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EU Geoeconomics: A Framework for Analysing Bilateral Relations in the European Union

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Abstract

Existing EU study approaches have come under stress as comprehensive models of European politics. In this context, bilateral relations between EU Members remain under-researched yet important for understanding the inner workings of the EU. While EU membership puts strong limitations on certain kinds of state behaviour it also leaves room for the pursuit of national interests through economic and legal means. Against this background, the article presents and develops the *EU Geoeconomics Framework*. Focussed on situations where state and companies share control over vital sectors of the national economy, this framework theorizes the relations between EU Member States (MSs). After presenting the main assumptions and focus of EU Geoeconomics, the article develops six testable propositions. It then discusses these propositions as well as the fruitfulness of the framework against the latest developments in EU studies theory. The article concludes by pointing towards a renewed discussion of bilateral relations.

Keywords

EU studies; Member State relations; theoretical framework; EU Geoeconomics

Introduction

In view of the EU's increasing fragmentation and disintegration, too little is known about how intra-EU relations between the Member States are structured. This represents a major shortcoming of EU studies, resulting from a bias towards the EU-level of European politics. Hence, the relations between individual European countries remain an under-explored yet crucial area for understanding the extent to which the EU does or does not capture and/or

subordinate the political and economic activities of its Member States (MSs). This article seeks to address this gap by expanding the scope of EU studies to include bilateral relations between EU Member States. Drawing on *geoeconomics* – a multidisciplinary approach to the study of the behaviour of states and their competition for relative power on the international stage – we propose elements of a EU Geoeconomics Framework, and discuss its implications for EU Studies.

Addressing the causes and instruments of international conflicts (Luttwak, 1990, p.128), geoeconomics assumes a mutually beneficial relationship between political and economic power. Moreover, the manipulation of market forces is seen as the primary way for states to procure a privileged economic position, while the resulting economic instruments of power are utilised to extract political gains (Diesen, 2018, p. 12). Put differently, geoeconomics focus on the political economy (Gilpin, 1987, p. 9) of international relations and expects instruments such as disguised restriction of imports, concealed subsidization of exports, the funding of competitive technology projects, support for selected forms of education, and the provision of competitive infrastructures to represent means of foreign policy.

This is essentially a continuation of the logic of geopolitics. However, with its focus on soft-power politics, this framework can help to explain relations between Member States (MSs) in fields where the EU shares competencies with its MSs, and where state and companies share control over vital sectors of the national economy in question. We hold that EU membership strongly influences the goals and preferences of individual MSs, and hence their behaviour vis-à-vis other MSs. Yet EU MSs also pursue their national interests individually, occasionally seeking to circumvent the limitations emplaced by the EU's legal framework.

We adapt the geoeconomics approach to the EU and its specific conditions resulting from a decades-long process of European integration, thereby offering a new perspective on the causes and logic of inter-state conflicts within the EU. With this contribution we aim to add on to discussions of the internal dynamics of the European Union and its difficulties to align EU Member States behind common EU policies. The article does this by first presenting the background of the EU Geoeconomics Framework (section II). Further, six propositions are presented (section III) and discussed against the latest developments in EU studies theory (section IV). We conclude by indicating further steps for developing the EU Geoeconomics Framework, including how it may be used in country studies (section V).

II. Theorizing bilateral relations between EU Member States: the EU Geoeconomics Framework

International relations are politico-economic issues, and despite Europeanization and the development of an increasingly *European* political economy, traditional ties between companies and national government have generally remained intact, and firms are still nationally embedded (Schmidt, 2002, p. 303 ff.). The national state, thus, remains the advocate of domestic preferences in the international realm (Schmidt and Thatcher, 2013, p. 136) and a central, relatively rational as well as unitary actor when engaged in intra-European affairs. In those areas where the EU merely has shared or supporting competencies, and where the sectors concerned are vital to the national economy, this should be particularly true, as is the case in the areas of energy or industrial policy. Even though the nationality of firms has become less prominent, and notwithstanding the reality of inter-firm, cross-border cooperation (Abdelal, 2013), it is fair to assume that in these areas the national state and specific firms on its territory

remain closely intertwined.¹

In turn, the fundamental preferences of EU MSs derive not only from political state goals such as security and autonomy, but also include economic long-term (or core) state goals like welfare, status and prestige (Holsti, 1995). Amongst this mix of state goals, the protection of territorial integrity and renunciation of the use of military force should be ranked highest (Urwin, 1992). To gain protection against foreign-policy instruments like embargoes and political threats, states are assumed to relinquish some degree of sovereignty on joining the EU, and to provide mutual assurance that any disputes will be settled by other means than physical force (Deutsch, 1957, p. 5). In other words, EU membership entails limitations on the use of foreign policy options, thereby rendering classical power politics and the use of harder foreign-policy measures like military pressure and aggressive economic behaviour unlikely in the EU context. With EU accession, issues like security and territorial integrity can, therefore, be expected to decrease in relevance to the preference formation of EU MSs in intra-EU affairs. Beyond this, however, there are few reasons to expect EU Member States to have state goals and preferences fundamentally different from those of other countries (Moravcsik, 1993). Hence, the EU Geoeconomics Framework expects welfare, status and prestige to remain important long-term state goals for EU MSs, and even to gain relative importance against territorial security, as long as this is guaranteed within the EU context. The balance of power between individual states remains tacitly in place, but comes into effect through softer economic and political means in everyday politics.

The process of preference formation on the Member State level does not remain unaffected by the abovementioned development of the hierarchy of long-term state goals under the common EU-umbrella. Given the relative security within the EU, governments engaged in intra-EU affairs respond primarily to strategic questions and pressure stemming from national core economic sectors as well as dominant companies and other autonomous economic interests on the domestic level (Moravcsik, 1993, p. 483; 1998; Abdelal, 2013, p. 426; Luttwak, 1990, p. 129). However, instead of assuming governments to align themselves with whatever domestic pressures that 'wins' on the national level, it appears logical to assume that preference formation reflects the position of the national economy in Europe's economic system – for example issues concerning resource endowments, important value chains, industries, transport systems, and workforce concentrations. Here the EU Geoeconomics Framework follows economic geography, which assumes that geographical location strongly influences comparative advantages, vulnerabilities, advantages, difficulties, industrial organization, and economic returns (Krugman, 1991).

State preferences are assumed to be conditioned by the geographical structure of the European political economy (Regan, 2015, p. 3). Location and the specific role of a national economy in the European economic system – as well as that of competitors – are, therefore, expected to have not only significant but growing impact on the politico-economic preferences of individual EU MSs.² Given the increasingly diverging interests (Naurin, 2015), bilateral relations between European countries will not always remain harmonious. EU Member States will pursue their

¹ Europeanization and globalization may have strained and transcended the importance of national borders for the definition of the 'authority-market nexus' (Strange, 1994, p. 22 and 30), yet by and large 'the state remains a pivotal entity of interest aggregation, legitimation, and control' (Pauwelyn et al., 2012, p. 504).

² Paradoxically, increasing integration of the European economy does not only broaden and deepen the channels for trade within the Community, but encourages the specialization of individual Member States (Midelfart et al., 2003, p. 848).

preferences with whichever instruments they deem feasible (Rosato, 2011, p. 73) – whether by going through EU channels, practices and official EU procedures, or by sophisticated circumvention, and/or simply ignoring the restrictions emplaced by the EU framework. Four basic categories of instruments are available: information, diplomacy, economic measures, and (military) force (Lasswell, 1945, p. 9). Whereas military force is largely irrelevant within the EU context, the EU Geoeconomics Framework expects three generic tools to remain available to EU MSs: information and statements; political and legal measures (e.g. negotiations); and (soft) economic measures (e.g. regulatory decisions). The political and economic measures available to the EU Member States are manifold and include instruments available also to non-MSs (Hill, 2003, pp. 134–38). Table 1 presents a summary of key aspects of the EU Geoeconomics Framework.

Table 1: Key points of the EU Geoeconomics Framework

Assumptions	EU Geoeconomics
Main focus of analysis	<ul style="list-style-type: none"> • Intra-EU, inter-MS relations
Main actors	<ul style="list-style-type: none"> • EU MSs in a partly centralized EU • Large corporations as de facto extensions of the MSs
Interests and preferences	<ul style="list-style-type: none"> • Relatively stable interests stemming from economic role and geographical position • Entanglement of national governments and strategically important industries
Motivation for MS behaviour	<ul style="list-style-type: none"> • The relative balance of economic and political power
Political mechanisms	<ul style="list-style-type: none"> • Soft economic and political power (limited by EU framework) • Unilateral measures • Instrumentalization of EU policies to achieve national preferences • Occasional non-compliance with EU framework

III. Geoeconomics under EU legal and political frameworks

In this section we further specify the EU Geoeconomics Framework by developing specific propositions for the preference formation of individual EU MSs, and their use of instruments. The propositions rest on the assumptions presented above and are designed to be testable, although it is beyond the scope of this article to do so.

Preference formation:

What impact do the surroundings have on individual actors on the domestic level, and what are the domestic and foreign policy preferences of EU Member States (Hoffmann, 1982, p. 30)? The EU Geoeconomics Framework builds on the general assumption that the topography of the EU's political economy – the varying resource endowments, competitive advantages, value chains, industries etc. – influences the interests of domestic actors like companies with considerable stakes in European policies (see Moravcsik 1993, p. 483), and thus the formation of state preferences.

Proposition 1: *As the EU guarantees territorial security, other long-term state goals will exert*

stronger influence on state preferences.

There is a loose hierarchy of long-term state goals. However, this hierarchy is not immutable: the current order requires a trustworthy guarantor of such fundamental interests as territorial sovereignty and security. With the EU taking on this role by rendering threats to territorial integrity less likely in intra-MS relations, other goals move up the active list of relevant MS goals – for example, ensuring a strong economy, protection of comparative advantages, and mitigation of risks to national economic vulnerabilities. Which and how goals become prominent is further developed in the next proposition; here the main expectation is that security concerns will be accorded less priority, depending on the perceived protection the EU provides. For example, the closer a country is located towards the core of the Union, the more should security-related goals recede into the background. And the converse: close proximity to geopolitical hotspots is expected to increase the salience of autonomy- and security-related issues. In other words, the hierarchy of state goals corresponds with factors outside the EU. Further, the relative importance of welfare, status and prestige should correspond with the position any given country holds in Europe's economic system, for example as regards core and periphery.

Proposition 2: *The geography of the European economy has significant influence on political preferences.*

This proposition focuses on the influence of internal EU factors on state preferences. Each location within the larger economic environment has its own specific conditions, and can thus be expected to determine vulnerabilities, advantages and difficulties. Examples here include access or distance to major transport routes, industries and markets. Access to strategic resources like food, water and energy are notable examples of factors that are highly location-specific (Steven et al., 2014): unlike human or financial capital, those resources cannot always be provided domestically or through international markets. Energy is a contingently location-specific strategic resource – especially in view of ongoing energy-system transitions and pressures to reduce carbon emissions, which will generate patterns of uneven development (Bridge et al., 2013, p. 337). Further examples include access to neighbouring countries for producing industrial parts, and reducing vulnerability through diversification of supply. On the whole, a country's location relative to neighbouring EU MSs and their specific economic strengths, weaknesses, and policies will influence strategic resource vulnerabilities and supply risks to the policy field concerned, impacting on the formation of state preferences.

Proposition 3: *Areas of utilized comparative advantages are paramount in the formation of state preferences.*

Comparative advantages and areas of significant industrial and business-related activity are the cornerstones of any state's economy, budget and prestige. Integration has been shown to be associated with further increases in specialization in the EU as firms relocate to benefit from comparative advantages and clustering (Midelfart et al., 2003, p. 864). However, large sectors tend to assume a momentum of their own, exerting significant political influence on national interest formation, with 'iron triangles' (industry, legislature, and the regulating bureaucracy) at both the EU and the MS levels. Although this is particularly evident in agricultural policy (Hix and Høyland, 2011), there are numerous examples elsewhere as well – like the nuclear industry in France and the UK, the coal industry in Poland, and Germany's car industry. Common to all is the influence of important companies on foreign policy. This can be measured in various ways – for example, by comparing significant industry interests in MS to intra-EU behaviour and the degree to which such behaviour protects the interests of the industry in question.

Instruments for achieving long-term goals

In the EU, the aspirations of Member States to influence their surroundings are confronted with an environment that limits the autonomy of individual countries through political and regulatory frameworks. In order to study the interplay between and among EU MSs (Hoffmann, 1982, p. 30), the EU Geoeconomics Framework builds on the assumption that EU membership supersedes specific forms of behaviour with external impacts, and the available instruments of foreign policy. As noted above, certain continuities in the behaviour of MSs can be expected, as well as the use of soft-power instruments (Nye, 2007). Of particular importance are the numerous and varying economic measures possible under EU rules, such as regulation and public control over critical sectors or companies, or economic support for specific sectors or types of activity through modification of taxes and tax levels (see Blackwill and Harris, 2016; Luttwak, 1990; Abdelal, 2013). Further, large companies may be overtly or covertly supported and used as political instruments for affecting the market position of other parties (Luttwak, 1990, p. 129). Influence on energy and commodity flows often have effect on competitiveness, thereby affecting one's own advantages and/or the disadvantages of others. Further examples include control over access to the domestic market (within the limits of the Treaty on the Functioning of the European Union and the jurisdiction of the EU Court of Justice), debt purchasing, and the use of national R&D programmes for long-term relative gain. Additionally, the use of national R&D programmes (Luttwak, 1990, p. 129) or the ability to raise the funds for important projects (Blackwill and Harris, 2016, pp. 76), may be used as a means of changing the market stance of other parties. The use of these instruments within the EU will depend on a range of factors, including individual capabilities, the likelihood of their having the desired effect, and whether relational conditions are deemed appropriate and feasible (Blanchard and Ripsman, 2008, p. 373).

Proposition 4: *All EU Member States have some capability to pursue their preferences independently from the EU framework, but this capability is not evenly distributed among the Member States and policy areas.*

The capability for pursuing state preferences is country-specific, and depends on each country's ability to implement various types of measures with impacts on the other Member States. This capability can be measured as economic size – absolute and relative, as a whole, or sector-wise. As all EU MSs have certain policy instruments at their disposal, any empirical investigation should take national economic capabilities in a general sense as its starting point. A more detailed approach involves discussing the options available to a given MS relative to its internal and external conditions. Moreover, the room available to MSs to implement measures with external effect will vary with the degree of integration. The more integrated a policy field, the less room for MSs; on the other hand, where un-regulated or partly regulated areas and loopholes in the EU's legal system provide room for manoeuvring, we should find greater variation in instruments. The stringency of the European Commission and the European Court of Justice regarding compliance with given rules and regulations may also vary across policy areas, leaving some room for MSs to manoeuvre. Furthermore, it can be assumed that in areas where a Member State has been opposed to integration with the EU, the likelihood of acting beyond the framework of European integration will be higher than average.

Proposition 5: *Relative position and embeddedness in the geography of the European economy determine the strength and nature of the political instruments available to a given Member State.*

A country's economic power determines much of its capacity to leverage power (Luttwak, 1990,

p. 129), so factors like GDP play an important role with regard to the external impact of specific actions. Variations can be expected here, however. Before determining a course of action, countries are likely to assess the implications of different policy alternatives in relation to neighbouring states and their relevant capabilities. Countries with large economies and/or niche sectors on which other MSs depend will have greater leverage than small, open price-taking economies that are more weakly represented in major value chains, or that have fewer comparative advantages. Moreover, the manipulation of interdependencies can impact on the availability and costliness of alternatives available to various actors (Keohane and Nye, 1977, p. 13). Thus, asymmetric interdependencies can be exploited as an instrument of geoeconomic power (Keohane and Nye, 1977, p. 18), as discussed below.

Proposition 6: *When deciding a course of action, EU MSs will opt for instruments where they have high absolute national capability, high capability relative to other relevant states, low escalating potential – and often instruments they have used previously.*

This proposition combines aspects of the preceding propositions to define concrete expectations for MS behaviour. Differences in the behaviour of MSs will depend on their specific vulnerabilities and capabilities, which are likely to vary between sectors and policy areas – and, hence, the outcomes of their actions. Linking political issues by exploiting leverage in one area to achieve politico-economic ends in another area is likely to occur. Such linking and use of special leverage can lead to high benefits with low costs, depending on relations and the structure of the asymmetry or mutual dependencies in other sectors or political fields. Moreover, countries tend to have certain standard operating procedures within foreign-policy behaviour, and there is no reason to expect this to be otherwise within the EU.

IV. Discussion

EU studies have made headway in analysing the European Union, this ‘uneven mix of federal and confederal elements’ (Moravcsik, 2006, p. 589). During the 1990s, Liberal Intergovernmentalism acquired the status of a ‘baseline theory’ (Movaravcsik and Schimmelfennig, 2009, p. 67), with its claim that the choices of national governments, not supranational actors, are what drives the process of European integration. Against this view, the neofunctionalist governance approach (Kohler-Koch and Rittberger, 2006) takes the existence of a ‘Europolity’ (Jachtenfuchs, 2001, p. 50) or enhanced authority of Community institutions as a given. It asserts that the EU has ‘the competence to make binding rules in any given policy domain’ (Sandholtz and Stone Sweet, 1997, p. 297).

However, in the wake of various ongoing crises, integration theory is confronted with new challenges to provide a convincing model of today’s European Union. After a period that generally saw increased centralization at the European level (albeit with exceptions), the EU today appears increasingly deracinated from the competencies and legislative framework that previously characterized supranational decision-making (see Vollaard, 2014; Bickerton et al., 2015a, pp. 705–706). Moreover, the readiness of the MSs to transfer (further) power to traditional supranational bodies has come into question (Bickerton et al., 2015a, p. 704), and the national grip on various policy areas (Krotz 2009, p. 557) represents a significant obstacle to pooling EU resources behind common policies (Leonard 2016, p. 26).

In the search for a new theoretical model, the debate on differentiated integration, graded membership and fragmentation (Schimmelfennig, 2016) has re-emerged in EU studies. Moreover, the ‘New Intergovernmentalism’ aims at covering voluntary and informal

procedures between national governments via official EU channels like the Council or newly formed bodies (Bickerton et al., 2015a, p. 705). In this context, EU policy solutions are reinterpreted as being primarily co-ordinated rather than centralized in nature (Bickerton et al., 2015b, p. 734). Thus, contrary to the premises of governance-type theory, the differentiated model of the EU as well as the 'New Intergovernmentalism' identify the EU as a political body that accords to national governments both a leading role to play and considerable room to manoeuvre (Bickerton et al., 2015a, p. 707).

However, EU studies still tend to leave out interaction between EU countries that do not pass by the supranational level: bilateral relations between Member States. What is more, MS have a great variety of actions and instruments available that avoid official EU channels. These measures strongly affect other EU MSs and thus influence the EU-level of European politics. At the same time, they blur the dichotomy of EU and non-EU politics. Horizontal relations between the Member States are, therefore, a key and 'fragile' (Bickerton, 2012, p. 14) element of today's EU, and an issue of critical relevance to its future development, but oftentimes they remain overlooked in EU studies. Numerous case studies exist on these matters, but the level of generalization and theorization is limited. As a result, EU studies have not fully understood how the relations between individual European countries affect EU politics and thus remain uncertain about the degree to which the European Union is capable of determining the activities of its Member States.

The EU Geoeconomics Framework fits into the EU studies by viewing the EU as a confederation of states under a certain level of European governance, each with a specific position in the European economic system. The framework emphasizes the influence of economic sectors and significant companies on the response of individual countries to economic and strategic issues related to their own position in the European economic system (Moravcsik, 1998, pp. 36–37). But instead of explaining interstate cooperation and coordination as means for governments to restructure the pattern of economic policy externalities to the advantage of domestic producer groups (Moravcsik, 1998, p. 38), the EU Geoeconomics Framework emphasizes instances where the result of the integration process does *not* fully reflect the will of national leaders (see Moravcsik, 1998, p. 4). Where this is (*not*) the case, the framework considers the EU's politico-legal structure as only one factor among others that determines the hierarchy of long-term core goals of the Member States, their preferences and the instruments they use and the actions they take in intra-EU affairs. Hence, the EU Geoeconomics Framework expects the EU's political system to involve a balance of power on the bilateral level (Rosato, 2011, pp. 68–77; Bickerton et al., 2015a, 2015b). Consequently, EU Geoeconomics highlights how in today's EU, MSs pursue their national interests and compete for power through soft political and economic means.

By developing propositions about how the economic and political leverage MSs employ in this context, EU Geoeconomics represents a structured approach where other EU study approaches offer little theoretical focus. Specifically, the assumption that the actions taken by individual Member States in intra-EU, inter-MS affairs may also evade and/or utilise the EU *Acquis*³, has long remained an element of European politics which at best has been covered implicitly by neofunctionalist and intergovernmentalist theory. Taking a perspective that incorporates the strong influence of the EU on preference formation and behaviour of individual countries in intra-EU affairs, but takes bilateral relations within the EU into account should, therefore, be fruitful to explore.

³ The body of common rights and obligations that are binding all Member States.

For example, Germany's unilateral abandoning nuclear energy without much regard for the impacts on its neighbours, and its indifference towards the economic and technical consequences of the *Energiewende* (energy transition) for its European neighbours (Sattich, 2018) indicates that MSs do not always follow the code of conduct implicit in EU membership and/or the spirit of EU law. Moreover, actions such as Italy's considering cutting off energy supplies to the French island of Corsica in retaliation for France's bid to block ENEL's takeover of Suez (Castle, 2006) is a further indication that individual EU MSs are capable of threatening or actually resorting to coercive measures against other MSs⁴ despite the EU framework. The latter example also indicates that vulnerabilities created by geographic position relative to another MS (in this case France/Corsica vs Italy), in given situations are likely to be used for leverage through issue linkage. Italy was clearly willing to capitalize on its strong position in one area to achieve its preferences in a different and highly securitized area.

Another illustrative example concerns Germany's role in enforcing fiscal order during the Euro crisis (Nedergaard and Snaith, 2015; Kundnani, 2011, p. 110). While appearing to be working to its advantage, with revitalized export industries and record-low unemployment, Germany's economic stance has failed to lift up a recession-hit EU (Reisenbichler and Morgan, 2013). Moreover, Germany's threat of unilaterally ending the common power-price zone with Austria to the detriment of Austrian energy-intensive industry is a stark indicator of the use of legal instruments and economic power to shape the EU's political economy according to national preferences (*Handelsblatt*, 2016; Benz, 2016). However, pairing diplomatic embrace with softer economic and legal measures would seem to be a more common approach – as indicated, for instance, by the long-term struggle between Germany and France about auto industry controls (DW, 2017; Peitsmeier and Schubert, 2007).

These brief examples show that there are fertile grounds for a geoeconomics-inspired approach to EU Studies, as the dominating approaches are unlikely to explain neither this type of bilateral relations nor its importance as an existing element of European politics.

Conclusions

Adding on to discussions of the EU's capability to align its Member States behind common policies, this article addresses a lack of theoretical clarity on the nature of bilateral relations between the EU Member States. To do this, an EU Geoeconomics Framework and six testable propositions to analyse bilateral relations between EU Members are developed and discussed. This framework improves our understanding of how EU Member States relate to each other; thereby it also provides a new starting point for a discussion of bilateral relations within the European Union as a factor that structures EU-level politics.

The EU Geoeconomics Framework rests on the notion that EU membership alters the long-term goals of states, their preferences, and the actions they take towards other MSs, but does not remove conflictual and competitive interests among them. Moreover, the framework asserts that the EU's current legal structure also accords the MSs considerable leeway to circumvent the restrictions of the EU framework regarding the capabilities of individual countries to shape the broader environment in which they are embedded. Finally, the relative standing of the EU vis-à-vis its MSs leaves the latter with the possibility of occasionally evading the EU framework

⁴ In this particular case, Italian politicians appear to have insufficiently understood the exposed position that Italy's considerable power imports from France implies.

as such, and thus provides them with opportunities to take recourse and employ soft measures of coercion.

Seen in this light, European politics appear less ‘an international community proper’, but rather ‘power politics (...) in the cloak of a community’ (Schwarzenberger, 1964, p. 14). However, that does not mean that the EU has abandoned rule-based multilateralism. The EU can, hence, still be described as ‘suspended somewhere in between enthusiastic reliance on liberal interdependence and zero-sum survival mode’ (Youngs, 2011, p. 16). However, not all policy fields have achieved the same depth of integration, with some fields showing signs of Europeanization, while others remain intergovernmental. Therefore, we expect that the EU MSs can, to varying degrees, transcend the EU’s capability to structure relations between its Member States. That being said, it still appears essential to understand and explain the behaviour of individual EU Member States vis-a-vis other Member States, if EU-politics are to be understood correctly.

A narrow focus on integration vs. disintegration is likely to obfuscate these aspects of EU affairs under the carpet of the institutionalized bargaining processes in Brussels. Therefore, we argue that the EU Geoeconomics Framework offers perspectives important for illuminating and explaining Member-State relations and associated EU policy, and for analysing how and why they develop. By presenting three testable propositions for state preference formation, and three propositions for Member-State behaviour, the EU Geoeconomics Framework develops a perspective that can be tested and refined to analyse the bilateral relations of EU MSs. These propositions, resting on a set of assumptions drawn from the literature on international relations, rational choice, and EU studies, form a foundation for developing a field of study. Based on this platform, the perspective can be criticized and refined – for example, through country case studies and process-tracing analyses to identify what goals and preferences determine MS behaviour, what drives intra-EU foreign policy decisions, and how the EU’s state system is structured and shaped.

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