) How do criminals and intelligence agencies move money secretly (or at least discreetly)?
- 2) How are officials and other bribed?
- 3) How are the proceeds of crime or other illicit activity “laundered”?
- 4) How can you ensure you understand and stay on the right side of anti-money-laundering legislation and laws like the US Foreign Corrupt Practices Act?

Working Paper: The Enablers: How Western Professionals Import Corruption and Strengthen Authoritarianism (Hudson Institute, September 2018 Report)

No required readings. You get a break! You might find the Hudson Institute report enlightening, however.

SESSION 13 (LIVE IN-PERSON)

Micro Actors, Part One - "Placing" people and organizations

Session description: This session provides frameworks and perspectives on a key question: how can you develop “strategic empathy” to better understand individuals and organizations driven by things besides financial profit? It will address questions like:

- 1) What is “strategic empathy”?
- 2) How do intelligence agencies develop profiles of individuals?
- 3) What tools can you use to organize and refine an understanding of people and organizations?

Article: Mikhail Fridman - Background Investigation (Strategic Forecasting, Inc., August 2, 2007) (CED)

The Fridman investigation is optional (but interesting!)

SESSION 14 (LIVE IN-PERSON)

Practical Antifragility – Profiting from Strategic Shocks

Session description: In this session, you will watch me describe and employ a framework specifically designed to help you to explore the business impact of “strategic surprises” scenario (e.g. a natural disaster, terrorist attack, the outbreak of a war, etc.). It offers you a bunch of tools for thinking.

Analysis: Understanding Strategic Surprise and Improving Forecasting Skill

Session description: This session introduces the core elements of my PhD dissertation and book on the relationship between strategic surprise and the culture and collective identities of intelligence producers like the CIA. It also introduces the core ideas of “Superforecasting” – the practical steps you can take to improve your forecasting ability. We will seek to answer questions like:

- 1) What theories have been formulated to explain strategic surprises?
- 2) What can business professionals learn from intelligence failures (and near misses) like the Cuban Missile Crisis, the Iranian Islamic Revolution, the collapse of the USSR and 9/11?

3) How can you become better at forecasting future events?

No readings!

The slides are provide just to help you after you have heard the lecture. No need to read them in advance.

There will be LOTs of suggested readings in class, but no required readings.

SESSION 15 (LIVE IN-PERSON)

This lecture is desined to act as a summary of the themes of the course. You can ask me anything about the class and current events, but we will have **a guest lecturer, a close friend who recently left the CIA**. His service included paramilitary operations, time as a Operations Officer (under both official and non-official cover; IE pretending to be a US diplomat and pretending to be a businessman from elsewhere), and time in the White House helping prepare the Presidential Daily Brief. Ask us anything!

No readings!

The slides are provide just to help you after you have heard the lecture. No need to read them in advance.

There will be LOTs of suggested readings in class, but no required readings.

EVALUATION CRITERIA

For the record, I would be shocked if your grades in this program matter in any material way to your future. **Focus on learning, not grades**. You probably don't want to work anywhere that asks your GPA in an MBA.

Nevertheless, you have been conditioned to care about grades, so we will discuss the details of the evaluation criteria in our first session. I have designed the evaluation to reinforce the learning of this course, not merely to evaluate you. The final grades will follow the class distribution curve guidelines of the IE (unless there are fewer than 15 students, in which case performance will still be relative, but the grades might skew slightly). If requested, feedback will be offered by email following the assignment.

My overall advice is to follow Mark Twain's dictum, "**Don't let you studies get in the way of your education.**" In other words, use this course to improve the quality of your thinking rather than to jump perfectly through the intellectual hoops that others (including me) set for you. Read real books (not just, "The News"), and ask lots of questions about yourself and how you know what you know.

criteria	percentage	Learning Objectives	Comments
Class Participation	20 %		
Workgroups	40 %		WMD in San Serriffe stuff
Individual Work	40 %		You will have a choice of two take-home assignments

FAILING GRADE AND REASSESSMENT

When students receive a Fail in a course, they have the opportunity to present themselves for reassessment in order to earn the necessary credits toward graduation.

The reassessment of students should be scheduled between 5 and 10 working days after the review session takes place.

Grades for the reassessment are limited to a Low Pass and Fail.

Both, the initial Fail as well as the grade of the reassessment remain on the transcript. For the purpose of calculating the GPA however, only the grade of the reassessment is to be considered. Students receiving a failing grade in the reassessment of a course will not be able to continue in the program.

BEHAVIOR RULES

Please, check the University's Code of Conduct [here](#). The Program Director may provide further indications.

ATTENDANCE POLICY

Please, check the University's Attendance Policy [here](#). The Program Director may provide further indications.

ETHICAL POLICY

Please, check the University's Ethics Code [here](#). The Program Director may provide further indications.

