

**BUCHAREST UNIVERSITY OF ECONOMIC STUDIES**

**Doctoral School Economy I**



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Presented and publicly defended by the author:

**ADRIAN-BOGDAN A. CURTEANU**

Thesis title:

**THE CONSTRUCTION OF THE SINGLE  
EUROPEAN MARKET AND THE SECTORIAL  
POLICIES**

Scientific supervisor:

Prof. univ.dr. Gheorghe POPESCU

Doctoral thesis defense committee:

Prof.univ.dr. Mirela-Ionela Aceleanu (chairman) - Bucharest University of Economic Studies

Prof.univ.dr. Andreea-Claudia Șerban (referent) - Bucharest University of Economic Studies

Prof.univ.dr. Nicoleta Cristache (referent) - Dunărea de Jos University of Galați

Prof.univ.dr. Ramona-Costina Pîrvu (referent) - University of Craiova

Prof.univ.dr. Gheorghe Popescu (PhD supervisor) - Bucharest University of Economic Studies

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## **KEYWORDS**

Integration, Single European Market, Sectoral Policies, Digital Economy, Economic Stability, International Cooperation, European Values, Global Competitiveness, Innovation, Regulations, Data Protection, Confidentiality, Human Rights, Sustainability, Integration Index.

## **SUMMARY**

The thesis focuses on the analysis of the Single European Market and its related sectoral policies, addressing the theoretical, legislative, and methodological aspects of the subject. The work aims to explore the challenges and prospects of contemporary Europe in the context of building a unified market, emphasizing the integration of goods, services, production factors, and industries within an interconnected framework.

The thesis provides a perspective on the historical evolution of the Single European Market, initiated by the Treaty of Rome in 1957, highlighting its transformation into a globally competitive economic entity. It underscores the importance of the free movement of goods, services, capital, and people among member countries. Additionally, it points out the role of the European Commission in governing the Single Market and implementing the Digital Single Market Strategy, a strategy intended to promote e-commerce and the digital economy through the harmonization of national legislations.

The thesis is structured into five chapters, each addressing different aspects of the Single European Market:

**CHAPTER 1. “The Integration of the European Market – A Major Challenge of the Contemporary World”** offers a comprehensive analysis of the European integration process, from its post-war origins to the current challenges and prospects. This process was essential in shaping modern Europe, having a significant impact on economic and political cooperation between nations.

The origins of European integration are anchored in the desire to prevent future conflicts, starting with the creation of the European Coal and Steel Community in 1951, followed by the signing of the Treaty of Rome in 1957, which established the European Economic Community. These initiatives laid the foundation for the elimination of trade barriers and promoted the free movement of goods, services, capital, and people.

Over time, the EU has expanded and adopted important policies and mechanisms for integration, such as the customs union, cohesion policy, and the single currency (euro), which

have contributed to economic growth and the stability of the region. However, the integration process faces significant challenges, including economic disparities between member states, political fragmentation, Brexit, migration and security challenges, technological advances, and geopolitical uncertainties.

Theories and theoretical approaches to integration, from neofunctionalism to multilevel governance, offer different perspectives on how European integration has evolved and influenced the continent's political and economic structure.

The crucial role of EU institutions in promoting and supporting integration, such as the European Commission, the European Parliament, the European Council, and the European Central Bank, each with specific responsibilities in the integration process, is also highlighted.

In conclusion, the integration of the European market is presented as a complex and dynamic process, characterized by significant achievements as well as ongoing challenges. The future of integration depends on the EU's ability to address these challenges and to promote convergence, cohesion, and common prosperity in a constantly changing global landscape.

**CHAPTER 2. "The Construction of the Single Market, the Quintessence of European Integration"** explores the construction of the Single European Market (SEM), the integration of the markets for goods, services, and production factors within the European Union (EU), providing a perspective on the evolution, challenges, and strategies adopted to achieve these ambitious goals.

The construction of the Single European Market emphasizes that the SEM was designed to strengthen economic integration and improve global competitiveness. Historical initiatives, such as the European Coal and Steel Community and the European Economic Community, the evolution of the SEM in the 1980s, as well as the encountered challenges, including divergences in regulations and the diverse economic and cultural contexts of the member states, are discussed. Strategies to overcome these challenges involve the harmonization of regulations, structural and cohesion funds, and education and training initiatives.

The integration of the goods market highlights the essential role of the integrated goods market in economic growth and the stability of the continent, providing economies of scale, stimulating competition and innovation, and diversifying consumer choices. The benefits and challenges of integration, including the persistence of various regulations among member states and the impact on smaller EU economies, are analyzed.

The integration of the services market addresses the importance of the services sector in the EU economy, representing over 70% of the EU's GDP as well as a corresponding

proportion of employment. The Services Directive of 2006, aimed at easing the establishment of service providers in the external markets of the EU and promoting cross-border service provision, is discussed, highlighting the achievements and challenges of this process, including the heterogeneity of national regulations and protectionist trends.

The integration of the production factors market examines the coordination and harmonization of production factors (land, labor, capital, and entrepreneurship) for the efficient operation of the market economy. The importance of integrating these factors for sustainable economic development is explained, and the EU mechanisms for capital integration, including the Single Market, the Banking Union, and the Capital Markets Union, are discussed.

The chapter offers a comprehensive view of the EU's efforts to build an integrated single market, highlighting both significant achievements and remaining challenges. The SEM is presented as a major project of economic integration, with a profound impact on collective prosperity, innovation, and global competitiveness.

**CHAPTER 3. "Analysis of Sectoral Policies and Their Place in the Construction of the Single European Market"** presents a detailed analysis of the various sectoral policies implemented by the European Union (EU) to support the construction of the single European market. This chapter addresses how specific policies, such as agricultural, competition, industrial, regional, transportation, environmental, and consumer protection policies contribute to the broader EU objectives of economic and social integration. It discusses the EU's fundamental principles, such as supranationalism, subsidiarity, solidarity, and how these guide the implementation of sectoral policies. This chapter also explores the challenges and criticisms faced by the EU in its efforts to balance national interests with supranational objectives, addressing issues such as the complexity of EU bureaucracy, the perception of a "democratic deficit," and tensions between expansion and deeper EU integration.

Moreover, detailed strategies and specific initiatives in the economic, digital, energy, transportation, competition, consumer protection, research and innovation, and regional development areas are outlined, highlighting how these sectoral policies work together to support an integrated and efficient single market. Each section describes the objectives, tools, and impact of the respective policies, providing a comprehensive view of the EU's efforts to promote sustainable economic growth, innovation, and social cohesion.

Essentially, this chapter emphasizes the crucial role of sectoral policies in the construction and operation of the single European market, as well as the ongoing challenges and the need for adaptation in the face of global and international changes.



**CHAPTER 4. "The Digital Single Market"** offers a detailed and comprehensive analysis of the European Union's initiative to create a Digital Single Market (DSM), aiming to remove national barriers for online transactions and to boost economic growth and innovation in member states. The DSM concept is based on the removal of trade barriers between member states to encourage economic prosperity and contribute to a closer union among the peoples of Europe. The document explores the evolution and development of the DSM, its main objectives, the impact on businesses and consumers, challenges related to cross-border data flow and privacy concerns, and the DSM's impact on innovation, competition, and economic growth in the European Union.

The DSM strategy includes significant legislative initiatives such as the General Data Protection Regulation (GDPR), the Digital Services Act (DSA), and the Digital Markets Act (DMA), aiming at standardizing data protection laws, regulating online platforms, and addressing competition in digital markets. The author presents the evolution of the DSM, from the early digital economy to current challenges and the ongoing evolution in the digital field.

Furthermore, the analysis of the DSM's impact on businesses and consumers highlights the benefits of increased e-commerce, improved access to digital services, and the promotion of innovation. However, challenges in standardization and interoperability are recognized, as well as the need to balance data protection with the free flow of data.

The chapter concludes with a discussion on the challenges and future prospects for the DSM, emphasizing the importance of harmonizing regulations, addressing privacy and data security challenges, and the need for a robust framework for data governance. The crucial role of the DSM in shaping the future digital landscape of the European Union, encouraging innovation, ensuring fair competition, and stimulating economic growth is also highlighted.

**CHAPTER 5. "The EU's External Action and Measuring the Degree of Integration in the Single Market for EU Member Countries"** explores the complexity and variety of the European Union's (EU) external policies, highlighting the EU's role as a global actor in various domains such as foreign and security policy, development cooperation, humanitarian aid, trade policy, enlargement and neighborhood policy, human rights and democracy, environment and climate change, energy policy, migration and asylum, and counterterrorism and security.

Each section provides a detailed look at the EU's objectives, strategies, and activities in these areas, emphasizing the importance of international collaboration, commitment to fundamental European values, and efforts to address global challenges. The EU's external policies are presented as essential tools in promoting peace, security, sustainable development,

and addressing issues like climate change, migration, and terrorism. The document also highlights the challenges and complexities faced by the EU in implementing these policies, as well as the need for continuous adaptation to a changing global environment.

Through its external commitment, the EU aims to build a safer, more stable, and more prosperous international environment, while promoting democratic values, human rights, and the principles of the rule of law. This holistic approach incorporates both bilateral and multilateral dimensions, engaging the EU in dialogues and partnerships with a variety of international actors, from individual countries to international and regional organizations.

Essentially, the chapter underlines the crucial role of the EU as a global actor, committed to effectively and responsibly managing external relations and addressing transnational challenges through a combination of integrated policies, international cooperation, and the promotion of universal values.

"The Integration Index – a tool for measuring the degree of integration in the single European market for EU member countries" explores the creation and use of an integration index to assess how well the economies of EU member countries are integrated into the single market. This index aims to provide a clear picture of the degree of integration, considering aspects such as trade, capital, labor market, and knowledge transfer. Integration is essential for economic stability, monetary policy coordination, trade and investment decisions, policy formulation and harmonization, as well as for improving global competitiveness.

The proposed index seeks to measure integration through four main dimensions: trade, finance, labor market, and education, each with specific indicators such as the volume of trade in goods, public debt, average hourly wage, and Erasmus mobility for teachers and students. The methodology includes data collection, weighting and aggregating indicators, and normalizing them on a scale from 0 to 100, where 0 represents a lack of integration and 100 represents complete integration.

The index results for the year 2021 show significant variations in the degree of integration among member states, with countries like Italy and Greece recording relatively high scores, indicating strong economic integration into the European single market. On the other hand, countries in Eastern Europe, which have joined the EU more recently, show a lower degree of integration, highlighting the challenges and structural differences within the Union.

The index highlights the importance of continuous measurement and periodic updates to reflect changes in the economies of EU members and to identify areas where additional integration efforts are needed. However, it must be acknowledged that, although the index offers a valuable perspective, it simplifies a complex reality.

This chapter emphasizes the importance of an EU external policy based on integration values, democracy, and the rule of law, thereby demonstrating that the EU plays a crucial role in promoting stability, peace, and prosperity both within its borders and globally. The creation of the Integration Index is an important step in understanding and improving the European economic integration process, providing a useful tool for policymakers, businesses, and investors.