Dynamics of technological readiness competitiveness of the Moldovan economy

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Abstract

Telecommunications infrastructure can effectively reduce trade costs due to the interaction of innovations caused by human and technological resources, thereby contributing to the development of international trade. In the economic literature is mentioned that trade and IT dissemination provide the way to development for the economy of the country when it can use existing opportunities. Our research provides the measurement of the ability of the economy of Moldova adopts existing technologies. The purpose of research is to study the most problematic factors that affecting the technological readiness competitiveness of the Moldovan economy. In our study, we analyzed the Republic of Moldova's score and position in international indicators and rankings in correlation with the methodology of the World Economic Forum. We examined the rank of Moldova relative to other Southeast Europe countries, so our research may be interesting for the countries from the whole region. Our research found that technological readiness competitiveness of Moldova is higher than the global competitiveness and the gap between them has a tendency to increase in the last years. The research showed also that Technological readiness pillar has a significant contribution to the competitiveness of Efficiency enhancers subindex and through him on the global competitiveness of the Moldovan economy.Our research found that the Republic of Moldova has a competitive advantage in the Internet bandwidth kb/s/user, but in other six factors of the Technological readiness pillar, the country has critical values, in comparison with Southeast Europe countries. In plus, Moldova is a country with the most problematic factors between countries.

The research identified that the Republic of Moldova has critically lowlevel indicators of the innovation and sophistication pillars, associated with Technological readiness pillar.

The results of our study can be used in the elaboration of appropriate education, R&D, labour market, industrial and service sectors policies by decision-makers and the private sector of country.

Keywords: regional economic integration, Global Value Chains, Republic of Moldova, competitiveness, factors of Technological readiness Pillar.

1. Introduction

The important links between application of existing technologies, competitiveness and external trade have been the subject of an ongoing debate that has attracted considerable attention from both researchers and decision makers. The globalization has intensified the competition between countries. It is widely accepted that using technologies is a key to competitiveness in the modern economy. Withal the factors and conditions that influence innovation behavior and productivity are basically the same as those that determine the ability of firms to compete.

Since 2010, for emerging economies and commodity-exporting economies in particular, GDP per capita has become more closely correlated with the Global Competitiveness Index's technological readiness, business sophistication, and innovation pillars than it is with the infrastructure, health and primary education, and market-related pillars (goods markets efficiency, financial market development, and labor market efficiency) [1].

The growing interest of Moldovan government to the country's score and position in international indicators and rankings was manifested recently by the introduction of their mandatory monitoring in all key ministers as well as the elaboration of amelioration proposals [2] and it is explained by the importance of country's score and position for the decisions of foreign investors.

The main purpose of the paper is determining causes affecting the technological readiness of the Moldovan economy based on the multilateral analysis. On the one hand, we will study in detail all factors the technological readiness pillar of Moldova. On the other hand, we will compare the technological readiness of the Moldovan economy with the technological readiness of other Southeast Europe countries. Taking into attention Moldova's situation in Southeast Europe, along with the eastern border of the European Union the research covers Moldova and six countries of Southeast Europe region: Romania, Bulgaria, Croatia, Albania, Montenegro, and Serbia. Both analyses are based on the calculation of countries score and position in international indicators and rankings in correlation with the methodology of the World Economic Forum.

Besides its introductory part, the paper has four parts, including the theoretical and methodological background of research as well as all outlining aspects of technological readiness competitiveness of the Moldovan economy and concluding remarks.

2. Interaction between global trade and technology dissemination

Last decades in the economic literature dedicated of trade topics have discussed the importance of trade liberalization for organizing the production of goods and adding value across different countries that consistently led to the appearance of global value chains (GVC).

Under value chains according to M. Porter who primarily described this concept is understanding the division a firm into the discrete activities it performs in designing, producing, marketing, and distributing its product[3]. This concept

was used by him as the main tool for diagnosing competitive advantages by disaggregating the firm in the activities underlying the competitive advantage and identifying links between activities that are central to the competitive advantage and also explaining how coalitions with other firms can replace performance inside the chain.

Value chains have started in framework mainly of one country, then expanded to neighboring countries, have developed at the global level in the early 2000s. In global trade landscape where partners' exports depend on imports and where their connection to the world market is as effective as their link to any other link in the value chain, countries have a greater motivation to work together in order to reduce trade barriers, dessimitate technologies, harmonize standards, costume procedure etc.

Many studies pay attention that IT dissemination alongside the trade and transport tariff reduction allowed further international division of labor and specialization by countries, transferring competition from the firms to their departments and individual jobs through participation in GVC. In the era of increasingly developing GVCs, innovation, and technology transfer are also seen as important sources of more sustained competitive advantage based on intangible assets rather than labor costs[4].

In economic literature is accentuated that technologies are combined with the openness of the economy and economic integration. An open, trading economy generates incentives to innovate and invest in new technologies because firms are exposed to competition and new ideas and can benefit from the technology transfer that comes from imports and foreign investment. At the same time, firms can benefit from larger markets abroad [5; 6].

In this regard it should be noted, that the liberal trade policy of the Republic of Moldova is based on the multilateral and bilateral agreements within neighbor countries between which the Foreign Trade Agreement between RM and EU, Central European Free Trade Agreement (CEFTA) embracing the Southeast Europe countries not members of EU.

In this context, economic integration of the Republic of Moldova by using the potential of trade agreements will contribute to the growth of competitiveness of the economy based on the knowledge and integrated into regional value chains. Valorification of this potential of FTA alongside absorbing the innovations and technology transfer will conduce to overcome such disadvantages of domestic production as low competitiveness of Moldovan exports in foreign markets, as well as the inability to offer them a fairly wide range of end-use goods.

To be mentioned that for the rethinking of upgrading in global value chains is using the concept of "smile curve". It was first introduced by Shih (1996) on the example of the personal computer industry who noticed that at each end of the curve obtain higher value added to the product than in the middle [7]. Therefore at one end are concentrated preproduction activities such as R&D, while on the other postproduction such as marketing. Both tend to obtain a higher share of final product and are situating in developed countries. In contrast, manufacturing or assembly activities in developing countries tend to be located in the middle of the curve that corresponds to lower value-added share. Despite the consensus that the introduction of new technologies in the manufacturing of developing countries and countries with transitional economies often takes place through GVCs, in the economic literature is mentioned that it encounters certain difficulties [8].

Trade and technology provide the path to development for the economy of the country when it can use existing opportunities.

At present, the significance of GVCs for the CEFTA economies of Southeast Europe region is limited, because "they are only weakly to moderately integrated into international trade"[9].

The following sections will be addressed to measurement the ability of the economy of Moldova adopts existing technologies.

3. Methodological background and objectives of the research

The study is based on the analysis of the Republic of Moldova's score and position in international indicators and rankings in correlation with the methodology of the World Economic Forum. Understanding the factors of competitiveness in framework of this methodology is arising from theories of specialization and the division of labor to neoclassical theories emphasis on investment in physical capital and infrastructure, and, later, to interest in other mechanisms such as education and training, technological progress, macroeconomic stability, good governance, firm sophistication, and market efficiency [10]. It is compatible with the approach that explaining the appearance of the value chains.

The Technology Readiness Pillar is the ninth pillar of the *Global Competitiveness Report (GCR), embodied in the* "Efficiency Enhancers Subindex", through which the WEF makes possible the comparison between countries of the main technological aspects of national competitiveness over a certain period. It consists of the following 7 indicators:

- Availability of latest technologies;
- Firm-level technology absorption;
- Foreign direct investment (FDI) and technology transfer;
- Internet users (% pop.);
- Fixed-broadband Internet subscriptions (/100 pop.);
- Internet bandwidth (kb/s/user);
- Mobile-broadband subscriptions (/100 pop.).

All indicators have been estimated from 1 (lowest score) to 7 (highest score) by the experts included in the World Economic Forum survey.

Although research pays special attention to the analysis of indicators included in the Technological readiness pillar, first of all, will be specified records of the 3 Subindexes of Moldova in the Global Competitiveness Index, taking in consideration interconnection between 12 pillars of competitiveness as well as their configuration according the actual level of economic development of the country's economy.

In GCR (2011-2012) is mentioned:"While all of these factors are likely to be important for competitiveness and growth, they are not mutually exclusive—two or more of them can be significant at the same time"[11].

GCRs (from 2011-2012 to 2017-2018) classify all countries observed according to the following stages of development: factor-driven, transition from stage 1 to stage 2; efficiency-driven; transition from stage 2 to stage 3; and innovation-driven.

According to the stage of development, the economy of Moldova balanced between factor-driven and transition to the efficiency-driven stage in the analyzed period 2011-2017 (see Figure 1). For the exception of the transition to efficiency-driven period of 2013-2015, it was classified as the factor-driven economy.



Transition from factor-driven to efficiency-driven



Figure 1. also reveals the regress in the stages of development of Moldova in the last years. As at the factor-driven stage contries compete based on the their factor endowments, the efficiency-driven stage of development, competitiveness has determined by the ability to use the benefits of existing technologies alongside the other indicators of the efficiency enhancers pillars.

Analysis below embraces indicators included in the GCRs for 2011 to 2017 of the World Economic Forum[11;12;13;10;14;1]; their changes and the average scores as well as growth rates of technological readiness pillar calculated by the author for the mentioned period.

The all above-mentioned are taking into attention the necessity of adopting the urgent economic policy measures.

It should be noted that in accordance with the methodology applied, for the economies which are measured in the overall GCI below 50, any individual performance measured above 51, are considered advantages [11, p.90].

4. Dymamics of technological readiness competitiveness of the Moldovan economy

4.1. Impact of technological readiness on the global competitiveness

The analysis below will be directed first of all on establishing the key domains for the improvement of the country's competitiveness. It testifies to the low progress in the competitiveness of the Moldovan economy in the period 2011-2017. None subindexes records are ranking higher than the Moldovan economy in the list of the Global Competitiveness Index (Table 1). It can be also observed that the country was placed above the hundredth position in some years in the Basic requirements subindex (5 years in total) and the Efficiency enhancers subindex (4 years) of the Global Competitiveness Index.

Year	Globa	al Comj Inc	oetitive lex	ness	Bas	ic requ	iremen	ts	Effi	iciency	enhancer	S	Innov	ation and fac	and sophistication factors			
	scor	rank	Chan	ges	score	rank	Cha	nges	score	rank	Chan	ges	score	rank	Ch	anges		
	е		score	rank			scor	rank			score	rank			scor	rank		
							е								e			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17		
2011	3,9	93	-	-	4,1	102	-	-	3,6	103	-	-	2,9	127	-	-		
2012	3,9	87	0	+6	4,2	93	+0,1	+9	3,7	99	+0,1	+4	2,9	131	0	-4		
2013	3,9	89	0	-2	4,2	97	0	-4	3,7	102	0	-3	2,9	133	0	-2		
2014	4	82	+0,1	+7	4,3	90	+0,1	+7	3,8	88	+0,1	+14	2,9	129	0	+4		
2015	4	84	0	-2	4,3	89	0	+1	3,8	94	0	-6	2,9	128	0	+1		
2016	3,9	100	-0,1	-16	4,1	101	-0,2	-12	3,7	102	-0,1	-8	2,9	131	0	-3		
2017	4	89	+0,1	+11	4,2	95	+0,1	+6	3,7	94	0	+8	3	124	+0,1	+7		
lotal	3,9*	-	+0,1	+4	4,2*	-	+0,1	+7	3,7*	-	+0,1	+9	2,9*	-	+0,1	+3		

Table 1. Subindexes records of Moldova in the Global Competitiveness Index

Source: Elaborated by the author at the WEF, the Global Competitiveness Report, 2011-2012 to 2017-2018

* Note: The average score for the 2011-2017 years is embraced in row

Innovation and sophistication factors have demonstrated the catastrophic low values with the rank among the last fifteen countries included in the Global Competitiveness Index between 2011 to 2017.

It should be mentioned that the average score of the Basic requirements subindex (4.2) is ranking higher, but the Efficiency enhancers subindex (3.7) and the Innovation and sophistication factors (2.9) are lower than the average score of the Global Competitiveness Index (3.9).

It is unlike the analysis of changes in the scores and ranks during the 2011-2017 period in the following analysis. The Republic of Moldova has improved its score by 0.1 in each of subindexes. It is in line with the change of the score reached by the Global Competitiveness Index in the mentioned period. The sign of annual deviations in the rank of GCI is practically the same as in the Basic requirements subindex and in strong correlation with Efficiency enhancers subindex. It emphasizes the importance of the last mentioned one for the global competitiveness of Moldova.

Table 1 reveals also that the factors of Innovation and sophistication factors of competitiveness practically have no changes in its score. They were estimated with the annual low score of 2.9 in all years with the exception 2017 year (3.0). It shows at absent of the progress in innovation and business sophistication sphere.

It can be also observed that the Republic of Moldova has increased its ranks in each of subindexes. But the highest rank increase, which exceeds the Global competitiveness index at 5 points, was in the Efficiency enhancers subindex - by the 9 positions. It is in comparison with rising by 7 positions in the Basic requirements subindex and by 3 positions in the Innovation and sophistication factors.

The above-mentioned records are in contrast with higher ones obtained in the framework of the Technological readiness pillar (an increase in the score by 1.1 and an increase in rank by 25 positions) (Table 2).

Year	Technological r	eadiness	Changes in Tech readiness	nnological	Number of countries surveyed
	score	rank	score	rank	
2011	3,5	78	-		142
2012	3,9	65	+0,4	+13	139
2013	3,9	64	0	+1	148
2014	4,4	51	+0,5	+13	144
2015	4,4	53	0	-2	140
2016	4,4	58	0	-5	138
2017	4,6	53	+0,2	+5	137
Total	-	-	+1,1	+25	-

Table 2. Trends in the Technological readiness pillar of Moldova

Source: Elaborated by the author at the WEF, the Global Competitiveness Report, 2011-2012 to 2017-2018

On technological readiness, Moldova was placed in the first part of the list of countries, embraced by the Global Competitiveness Index, with the exception of 2011.

It should be mentioned that the technological readiness competitiveness of Moldova is higher than the global competitiveness and the gap between them has a tendency to increase in the last years.

To be mentioned further that from the comparison changes in Technological readiness pillar(Table 2) and there in the Efficiency enhancers subindex (Table 1) can be observed the correlation between them. So, the changes in the scores and ranks have almost the same signs for both. In this context, the most revealing is the growth in the score by 0.5 and in rank by 13 positions in the Technological readiness pillar in 2014, that is followed by the growth in the score by 0.1 and in the rank by 14 positions in the Efficiency enhancers subindex for this period. Similarly, both have no change in the score in 2015. But the decrease of the Technological readiness pillar for 2 positions was accompanied by the growth of rank by 25 positions in the Pillar of Technological Readiness made a significant contribution to the growth of rank by 9 positions in the Efficiency enhancement subindex. From the

analysis reveals that Technological readiness pillar has an important influence on the competitiveness in the framework of Efficiency enhancers subindex and by this on the global competitiveness of the Moldovan economy.

Therefore, improving the competitiveness of the technological readiness of the Moldovan economy should have a strong impact on the upgrading of the Moldovan stage of development and precisely speaking on the transition from a factor-driven stage to efficiency-driven stage.

Taking into account the above considerations, in the following analysis, all factors of technological readiness competitiveness of the Moldovan economy are studied in detail with the scope of determining the most problematic from there.

It can be observed that indicators within the technological readiness pillar are developed unevenly (Table 3).

Table 3. Factors of technological readiness competitiveness of the Moldovan economy for the
period 2011-2017

Factors	2011		2012		2013		2014		2015		2016		2017		2017- 2001	
	ore	ore unk	ore	ank	ore	ank	ore	ank	ore	ank	ore	ank	ore	ank	Changes	
	Sci	βá	Sci	βá	Sci	βá	Sci	βá	Sci	βâ	Sci	ß	Sci	βá	Scor e	Rank
Availability of latest technologies	4,3	11 2	4,1	11 8	4,1	11 6	4,3	96	4,4	92	4,3	95	4,4	88	+0,1	+24
Firm-level technology absorption	3,9	12 6	4	12 8	4	12 4	4,1	10 9	4,1	10 9	4	112	4	106	+0,1	+20
FDI and technology transfer	4,1	10 3	4,1	10 3	4,1	10 9	4,2	97	4	99	3,9	100	4	98	-0,1	+5
Internet users % pop.	40	62	38	74	43,1	77	48,8	70	46,6	74	49, 8	79	49	71	+9	-9
Fixed- broadband Internet subscriptions /100 pop.	7,5	61	9,9	58	11,9	52	13,4	52	14,7	52	15, 5	56	16,3	54	+8,8	+7
Internet bandwidth kb/s/user	14	38	91,1	15	94	23	115, 8	23	152, 4	18	194, 9	16	144, 1	34	+130, 1	+4
Mobile- broadband subscriptions /100 pop.	-	-	3,5	92	5,1	97	47,2	42	49,4	59	51, 9	70	55,5	75	+55, 5	+75

Source: WEF, the Global Competitiveness Report, 2011-2012 to 2017-2018

At the highest end are the Internet bandwidth, Mobile-broadband subscriptions and Fixed-broadband Internet subscriptions as the most dynamic and important factors of competitiveness within the technological readiness pillar.

Moldova has the competitive advantage in the Internet bandwidth, ranking higher than the fiftieth place during the analyzed period (the best – the fifteenth in 2012), whereas country was ranked lower than the fiftieth position in the overall GCI. Fixed-broadband internet subscriptions should be considered as the upgrading factor with the best rank fifty-second in 2013-2015 years. Although, it has room for improvement.

At the lowest end the FDI and technology transfer, Firm-level technology absorption and Availability of latest technologies factors are placed. Although, all factors have ranked higher in 2017 in comparison to 2011: the Availability of latest technologies rose by 24 places, the Firm-level technology absorption by 20 places and FDI and technology transfer by 5 places, they have had very insignificant changes in scores - around 0,1. But in the case of FDI and technology transfer was decreased in the score by 0,1. This situation can be explained by an initial very low base of comparison. In 2011 the Republic of Moldova was placed in all factors analyzed below the hundredth position in their competitiveness. They still remain the critical factors affecting the technology absorption was one hundred sixth place and the availability of latest technologies – eighty-eighth place, both obtained in 2017, but FDI and technology transfer – ninety-seventh (2014).

To be mentioned on the special role of FDI as main sources of foreign technology, especially for countries at a less advanced stage of development. But in the case of Moldova, there is not only a general shortage of export-oriented FDI in higher-technology industries but the weak correlation between them [15].

4.2. The place of Moldova in the technological readiness of the some Southeast Europe countries

The evolution of technological readiness of the Southeast Europe countries shows the persistent competitiveness gaps between countries. By the average score, the countries ranked from Bulgaria(4,66) and Croatia (4.6) at the upper end to Serbia (4.11) and Albania (3.61) at the lower end (Table 4).

			101 11	ie per iou	2011-20	/1/			
Countries	2011	2012	2013	2014	2015	2016	2017	Average	Growth
								score	rate,%
Moldova	3,5	3,9	3,9	4,4	4,4	4,4	4,6	4,16	4,66
Romania	3,8	4,1	4,1	4,5	4,6	4,7	4,8	4,37	3,97
Bulgaria	4,1	4,3	4,4	4,7	4,9	5,1	5,1	4,66	3,70
Albania	3,8	3,7	3,3	3,3	3,4	3,7	4,1	3,61	1,27
Croatia	4,5	4,4	4,4	4,6	4,6	4,7	5	4,6	1,77
Serbia	3,6	4,1	3,9	4,4	4,5	4,1	4,2	4,11	2,6

Table 4. Dynamics of the technological readiness scores of the some Southeast Europe countriesfor the period 2011-2017

Source: Elaborated by the author at the WEF, the Global Competitiveness Report, 2011-2012 to 2017-2018

4,3

4.6

4.9

4.34

4.3

4

4.1

4.2

Montenegro

3,44

It is important to emphasize that Bulgaria has had the competitive advantage in technological readiness (2013-2015) and Croatia (2013-2017). Both were ranking higher than the fiftieth place in technological readiness in the mentioned periods while their economies were ranked lower than fiftieth positions in the overall GCI.

According to average score - 4,16 the economy of Moldova is placed in in the middle of the list of counties on the technological readiness, following the economy of Montenegro (4,34) and Romania(4,37).

It should be noted that Moldova has demonstrated the highest growth rate (4,66%) on the technological readiness competitiveness among countries. At the lowest end on the growth rate are placed Albania, that has had poorest score technological readiness competitiveness, and Croatia with one of the biggest score. Simultaneously, it can be observed that the initial base of comparison of Moldova in 2011 was the lowest (3,5).

In the following analysis, the most critical factors of technological readiness of Moldova will be found by comparing the values of technological readiness factors of competitiveness between South-Eastern Europe countries. For this goal, the average score of each factor is calculated as well as countries with the best score are determined. In our analysis factors with the score below average are considered as critical. We analyze the data for 2017, one of the best years with the point of view the score and position of Moldova in the Technological readiness pillar competitiveness.

The factor analysis placed the countries unlike the analysis above. From the analysis reveals that Moldova is a country with the most critical factors (6), followed by Serbia (5), Albania(4) and Montenegro(3) (Table 5).

Factors	Moldova	Romania	Bulgaria	Albania	Croatia	Serbia	Montenegro	Average Score	Country with the best score	N countr. with critical factors
Availability of latest technologies	4,4	4.7	4.7	4.4	4.8	4.4	4.5	4,6	Croatia 4.8	4
Firm-level techn. absorption	4	4.2	4.5	4.4	4.2	3.9	4.3	4,2	Bulgaria 4.5	2
FDI and technology transfer	4	4.1	4.7	4.9	3.7	3.9	4.4	4,2	Albania 4.9	4
Internet users % population	49	59.5	59.8	66.4	72.7	67. 1	69.9	63,5	Croatia 72.7	3
Fixed- broadband Internet subscrip./100 pop.	16,3	20.7	23.3	8.2	24.6	18. 9	18.5	18,6	Croatia 24.6	3

Table 5. The score of factors of technological readinessof some Southeast Europe countries in 2017

Internet bandwidth kb/s/user	144,1	155.5	175.9	57.0	119.0	26. 3	202.9	125,8	Montenegro 202.9	3
Mobile- broadband subscriptions/ 100 pop.	55,5	73.7	88.4	52.6	79.7	67. 4	60.7	68,3	Bulgaria 88.4	4
Total number of critical factors of country	6	2	1	4	2	5	3	-	-	

Source: WEF, the Global Competitiveness Report, 2011-2012 to 2017-2018

Note: factors with the score below average

└──_factors with the score above average

Croatia and Romania, both have 2 factors with the score below average, but Bulgaria only 1 critical factor. It can be observed that most countries(4 from they) this score is below average in the following factors: availability of latest technologies, FDI and technology transfer and mobile-broadband subscriptions/100 pop. But three from Southeast Europe countries have found the most problematic factors affecting the technological readiness of their economy: internet users % population; fixedbroadband Internet subscrip./100 pop. and Internet bandwidth kb/s/user.

The analysis also shows that Croatia has the best score at the 3 factors, Bulgaria $\hfill -$

2 factors, Albania and Montenegro at the 1 factor. Romania and Moldova haven't the factors with the best score.

5. Conclusions

This study showed that Technological readiness pillar has a strong impact on the competitiveness in the framework of Efficiency enhancers subindex and by this on the global competitiveness of the Moldovan economy. Accordingly, improving the competitiveness of the technological readiness of the Moldovan economy should have an important contribution to the upgrading of the Moldovan stage of development by the transition from a factor-driven stage to efficiency-driven stage.

The factor analysis of technological readiness competitiveness found that the Republic of Moldova has a competitive advantage in the Internet bandwidth kb/s/user. At the same times, the analysis showed that FDI and technology transfer, Firm-level technology absorption and Availability of latest technologies are the critical factors affecting the technological readiness of the Moldovan economy. These factors play a central role in the Technological readiness pillar, taking into attention that the firms operating in the country need to have access to advanced technologies and products and the ability to absorb and use them. Hence it should be adopted urgent measures of state economic politics to improve the situation in these domains.

In the regional aspect, study displayed the comparable level development of Technological readiness pillar of Moldova with other Southeast Europe countries

and the highest growth rate (4,66%) on the technological readiness competitiveness among countries.

But the factor analysis of technological readiness competitiveness between Southeast Europe countries has demonstrated that these records were obtained mainly thanking the competitive advantage factor - the Internet bandwidth kb/s/user. Since the study showed that other 6 factors of the Technological readiness pillar of Moldova have critical values, in comparison with Southeast Europe countries, and Moldova is a country with of Moldova with the score below average: Internet users % population, Fixed-broadband Internet subscrip./100 pop., and Mobile-broadband subscriptions/100 pop. Although about 50% of the population of Moldova is the Internet users other countries had reached more advanced results. It can speak regarding the characteristic of other results of the country in the field of technological readiness. In spite of Moldova has improved its indicators of technological readiness in the last years, the progress reached wasn't sufficient and is preponderantly explained by the low initial base of comparison.

In the study was paid attention to the interconnection between pillars of competitiveness also. From this point of view, the innovation and business sophistication pillars are cause for concern. Since the country is lagging quite far behind in terms of innovation factors as well as business sophistication. To change this situation for the better is also required the urgent state intervention.

The study found that at present the ability of the economy of Moldova to adopt existing technologies is reduced the most problematic factors among them. Besides above mantioned there were the following factors

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