

## Chapter 6

# Neuroeconomics as a Factor in the Decision-Making of Women Entrepreneurs in Developing Countries

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### ABSTRACT

*Neuroeconomics will help solve questions that constitute a good decision, the factors that influence decisions, and how they are made. The study will expose from the experts' opinion the tangible and intangible factors that influence decisions from the perspective of the neuroeconomics. A modified Dephi method that integrates neuroeconomics is used. Neuroeconomics has the potential to explain phenomena that are considered a deviation from the prediction or behavioral bias of decision-making models in economic theory. The study exposes the opinions that have a greater degree of relevance from the experts.*

### INTRODUCTION

The issue of gender equality in the business world is a vital issue for the economic development of countries, but inequality in legal regimes at a global level still exists, although women have a higher level schooling and occupy key roles in the process of economic development and even the creation and development of a company has a higher level of difficulty for females than male and they tend to be mostly SMEs (AEC, 2012)

The need to implement innovations for the growth of SMEs lies in the need to create favorable conditions and the conducive environment for women entrepreneurs to develop the potential of their businesses.

Artisanal SMEs are a great engine of the economy where 47% are directed by the female gender, contributing 37% of GDP, they also allocate 70% of their income to the community and the family, unlike the men who contribute only between 30% and 40% (González, 2016).

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According to the United Nations Educational, Scientific and Cultural Organization (UNESCO, 2001), it states that the artisanal sector has a predominant role in economic development and the fight against poverty, but they lack a long way to go to achieve maximum potential in generating employment and income to achieve greater economic growth in developing countries.

Throughout history, researchers have searched for the way in which neuroeconomics is related to consumer decision-making, on the one hand by modifying rational choice models and on the other hand towards a critique of economic theory by difficulties experienced by people in evaluating their personal preferences and achieving their well-being (Rabin, 1998).

In the various investigations that have been carried out so far, no investigation has been carried out that relates neuroeconomics with decision-making, and the literature gap is yet to be investigated.

## **BACKGROUND**

### **Problem Statement**

SMEs in Mexico constitute 95% of established companies and contribute 23% to GDP, but they have a series of problems that cause 75% to close their operations after 2 years in the market (INEGI, 2009), and their chance of success is on average from 25% to 30% below the world average that is 40% (Fernández, 2014). At the international level, the percentage of survival and the half-life of SMEs is similar in countries such as Spain, where more than 70% does not exceed 4 years of life and 80% of SMEs fail within the first 5 years, in The United States of America 30% of SMEs do not reach the third year and have an average life of 6 years and in the underdeveloped countries only the first 3 years of life survive between 50% and 75%.

The population that was analyzed in the research were exponential SMEs, being these companies that employ and adapt the new technologies for their development, modifying their development and distribution model to reduce their growth constraints, the digital transformation being their axis. Integrating to new digital trends to sell their products (Ismail, et al, 2014).

These SMEs are within the artisanal industry that has a predominant role in economic development and the fight against poverty, since it is part of the global creative economy that produces the world's largest workforce and generates income of \$ 34 thousand million a year according to the Inter-American Development Bank (IDB).

They are run by women entrepreneurs in developing countries, since this industry is mostly made up of women who perform traditional crafts to obtain economic resources that allocate 70% to the community and the family (González, 2016). As women are the key economic agents that produce prosperity, employment, innovation and increased economic development (UN Women, 2016),

These companies are certified by the Artisan Alliance, being one of the main NGOs recognized worldwide, in addition to their work with internationally recognized organizations. They focus on increasing the economic value and sustainable growth of the artisan sector to break down the barriers that businesses face for their integration into global trade. This certification being a formal guarantee that companies meet the universal standards of the criteria by being actively involved in the artisanal sector according to the requirements established by UNESCO (United Nations Educational, Scientific, and Cultural Organizations) and ITC (Technological Institute of the Canary Islands), (Artisan Alliance Enterprise, 2016).

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