Introduction

Regional groupings within the European Union have been on the rise and are increasingly shaping the EU agenda. To some extent, it is natural that countries that share similar interests or objectives come together to push these aims forward. Groups of member states join forces to influence political outcomes and promote political positions, even when this occasionally comes at the expense of European unity. Geography has often been the obvious trigger for joint endeavours, but shared policy views are converging factors too.

The Nordics, the Baltics, Benelux, the New Hanseatic League and the Visegrád Group have frequently worked together to push forward their demands on various matters, from trade, economic and fiscal policies to migration and relations with external actors like Russia.

However, relations between southern European member states have often been marked by a loose cooperation or, worse, by logics of competition. Precisely when regional groupings within the EU are increasingly shaping the agenda, these dynamics have hindered the capacity of France, Greece, Italy, Portugal and Spain to pursue shared interests and objectives, while acting as a force for good for the European integration project. Recent events such as the post-pandemic recovery or the war in Ukraine show that, when cooperation occurs, positive results can be achieved.

Southern member states can capitalise on a certain ideological affinity and a pro-European vision, despite their governments belonging to different political groups. They share converging interests in the areas of fiscal policy and economic governance, strategic autonomy in energy and technology and even foreign policy priorities, particularly towards the Mediterranean and relations with other global powers. This joint publication by six southern European think tanks identifies several policy areas for fruitful cooperation between southern European member states.
are both historical and political reasons for the absence of a reinforced southern cooperation. The significant variation in size, economic power and foreign policy interests makes the southern grouping highly heterogeneous. For instance, if France is listed as a southern (or at least Mediterranean) European member state, it may perceive its role more as a leader than as an equal, as it is the only member state with equal weight to Germany at EU level. But France acting as primus inter pares might well be contested by other important countries like Italy (also an EC founder member) and Spain.

Indeed, there has often been a logic of competition between these three countries, with the Mediterranean as their playing field. France, Italy and Spain have tried to gain credit and increase their reputation through their foreign policies towards the Mediterranean, frequently with differing interests and without coordination. The Libya crisis of 2011 bore witness to this, with France and Italy supporting different factions in the conflict. In the 1980s, Greece also looked upon Portugal and Spain’s accession to the then EEC with distrust, seeing competitors for Community funds. France was not the strongest supporter of the Iberian countries’ membership either. Portugal and Spain’s EEC membership negatively impacted agricultural producers in France, as both countries competed with lower prices and became net beneficiaries of the Common Agricultural Policy, alongside its largest beneficiary, France. Meanwhile, despite sharing a long border and mutual challenges, Portugal and Spain have an extensive record of bilateral non-cooperation, prompted more by inertia than substantial reasons.

When cooperation towards the convergence of interests occurs, positive outcomes for southern Europe as a whole can follow, and there have been other recent examples of southern European countries showing competence and leadership.

Most recently, during the financial crisis of 2008, Portugal, Italy, Greece and Spain were labelled the “PIGS”, as they shared ever-increasing risk premiums, mounting public debt-to-GDP ratios, banking systems in crisis, bailout programmes and onerous economic adjustment conditionalities. Northern European countries moralisingly accused them of having lived beyond their means and imposed harsh austerity measures. Uncompetitive southern economies struggled to shake off stagnation and in their efforts to get back on track weakened public services and engaged in social dumping. In the meantime, EU fiscal rules encouraged the acceleration of economic antagonisms within the southern bloc, giving rise to conflicting interests instead of mutual effort for projects of common interest.

While the North–South divide deepened, southern European member states failed to establish a common front or solidarity among themselves. On the contrary, they made a conscious effort to avoid being associated with whatever the other southern neighbour was experiencing in order to avoid the stigma of becoming an unreliable partner for the rest of the EU.

However, the current situation of southern member states is different from ten years ago. Shortly before the pandemic broke out, southern Europe had broadly overcome the 2008 crisis, although in macroeconomic terms the recovery was uneven. The COVID-19 crisis almost put these countries on the spot again, given their relative economic vulnerabilities and legacy of high public debt levels. But it was the initial efforts by Italy and Spain – with the immediate support of Portugal and Greece – to devise innovative solutions for a common EU response based on burden-sharing that paved the way for the Franco-German proposal to launch Next Generation EU (NGEU), a historic investment package for the Union, funded through a common borrowing scheme. This time around, the approach of the European South became the EU mainstream and led Europe’s reaction to the pandemic-induced economic crisis.

So, when cooperation towards the convergence of interests occurs, positive outcomes for southern Europe as a whole can follow, and there have been other recent examples of southern European countries showing competence and leadership. Portugal and Spain were the first two countries to submit their recovery plans and have them endorsed by the European Commission. Greece’s management of the pandemic in 2020 was widely praised, as was the speed of the digitalisation of its public and health services. Spain was the country to receive the first disbursement from Next Generation EU. Politically, Italy has boosted its credibility and heft with the appointment of Mario Draghi as prime minister, while the Portuguese electorate has recently returned an absolute majority that brings stability to a pro-European and reformist government.

1. Southern European ministers have been gathering regularly since 2013. Seeking support following disputes with creditor countries during its economic crisis, Greece suggested upscaling these meetings to the level of heads of state and government. Meanwhile a different format, the EuroMed Group (formed of Cyprus, France, Greece, Italy, Malta, Portugal, Spain and, since 2021 Slovenia and Croatia), has been gathering almost annually to list the challenges shared by Mediterranean member states, but for the time being it lacks a clear path on how to articulate coordinated responses.
Despite some flaws, respect for EU principles is more solid among southern European member states than in other parts of the continent. Confidence in EU institutions among citizens in the south has also generally increased, even if the image of the EU remains remarkably negative in countries like Greece. Indeed, southern European citizens often trust EU institutions more than national ones. Meanwhile, The Economist on February 3rd 2022 praised the competence and reformist zeal of southern Europeans, setting them as an example for their northern neighbours. So, while significant underlying challenges persist, the narrative on southern Europe has clearly shifted.

As consistent supporters and a joint driving force of deeper European integration over the years, southern European member states today have the potential to become a pro-active dynamic alliance on many issues under discussion in the EU agenda, as well as for building beneficial cooperative schemes for the economies of southern Europe. Instead of acting as a blocking force as other regional groupings have done in the past, southern Europe can help advance much needed European reforms, re-establishing confidence in their role in European integration and the trust of the rest of member states. Southern member states can capitalise on a certain ideological affinity and a pro-European vision, despite their governments belonging to different political groups. They share converging interests in the areas of fiscal policy and economic governance, strategic autonomy in energy and technology and even foreign policy priorities, particularly towards the Mediterranean and relations with other global powers. The war in Ukraine also calls for cooperative responses. The following sections will look in more detail at policy areas where our five institutes believe that a joint effort towards shared interests can bring fruitful cooperation between southern European member states.

The reform of the EU economic governance framework: an opportunity for southern European countries

COVID-19 has provoked an unprecedented economic crisis, which has resulted in the most severe global recession since 1945, with a generalised fall in GDP growth. In Europe, governments have reacted with massive expansionary policies and increased public spending, which have partially offset the shock and helped contain the most devastating effects of the economic crisis while also reducing social unrest. The EU as such has generally reacted in a rapid and effective manner. The suspension of the existing rules on budgetary discipline (through the activation of the escape clause); a more flexible interpretation of the rules on state aid; the ECB’s adoption of a new bond-buying programme (known as PEPP); and finally the adoption of a common strategy to support a sustainable post-COVID recovery, with the Recovery and Resilience Plan and Next Generation EU: all these measures have significantly helped to cushion the pandemic shock and support the recovery of the European economies.

More recently – prior to the Russian invasion and war in Ukraine – the situation was progressively returning to a new normal and the forecasts for economic recovery and growth were encouraging. Nevertheless, some developments could have an impact on the prospects for economic growth for the years to come. Escalating inflation may force the ECB to revise its accommodating monetary policies. The major increase in public debt levels in almost all EU countries could seriously constrain the adoption in the future of similarly expansionary fiscal policies by member states. With public debt having become a collective problem, much more collective and cooperative solutions will be needed. The evolution of the pandemic remains unpredictable and new containment measures may yet come, bringing potential negative consequences to EU economies. And, finally, the war in Ukraine is likely to impact global economies and have serious economic consequences for Europe, particularly if the sanctions imposed on Russia aim to be credible, effective and long-lasting.

Against this backdrop, in its Communication of October 19th 2021, the EU Commission prepared the ground for a reform of the economic governance framework, which will be officially launched with formal proposals, possibly before the summer. Member states’ views diverge on the scope, depth and nature of such reforms, and the issue risks reproducing divisions among member states similar to those that emerged during the economic and financial crisis. It would thus be useful for the countries of southern Europe to approach the negotiations over this review with a common platform containing a few well-identified, shared objectives and goals. The successful precedent of the negotiations that led to the agreement on NGEU should inspire a common initiative by these countries.

The context in which the envisaged economic governance reforms will take place is characterised by a few distinctive elements:

1. The very significant increase of public debt ratios in almost all EU countries (with some countries more indebted than others);

2. The need for massive public (and private) investments to support sustainable economic growth and to finance energy and digital transitions;

3. The need to allow fiscal room in national budgets to support countercyclical fiscal policies in case of further unforeseen emergencies;
4. The likelihood that EU member states will be forced to adopt further measures to compensate for the extra costs incurred by companies and families due to the war in Ukraine;

5. The need to continue the practice of coordinating fiscal policies at national and EU levels, which has been successful during the pandemic emergency and should be maintained in the post-COVID period;

6. The need to forge a common approach to reducing the EU’s dependence on Russian gas. The EU agreement to grant Portugal and Spain the right to lower energy prices at the EU Council of March 25th 2022 is a noteworthy step.

The countries of southern Europe have a clear interest in coordinating their positions in view of the incoming negotiations on the economic governance framework. Furthermore, some principles or criteria should inspire the envisaged reform:

1. Public debt ratios will have to be reduced in the post-COVID phase, but in a manner that is consistent with the need to continue to support sustainable economic growth;

2. Besides the reform of fiscal rules, a review of the EU economic governance framework should also focus on improving coordination between monetary and fiscal policies (fully respecting ECB independence), and should aim at increasing convergence of member states’ economies (through a revision of the Macroeconomic Imbalances Procedure [MIP]);

3. The new rules should be simpler and make use of observable variables to measure compliance. They could continue to use reference values of a general nature, provided that national paths of reducing deficit and debt-to-GDP ratios are adapted to the specific requirements of individual member states. They should allow a certain flexibility and should increase national ownership and more effective compliance;

4. Finally, useful lessons should be drawn from the experience of the Next Generation EU and of the Recovery and Resilience Facility (RRF), in particular regarding the governance of the revised fiscal rules. That could be based on agreements between the Commission and individual countries accompanied by clear conditionality, with increased priority given to strategic security, environmental and climate standards.

Against this complex background the countries of southern Europe have a clear interest in coordinating their positions in view of the incoming negotiations on the economic governance framework for a number of reasons. These countries have been relatively more affected than others in Europe by COVID and the economic recession of 2020. Their economies are recovering well but will need continued support from an appropriate mix of fiscal and monetary policies. They are the most significant beneficiaries of the EU financial resources made available through NGEU. Consequently, they have an interest in demonstrating that this extraordinary programme is a success and can constitute a model for a future evolution of EU economic governance. They generally have a relatively higher debt-to-GDP ratio than northern European countries, and they thus share the objective of a more pragmatic and growth-friendly debt reduction rule. More generally, they have an interest in rules that maintain budgetary discipline while allowing a sufficient degree of fiscal space for expansionary domestic fiscal policies to support investment and sustainable growth. Finally, they have a common interest in defining a more effective system of incentives aimed at reducing macro-economic imbalances and increasing economic convergence.

The fiscal rules (the revised Stability and Growth Pact plus the Fiscal Compact), which are presently suspended, are the result of a series of legislative interventions. They are complex, non-transparent, difficult to implement and too often rely on non-observable variables. Nevertheless, they have allowed the necessary flexibility in their implementation, even if it has come at the expense of clarity and uniformity. Starting from the recognition that a progressive reduction of the excessively high debt ratio will be necessary in the post-COVID phase, any reform should aim at defining rules that are simpler and more transparent, and that avoid the use of obscure parameters. In particular, the present, unrealistic (and never seriously implemented) 1/20 debt reduction rule should be revised in the light of the present levels of public debt. Moreover, the fact that high public debt levels have become a widespread problem in the eurozone legitimises the pursuit of a collective EU approach to debt management.

Given the well-known political constraints, the common quantitative reference values defined in the Protocol annexed to the Maastricht Treaty (3% of GDP for deficits and 60% of GDP for debts) need not be modified. But more flexibility should be introduced into the path of convergence towards these objectives by introducing country-specific speeds of the processes of adjustment. Fiscal rules should also account for the composition and quality of public finances, and incorporate important features of public debt sustainability, such as the profile of the debt. Such processes should be based on a dialogue
between the Commission and individual member states, subject to periodic reviews and accompanied by some form of conditionality. The model of “contractual arrangements” could be utilised to manage fiscal adjustments programmes in a manner that would increase mutual trust and national ownership.

The possibility of exempting certain categories of public investments from the calculation of public deficits and debts, the so-called “golden rule”, remains controversial. Those who oppose it mainly cite the extreme difficulty of defining investments that would be eligible for exemption. One way to circumvent this objection would be to focus on national public investments that are unequivocally linked to the implementation of shared EU strategies (including European strategic autonomy) or programmes. Although difficult to agree and implement, a similar “golden rule” would stimulate and support the realisation of common EU objectives.

The economic crisis originated by the pandemic and, more recently, the war in Ukraine are likely to have asymmetric impacts that will increase divergences between the economies of EU member states, and will underscore the need to reduce both large current account deficits and large current account surpluses. In order to ensure a more credible return to a path of convergence between member states’ economic and financial performances, a revised and strengthened Macroeconomic Imbalances Procedure should be put in place. The revision of the MIP should particularly concentrate on its implementation phase, with a view to making this instrument more credible and effective.

The European Semester, enriched by the experience gained in the implementation of the NGEU, should remain at the centre of the economic governance framework as the main policy coordination instrument. It should include National Reform Plans, National Recovery and Resilience Plans and National Stability Programmes. It should lead to country specific recommendations that would address the main challenges for each member state. In its implementation, more effective national ownership should be ensured through better involvement of national parliaments.

Ideally, the creation of a common central fiscal capacity, in other words, a common EU (or eurozone) budget with a stabilisation function, and financed by a set of its own new and authentic resources, would be the most appropriate solution to provide the EU (or the eurozone) with an instrument to face future challenges that could be utilised in a series of specific circumstances. The precedent of NGEU, financed as it is by common EU bonds issued by the Commission, and with a model of governance based on agreements between the Commission and individual member states, may provide a useful model.

Nevertheless, it is well known that several member states consider NGEU to be a “one-shot” non-replicable programme. It is equally recognised that the creation of common fiscal capacity would require treaty changes, for which there is generally little or no appetite at all. At this stage, the idea remains divisive and will probably not figure as one of the deliverables of the present reform. But it would be advisable, at a minimum, to flag support for this proposal for at least two reasons: first, because it is economically and conceptually sound; and second, to avoid its exclusion from the possible deliverables of a medium- to longer-term reform.

The above ideas and suggestions are meant to constitute a reasonable common platform for southern European member states and they should correspond to a minimum common understanding for a group of presumably like-minded countries. In the past, other groups of countries from northern Europe, like the so-called “frugals” and the New Hanseatic League, have adopted a tough stance on these subjects. A common, or at least coordinated, position by the countries of the south should not be presented as in opposition to other groups of countries, but as a contribution to the definition of rules of the game for EU economic governance that are more adequate and effective in the new circumstances.

**Cooperation on climate change, agricultural policies and energy sources**

Climate change poses a global threat, and southern European countries share reasons to view it as a grave problem that demands immediate action. This is due to two interlocking factors. The first is their greater exposure to climate effects like desertification, droughts and wildfires—a slow-rolling emergency brought to the fore every summer, with Greece in 2021 as the latest example. The second is their reliance on agricultural sectors that are acutely sensitive to rises in global temperatures, including the fruit, vegetable and wine industries of southern European countries. Climate change is not expected to **as negatively affect** the yields of specific crops and even forestry areas in northern Europe, meaning countries in the south will bear much greater costs from global temperature rises. Tourism – another important economic sector across southern Europe – is similarly expected to be negatively impacted by rising temperatures throughout the summer season, sometimes associated with the increasing wildfire risk in certain tourism-heavy areas.

Southern EU countries therefore share an interest in establishing a coordinated and ambitious response to the ongoing climate crisis. They can rally behind a mobilisation of public investment at EU level to accelerate the transition toward clean energy sources and measures to mitigate the effects of climate change.
Rather than being passive recipients of European funds, they should shape this agenda, in part through their potential as energy hubs for renewable sources – with an emphasis on solar power, the generation of which grew roughly twenty-fold between 2008 and 2020, making it the fastest-growing renewable energy source in the EU, representing 14% of its renewable energy output. Green hydrogen is another source of energy of which southern European countries can become critical suppliers through the development of green hydrogen projects using both NGEU and private sector funding. The Iberian peninsula’s level of interconnection with the rest of the EU remains low, and the recent push to connect its energy grid to the rest of the bloc is a key area where potential contributions can be made in the medium term – all the more so given the urgent need to reduce the EU’s high dependence on imports of fossil fuels from Russia and the US (after the newly signed US gas deal), but also on imports of critical raw materials from China.

A shared commitment to contain the most harmful effects of climate change could also lead to increased cooperation on updating the EU’s Common Agricultural Policy. Traditionally a source of competition between southern member states for EU funds, CAP should instead be reassessed as a critical asset to mitigate the threat posed by global warming toward all agricultural sectors across the EU’s south. This logic of cooperation on strategic investment and provision of public goods on a European scale should be extended to EU investment in industries understood to be critical for the development of strategic autonomy at the economic level, food sovereignty, short food supply chains and local food systems, including the development of microchip and semiconductor production plants.

Policy areas where opinions diverge will nevertheless remain. The controversy generated by the inclusion of natural gas and nuclear energy as “clean” sources in the recent EU taxonomy is a case in point. Moreover, gas resources vary greatly by country, with some more reliant on Russian supplies than others. This will likely affect each government’s stance and priorities when it comes to redesigning the EU’s energy mix. In any event, southern European countries share a common interest in developing more interconnected European energy markets and strategic plans to strengthen the provision from alternative providers in order to facilitate divestment from Russian gas.

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A shared neighbourhood: the Mediterranean and Northern Africa

Geography also plays a critical role in developing similar concerns across the EU’s south. The first is the shared interest in events in the southern Mediterranean basin. However, there is no shared outlook when it comes to foreign policy positions on Northern Africa – for example, Paris and Rome support different political and military actors in Libya. There is – barring France – consensus that the European Commission’s repeated attempts to coordinate migratory policies and the Dublin Regulations have failed to yield a sustainable framework for countries who are front-line recipients of migrants and refugees, as well as the fact that there is a need to re-evaluate the scope and objectives of Frontex operations across the Mediterranean. Nevertheless, the salience of migration as a contested political issue varies by country: it is greater in Italy, Greece and France than in Portugal and Spain. Similarly, diverging approaches toward key actors in the neighbourhood – most notably Turkey, Greece’s main security challenge – will remain a source of contention.

Second, shared areas of interest for southern European countries when they look south of the EU extend beyond the Mediterranean basin. They include concerns with the security challenges – including a rise in Islamic extremism – affecting the Sahel region, as well as the willingness to deepen ties with countries across Sub-Saharan Africa, where the coming decades will witness a remarkable take-off of economic and demographic growth. Both Northern and Sub-Saharan Africa are identified as key destinations for green investment in the Quirinal Treaty recently signed by the Italian and French governments.

Third, maritime security impacts the EU’s southern European states in six domains: freedom of navigation and safety of commercial routes (piracy but also military manoeuvres by non-Mediterranean countries); counterterrorism measures; migration monitoring (although the weaponisation of migration is an issue that is not only linked to maritime security); hybrid threats; climate change and its impact on the Mediterranean; and energy security (reducing energy dependence on Russia, for example by importing liquified natural gas from the US, Qatar or Algeria), or by exploiting untapped natural resources in the Eastern Mediterranean).
It is worth noting that the areas of cooperation explored in this section are not isolated from each other. For example, the impact of climate change is already contributing to destabilising economies and societies across the African continent. This, in turn, exacerbates existing migratory trends, both within African countries and between them and the EU. Southern European states therefore share an interest not just in developing tools to mitigate climate change within the EU, but also to ensure all signatories of the Paris Agreement abide by its guidelines, and to assist states in creating an enabling environment for sustainable and equitable growth in both the Mediterranean basin and Sub-Saharan Africa to meet these targets. Ensuring that their cooperation and development aid can reinforce these goals will be a critical challenge throughout the coming years.

The EU and the wider world

The Ukrainian war has put new issues on the European agenda and forced leaders to rethink their priorities. The current security issues, such as the EU’s energy dependence – especially on Russian gas – and the management of refugee flows, are very familiar issues for the five southern European countries. They are pro-active in promoting new “gas route” projects with, for example, Algeria (Italy is Algeria’s biggest importer of gas, followed by Spain), as well as in the Eastern Mediterranean. Some, meanwhile, especially Greece and Italy, were on the front line during the 2015 migration crisis in the region. When dealing with the consequences of the war in Ukraine, the European decision-makers should thus rely on their experience and capacities. Moreover, southern European states can contribute on a broader scale to deepening European foreign policy, as these five countries form a rather homogeneous group, holding similar stances on a range of international matters. Their converging diplomatic positions, the variety of regional mechanisms they have created or in which they participate, and their unwavering commitment to European integration, provide a solid institutional basis to better anchor the EU’s external credibility.

During the Portuguese presidency of the EU in the first semester of 2021 the process towards European strategic autonomy gained traction. All southern European states support this concept and are pushing for the development of common European defence. Between them they could enhance cooperation to promote capacity building, interoperability and joint exercises. The French–Greek strategic partnership signed in September 2021 is a concrete development in that direction, as is the joint commitment to further developing the provisions of article 42.7 TEU, the “mutual defence clause”. Defence budgets are on the rise in all these countries; the Portuguese, Italian, Spanish and Greek armies are modernising their equipment. Meanwhile, France, Spain and Italy have efficient defence industries that could bolster European efforts towards a common armament policy. At the same time, southern European states remain attached to the transatlantic relationship and to NATO, particularly since Ukraine, with a significant number of US and NATO military bases on their territories. Thus, the development of European strategic autonomy does not equal estrangement from NATO, but rather complementarity with it. The shared stance of these states regarding the EU’s response to the war in Ukraine exemplifies these principles: unanimous condemnation of the Russian invasion, support for the EU and NATO’s position, support for the shipment of military equipment to Ukraine and acceleration of the reflection on European strategic autonomy, as shown by the recent adoption of the EU’s Strategic Compass.

Southern European states also share similar positions on the future means of action of the ‘geopolitical union’ envisaged by EU Commission President Ursula von der Leyen. They support the idea of an active EU within international cooperation networks, especially on development issues, and they advocate increasing engagement with environmental preservation, especially as they are all dramatically affected by global warming (deforestation, rising temperatures, wild fires, etc.). They wish to include the fight against climate change in a global international framework by cooperating with other Mediterranean countries (Maghreb and Eastern Mediterranean countries, notably Turkey). This cooperation can be operated within pre-existing formats, such as the Union for the Mediterranean, which could benefit from an emergency boost in terms of environmental issues. They also advocate for realistic but fair management of migration flows, and their expertise on this matter should be taken into account in order to reform the Schengen area – a project carried out under the French presidency of the EU Council. Finally, all southern European countries insist on the need to promote a more participatory approach on these issues, particularly within the EU–Africa relationship.

All southern European states support the concept of European strategic autonomy and are pushing for the development of common European defence. Between them they could enhance cooperation to promote capacity building, interoperability and joint exercises.
The future of the EU as a geopolitical actor will also depend on its capacity to incorporate the grand diplomatic traditions and networks developed by southern European states, with a view to expanding its international presence in regions where the EU has not yet invested. Respective French, Greek, Italian, Portuguese and Spanish diplomatic clout can help renovate EU partnerships and strengthen alliances in the MENA region, the Eastern Mediterranean and Sub-Saharan Africa. The EU has already launched several initiatives in that direction, as shown by the EU–African Union Summit held in February 2022. In addition, Spain and Portugal are an invaluable gateway to Latin America. Reinvesting in these regions will also allow the EU to efficiently address some strategic issues, such as energy. Southern European states have already developed partnerships – mostly gas-oriented – with extra-European actors (Nigeria, Algeria, Egypt and Israel). These partnerships should contribute in the future to reducing the EU’s dependency on Russian gas and, given their experience, southern European member states could play a key role in negotiating the joint purchase of gas recently agreed by the EU.

Southern European states share the same vision of what the EU’s role in the world should look like. They will be important contributors to the development of European strategic autonomy thanks to their own roles on the international stage and their concrete policies. They could collectively upload these issues to the European level and support European strategic autonomy as a group, which would also provide them with more weight and influence. This group would be able to draw on the strengths of each member, and should at the same time focus on achieving a fair balance between them. From an intra-European perspective, this progressive and reformist alliance could be a counterweight to the Visegrád Group, which tends to advocate more conservative views on international issues. Building regional groups around shared interests and visions within the EU is very relevant today, as the enlargement question is on everyone’s mind once again. The question of potential EU enlargement towards the east – with the recent membership requests made by Georgia, Ukraine and Moldova, in addition to ongoing membership negotiations with the Western Balkans – should not eclipse the south as a long-term priority for the EU, as embodied in the multi-decade common effort on Mediterranean issues since the 1995 Barcelona Conference.

Conclusion

Coalition-building across regional groupings has become increasingly important in an age of growing political fragmentation. At the same time, the COVID-19 pandemic and the war in Ukraine have exerted pressure on the EU as a whole to act, making the case for coalition-building even more pressing in order to advance concrete responses. Whereas other regional EU groupings have existed for some time, the southern member states are only now beginning to emerge as a strengthened group with shared interests.

Southern European EU leadership matters. After a decade of crises, southern European member states are no longer seen as an obstructive bloc as they were during the eurozone crisis a decade ago, but rather as a group of states that can develop a constructive narrative that addresses economic governance reform, climate change, migration, security and defence. They now constitute a fairly homogeneous grouping led by pro-European governments and pro-EU leaderships which should increasingly work together in a better coordinated manner as they and their societies in general share a confidence in EU institutions. They should follow a positive agenda which aims to contribute to a reform-oriented and forward-looking European Union to forge common responses and policies to face the multitude of challenges.

There is a general convergence of interests on the revision of economic governance and budgetary rules, for example, on the EU’s fiscal framework regarding public debt, unemployment and fiscal austerity. There is a shared southern perspective on the growing challenges of climate change, migration and maritime security. There is overall convergence between southern European governments on strategic autonomy, support for PESCO and deeper defence cooperation, as well as strategic autonomy, ensuring a technological edge and energy security. Finally, there is agreement, reinforced by the war in Ukraine, on a more ambitious EU as a geopolitical global actor.

Southern European countries have a shared interest in supporting a joint approach to reforming economic governance and ensuring that policies of counterproductive austerity such as those applied during the EU’s decade of crisis are not repeated. They also share an ambition to strengthen the mechanisms to make the union and its citizens more resilient towards outside economic and financial shocks. Here, avoiding excessive dependence on commercial globalisation by making strategic European industries
more autonomous seems key. Strengthening resilience in all sectoral areas is essential to upgrading the EU as a geopolitical actor. Thus, joining efforts not only helps deepen cooperation among southern European countries, it helps to further their interests on the wider European stage, at a time when, inevitably, much of the EU’s attention is focused on the war in Ukraine and its impact on Europe as a whole.

These shared interests notwithstanding, there are also significant differences which the EU’s southern European leaders should address. In the absence of a common EU energy policy, and in light of the Commission’s ongoing attempt to reduce energy dependence on Russia through joint gas purchases, it will be interesting to observe whether southern European governments will pursue a common approach. On strategic autonomy it is not yet clear that the five states will engage sufficiently in a cooperative approach to defence. The radical change in Germany’s defence policy towards a major increase of its defence budget creates additional pressure. On Russia and the war in Ukraine, southern European member states have maintained a joint position of condemnation and sanctions on Russia and political, financial and military support for Ukraine, but in this their position did not stand out from the other EU member states. Meanwhile forging a joint position on China might prove to be more challenging.

As the European Union faces multiple great challenges regional sub-groupings will tend to play an increasingly important role in setting the agenda and prioritising EU policies. Forging consensus, or at least maintaining a joint position on a majority of EU issues will be no easy task for the EU’s southern European countries. But after a decade of crises whose impact fell much heavier on the European south, France, Greece, Italy, Portugal and Spain must realise that a common approach to the most pressing issues facing the EU (economic governance, climate change, migration flows, energy dependence security and overall strategic autonomy) better serves their national interests in most cases than isolated efforts. To sustain a coherent approach policymakers will need to deepen cooperation at their annual multilateral and more systematic bilateral meetings, forging common approaches and putting forward new policy proposals. On a number of issues, the view of the European south is increasingly becoming the EU mainstream; southern European member states should seek to translate their growing relevance into greater impact through closer political coordination.