

## Development of Knowledge-Based Economy in Romania Through Research and Innovation\*

Mădălina TOCAN, Oana CHINDRIȘ-VĂSIOIU and Anca CRISTEA

Institute of National Economy - Romanian Academy; Associate Professor Ecological  
University of Bucharest, Faculty of Financial Management, Bucharest, Romania

Correspondence should be addressed to: Mădălina TOCAN; [madalina.tocan@gmail.com](mailto:madalina.tocan@gmail.com)

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### Abstract

We can observe in the present the appearance of a new economy based on knowledge and ideas, in which the key factor of prosperity and economic growth is the superior knowledge capitalization. In this new type of economy knowledge is considered to be the driving force of the economic growth, productivity growth and a resource that can offer a sustainable competitive advantage. The competitive advantage it is obtained today through innovation and the extensive utilization of knowledge and it is not based only on products or services, natural resources or geographic particularities. This type of society is emerging in Romania, but Romania must recover substantial lags on many levels of economic and social development. Also, in the last decades Romania was facing many difficulties in order to reach the EU targets regarding the research and development. In this case, the role of the knowledge-based economy vectors must be carefully defined, so that society's response to the "bread or broadband" dilemma to maximize social utility in the medium and long term. Because one of the main vectors of the knowledge economy it is represented by the research and development, the present paper intends to present an overview of the Romanian Research, Development and Innovation (RDI) system, its weaknesses and barriers that have stood in the way of R&D structural reforms implementation from the perspective of the knowledge-based economy.

**Keywords:** knowledge, knowledge-based economy, research, development, Romania