

The Decision-Making Process - Economic Negotiation Platform in Promoting Strategic Leadership

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Abstract

The architecture of the decision-making process has been the distillation point of the human ego throughout time. The reality we live in has turned the decision into a point of attraction to move forward in the growth and development strategy. Indeed, the decision along with its rationality becomes the variable that tilts the balance of the power of persuasion and ensures the growth strategy in its effectiveness and efficiency. At the same time, the road to the decision defined as strategic can be built based on reasoning adapted to the environment in which we live, which means that decision theory calls for a deep knowledge of the process itself, in an interdisciplinary framework, as well as of the perspectives that open an understanding of its essence.

Keywords: *decision, leadership, choice, communicative rationality, transversal rationality*

1. Introduction

The study of the phenomenon of leadership sublimates with aspects that inspire discussions going beyond monodisciplinary approaches. The invisible link between a leader's power and decision over long historical periods has coloured the differences between great leaders and their contribution to all that our everyday reality means. Undoubtedly, the aspect of these situations nuances the very multifaceted character of the concept of leader. Speaking in terms specific to the decision-making process, the decision-maker is a bearer of power over the decision-making situation, starting from the subtext that he becomes the person responsible for this decision. Undoubtedly, the aspect of these situations nuances the very multifaceted character of the concept of leader. Speaking in terms specific to the decision-making process, the decision-maker is a bearer of power over the decision-making situation, starting from the subtext that he becomes the person responsible for this decision. **The syllogism assumes that the actual decision-making situation is the space for the true manifestation of its power. Through the mirror, the reasoning assumes that the uninspired decision weakens the leader's power.** The moment comes to confirm the importance of this topic. The invoked axiom also has hidden connotations related to the effect that the quality of a leader's decision can have on the „vitality” of an organization or institution regardless of the specifics of their activity.

As stated by Peter Drucker, “An enterprise gives or does not give results if the managers at the top, in turn, give or do not give results” [1, p.10]. From this point of view, the decision-making activity of a leader is fundamental to guarantee adherence to his vision and to promote the efficiency of an organization. The decision becomes a tool for manifesting leadership qualities and expressing its forecasting, organizing, coordinating, training, and control-evaluation functions. We specify that in the specialized literature the aspects of the fusion of power in the preparation of the decision, and the identification of the optimal solution option are less researched. Therefore, there is a space for practising some investigative hypotheses and building some scientific convictions, especially since one of the preconditions for an

effective decision is „a good investigation and data processing apparatus well set up to allow the realization of a rational choice process” in addition to the other two: a well-defined objective and a volume of information [2, p.194]. Returning to Drucker, the scientist clarifies “The computer is a logical machine, and this is its asset, but also its limit... But man, although he is not a very logical being, has the ability to perceive - and this is his asset.” [1, p. 36]. The findings above generate an eminently challenging brainstorming about **the semiosis between power and decision**.

2. Research methodology

We observe that the reasoning of the description of the decision-making process presupposes steps to identify some models, variables, and platforms that would facilitate and maximize the efficiency of the decision-making process. As a result, we propose first of all to analyze the variety of theories that explain the conceptual paradigm of decision. Research interest starts from knowing the theoretical palette, analysis profile and comparison of the methodology promoted by each theory in order to observe a decision-making model that encourages a development dynamic in reaching goals with common benefits. Thus, we aim to identify an example of a qualified strategic decision because it preceded the validation of its economic effects according to the external environment and which can provide conditions of certainty (at least marginal) developing sustainability in the face of uncertainty and resilience in the face of risk. However, emerging from the increasingly frequent findings related to the surrounding reality, which attests to an increasing degree of uncertainty and risk, we will examine opportunities to rationalize the decision-making process

3. Results and discussion

3.1. The concept of decision and its rationality requirements

Each time following the evolution of human civilization from the oldest signs of the way of life and understanding of reality, we notice that the fundamental theme that enshrines the existence of man is knowledge alongside his self-knowledge. The engineering of self-knowledge and reality occurred under the signs of initiatory choices, as a result of decisions, and folklore is the first eloquent proof of this. Perhaps the torment of the decision between „to be or not to be”, another example of literary art, is an additional argument to convince us that humanity has redeemed its wisdom through eternal deliberation, marked by the axe of temptation. The dichotomy of the organization of reality has continually offered us **this game of winner or loser**. The act of deciding hides within itself the mechanism of inquiry determined by the platform of a choice exercise. Confirmation is found in various definitions of it. The researchers Burduş E. and Popa I. state “to decide means to choose from a lot of action options, taking into account certain criteria, the one that is considered the most advantageous for achieving certain objectives” [3, p. 321]. Another interpretation emphasizes that the decision appears as a solution chosen by the leader from several possible options, based on significant information to coordinate and regulate subordinate activities, as well as their control and forecasting [4, p.645]. Defining the activity of deciding in the given manner advances a discussion about the importance of **the quality of decisions** alongside the quality of **the decision-making process**. It follows from this that any decision-making process involves

common components: the decision-maker, the decision-making variants, the decision-making criteria, the decision-making objectives, the environment, and the set of decision-making consequences [3, p.323-328]. In this context, the researchers want to emphasize the risks that each component claims. Thus, the quality of the decision depends on the knowledge and skills of the decision-maker, a point that risks becoming an even bigger problem if several people are participating in the decision-making process. In turn, the diversity of alternatives is noted, a factor that produces a benefit, by extensively increasing the alternatives, thus increasing the range of choice. In turn, the diversity of alternatives is noted, as a factor that produces a benefit, through the extensive increase of choice variations with a predetermined condition of converting them into achieved objectives. Drucket mentioned that an effective decision starts from the appropriate way of “measuring” the criteria of relevance. Their varied spectrum requires you to create a path of introspection of the interrogative type „what exactly does this individual see, assuming, however, that his position is viable, rational, intelligent?”. Undoubtedly, the quality of decisions requires the identification of relevant criteria that help to „isolate” aspects of reality, and subsequently to achieve the objectives. The certainty that there are a lot of decisional consequences, in other words, decisional results, following the diversity of criteria and variables, emphasizes the complexity and specificity of the decision-making process. For these reasons, most research tends to specify the requirements of decision rationality (in management):

- **scientific substantiation**, with the help of a scientific instrument, to overcome amateurism, practicality, and routine;
- **decision empowerment**, which explains the overlap between formal authority (attributions) and informal authority (availability of necessary qualities, knowledge, and skills);
- **clear formulation**, without creating contradiction regarding the choice made;
- **the timeliness of the decision**, a requirement that is imposed in the sense of a rhythmic approach, with a time dynamic appropriate to the decision-making situation,
- **the efficiency of the decision**, articulates the idea of an expected effect for the effort made;
- **the complete formulation**, subsumes the algorithm for understanding the decision to be implemented (the objective pursued, the method of action, the person responsible for applying the decision, the application deadlines, the executor, the organizational subdivisions involved).

The definition of the concept of decision in the view of some specialists in the field is also nuanced by **the delimitation between conclusion and decision**, the first following an analytical path with conclusive finality, the second specifying the path of action from now on [4, p.647]. The difference marks the essence of the problem-solving and decision-making process.

3.2. Decision theories and approaches

The myriad situations in which we are faced with a decision generate for some researchers an area of continuous exploration of all that deliberative judgment means. The platform of the theoretical foundation of human behaviour in its desire to “edit” a decision saw the

advancement of research through the prism of economic approaches. Well, the identification of analysis techniques that would examine whether the structure of the decision-making process can be extended to other habitats of social life has demonstrated that the entire decision algorithm reflects an individual's desire to “maximize utility, given a set of preferences and a quantity optimal information” [5, p.20-48]. In this sense, the techniques of interpreting economic behaviour founded its understanding through the **theory of rationality** which had a significant influence on the development of **decision theory and game theory**. The assumption of comprehensive models that can be applied to human behaviour created the theoretical basis necessary to demonstrate the correctness of the economic approach. The generative hypothesis that supports the stated idea is those decisional models subsumed in the **theory of rational choice**, which aims at the instrumental format of the choice. **The theory of rational choice** explains why the individual ends up choosing and deciding through the prism of the balance between costs and benefits, in a maximizing formula overcoming risks, threats, and unwanted consequences. **Game theory** highlights the social interactions stimulated by interactive strategies, taking criticism for its limited potential for foresight, represents the fact that many consequences of our choices are not known [5, p.21-22], [6, p.416]. Decision models developed on the basis of game theory confirm its rationality by referring to “the way in which the individual develops, manifests or modifies his preferences, desires and opinions, aiming at the relationships between them, not their content” [5, p.84]. The criteria of rational adequacy observed in their manifestation in an individual (completeness, reflexivity, transitivity, independence, continuity) generated the framework of theories about consumer behaviour. The models developed within game theory certainly assume a set of specific opportunities and constraints that are directly manifested in a present situation (existing alternatives, the availability of information) and an estimate of future results, which emphasizes that the decision-maker acts as a **maximizer under the given conditions**. The stated specificity points to a new direction of research with the postulation of **group decision theory**, which explains how group dynamics influence decision-making [6]. Coming back, we emphasize that both theories (decision and games) explore the theory of rationality, which underpins, through rational decision models, the classical interpretation perspective of this process, in which the individual is seen as a **rational agent**.

In turn, rational choice theory generates a field of discussion regarding the theoretical level as well as the practical level of rationality. The specialized literature indicates that the theoretical reason does not eminently lead to practical rationality of the decision, which implies the presence of **an area of indeterminacy** in which the decision depends on a specific course: the set of intentional antecedents related to the results of the decision, the weight of different types of antecedent decisions, how they are founded, how the decision-maker places the decision in a wider context, the goals pursued, the reasons for selecting this decision from a set of alternative decisions, the idiosyncrasy factor, establishing the dominant criterion rationality as well as applicable rationality, etc. Under these conditions, the normative profile of the choice will be affected by our psycho-cognitive limits, accentuating dysfunctions related to the relevance of information, its processing and deliberation. In other words, on the one hand, the theoretical argument creates a decision-making platform, on the other hand only the practical one validates the conclusion. The last statement stimulated a distinction proposed by Max Weber between **practical rationality** divided into **formal and substantive rational decisions, in another version „narrow theory” and „extended theory”**. Formal rationality, also called

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instrumental, is procedural par excellence because it calculates efficiency and controls uncertainty, unlike the substantial one that operates with values, evaluative reflections. The classical perspective of rationality highlights three models of rationality according to means-ends, preferences-alternatives, criteria, designed in three standard models.

Table 1 Three models of rationality

Comprehensive rationality (C.R)	Bounded rationality (B. R)	The incremental model/reciprocal partisan adjustments model (I.M.)
<p>The individual can decide rationally based on the comprehensive evaluation of the alternatives and a maximization calculation R.C. is subject-centered.</p> <p>The rationality of the decision is evaluated to the extent that the results of the choice will maximize utility.</p>	<p>Decision makers do not use a predefined and strict benefit maximization procedure because of „cognitive shortcuts”.</p> <p>B.R focuses on the selection of satisfactory alternatives, thus alternative decisions are examined based on a set of suitability criteria, with contextualized application.</p> <p>It allows changing priorities according to contextual constraints.</p>	<p>M.I. argues that decisions tend to take a reference point, the status quo, and operate gradual changes. The strategy is rather improvement/ augmentation than solution, it is perpetuum between trial and error. The decision-maker proposes adjustments, assessing the consequences, adapting subsequent decisions according to this assessment, aiming to minimize the risk.</p>

Source: elaborated by the author after Popa F., Rationality and decision. Bucharest: ASE Publishing House, 2011, p. 63-78.

We observe that the classic theories of presentation of the decision-making process print two approaches: **the descriptive and the normative**. The semiotics of **the descriptive** word promulgates the idea of ambiguous identity at the base of this theory, aiming at the specificity of the human factor, which does not like the „paradigm” in its nature, preferring to act under the impulse of personalized reasonings, loaded with an introspective discourse. In other words, identifying the legalities underlying human behaviour in the decision-making process also requires a descriptive approach. **The normative** approach implants the appropriation of „unitary methodology, which, in a systemic vision, includes all the stages, methods and techniques necessary to substantiate the management decision” [3, p.339]. As a result, this approach tends to identify optimal solutions for different types of situations. Many researchers want to emphasize the advantages of this theory that has guided the modeling of a decision-making process [1, p.21].

By extension of reasoning, he observes that rational choice theory theoretically subsumes the concept construct of decision theory with that of games, developing models and a **decision metric**. The scholarly interest in modelling human behavior, individual or collective”, to generate efficiency from the perspective of **mathematical psychology**, engaged variables of the type: preferences, opinions, intentions, utilities, and individual costs. To be specified, optimality and maximization, will be exercised by the individual will be strictly instrumental, because the individual's decisions and actions will relate to what is perceived as the best solution. The moment described announces the methodological support of the theory of rational choice: the decision is an optional choice of the individual in conditions of ranking of preferences, in order to achieve some goals [7].

The presentation of the models discussed in the theory of rational choice highlights certain limits: access to relevant information, the possibility of processing information

undistorted, the difficulty of determining a maximizing strategy under conditions of risk and uncertainty, the instability of preferences as a result of heterogeneous experiences, the use of “emotional” information in decision making, all of the above invoke the empirical and abstract influence of the correspondence between specific variables. Author Florin Popa comes to highlight “shaky” moments in rational choice theory in explaining “the appropriate analytical link between individual actions with social relevance and their macro-level structural results.” [5, p. 78-84]. It is observed, as the scientist opines, the inability to predict the absolute rationality of these models in practice, because a priori there is no generic criterion that would satisfy any decision-making situation.

It is relevant to emphasize that the classical perspective, aka standard, sets its scientific approach at the end of the 19th century and the beginning of the 20th century, when the social sciences generate a substantiation of the laws of human behaviour. The temporal reference, in our view, aims to emphasize certain variables omitted in the rationality of the choice of the individual in a decision-making experience, variables that tend to change the paradigm and the focus in the decision-making practice of the 21st century.

However, the scaling of some human efforts that determine a conventional predictability in how humans generate optimal and maximizing choices with the specification of volitional limits, in our opinion, was explicitly presented by the scientists Amos Tversky and Daniel Kahneman, Nobel Prize winners and authors of the famous work „Choices, values and frameworks”, presented as a speech for Distinguished Scientific Contributions.

3.3. Decision economics or differences between the theory of expected utility and the emergence of the theory of chance estimation

Returning to game theory, the perspective is created for the emergence of Bernoulli's **theory of expected utility**. At the core of rational choice theory is a reasoning model dubbed the rational agent model. The Swiss scholar Daniel Bernoulli, who studied the psychological value between utility and the actual amount of money, noted that utility is a logarithmic function of wealth. His idea is simple: people's choices are not determined by dollar values, but by psychological values of the results, by their utility. Bernoulli's view was that a decision maker with diminishing marginal utility of wealth will be **risk averse**. The weak point of the theory, discovered by Amos Tversky and Daniel Kahneman, would be **the lack of a reference point** that acts as a stimulus in the decision maker's choice. The as-yet-lack of scientific forecasts involved studying the psychophysics of wealth by tracking **reactions to gains and losses**. Thus, the choice was explored as an **experience of thinking about outcomes by relating losses and gains**. The moment highlights the analysis of the decision-making act through the lens of risky and risk-free choices. Since, for the most part, we live in an uncertain reality, it was natural to follow the mechanism of elections by operating games of chance, the study of which would have aimed to observe attitudes according to risk. It has been found that the vast majority prefer certainty, a sure thing over gambling, which still offers a “bonus” to the higher expectation. Following the relevance of Bernoulli's findings choice is determined by the subjective value or utility of money/wealth. The subjective value of a loss between 200\$ and 100\$ is greater than between 1200\$ and 1100\$. Thus, the presupposition of risk aversion, an important theme in economic theory, promoted the tendency to explain the domain of losses in opposition to possible gains. Loss aversion clarifies the reticence people have even at equal

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stakes of choice, a point explained by **the outcome framing effect**. Authors Amos Tversky and Daniel Kahneman argue:

- that results that are better than benchmarks are seen as gains;
- risk aversion involves choices that fight losses, a moment explained by scientists and through evolutionary history (those who treat dangers as more urgent than opportunities have a chance of survival); the losses seem greater than the corresponding gains
- the decrease in sensitivity due to some sensory effects of the dimensions and evaluation of the changes.

Therefore, the limit from which **we judge a choice situation** emerges from the given theory is **loss aversion**. Interestingly, the scientists' conclusion regarding the rate of risk aversion was estimated, through several experiments, being scaled from 1.5 to 2.5. [8, p. 438-445]. All analyzed situations lead to 2 major conclusions: in the choice they make, the decision-makers prefer the safe thing, however, there is also a probability to try their luck, depending on the risk they assume. Many economists and psychologists have proposed decision models that are based on feelings of regret and disappointment, which are anticipated by decision-makers at the time of choice.

Decision theorists draw attention to the possession effect, positing the asymmetry between the **pleasure of obtaining and the pain of giving up**. To overcome subjective manipulation requires, the scholars suggest, to ask ourselves if there are things we could trade with. The debate requires us to enter the area of “decisions under conditions of poverty”, which suggests that the possession effect does not manifest itself for the poor. Cancelling some expenses, perceived as avoiding unnecessary losses, implies a reduced loss, not a gain, being deprived of a reference point of wealth. For the poor, costs are losses, money spent on one good is seen as a loss in purchasing another [8, p.461-462]. **The decision-making effects produced by loss aversion** emerge from the area of psychology with the transition to the area of behavioural economics, being recognized as asymmetries in the social field:

- the negative has an advantage over the positive, the priority given to bad messages, bad impressions and stereotypes are more resistant to counter-evidence. So, the predominance of negativity.
- the aversion to failure to achieve the goal makes an unachieved goal perceived as a loss, and overcoming it as a possible gain.
- negotiators usually release reference points and provide an anchor, messages that simulate false emotional reference points, and aspire through reciprocity for an equivalent concession. Consequently, losses are valued more than gains.
- the moral rules by which the public evaluates what firms are or are not allowed to do distinguish between losses and gains, emphasizing that economic behaviour is governed by self-interest.
- the effect of certainty and possibility/probability affects the decision-making process [8, p. 465-481].

From the above, **the value of a choice** is directly proportional to the ratio between advantages, evaluated as gains, and disadvantages, evaluated as losses. The authors note that the concepts of utility and value are used with meanings of experiential and decisional value, which do not

have overlapping effects. In the processing exercise, all will be reported to a status-quo. The results possibly interpreted as losses can also change the subjective perception of the individual, who will prefer to pass them on to costs.

The situation expands the research interest if we propose to elucidate the elements of similarity between the reasoning of the one who follows the „loss-cost” decision model and the architecture of a decision-making process at the state level with a certain economic situation and which negotiates its objectives in the existing economic conditions. The formulation of the query aims at the interest towards the manifestation of the endogenous leadership profile in exogenous contexts. Contextually, at the same time, it is necessary to debate the discussed subject through the lens of the decision-making effectiveness of leadership that uses communication as a natural tool for its role when others do not provide it with an advantageous negotiating position.

3.4. The Free Trade Agreement between the Republic of Moldova and the EFTA states - a strategic decision with communicative actions

The presentation of the classical perspective that subsumes decision theories configures weaknesses in programmed rationality, in other words algorithmic, marked by the influence of biological, psychic and cognitive factors, a moment that does not always ensure the transitivity between theory and practice. However, the temptation to engineer approachable as normative and descriptive efficiency still exists today. We are referring to computer-aided decisions, which create an assumption interpreted back in the 60s of the last century by P. Drucker „In a few years, [computers] will make all operational decisions - and soon enough, also strategic decisions. It will transform many of those who usually reacted instead of acting.” [1, p. 169]. The savant's meditation is not just a glimpse into the future, but that subtle movement of thought to see more than it shows, accepting the idea that the machine possesses logic, which makes it rational, but never responsive or even more perceptive. In other words, everything that is a „specific” decision to a human is dysfunctional to a computer. The tendency to „standardize” the reality that produces optimal decisions with the help of the computer is becoming a reality that we are already experiencing [9]. We consider that the present has already launched a perspective for an intelligent intervention on the part of man, which marks a detachment from the classical perspective, with the aggregation of reasonableness (informal, contextual, intuitive) which in Rawls' vision is not reductionist and effectively tools with the space of indeterminacy. As a result, unlike the classical perspective with the formalized model involving cognitive performance and logical adequacy, the reasonable perspective also appeals to norms taking into account their appropriateness in certain contexts. The models developed by this perspective are **communicative rationality and transversal rationality**.

The constitutive level of **communicative rationality** developed by Jurgen Habermas (Frankfurt School) derives from a rationality seen through the lens of a communication action, in a common space of understanding, with a dialogic character to generate an intersubjective agreement. In support of what has been said, we quote “not the application of a predefined set of decision criteria, but the generation and interactive adjustment of them according to the specifics of the decision situation and the interest of the parties involved is the distinctive sign of the rational attitude” [8, p.143- 152]. Overcoming the criticism brought to this perspective with reference to the limited predictive capacity as well as the aggregation of relevant information at the level of group members, the optimization of the decision is possible by

coagulation of *the three realities: objective* (means-goal), *social* (communicative agreement), *subjective* (adjusting the level of values with the feedback obtained from the actions and interactions of those involved). Communicative rationality strengthens the dynamics of the negotiation process by reaching an agreement in which, through communication, the stakes of changing the state of a fact increase. Transversal rationality, alongside the communicative one, distances itself from epistemic rigour and postulates the truth produced in communicative action. The transversal, through the logic of its semantics, includes multiplicity as a premise of the rational, by mitigating completeness. It is relevant that it does not reduce, but on the contrary, diversifies and increases the abundance of heterogeneity. With this finding of the constitution, transversal rationality moves towards „a more adequate description of this disorganized structure” [8, p.154]. Finally, we are open to otherness, a term proposed in the specialized literature, in a broader sense can be interpreted as a meta-competence in creating a mutually beneficial open perspective between the parties involved.

Based on the theoretical foundation for the decision-making process, a relevant example of a strategic decision that respects the conditions of a platform with communicative actions resulting from the transversal rationality of the economic context is the signing of the Free Trade Agreement of the Republic of Moldova with the **EFTA** member states.

On June 23, 2023, the Republic of Moldova (RM) signed the Free Trade Agreement with the European Free Trade Association EFTA, the English version of the acronym EFTA (Exports Free Trade Agreement) [10]. Since 2012, the association represents countries such as Iceland, Liechtenstein, Norway, and Switzerland. The official position of the Republic of Moldova regarding the signing of the agreement emphasizes the opening of significant opportunities for expanding export markets and at the same time strengthening economic relations. The agreement provides for the elimination of customs duties on imports of industrial products and the granting of concessions for market access for agricultural products. It should be noted that AELS represents a market of approximately 14.5 million consumers. The Agreement negotiations saw the stage of signing the Joint Declaration on Cooperation in November 2017, followed by five full rounds of negotiations from March 2021 to March 2023. In the subsidiary, the negotiation process between EFTA and the Republic of Moldova, according to official data, created a propensity force with a positive impact with a relatively short negotiation history compared to other states, perhaps Vietnam, which started in 2012, with 16 negotiated rounds to date. To date, EFTA (EFTA) has signed free trade agreements with 29 countries outside the EU. There are several reasons on the part of the Republic of Moldova regarding the negotiation of this agreement. Three states of EFTA (Iceland, Liechtenstein, Norway) are at the same time member states of the EEA (European Economic Area), the Romanian version of the acronym SEE (European Economic Area) alongside the 27 states of the European Union (EU). At the same time, the states of Iceland, Liechtenstein, Norway, and Switzerland are part of the Schengen zone, accumulating with the other states the opportunities that this cooperation platform has [10], [11], [12].

In this sense, the Free Trade Agreement represents a decision to boost bilateral relations between the signatory countries in the development of sustainable, mutually beneficial and long-term economic cooperation. For a broad framework, which presents a significant prospective table for the Republic of Moldova, it is good to operate with some data from the 2022 report on the EFTA activity. Among the world leaders in trade in goods for the year 2021, EFTA ranks 10th out of 20 mentioned in the ranking, with a turnover of USD 976 billion,

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which corresponds to a 2.6% global distribution share. For comparison, the first three places in the ranking are held in the order of predominance: 1. China (6052 billion \$), 2. EU (5078 billion \$), 3. USA (4690 billion \$). EFTA's interest in creating a mutually beneficial common economic base with other states synchronizes with the ongoing negotiations it is conducting with India, Kosovo, Malaysia, Thailand, and Vietnam. It should be noted that the last three countries are mentioned in the ranking of the world leaders in trade in goods that we have already referred to [13, p 52].

The figures create a reasonable aspiration for an optimistic forecast following the RM-EFTA cooperation decision, also confirmed by the data on trade with Moldovan goods for the year 2022, which reached the figure of exports with the EFTA market of 32 million EURO, while the commercial volume recorded was about 89 million EURO [14], [15], [16]. The statistics of indicators of trade in goods for the period 2000-2020 project a dynamic. We observe in Diagram 1 that the gap between exports and imports in the first phase with a slow dynamic had an increasing trend in the export indicators of Moldovan goods in the following years.

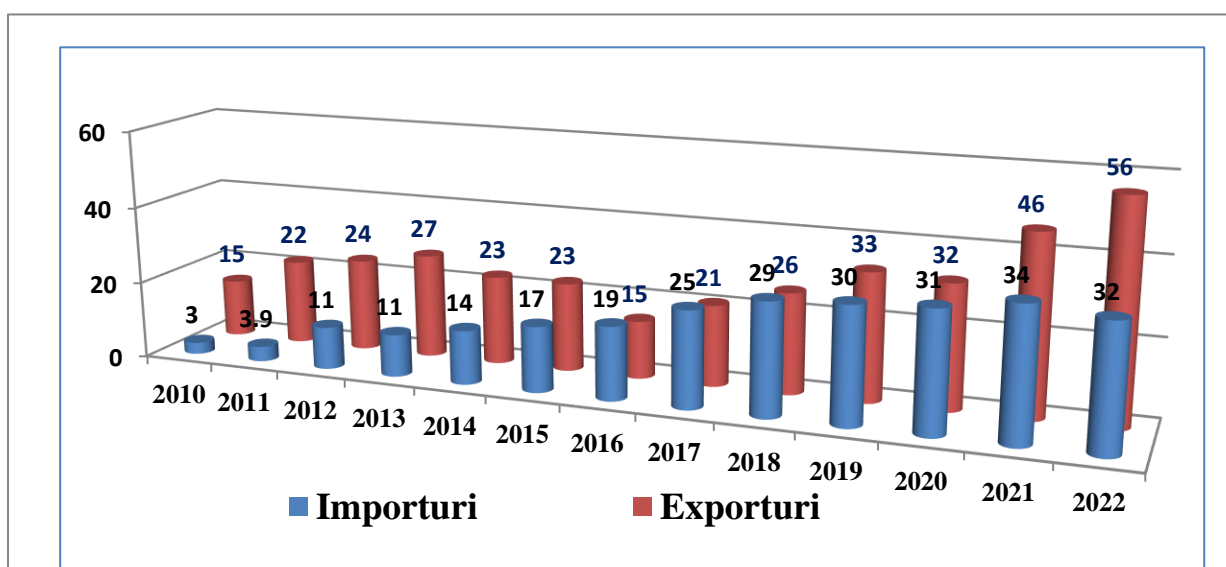


Diagram 1. Evolution of trade between EFTA and Moldova, years 2010-2022 (millions of EURO)
Source: developed by the author based on data from EFTA Trade, Statistics, [15].

Returning to the structure of the signed Agreement, we emphasize that it provides for 12 chapters accompanied by 16 annexes (63 pages, English version). The content of the Agreement refers to trade in goods and services, the establishment of intellectual property rights, competition, public procurement, trade and sustainable development, as well as legal provisions. A chapter on e-commerce is included for the first time.

Table 2 Top goods traded between EFTA and RM, years 2010-2022 (million Euros)

Imports	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2022

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Total imports from RM	3,8	3,9	3,0	3,9	11	11	14	17	19	30	31	34	32	100 %
Electric cars	0,0	0,1	0,1	0,0	0,2	0,2	0,1	4,7	5,1	8,7	9,4	11	8,6	26,6 %
Woven clothing, accessories	0,6	0,9	4,2	3,4	3,9	5,4	6,7	5,8	8,2	6,5	7,0	6,2	7,0	21,9 %
Fruits and nuts	0,6	0,9	2,0	2,9	5,1	5,1	5,3	5,0	5,9	5,2	4,5	4,7	4,5	14,0 %
Knitted clothes	0,3	0,4	1,2	1,0	1,2	1,7	1,8	2,6	2,5	2,3	1,7	2,5	3,2	9,9 %
Footwear	0,5	0,5	1,1	1,3	1,9	1,6	1,2	0,9	1,3	1,8	1,7	3,0	2,8	8,6 %
Other products	1,0	1,0	2,1	2,2	1,9	3,2	4,4	6,1	6,1	5,4	6,9	6,7	6,1	19,1 %
Exports														
Total exports to the RM	15	22	24	27	23	23	15	21	26	33	32	46	56	100 %
Vehicles	0,4	0,7	1,1	1,2	1,2	0,7	1,6	3,5	6,7	8,3	8,8	19	21	36,7 %
Pharm. products.	3,8	5,5	7,4	8,7	5,4	7,9	5,3	5,6	6,1	8,0	9,6	10	17	29,8 %
Electric cars	0,4	1,3	0,7	1,8	1,0	0,5	0,5	3,8	3,5	5,7	5,9	6,6	7,8	13,8 %
Fish, crustaceans	2,9	4,2	2,6	1,9	1,4	1,8	1,3	2,2	2,5	1,8	1,5	1,7	2,1	3,7 %
Machines, mechanic. devices	0,9	1,9	1,1	3,0	5,1	4,0	1,2	2,1	2,2	3,2	1,9	1,5	1,6	2,9 %
Other products	6,7	8,7	11	11	8,9	8,7	5,6	3,9	4,5	5,9	4,1	7,1	7,3	13,0 %

Source: developed by the author based on data from EFTA Trade, Statistics, [15].

The analysis of the data in Table 2 creates an attractive economic profile for the Republic of Moldova with reference to the trade realities with the EFTA states. The portfolio of goods under the heading Exports of the Republic of Moldova for the EFTA market determines the strategic segments of trade with the member states. The “other products” position with 19.1% confirms both interest and opportunities to expand trade following the predisposition of the transversal growth of traded goods. The positive dynamics of commercial relations between the Republic of Moldova and the European Free Trade Association demonstrated its feasibility by expanding the dimensions of the international market. Therefore, at the leadership level, the decision that creates and develops through communicative action opportunities with a character of multiplicity and recurrence is strategic.

4. Conclusions

It seems that we test the degree of being rational or non-rational in actions and decisions through the feeling of adequacy with reality, a moment that assumes that we necessarily relate to the situational context, when the evidence of economic factors sublimates over the others. We specify that the evolving degree of the contexts creates pretexts for substantiating our decisions. The interconnection of communicative and transversal rationality, in our view, leaves room for a mutual commitment to develop and build an opening perspective for strategic decisions. We especially notice that uncertainty and risk are the speculative factors that increasingly shape the reality in which we live and act. The negotiation of the Free Trade

Agreement between the Republic of Moldova and the EFTA states demonstrated that the harmonization of interests is possible even if the balance of economic power is different. At the same time, the mix between the classical perspective and that of invoking reasonableness underpins the theory of leadership as an agent of strategic decisions.

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