Abstract. Our efforts of adjusting the political, economic, social and legislative systems emerged into a buoyant and dynamic economic environment after 2000. Still, with very few exceptions, the international classifications of the prosperity driving forces’ performance push Romania to the European periphery. Escaping it is the roughest ride to catch up with the EU. We start with a short debate on what makes nations competitive and an overview of Romania’s growth and productivity facts that make us lag behind the EU countries. We focus further on the key domestic policy challenges that Romania must address and on the competitiveness benchmarking worldwide. Finally, we provide specific recommendations for the economic competitiveness policy-making and institutional capacity in Romania, as well as for the efficient allocation of European funds oriented towards competitiveness.

Key words: economic competitiveness, public policy-making, absorption of structural funds, international benchmarking

JEL classification: O47, F15, F59, H5, J24

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