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GEOPOLITICAL TURBULENCE AND PROJECT SUCCESS

What separates winners from losers

When geopolitics turn volatile, projects become battlegrounds of power and uncertainty. Lavagnon Ika shows how leaders can embrace disruption, build resilience, and turn chaos into strategic advantage.

World, we have a problem: The rise of geopolitical uncertainty in projects!

We'll examine real disruptions, and how they create critical challenges for senior managers and project leaders:

Disruption one

On the second day of his new term in office, President Donald Trump touted the Stargate project: a USD$500 billion bid to build up to 20 data centres in the US and make the country the undisputed global leader in artificial intelligence (AI). A couple of days later, the Chinese start-up DeepSeek rattled western stock markets with the release of its latest R1 chatbot, an open-source generative model that rivals US-based OpenAI chatbots and others, despite using less advanced computer chips, consuming less energy, and costing far less. Donald Trump said DeepSeek AI was a "wake-up call" to the US industry.

Disruption two

In February 2025, as a response to the tariffs slapped on Canada by the US government, Ontario Province Premier, Doug Ford, threatened to rip up the CAD$100 million contract with Elon Musk's Space X and its Starlink satellite internet service. But then he paused his retaliatory measure after Donald Trump postponed the tariffs for one month. Eventually, the contract was cancelled altogether. The goal of the project was to provide high-speed internet access to 15,000 homes and businesses in rural, remote, and northern communities by June 2025.

Disruption three

On the same day in February 2025, Elon Musk shut down the 63-year-old, USD$40 billion a year agency with 10,000-employees and title of the world's largest bilateral donor: USAID, leaving project leaders across the world scrambling to understand what was going on and how it would disrupt their projects.

Disruption four

In April 2025, in a strong retaliatory move, after the US levied 145% tariffs on Chinese goods, China suspended deliveries of Boeing jets worth USD$1 billion, perhaps to the benefit of competitors such as Chinese Comac and European Airbus. Then a month later, just as the US and China struck a trade war truce, China removed the ban on Boeing deliveries.

What characterises these disruptions and why is this a challenge for your projects?

We can turn to economists for the answer. They've grappled with similar disruptions for decades (if not centuries), and found that *uncertainty*, is the source of the challenge. In their 2024 paper, George Demartino, Ilene Grabel and Ian Scoones explain how these disruptions are relatively unpredictable and as a result, "unleashed a questioning of what can be forecast and managed and what cannot, highlighting the importance of taking uncertainty seriously."

Accordingly, in this essay, I propose that the short answer to the burning questions around challenges and disruptions isn't simply 'uncertainty' but *geopolitical uncertainty*, which I define as the tendency for projects to run into trouble when they confront significant policy changes taken by powerful nation states in search of foreign policy gains vis-à-vis rival states. In other words, projects are derailed by major policy shifts from nations trying to leverage over their rivals. Of course, the phenomenon isn't new.

Think about the interplay between global infrastructure projects and the geopolitical landscape. Recent institutional frameworks such as China's Belt and Road Initiative (BRI) in 2013 and the G7 Build Back Better (BBB) World in 2021 have been established to fund infrastructure projects all over the world. While the BRI initiative purports to enhance connectivity and economic integration across Asia, Europe and Africa, the BBB initiative seeks to promote sustainable infrastructure development in alignment with western values and global governance standards. So, as China and the US compete for global influence, these projects have become geopolitical weapons for their funders.

As the world confronts high instability amid rising tensions between Washington and Beijing, the Russian invasion of Ukraine, the three-front Israeli war in Gaza, Lebanon and Iran, geopolitical uncertainty has become a heightened challenge that project leaders need to deal with seriously.

Geopolitical uncertainty is powered by the conflation of two trends hanging over the head of decision makers and action takers: **geopolitics** and **geoeconomics**.

If you're a senior executive or a project manager with lots of experience in international, as well as global projects, you've likely grappled with **geopolitics**, a longstanding sword of Damocles. In the words of Colin Flint, Professor of political geography at Utah State University, geopolitics is a part of human geography, which can be understood as "the struggle over the control of geographical entities with an international and global dimension and the use of such geographical entities for political advantage." Geopolitics isn't just about maps and borders, it's about competition too; where nations become tools in a larger power game and controlling them offers military, economic and diplomatic leverage.

In the Trump era, where politics eclipses economics and a pendulum swing from neoliberal economics back to nationalist protectionism prevails, you're also likely to come across a word that is seldom used but with plenty of implications for policymaking and project management: **geoeconomics**. *Financial Times* columnist, Gillian Tett, describes geoeconomics as the recent case where "tech, trade, finance, and military policies are mingling in a manner not seen during the neoliberal age"; it concerns "how governments can use economic and financial policies to play power games."

In this world where geopolitical uncertainty has skyrocketed, there have been calls for companies to appoint a CGO, "Chief Geopolitical Officer". While it remains to be seen if these calls will be answered, as leaders, we can't afford to wait for our assigned projects to run into geopolitical trouble. Evidently, we should learn to navigate geopolitical uncertainty. But how?

As we learn from the works of economists and project scholars the issue at hand, is that traditional project risk management (e.g., best practices such as preparing risk registers and contingency plans) takes an **'understand-reduce-respond'** approach to measurable risk – the realm of known unknowns. But it falls short under deep, unquantifiable uncertainty – the realm of unknown unknowns – where probabilities can't be calculated and past data offers little guidance. Clearly, standard tools like statistical modelling or applying budget uplifts haven't stopped megaprojects like HS2 from going overbudget, and they cannot offer a response to the heightened scale of geopolitical uncertainty.

What's needed instead is an **'understand-embrace-adapt'** attitude. Rather than trying to eliminate or reduce uncertainty, project leaders must embrace it. They need to treat it as a constant and build flexibility into delivery. Clearly, this holistic attitude to uncertainty was effective during the COVID-19 pandemic: governments have adapted quickly; those who were learning and adjusting to the emergence of variants for both vaccine development and mass vaccination showed how embracing uncertainty can drive success under extreme conditions.

Why 'understanding, embracing and adapting' works

The USD$15 billion Istanbul Canal project that sought to grant Turkey geopolitical leverage over both regional and international trade and transportation routes, presents a great illustration. The project, which was framed as 'a patriotic symbol of New Turkey' did not seek to reduce uncertainty through rigid planning. Quite the contrary, taking uncertainty as a strategic opportunity, the project started without: 1) setting a definitive timeline; 2) securing financing before initiation; 3) locking down costs; 4) achieving consensus among political parties; 5) getting public support; and 6) resolving environmental and legal issues.

While the project is still mired in political and financial debate, it continues to shape Turkey's geopolitical posture.

Incidentally, the Canal illustrates both the upside and downside of treating uncertainty as a strategic lever: it can create openings for bold action but also expose projects to protracted delays and controversy.

In such contexts where uncertainty reigns supreme, heuristics, these 'fast-and-frugal' rules that can help form quick judgments and make accurate decisions by ignoring part of the information, may be project leaders' best bets. For example, forced with significant delays, the leadership of the UK Crossrail (Elizabeth Line) project turned, in some cases, to heuristics such as the:

- **recognition heuristic** where the focus was put on specific stations that worked well before (e.g., Tottenham Court Road station); and
- **'take-the-best' heuristic**, thereby opting for the most reliable, if not optimal, fix (e.g., tried-and-tested signalling software).

The Nord Stream 2 pipeline project, which sought to transport natural gas from Russia to Germany and was suspended due to geopolitical tensions between the EU, the US, Russia and Ukraine, also showcased the use of the same heuristics:

- **recognition heuristic** where the use of proven pipeline technology and existing routes (e.g., Nord Stream 1) was favoured; and
- **'take-the-best' heuristic** where parties and contractors with strong track records and geopolitical influence were prioritised.

The recommendation of embracing, not reducing, uncertainty is, however, fairly broad.

How can project leaders specifically deal with geopolitical uncertainty?

Certainly, project leaders know that taboo words such as 'power' and 'politics' have negative connotations in project management practice. How many times have you heard this line: 'We're not politicians but project managers!'?

We must face the reality that a project under a political angle is a valuable tool for governmental action as well as the professional career of the project manager.

Indeed, project leaders often deal with fuzzy projects with elusive (or evolving) goals and competing (or changing) stakeholder expectations. In this long voyage of discovery, they can't 'take the project out of the politics' or 'the politics out of the project'.

Put differently, project leaders must understand the power of context and thus, that no project operates in a vacuum.

In what follows, I offer three crucial but complementary steps for project leaders when it comes to tackling geopolitical uncertainty in projects.

1 Widen your horizon and develop your geopolitical capacity and skillset.

As geopolitical landscape makes or breaks projects, especially when they're of an international or a global nature (and this is the case of many), project leaders should, in addition to their traditional project risk management procedures, stakeholder engagement practices, and psychological safety principles, *increase their geopolitical acumen and skills*. For instance, they can attend geopolitical workshops as part of leadership development. They also need to invest time to get to *know the foreign policy environment* within which their project operates. For example, they can stay informed via curated geopolitical risk briefings such as Eurasia Group or World Economic Forum's Top Risks for 2025, or regularly read key sources such as *The Economist* or *Foreign Affairs*.

2 Use what you've learned to scan the geopolitical landscape widely and monitor threats and opportunities as well as project performance assiduously.

Evidently, geopolitics isn't just about downside but also upside uncertainty. A case in point, Trump tariffs may be seen as a threat for many projects, but they also present an opportunity for other projects. For example, after Trump threatened to impose tariffs on semiconductors that are manufactured mostly in Taiwan, the chip designer Nvidia recently announced it will invest USD$500 billion worth of AI infrastructure in the US over the next four years, a decision the White House considers as "the Trump Effect in action". Conversely, the USD$44 billion Alaska LNG project, a long-delayed, 800-mile pipeline to transport natural gas to global markets, finds its viability increased with Trump tariffs targeting US allies, such as Japan and South Korea, who, in search of more independence from Russian energy, might reconsider their previously lukewarm position on the project in exchange of tariff relief.

3 Turn insight into preparation: engage in scenario planning and cultivate the agility to seize opportunities and reduce threats in the geopolitical landscape.

In doing so, project leaders can make the best of the shifting context in which countries that were once reliable may no longer be friendly for their projects. To this end, *scenario planning* is welcome as things are in a flux in the world, and it can help to understand the likelihood of the occurrence of geopolitical events, assess the range of potential outcomes, test how your projects might respond and prepare for these by developing strategies to build project resilience.

The €2.5 billion EuroAsia Interconnector, a project that sought in its first phase to connect the electricity grids of Greece, Cyprus and Israel through the world's largest and deepest subsea electricity cable, offers a fitting illustration of scenario planning. The project was confronted with high geopolitical uncertainty including political and maritime disputes between Turkey and Cyprus, tensions between Israel and other Middle East countries, and the potential of gas shortages in Europe due to the Russia-Ukraine war.

The scenario planning includes:

- a stable project timeline despite tensions;
- political fallout or maritime showdown with Turkey; and
- gas shortages making the need for interconnectivity urgent.

Response plans include:

- exploring alternative diplomatic channels (e.g., Greece and Egypt energy dialogue);
- providing insurance and security strategies for maritime construction; and
- fast track engineering options to accelerate the project if energy crisis worsens.

What this means for project leaders and organisations

Project leaders should take a long-term view and focus on value creation, not just output delivery. Instead of settling for the best forecast or outcome, they should weigh in many scenarios and, thus, give more consideration to planning, which is more important than the plan. Project leaders should also be ready to act and adapt, as the project's geopolitical landscape shifts and disruptions arise. Preparatory and remedial strategies can help; project leaders can use these strategies, either at regular intervals such as gate reviews or as ongoing dialogue, to deal with geopolitical disruptions.

These strategies, based on resilience and antifragility may come into play according to whether:

- the geopolitical disruptions are sudden, like some of Trump reversals of tariffs;
- the project is deemed:
  - fragile (it may lose value in the face of the disruption and never recover),
  - resilient (it may lose value when encountering the disruption, but it can recapture the value at a later point), or
  - antifragile (it may lose but regain value, as a result of disruption).

Project leaders could enact a preparatory strategy if their project is at the front-end phase. For example, they may apply a 'Barbell strategy' and attempt to reduce the downside, while simultaneously keeping the upside of the disruption; in so doing, they may prepare for the worst while still allowing for big opportunities. For example, consider a project to build a factory overseas where geopolitical tensions rise in the foreign country. In this context, project leaders may put most of their resources into very safe aspects of the project and a small portion into very vulnerable aspects. They may ask: what parts of the project are more (or less) susceptible to geopolitical uncertainty?

On the safe side, project leaders may allocate significant resources (time, cost, human resources) to aggressively protect what they consider as the minimum requirements that the project must fulfil to survive in the face of a geopolitical disruption (e.g., preserving key infrastructure or move some operations to a political neutral country as a risk mitigation measure).

On the vulnerable side, they may invest in high-reward opportunities that arise in the wake of the disruption and could pay off big (e.g., piloting new technology such as AI or explore new markets to maximise potential benefits).

When disruption hits, project leaders also need a remedial strategy: they can revise plans to deliver original goals (resilience), shut down projects that prove too fragile, or reshape them to create new value based on what the disruption has revealed (antifragility).

In any case, they must ensure flexibility is created within the project plan. But are you up to the geopolitical challenges in your projects?

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Further reading:

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