



Bucharest University of Economic Studies
Doctoral School of Economics I

HABILITATION THESIS

Candidate,
Assoc. Prof. Dr. Andrei Hrebenciuc

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Transformation of the European Model from the Perspective of 21st- Century Challenges

SUMMARY IN ENGLISH

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SUMMARY

The habilitation thesis “The Transformation of the European Model from the Perspective of the Challenges of the Twenty-First Century” presents the main professional achievements accomplished throughout the academic career, as well as future development plans. The work is structured according to a classical format: the abstract in Romanian and English, the scientific context of research topic and three main sections covering professional achievements and career development plans, with the bibliographic references included at the end.

The given approach “The Transformation of the European Model from the Perspective of the Challenges of the Twenty-First Century” follows the evolution of an economic and institutional project built on an ambition that is difficult to sustain without permanent adjustment: the association of political freedom, material prosperity and social cohesion within a space made up of economies with different histories, unequal productive structures and institutional capacities constantly put to the test. Post-war reconstruction, the consolidation of the common market and monetary coordination in relation to Central and Eastern Europe gave the European Union a unique architecture, with each stage of integration bringing a new vulnerability alongside the institutional gain achieved.

Post-war Europe began from a state of deep economic fragility, within an international system dominated by the dollar, industrial reconstruction and geopolitical competition between West and East. The Marshall Plan, the Bretton Woods architecture and American strategic protection created the conditions for economic recovery, but also placed the continent in a relationship of monetary and political dependence on the United States of America. Growth, the revival of trade and economic convergence were accompanied by a question that would return in different forms throughout the entire course of European construction: how can a continent dependent on external stability build its economic autonomy without compromising its own social model?

From this initial tension emerged Europe’s concern with monetary stability. The order created after Bretton Woods offered relatively stable exchange rates and a favourable framework for trade, but the convertibility of the dollar into gold concealed an asymmetry that was impossible to maintain in the long run. American monetary policy influenced global liquidity, while European states bore the effects of an architecture in which the reserve currency belonged to a single power. As European productivity moved closer to that of the United States, the tension between exchange-rate stability, capital mobility and the autonomy of national policies became increasingly acute, preparing the

collapse of the old monetary arrangement and forcing Europe to search for its own protective mechanisms.

The search for a European system of monetary stability emerged from the need to stabilise the common market in the face of exchange-rate volatility and speculative attacks on national currencies. The Snake in the Tunnel, the European Monetary System, the ECU and the realignment mechanisms represented successive attempts to create an internal monetary order in a space where inflation, competitiveness and the credibility of economic policies differed sharply from one state to another. Germany became the anchor of credibility, while the other economies sought to turn that credibility into a common good, although the internal discipline required for such a construction was not evenly distributed.

This accumulation of attempts, adjustments and compromises prepared the transition toward the Maastricht Treaty, where the single currency was conceived as an institutional solution for stability, the elimination of exchange-rate risk and the consolidation of the single market. Within this architecture, however, there remained a structural fragility that would decisively mark the first decades of the twenty-first century: monetary policy became common, while fiscal policy remained at the discretion of the Member States. The nominal convergence criteria outlined a language of discipline, but they could not, by themselves, produce real convergence, a common stabilisation capacity or sufficient mechanisms for absorbing asymmetric shocks.

The financial crisis that began in 2008 turned this fragility into direct pressure on the euro area. Public debt, banking fragility, divergent competitiveness and market distrust showed that budgetary rules are not sufficient when confidence disappears and when the costs of adjustment are distributed unequally among states. Greece, Spain, Portugal and Italy concentrated the tensions of a monetary union forced to choose between discipline, solidarity and institutional continuity. The interventions of the European Central Bank gradually rebuilt confidence, but also showed that the European model often reacts through innovative solutions that emerge under the pressure of crisis, rather than through mechanisms prepared in advance.

Once the most acute phase of the euro area crisis had been overcome, the problem of real convergence remained at the centre of European transformation. Economic integration does not automatically reduce gaps between states and regions, and the single market does not generate the same effects where infrastructure, human capital, institutional quality and administrative capacity are unequal. Cohesion policy and enlargement toward Central and Eastern European economies created historic opportunities for catching up, but those opportunities depended on internal organisational

capacity. Romania becomes relevant through the difference between access to resources and the ability to transform them into competitiveness, productivity and domestic added value.

Foreign direct investment illustrates this difference with particular clarity. Capital inflows can bring technology, management, connection to international chains and productivity growth, but their effects remain fragile when local firms fail to learn, when the labour force lacks adequate skills or when institutions cannot sustain the transfer of value toward the host economy. Development does not depend only on the capital attracted, but on the density of the links created between investment, education, domestic firms, innovation and public policies. In the absence of these connections, economic integration may increase openness without producing a sufficiently deep structural transformation.

Income inequalities and regional disparities add a social pressure that tests the European promise of cohesion without uniformity. Europe has sought to reduce differences between centre and periphery without cancelling territorial diversity, but the costs of economic transformation are not borne equally by regions, generations and social classes. Cohesion policies can accelerate catching up, yet they cannot by themselves compensate for weak administrations, insufficient infrastructure, unequal education or economic strategies lacking continuity. This is where it becomes clearest that European integration provides the framework, but development remains dependent on the internal capacity to use that framework.

The Common Agricultural Policy expresses, in sectoral form, the same transition from stabilisation to adaptation. Starting from the need for food security, the stabilisation of agricultural incomes and the protection of domestic production, the CAP was forced to respond to surpluses, budgetary costs, quality requirements, environmental pressures and changes in consumer behaviour. Successive reforms, greening and the Farm to Fork strategy show how an old European policy is pushed toward reinvention. Food is no longer treated merely as sufficient production, but as the outcome of a system in which agriculture, health, climate, biodiversity, prices and consumer trust intersect.

The COVID-19 pandemic changed the intensity of this discussion because it showed how vulnerable a highly integrated economy becomes when logistics flows, mobility, supply chains and public services are interrupted simultaneously. Maritime transport, access to raw materials, energy and food security demonstrated that efficiency based exclusively on low costs can become insufficient when resilience is absent. Europe was forced to rethink the relationship between openness and autonomy, between trade and security, between global integration and the capacity to withstand shocks that spread rapidly through interdependent economic infrastructures.

Climate change has introduced a form of risk that can no longer be treated as a temporary episode, because it simultaneously affects agriculture, transport, energy, industry, consumption and public finances. The green transition requires investment, regulation, innovation and behavioural change, but the distribution of its costs can generate strong social tensions if vulnerable firms, households and regions are left without real mechanisms of adaptation. The European model is tested here in its capacity to transform sustainability from a normative objective into a credible economic process, supported by infrastructure, skills, financing and social acceptance.

Digitalisation and artificial intelligence are simultaneously changing the relationship between labour, capital, productivity and knowledge. Technology can increase efficiency, reorganise firms and open new forms of innovation, but it does not automatically generate development when digital skills are insufficient, when organisations remain rigid or when institutions use data superficially. Europe must close technological gaps without abandoning the protection of rights, the quality of work and the social balance that define its economic identity. This conditionality makes digital transformation more than a technical change: it becomes a test of institutional and educational capacity.

The circular economy and frugal innovation complete this transformation through a change in how competitiveness is understood. Recent crises have shown the limits of a system dependent on abundant raw materials, cheap energy and perfectly functioning global chains. Reducing waste, reusing resources, designing simple and efficient solutions and reconstructing value within productive cycles become components of a European economy that must preserve its standard of living without reproducing the same material vulnerabilities. In this direction, efficiency no longer means only minimum cost, but the capacity to adapt with limited resources.

The comparison with the American model and the Asian model accentuates Europe's difficult position in the current global economy. The United States rewards speed, risk, capital mobility and individual performance, while accepting higher levels of inequality. Asian economies have demonstrated a capacity for strategic coordination and rapid mobilisation of resources, often within more rigid political frameworks. Europe cannot win by imitating these models without losing its specificity. Its strength remains the capacity to combine market, state, democracy and social protection, but this combination must be modernised at a much faster pace than in previous decades.

The scientific trajectory presented in the habilitation thesis follows this transformation of the European model from the monetary foundations of post-war reconstruction toward the challenges of a digital, sustainable and geopolitically fragmented economy. Macroeconomic coordination, the Eurozone crises, inequalities, foreign direct investment, regional disparities, food security, transport, innovation, the circular economy and artificial intelligence are approached as different forms of the

same historical pressure on Europe: maintaining competitiveness in a world dominated by shocks, technology and systemic rivalries, without giving up social cohesion, political freedom and institutional responsibility. The European model remains an open construction, compelled to overcome its own limits in a global economy that no longer allows time for slow adjustments.