



STUDY PROGRAMME(S)

(1) EU International Relations and Diplomacy Studies

(2) Transatlantic Affairs

ACADEMIC YEAR

2023-24

SEMESTER

2

COURSE TITLE

Political Risk Analysis in a European Perspective

COURSE PROFESSOR(S)

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COURSE ASSISTANT(S)

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NATURE OF COURSE (COMPULSORY, OPTIONAL, ELECTIVE)

(1) Optional Course

(2) Elective Course

ECTS CREDITS

4.5

LANGUAGE OF INSTRUCTION

English

1. COURSE OBJECTIVES

Political risk analysis can be described as a practice-driven, forward-looking set of activities performed every day by corporate and governmental actors to provide investors with insights into questions that escape the realm of conventional business risks, as they pertain instead to the world of socio-political events. After outlining the main methodological and epistemological challenges that must be faced when considering the role of uncertainty and risk in a fast-changing, globalized environment, this optional course explores key issues in international political and economic relations with a special focus on the role played by the European Union in international affairs. Topics covered include the analysis of the most widely used techniques in economic and political forecasting (e.g. statistical extrapolation, game theoretical approaches, Delphi techniques, prediction markets, expert judgment), as well as the role of the digital revolution both as a catalyser for new 'cyber' risks and as a generator of new tools for the collection and analysis of intelligence (e.g. big data and the 'internet of things'). Students are encouraged to engage in critical reasoning using theory applied to a plethora of case studies on unexpected, highly disruptive political and economic developments – such as the global financial crises, the Arab Uprisings, Brexit, or the Covid19 pandemic – which engendered different risk calculations and policy responses by the EU and its member states. The course will enable students with a background in EU Studies, International Relations or similar to gain conceptual and practical skills that enable them to pursue a career in political risk consulting in the public as well as the private sector.

At the end of the course, the student will be able to

- describe the most relevant methods used for risk assessment and understand the theories behind them;
- analyse key concepts and notions in the field of political risk for corporate actors and apply them to case studies across different industries, as well as the role and features of the most important governmental and non-governmental organizations conducting political risk analysis in a European perspective (including in EU external action);



- critically assess the most relevant methods of political risk analysis and understand their strengths as well as their limitations;
- simulate and deliver a professional presentation based on a political risk analysis report;
- acquire notions and skills necessary to autonomously deepen their knowledge of issues connected to political risk analysis in a European perspective.

2. LEARNING OUTCOMES

The course objectives tie in with the following learning outcomes of the programme **EU International Relations and Diplomacy Studies**:

- 1.1 The graduate masters the most important theoretical approaches and concepts of International Relations, EU Studies and Diplomacy Studies relevant for the analysis of the role of the European Union in international affairs.
- 1.2 The graduate can describe, explain and illustrate the current state of scientific research in the field of EU external relations in a broad sense and is able to critically assess the results of this research.
- 1.4 The graduate has acquired insights into the political, legal and economic aspects of EU external action and can use these insights to contextualise and interpret new developments.
- 1.5 The graduate is able to incorporate knowledge and understanding of various fields of EU external action and of different related disciplines (such as Political Science, International Relations, Law, Economics) at the interface between EU affairs and world politics.
- 2.2 The graduate has the ability to critically reflect upon problems in international and European affairs, to adopt well-informed points of view and to communicate them effectively orally and in writing, whether working independently or in a team.
- 2.4 The graduate is capable of processing a large amount of information within a short period of time and to work efficiently and effectively through planning, organising, setting priorities and meeting deadlines.
- 2.5 The graduate has the intellectual maturity and skills to function responsibly and autonomously in a professional context at national, European or international level and the capacity of suggesting possible action that contributes to problem-solving in a creative way.
- 3.4 The graduate has acquired specific professional skills relevant to the practice of EU external action but also transferable to many other fields in the public and private sector.

The course objectives tie in with the following learning outcomes of the programme **Transatlantic Affairs**:

- 1.1 The graduate masters the most important theoretical approaches and concepts of, depending on his or her disciplinary focus, Economics, International Relations and Diplomacy Studies, Legal Studies and/or Political Science relevant for the analysis of transatlantic affairs.
- 1.2 The graduate can describe, explain and illustrate the current state of scientific research in the field of transatlantic affairs in a broad sense and, is, in line with his or her disciplinary focus, able to critically assess the results of this research.
- 1.4 The graduate has insights into historical, political, legal and economic aspects of transatlantic affairs as well as into those policy areas that are of essential importance to transatlantic affairs. He or she can use these insights to contextualize and interpret new developments.
- 1.5 The graduate is able to incorporate knowledge and understanding of various fields of transatlantic affairs and of different related disciplines (such as Economics, International Relations, Legal Studies, Political Science) as well as to adopt both a European and a US perspective on transatlantic affairs.
- 2.2 The graduate has the ability to critically reflect upon problems regarding an extensive range of transatlantic affairs, to adopt well-informed points of view and to communicate them effectively orally and in writing, whether working independently or in a team.
- 2.3 The graduate can independently transform complex transatlantic issues into a research question within the broader field of transatlantic affairs and, depending on his or her disciplinary focus, find, select and



critically assess relevant sources, answer the question using appropriate concepts and methods and present the research results in line with the ethical rules of the chosen discipline.

- 2.4 The graduate is capable of processing a large amount of information and appropriately analyse relevant sources depending on his or her disciplinary focus within a short period of time and of suggesting possible actions that contribute to problem-solving in a creative way.
- 2.5 The graduate has the intellectual maturity and skills to take responsibilities and function autonomously in a professional environment at national or international level, and especially in a transatlantic context, and to work efficiently and effectively through planning, organizing, setting priorities, meeting deadlines, cooperating across cultural boundaries and networking.

3. COURSE CONTENTS

Session 1: Risk and uncertainty: introduction to key concepts

Session 2: History and actors of political risk analysis

Session 3: Fooled by numbers? Problems in measuring risk

Session 4: Forecasting political events: game theory, opinion polls, expert opinion, Delphi technique, prediction markets, scenarios

Session 5: Risk assessment and policy making I

Session 6: The impact of the digital revolution: new risks & new assessment techniques

Session 7: Corporate Social Responsibility and political risk

Session 8: Risk assessment and policy making II

4. TEACHING METHOD

- Interactive lectures
- Oral presentations on case studies of risk analysis
- Individual paper: Each student will write a political risk report of 2,000-2,500 words
- A guest lecturer may be invited

5. COURSE MATERIAL

Please refer to the intranet course page for access to the detailed reading list (required and supplementary readings) and the slides.

6. EVALUATION

- a group presentation (15%)
- an individual written assignment (35%)
- a written examination of 2h (50%)

In case of a second-session resit, the 2h written exam counts for 100% of the mark.

Please refer to the intranet course page for access to further information.