# Cooperative Strategy for the 21st Century

# Cooperative Strategy for the 21st Century

By

Francisco J. Garrido

Cambridge
Scholars
Publishing

Cooperative Strategy for the 21st Century

By Francisco J. Garrido

This book first published 2024

Cambridge Scholars Publishing

Lady Stephenson Library, Newcastle upon Tyne, NE6 2PA, UK

British Library Cataloguing in Publication Data
A catalogue record for this book is available from the British Library



ISBN: 978-1-0364-1163-3
ISBN (Ebook): 978-1-0364-1164-0

# CONTENTS

# LIST OF FIGURES

# LIST OF TABLES

# FOREWORD

Talking today about "anticipation, creativity and cooperation" seems like a strange mix of courage and senselessness so typical of Cervantes "*Don Quixote*" (1605) and perhaps so far from what we have had to live through at the beginning of this twenty-first century: a still recent global pandemic (Covid-19) that infiltrated our lives, confining us to physical distancing and forcing us to forced digital navigation in the midst of great uncertainty and minimal certainties.

However, those who assume or seek to assume managerial and therefore strategic positions have the duty to look beyond these episodes and situations: bending their hand to the ugly fate that our fragility entails. And how have we done it? Well, cooperating, being creative and, what is very important for the purposes of this new book by Dr. Garrido: anticipating.

It is true that not everything can be anticipated (there is no doubt), but it is also true that if we had foreseen possible strategic scenarios ("scenario planning" Gates called it in his 2015 TED talk) and their related variables, we could have been better. All the more prepared for these conditions in 2020, as well as for those that will come in the future. But what has happened to our strategic thinkers? Have we trained them well? Have they done their job well? How come they didn't see all this coming?

Well, these questions and more are largely answered in this new and fundamental work by Dr. Garrido: a work that was indebted to Western strategic training and that for the first time is published both in English (UK), as in Spanish: in our Royal Academy.

In this work we will be able to see how for more than half a century our Directors have been developing their business lives under the spell of "competitive strategy", which the author makes us see turns out to be a very misunderstood synonym of strategic thinking and a minimalism of strategic options, which to a large extent have the planet in the state we already know.

Garrido shows us how even today it continues to be taught in the best Business Schools on the planet (where he has trained and taught) that strategy serves "only to compete", deforming many generations of

managers with the imprecise derivations of this wrong way of thinking and solving the issues of anticipating the future - with a pragmatic sense - for 21st century organizations, without considering the ancient options that the discipline offers us: cooperation, competition and conflict.

The unfortunate effects of these fundamental confusions on the training bases of strategists, in turn, represent a breeding ground for both intellectual laziness and inappropriate managerial function in various disciplines, since, as Lawrence Freedman indicates (Oxford, 2013 ) “strategy is much more than a plan” and this is evident in the abundant examples of failures in the fluidity and flexibility of strategic modeling that Garrido already described in his applauded work “Cooperative Strategy” (Barcelona, 2023).

It is true that when authors contribute their ideas, they have both the intention of penetrating the ways of thinking and the ways of acting of their readers, and in this case Garrido shows that he wants to do it very specifically based on the benefit of the organizations and the society of this century, showing off his extensive teaching experience, as well as his sense of opportunity and urgency as a consultant. This being the case and following the iconoclastic style that has led him to publish in the best publishers and with the best of the disciplines he has cultivated, Garrido opens the fire in the first chapter by decapitating the foundations of Michael Porter’s own thesis (1980) and he tells us: “strategy is not just for competing.” And this, in light of more than forty years of listening to the monotonous and high-sounding thesis of “competitive strategy”, must come from the hand of an academic and intellectual of his stature, to be understood in all its magnitude and in the light of the need of the times: a world worn down by unbridled competition that destroys the planet at the rate of unlimited profit maximization, requires a renewed look at the cooperative paradigm, so absent in management and postgraduate training classrooms, as in life itself.

In the following chapters, readers will be able to navigate towards a possible future, led by one of the youngest academics of our Royal European Academy of Doctors, who already in his entrance speech to this royal corporation in the city of Barcelona (2015) pointed out to us, both in the business world and in the academic world, managers and directors who continue to be immersed in a confusing world where planning has taken the place of strategy, and strategy continues to suffer from the lack of strategic thinking skills.

In this order of things, it is an honor to be able to preface and share with you this work by Dr. Garrido, which lays the foundations for the theory and practice of anticipatory modeling of a necessary future: a future in which we teach that strategy is not only for conflict and competitiveness, the future of the cooperative strategy and the *strategy as it should always be.*

**Dr. Alfredo Rocafort**
President
The Royal European Academy of Doctors
May, 2024

# ACKNOWLEDGMENTS

There are some people who are fundamental in my life and without whom nothing would be possible: total thanks to Francisca, my wife and partner, who has been the only person to blindly trust and from the very first moments in the winding paths chosen for our professional life and familiar. I also sincerely thank our children Juan José and María Inés, our greatest motivators, whom we love and respect just as they are.

For his invaluable prologue for this book, I thank Dr. Alfredo Rocafort, President of The Royal European Academy of Doctors, whom I appreciate for his great personal and professional worth.

I am also grateful to my friends and professors at Harvard, David J. Collis and John Wells, and to Kees van der Heijden, for his great teachings and for being a great teacher.

Special mention for the great people and authors with whom I have been lucky enough to work in the publishing world, and in the particular path of strategy. I am grateful for the human and professional learning that I value among my most pleasant memories from my friends, co-authors, and colleagues: Robert R. Kaplan, Pankaj Ghemawat, Joan Ricart, Linda Putnam, Gerald Goldhaber, Kaihan Krippendorf, and Henry Mintzberg. Valuable ideas have emerged from our conversations and work that I have tried to transfer to my students and my professional life, and this book is no exception.

Thanks to everyone who has made this edition of this necessary missing link possible for those in charge of shaping the future and cooperative strategies of the 21st century.

**Dr. Francisco Javier Garrido Morales**
Fellow of The Royal European Academy of Doctors
May, 2024.

# CHAPTER ONE

# TO COOPERATE OR NOT TO COOPERATE, IS THAT REALLY THE DILEMMA?

**Strategy is not just about competing.** Starting this new book with this *statement* implies unveiling the cornerstone of our most recent work and tearing down the insufficient ideas that for many years positioned strategic designs aimed solely at *conflict* or *competition* as the main and only possible strategic options. This is a formative effort that I consider both necessary and urgent for our 21st century global world.

One of the interesting surprises I have had in developing this new book has been the lack of literature and approach that cooperation has had in our universal strategic charts. For the persistent optimist that I have turned out to be in this life, this has been nothing more than an incentive to continue on this path of work that has given me so much encouragement and learning.

In addition, I am working in parallel on an edition of a book that is expected to see the light of day in 2025 and that is constructed around the very definition of strategy that I have been developing in my individual and collective work for a couple of decades now: strategy as an idea = model = pattern of complex decisions. This has additionally influenced the way in which I have approached the present work, which although it is understood as a simple idea, it is no less true that, like the ripple effect, it aspires to influence new interactions and growing expansions that, as a function of cooperation, we owe so much to our planet. In this study we will see how cooperation is occurring in real time in both external organic systems, as well as in our own biological system, so if we are aware of our cooperative and fractal type nature, we will give ourselves an opportunity to collaborate with ourselves and, therefore, with the planet.

However, to begin this learning path, I suggest starting from the general multidisciplinary agreement that defines human beings and contemporary societies as complex systems. Thus, *strategic cooperation*, the focus of our attention in this study, can be understood as the central adherent of complex systems or “the architect of living complexity”

(Nowak & Highfield, 2016:39) that brings together and amalgamates systems with such beneficial effects as we have witnessed in the processes of mutual aid in disasters and pandemics, as well as in other manifestations with negative effects, such as the consequences produced by cancer, nepotism, and corruption.

In this respect, it is not possible to explain the development and evolution of systems, as well as most species known to science, without cooperation, since "the history of life is the history of cooperation" (Raihani, 2021:11). From this point on, the evident evolution of collective human systems such as couples, groups, organizations, and companies of various types, are more or less sophisticated expressions of this evolutionary-cooperative chain, which in its pragmatic-anticipatory form has required modeling and strategic designs still little studied, little understood and much less taught (even in the main management training schools of the planet), at least in the last 200 years.

On this matter, O'Connor reminds us that "business schools and academies (in the United States) had not worked out the principles of cooperation" in their classrooms, "but Follett did" (O'Connor, 2018:41). Indeed, the author refers us to Mary Parker Follett, for whom "the biological law is growth from the continuous integration of simple and specific responses; in the same way we build our character by uniting diverse tendencies in new patterns of action; social progress follows exactly the same law" (Follett, 1924:174). This author's perspective translates into her notes on cooperation and coordinated action, about which she postulated four principles to ensure a good outcome in a cooperative interaction:

1. Ensuring "direct contact of the responsible persons involved".
2. Starting from the "early stages".
3. Involving "the reciprocal relationship of all factors in a situation".
4. Working on cooperation as "a continuous process".

As we have pointed out in previous studies (Garrido, et al. 2012; Garrido and Ricart: 2014), it is our position that in matters of strategic training we were generally permissive, undisciplined, uncritical, and even superficial enough to willingly accept reductionist and simplistic training trends that blurred and diluted the more than 3,200 years of recorded history of universal strategy, based on weak epistemological foundations and reductionist arguments that synthesized all in a functional way for the feverish drive for materialism and maximalist profits that, starting in the second half of the twentieth century, were dressed up as so-called

"competitive strategy", in a crude and simplistic way of liquidating the balance between business-society relationships by encouraging relationships that in their state of exacerbation not only annul "the other", but also eliminate it in a certain period of time.

This potential disaster operated for decades with the logic of the "fractal geometry of disasters" (Ferguson, 2021:295), where microcosms of bad decisions could only portend a bad future in the minds of those who were not prepared to put on the brakes: What will be the outcome if managers have been modeled as purely competitive decision-makers, what would happen to society if all companies were to declare themselves in a state of mutual and continuous competition? And what was initially nothing more than a potential disaster, as was the case with the Titanic, the Hindenburg, the Challenger, Chernobyl, or the Covid-19 pandemic, often has human failures, management errors and strategic myopia as common indicators.

Indeed, these potential disasters tend to be downplayed as long as they do not occur or they seem episodic, but once they unfold, management training is part of the equation that explains much of the problem, thanks to the weak view of collective responsibility for the future with which managers and directors have been trained or distorted with a "weak view of the other" (Maturana, 2021), a "weakened or non-existent" ethic of mutual respect (Garrido, 2020: 112) and a fake epic applied to decision-making that has its background in thinkers such as Spencer (1864), who forcibly introduced Darwinian thinking into the political and economic fields of *management* studies, among other various proponents of this scarcely reflected theoretical proposal, which underlies the training spheres of most contemporary business schools.

It is possible that our first mistake in academia was to give up out of laziness, pragmatism or lack of interest in the thousand-year-old bases of strategic training that the school of the East has bequeathed to us; the same school that laid the foundations of the millenary "strategic improvement", which involves first going deeply and precisely into "higher and lower" strategic knowledge (Garrido, 2010: 76; Greene, 2021:33) and then on strategic skills, with a focus on experience and practical application (Garrido and Ricart, 2016:11).

This true formative decline in strategic dimension has been recognized by important global think tanks, such as our Säid Business School (*Oxford University*), who in the words of its *Dean* translates into the following ideas: "companies and business schools have accepted a set of simplistic ideas in

recent decades. We believed that by focusing exclusively on the needs of the few (the shareholders), we would create wealth and prosperity for all. As a result, our focus has been on capitalizing on opportunities. However, this focus has left many behind, as wealth and prosperity have not been widely shared" (Tufano, 2022).

Given these fundamental gaps, which will be explored at a later stage (Chapter 2), our imperfect potential future designers and/or apprentice strategists have been able to ignore everything that involves empathizing humanely, socially, and compassionately with their fellow human beings, as evidenced, for example, by the great absence of cooperative strategic designs on a global scale. These same formative imperfections are what even lead CEOs to demand from their collaborators certain virtues and actions that they themselves have not even demonstrated, which shows many of the so-called western "strategists"[1] to be totally short-sighted and superficial and careless in their personal improvements: We have trained managers who are more concerned with creating wealth than with creating value, anesthetized by a quest for unbridled competition that cancels out "the other" and encourages the presence of fusible maximizers in positions of great responsibility.

However, all is not lost, for as we shall see in this book, there is evidence of a *cycle in cooperative, competitive and conflictual tendencies* (Schuerkens, 2012) that is inherent to the nature of social systems and that has left its mark on human history, governing the cycles and strategic patterns adopted by decision-makers with a sense of anticipation, flexibility and adaptability, and opening the opportunity to repair the equilibrium in social systems.

A second error has been exposing students and civilian executives to the memories of battles and wars in a pedagogical but insufficient way, since although they are undeniable antecedents of the millennial strategy driven by the specific circumstances of the conflict, they lead them to superimpose the training contents of strategic thinking on the battlefield, and states of war in the business world, by forcing their scope directly into the organizational and social reality towards dimensions that certainly do not coexist naturally with states of war or with the logic of conflict.

[1] Same heroic authors of the ideas that led to the failure of Enron, Volkswagen or the global financial crises. In our work "Strategists" (McGraw Hill, 2016), We have detailed both the knowledge and the thinking and action skills expected of the strategists for the best performance of their functions.

If we understand the object of the study of strategy in a reductionist way, even just as a plan, of course it would appear to be just a matter of conflicts, clashes of forces and annihilation impossible to resolve by means other than the intelligent use of deception or weapons in the service of war (Friedman, 2019: 122), but this as a strategic design and modeling of future states surely does not coincide with the way human societies have naturally grown and multiplied, at least for the last 4.5 million years (Harari, 2018).

A third error has been revealed in what we call "the training gaps of our executives" (Garrido, 2020: 112): "we have systematically studied the lack of management training (postgraduate) in three fundamental skills of strategic thinking at the academic and managerial levels; critical, creative, and meta-cognitive thinking skills. These strategic training deficiencies created the breeding ground for the propagation of incomplete and superficial strategic formulas, even in the best business schools in the world" (Garrido et al., 2012). This led us to one of the most toxic confusions engendered in the minds of strategists and disciples in training: it was in the second half of the 20th century that the idea of strategic planning became widespread as a synonym for everything that explains the strategic function in organizations, confusing and making strategy and planning synonymous. In such a decadent process we relegate strategists-in-training to the status of "mere analysts" (Mintzberg, 1981) and experts in recipes, whose taste for repeating mechanisms, formulas, and "steps" in order to implement the plan's own procedures, "are the best thing that ever happened to their opponents"[2] and the shortest way for them not to solve the real problems.

On this matter, Resnick (2016) points out that thought processes do not emerge if there is nothing to think about, so generating clear and precise strategic knowledge about cooperation, in order to stimulate the development of strategic skills, requires sufficient foundations and density in the formative bases of the students, which has usually been left aside in the West to attend to "modern and incomplete lessons" (Mintzberg, 2004) which are based on replicating the famed "copy and paste" of planning with quick-dispatch, "ten steps to being a strategist" type tools (Garrido, 2020), or tiresomely replicating the company's "mission, vision, objectives and indicators"[3] every year.

---

[2] Idea based on Ohmae's words (*Stanford*, 2008), for whom the weak Western strategic formation is one of the great advantages for its competitors).

[3] I remember the case of a VP of Strategic Planning of a multinational insurance company with an emphasis on Colombia whom I had to advise: in our work meeting

In addition, so-called "executive education" and "postgraduate" centers have tended to deliver "tools and strategic toolboxes" to students eager to apply them without considering the necessary knowledge of their nature, construction, and application. At the time, Ohmae (2004) pointed out that students should be aware of how, when, and why they use learning resources, and even why transfer them or not in certain strategies. The process of teaching how to think requires a foundation of explicit (planned, activated, and evaluated), relevant (content appropriate for the development of intellectual skills), meta-cognitive (about what, why and how one thinks) and transferable (constructed for application) teaching. In the case of strategic thinking, which is one of the forms of complex thinking given its implicit abstraction and visualization, this has been a learning deficit in our education institutions.

Indeed, many of the mistaken ideas about strategy and its application have been repeated ad nauseam in the proper showcases of the best business schools on the planet (in their classrooms, *journals,* and *reviews*), as well as in the best centers of managerial thought, continuously and mistakenly hammering society with pseudo-mantras as insufficient and erroneous as those listed below:

a) Strategy is a plan (it can be "copied and pasted").
b) Strategy is a recipe ("follow the ten steps").
c) Strategic thinking is theoretical ("it is not necessary to develop strategies").
d) Strategy is only about competing ("it is natural to cancel each other out").
e) Strategy is only for war ("the market is the new battlefield").
f) Strategy has nothing to do with ethics ("anything goes").
g) Strategy maximizes profits ("it is its end").
h) Strategy can be copied (without adaptations).
i) Strategists are only men ("the field of strategy is not for women").
j) "Everything is strategic".

---

with all the company's senior management, using our Strategic Performance Analysis method" (ADE), it was time for her to inform us of something as simple as "what the company's strategy is." Given the repeated requirement in my role as consultant and facilitator, it became clear that the strategic formulation was not clear, so the VP was limited to repeating the "objectives, mission and vision" of the company each year, which was lacking. of meaning in light of changes in scenarios and context.

Based on this general list of gaps and formative failures in future decision-makers, which have fostered both social imbalance and the need for renewal based on our planetary interdependence, we can see that we have generated a breeding ground where the ideas of a contemporary society with exacerbated imbalances in favor of the private capital market crystallize (a fact that, according to Mintzberg, has been exacerbated since 1989) where it is "natural" that those who cannot compete in such conditions will be eliminated "by natural causes", the nature of the market, or by the reflex effect of the process of evolution of the species, and therefore it makes sense that the strategy comes down to a matter of "competition" (*to be* or *not to be* competitive), of "planning" for the future (not necessarily thinking about it) and going all out to "maximize" profits for shareholders, owners or whoever is on the oiled path of the "right incentives", which certainly works without considering the ethical limits of strategy (Garrido, 2018).

In our opinion, the idea of "maximization" without limits, besides being intellectually weak, has been misunderstood. It was knocked down by Heskett and Kotter (1992) when they analyzed the economic performance of 172 companies over eleven years, also conducting a more detailed investigation of a carefully selected group of 22 winners and losers in ten of the industries studied, and the result showed that there was no evidence that profit maximization for shareholders was a recurring pattern among the winners: zero evidence. These ideas are reinforced by Kotter in his recent publications (2019) and coincide with the cooperative perspectives of strategic design, where the profit maximization perspective not only does not show that those who adopt it have better comparative performances in their industries, but also being normally correlated with competitive designs, they tend to be individualistic not associative. In this sense: maximizers + competitiveness = short term models (short-sighted and less sustainable over time).

These formative errors have found an unfortunate breeding ground in a society that has lost the sense of balance and has led our managers (active and in training) to think beyond reason in the various ways to "maximize" the profits and benefits to be extracted from the pseudo-mantra of competition, pushing them in that drift to skim, skirt and push the ethical boundaries of their actions, all in pursuit of the long-desired extra point that maximizes "profits" and gets them into the hall of fame of independent or on-demand maximizers. Pathetic indeed.

## 1.2 A two-act competitive drama

### First Act: when Smith gets the ball rolling

We have already pointed out how in the classical economic perspective (second half of the 19th century) and modern administration (20th century) the idea of competition and competitiveness was favored, understood as a natural law of social interactions that is produced by the existence of "resources" that are always limited. And it would be Smith in 1776 who would drop the first impressions about the advantages that competition and the free market meant for society, and how its natural limitations would be regulated by the "invisible hand" of market forces, whose alchemical action would potentially operate by transforming into selfishness, greed, and avarice, rather than into general social welfare. Thus, cooperation was relegated to a residual effect of the "trickle down" of the wealth and marginal value that the competitors of the laws of the market would decide to distribute for the relative welfare of the rest of society, versus what they would like to accumulate with the freedoms of the case, normally limited by taxes. Thus, both selfishness and materialism already had an axiomatic support that did not consider the natural and concrete equilibrium that the evolution of the species had, but rather was based on the survival of the most "competitive" in the market, which theoretically would enhance social and economic development, forgetting that evolution refers to a change in the population as a collective and not only on the basis of a solitary and selfish creature.

In such basic conditions, the actor operating on a competitive strategic design finds the necessary tools and rules to rationalize and validate the exclusion, annulment and denial of those who have been defeated and dejected in the "market contest", since the fact of annulling and denying the opponent is not understood as part of the humanitarian categories or shared social welfare, but only as the valid rules of the market and "whoever does not like the rules should be deprived from participating". This is the germ of an unbalanced society (Mintzberg, chapter 6) that blew up the possibilities of *cooperation* being considered as a as a general "status" option similar to that of the much-used *competition*, or at least slowed down the natural validation of cooperative opinions, based on an exacerbated and prolific acceptance of simplistic competitive mental models as the only natural nutrients of a "modern and developed" society (CGR, 2019).

As we know, the proximity of this type of decision to hostility and friction among stakeholders (hostile takeovers, takeover by shareholder pacts,

cancellation of small producers, for example) brings us closer to the cycle of *conflictive* strategic decisions. Clearly this would be a process that is not very robust over time and would go in the opposite direction of what has been proven, for example, by Axelrod's genetic algorithms: where "the effectiveness of the genetic algorithm and its evolution towards reciprocity in a population that plays the Prisoner's Dilemma helps to validate the robustness of reciprocity as an effective strategy that does not depend on the prior beliefs of the other players" (Axelrod, 2006:26). As pointed out by Nowak and Sigmund, despite the obvious dominance of selfish (or better called *defection* in strategic theory) strategies in the Prisoner's Dilemma, "most people are uncomfortable with this conclusion" (Nowak & Sigmund, 2000:14), probably because even if they don't say so, they know the risk of extrapolating their opinions from a game to real life.

Consider that reciprocity has usually been understood to take the form of what we technically call *direct reciprocity*: help someone who can then help you; however, indirect reciprocity, or that in which you help those you do not know, is the type of reciprocity that prevails in human communities and is what we learned in our earliest years as the act of "giving of oneself, without thinking of oneself" (Rotary, 1950). According to Alexander, indirect reciprocity, which implies the valuation of a certain reputation and status by the "players" of a certain interaction of a social group, certainly results in "everyone in the group being continuously evaluated and re-evaluated'" (Alexander, 1987:27).

In the oft-reviewed Prisoner's Dilemma, the modeling of authors such as Nowak (et al., 2006), Hutchence (2007), and Highfield (2008), demonstrate how cooperation is imposed in a supercomputer simulation based on indirect reciprocity conditions, because although the prisoner's dilemma is a cooperative dilemma, in its most recurrent modeling it is the defectors who dominate over the cooperators (in a well-mixed population, natural selection always favors defectors over cooperators). In Nowak's words (2006) for cooperation to emerge in the Prisoner's Dilemma, a mechanism for the evolution of cooperation is needed. On the following page, let's look at an example chosen based on the type of simulation reported by Nowak and Sigmund (1998, volume 393, Nature Magazine).

As shown in the image (Fig. 1.1) and as Nowak and Sigmund report: in a classical simulation of a population consisting of n equal to 100 individuals, the image scores range between -5 and +5, the values of the strategy (k) range between -5 and +6. Strategy k = -5 represents unconditional cooperators, while strategy k = +6 represents defectors. In each round of the

game, two individuals are chosen at random, one as donor and the other as recipient. The donor cooperates if the recipient's image score is greater than or equal to the donor's k value. Cooperation means that the donor pays a cost, c, and the recipient obtains a benefit, b. It is important to note that in this simulation there is no reward in the absence of cooperation.

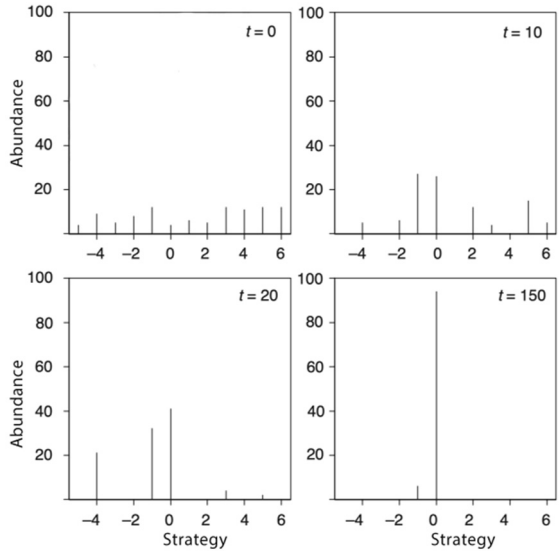


Fig. 1.1: cooperative simulation, based on Nowak & Sigmund (June /11/1998)

Given these conditions, let us consider that at the beginning of each generation all players have an image score of 0. Therefore, strategies with k equal to or lower than 0 are called "cooperative", because individuals with these strategies cooperate with individuals who have not had an interaction. In each generation, 125 donor-recipient pairs (n) are chosen; each player has, on average, 2.5 interactions. The probability that a given player will ever meet the same player again, or that a chain of possible altruistic acts will ever return to the original donor, is very small (almost marginal), so direct reciprocity cannot work here. At the end of each generation, players produce offspring proportional to their payoff. At generation t = 0, we start with a random distribution of strategies. After t = 10 generations, strategies k = -1, 0, +2 and +5 have increased in abundance. After t = 20 generations, strategies k = -4, -1 and 0 dominate the population studied. After t = 150 generations, the population consists almost entirely of the k = 0 strategy, which is the most discriminating among all cooperative strategies. Players

with this strategy cooperate with everyone who has an image score of 0 or higher. After t = 166 generations, all other strategies are extinct and k = 0 is fixed in the population, and under these conditions the authors considered the parameter values: b 1, c 0:1, to avoid negative payoffs, adding 0.1 in each interaction modeled.

Furthermore, we must clarify that the cooperative dilemmas that do not fit or do not qualify within the framework of the Prisoner's Dilemma are the usually called *relaxed cooperative dilemmas*, that is, games in which it is possible to develop certain levels of cooperation among the actors, where stable equilibria between cooperators and defectors are shown, even within well-mixed populations.

Let us not forget that computer-aided models also demonstrate the exponential benefits of altruism and cooperativism in human behavior (Nowak, 2011:312).

Although cooperative supercomputer simulation models offer us a well-demonstrated range of statistically acceptable decision possibilities, we are aware that human desertions in practice can, in some cases, be highly unpredictable. Such is the case of positions that advocate cooperation, but not for the right reasons: they tell us to be attentive to the disruptions of networks and the new multiple "apparently cooperative" ties generated by their interactions, but with the aim of taking advantage and acting before, and thus being the first "to see, act and win" (Gansky, 2011). In this case, there is the presence of the germ of desertion, which tends to conflict and does not offer any guarantee of permanence in the relationship over time.

## 1.3 Second act: competing to perfect ourselves

When it is pointed out that "the best work is done by people who compete with themselves, rather than with others" (Mintzberg, 2019), they are alluding to the original strategic training, the one that was written 3200 years ago in pre-China (Shang Dynasty) by the hand of Master T'ai Kung-Jiang Ziya, and which was continued in the notes of Master Sun (period of the Warring Kingdoms) "to give and do one's best" (Garrido, 2010: 33).

This tradition in universal strategic training is the one that lays the formative foundations for strategists in all time periods: strategic training begins with the personal improvement of the apprentice and this same process must be followed with the others under his or her command: teams, groups, and organizations. In fact, in our study "*Modeling the Future*" (Oxford, 2018),

we reinforce our position that "the fundamental bases of strategic formation lie in the improvement of the strategists", which in the West is taken up by Socrates with great mastery in his call to the task of strategic improvement, since those who try to enter into competition or conflict dynamics without first having improved themselves will only be able to navigate superficially in the waters of strategic modeling and their task will be overshadowed by their limited possibilities. Indeed, this quest for improvement is first and foremost personal for strategists, and is not alien to the discomfort caused by the evolutionary tension in the subjects, when faced with the cognitive dissonance of making decisions outside the regular framework of their actions, even the most everyday ones such as paying taxes, recycling at home, using water consciously, volunteering, inviting a small company to collaborate with ours: *all actions of indirect cooperation* that lead us along the path of correct action in social and collective improvement, and that polish the character of a complete strategist for this millennium.

It is clearly our position that the exercise of internalization of fundamental strategic skills is essential and urgent for the correct performance of those who assume the task of creating models that transport the future (strategists), and who harbor the pretense of directing the destinies of a few hundred, thousands or millions of people in the organizational and business world of the 21st century.

## 1.4. Cooperating on a planetary scale

Let's take into account that *Homo sapiens* managed to conquer five continents, put its footprint on the moon and *Homo prospectus* is preparing to colonize at least Mars, as the beginning of a multi-planetary development. In time we will see that this is undoubtedly an unmistakable sign of the impressive achievement of human collaborative processes: small-scaled *direct cooperation* and larger-scaled *indirect cooperation*, projecting and building models of the future for our species (such is the case of the *Homo prospectus*, center of a new branch of the psychological sciences[4]), through networks of scientists, professionals and technicians from various centers and governments on a planetary scale.

The case for extraterrestrial colonization in the 21st century, which involves seeing our species projected on an interplanetary scale, is undoubtedly a clear example of a public-private collaboration that goes beyond the small

[4] This new branch that promotes future prospecting as the center of a new psychology initiated by Seligman (2016) and his team at Oxford.

and competitive political interests that motivated the space race in the 20th century: we have here an example of cooperation on a global scale, both for the survival of the species and for the reduction of the risk of loss of its legacy of light and shadow on planet earth. Let us remember that cooperation has a first autopoietic expression[5] at the intrapersonal level, since it manifests itself at all times and in our organic scheme of existence and survival regardless of whether we are aware of it, whether we like it or not: at the molecular level we are cooperative systems.

Next, we see how *direct cooperation* manifests itself in interpersonal terms: we cooperate with other people based on common interests, tastes, and aspects of trust, which are built or destroyed over time and through the processes of social relationships.

In group relations, for example, indirect cooperation has an evident expression both in the forms of the initial relationship and in the ways in which the group sustains itself, mutates, unfolds, and projects itself over time.

At the organizational level, cooperation becomes *indirect*: subjects cooperate with each other to achieve formal and informal goals and objectives, without the determining presence of personal knowledge among those involved. Group adhesion is located in the organizational cooperation networks that summon, gather and empower them (or not), as well as in their production/maintenance of energies (Rogers, 2010:36) and to the economic and psychological contracts that formalize and bind them.

On this matter, Harari comments that "if we lose the ability to cooperate, we cannot cope with the Covid-19 crisis or much worse crises tomorrow. I'm not just talking about pandemics, but about climate change, the threat of nuclear war or the spread of Artificial Intelligence" (Harari, 2018). The author states that in order to face many of the difficulties inherent to the complexities of the 21st century, cooperation on a planetary scale is needed, to which he notes: "the good thing is that today we cooperate more than at any other time in history, although it may not seem so from the news" (Harari, 2021). In this regard, Nowak & Simond add elements that increase our responsibility when they state that "humans have reached one of the pinnacles of sociability and the complexity of their cooperative actions is

[5] The autopoietic qualities defined and described by Francisco Varela and Humberto Maturana (1974) explain the qualities of the molecular system to self-reproduce and maintain itself.

unparalleled" (Nowak & Simond, Oxford, 1998:81). First of all, it should be explained that the complexity of cooperation actions is derived from their integrative and social condition: the word cooperation derives from the Latin root ***co*** which means together and ***operari*** which means to work. Therefore, at a first glance we can agree that cooperating is an activity that involves consciously working together to achieve certain objectives and shared benefits, if you will, in a cooperative action. However, we must consider that this is not just any community agreement: we agree with Baron & Byrne (2000) and with Nowak & Highfield (2012) on the fact that it is an orderly interaction that synergistically and progressively multiplies the common benefits of the participants, going beyond elementary rational mechanics and representing much more than an "anomaly" in evolutionary theory.

Anthropology and neuroscience confirm the reproductive power of cooperation in the evolution of *Sapiens* (Krznaric, 2020) which has been evidenced by the outstanding development of human groups and societies that have been able to "create, anticipate and cooperate, as a group" (Garrido, 2016:77). Indeed, cooperation is a key aspect of social evolution, since interactions between individuals affect the reproductive success of the entire population and the system as a whole. Among the most accepted and recurrent theories to study social behavior in confluence with standard mathematical approaches are Game Theory (Harsanyi & Selten, 1988; Fudenberg & Tirole, 1991; Osborne & Rubinstein, 1994; Samuelson, 1997; Camerer, 2003) and Evolutionary Game Theory (Maynard Smith, 1985; Hofbauer & Sigmund, 2003; Weibull, 1995; Skyrms, 1996; Dugatkin & Reeve, 2001; Cressman, 2003; Nowak & Sigmund, 2004; Nowak et al., 2004; Taylor et al., 2004; Nowak, 2006; Antal et al., 2009; Sigmund, 2010; Helbing, 2012), approaches on which a large part of the studies and applications of contemporary cooperative perspectives have been based.

It is even possible to find cooperative antecedents in some of Lenin's writings (1870-1924); nevertheless, the thinker is surpassed by the political activist when he affirms that “the system of civilized cooperators must be made with the public ownership of the means of production, since this is the system proper to socialism”. Indeed, among the central ideas that Vladimir Ilich Ulyanov (aka Lenin) expressly left behind in his last works *О кооперации* (“On Cooperation”), published for the first time in the newspaper "Path of Truth", in issues 115 and 116 (May 26 and 27, 1923) and “On Work in the Village” (1923), he not only praises the cooperation of the peasantry as the basis for the maintenance of his ideas on the revolution of socialism in time (cooperativism), but also turns cooperation

into an adherent and beneficial way for the maintenance of his political ideas in time, and so he expresses it in his last writing on cooperation, before his death. This potential strength of cooperative models was probably understood by Lenin as the root of the preservation and growth of social ideas, which, aside from the author's misguided political ideas, clearly points to the pivotal importance of cooperative DNA for a society with reasonable balances between freedoms and restrictions. The political strategist who inhabits Mohandas Gandhi (1869-1948) refers to these ideas in his work and practice of non-cooperation in 1979.

Let us also agree that when we cooperate consciously, we are combining two elements that have been extensively studied by both *Management* and Administration: (a) the topic of working towards a common goal and (b) the topic of combining and organizing efforts. Although a conscious cooperative state can be triggered by a multiplicity of factors, we believe it is relevant to highlight the following:

a. The desire to obtain individual benefits derived from the cooperative act.
b. The desire to achieve collective benefits derived from the cooperative act.
c. The motivation to give and share in a conscious way.
d. The decision to work towards common goals and objectives.
e. The need to cooperate to solve present or future problems.
f. The visualization of objectives and goals greater than the individual ones.

In this sense, it is not only possible to affirm that cooperation is innate in our species, but also that it has been the basis of its survival and evolution over time (Harari, 2021), because even when there is no explicit "cooperative consciousness" among the actors in a system, the possibility of cooperation (and even healthy competition) will tend to reproduce patterns that, in our working group at Harvard Business School[6] we have called *intelligent* and *adaptive* patterns (Garrido, 2010:22). In the same line, our friend and colleague John Wells (Harvard, 2013) argues that the processes of cooperation and healthy competition are vital for the survival of organizational systems, and suffer from strong evolutionary pressure, which drives them to further "develop adaptive capabilities such as strategic

[6] The author is one of the founders of the Harvard Business School Corporate Level Strategy Group in 2010 (Boston, MA).

intelligence" (*Strategic IQ*) which is a good metric for evaluating the performance of those who choose cooperative strategic designs.

## 1.5 Strategic cooperative designs

In Figure 1.1 (previous page) we can see that on the far left we find *unilateral cooperation*, which is manifested when an actor participates in an interaction with another actor, through an act of actual or potential delivery of value, which does not involve an obvious, immediate, or probable reward. For example: when we "lend" money to a stranger who is in circumstantial need (a gift in practice) and therefore the probability of running into that person again to eventually pay back the borrowed money is very remote or close to zero. This probably disinterested action at the interpersonal level is equivalent to a step of unilateral cooperation at the organizational level because the actor has taken the courageous step of moving towards the state of giving a dose of disinterested trust in a circumstantial relationship.

Acts of unilateral cooperation are often confused with acts of reputation and image building managed by companies, but they do not work in the same way: unilateral acts of cooperation lay the foundations for potential progress towards states of full cooperation, since we are talking about the *strategic design* of an actor-company and not about the strategic communication of said company.

> ***Case 1:*** the software company *Global** provides free licenses to colleges and universities for its PC software that emulates a Unix root system. The educational establishments that benefit most from this program are public and charter schools, which can provide their students with access to the different text, spreadsheet, and presentation management tools without the cost of licenses for 200, 1000 or more users. In the future, students are potential users of these tools and language, which means a long-term return for the company, but this is not assured, as they may well opt for alternative and competing software. This is then understood as a unilateral cooperative design.

***** The names of the companies and participants have been changed

In this route towards *full cooperation* or *cooperative equilibrium* (Figure 1.1), the actors who remain in the state of seeking a cooperative relationship move towards the state of *asymmetric cooperation*, which is characterized by an unbalanced position among the actors in the relationship: an actor puts

more at stake and consciously subtracts value and wealth for a significant time for its strategic design, considering the stage/scenario conditions with respect to its opponents and counterparts. This condition could also represent a position typical of the strategy of attrition: an actor is strengthened with respect to the counterpart (this could also be a possible Trojan stratagem for the weakened party).

> ***Case 2***: a multinational banking and investment company, which we shall call *Bear Investment**, partners with a small local investment firm in Bogota, Colombia.
>
> The local investment company is owned by two young entrepreneurs who have had a brief career in money desk and trading at a local bank. One of them is the son of the President of the local bank. *Bear Investment* has unsuccessfully sought to approach the complex networks of local banking relationships and its current design of asymmetric cooperation seems to be its new bid to cross those bridges.

Once the actors are in a state of *cooperative equilibrium*, the parties tend to organize themselves, acting in a coordinated manner for the creation of value and wealth, with a time horizon that favors both the symmetrical growth rate and the joint development of the actors. This positive growth dynamic, which is favored by this type of relationship, is characterized by a state of dynamic equilibrium between the parties, whose flow of information and communication is favorable for a proportional benefit of positive performance over time and tends to have longer cycles.

The process of *asymmetric cooperation* has a first state of exchange in which one of the actors uses its counterpart as a bridge, to benefit or benefit from a third actor, whose position is collateral in the scene. By cooperating with this asymmetric actor, the main actor expects the help of a third party that is neither explicit nor obvious to the network of first-circle relationships in this relationship.

> ***Case 3***: The business school *ExtraMBA**, operated MBA and postgraduate programs in some Latin American countries. With a presence in smaller cities, it saw how the main players in the market captured executives and professionals from the capital cities, as a result of a higher brand value and relationship networks. The members of this organization then decided to seek brand partnerships in a cooperative work scheme with schools of similar size (medium size) that, due to their position in more advanced countries, would offer them networks of relationships with

greater added value in Europe and the United States. With this asymmetric cooperation design, they managed to triple their enrollment and the costs of more prestigious university brands were an "added value" of the alliances and bridges with schools of similar size, but that operated in a much more mature and consolidated market.

Finally, the state of negative *unilateral cooperation* occurs when one of the parties benefits from the interaction, while its counterpart suffers immediate or gradual damage or deterioration.

***Case 4***: The company *Domótica and Co.**, a start-up formed by three engineers who had recently graduated from the university, received a grant from a public selection process due to their development of low-cost home automation systems. The partners of the start-up were tempted by a large company with a portfolio of real estate clients in Santiago de Chile, who offered their young partners a salary and a place to "develop their talents", but after a year they took away their ideas under the pretext of "having been developed in the company and as employees, to finally fire them".

## 1.6 Operationalizing the cooperation

Although we have seen that strategic cooperation has been a thick and absent link in the specialized literature, we can also see that from an operational point of view, the agreements that have emerged in the general literature suggest cooperative distinctions such as those described below:

*a) Direct cooperation*: when an actor meets another actor and performs in company what he could perfectly well do individually, we speak from an operational point of view of an act of direct cooperation, since the subjects perform activities of common interest through similar functions, achieving mutual benefit from the energy or gain contributed by the mere willingness to joint action. Examples of direct cooperation are doing a sport such as *golf* or *jogging* with someone, meditating in a group, painting collectively, etc.

*b) Indirect cooperation:* when the subjects perform their own functions and tasks based on role differentiations or specializations, we speak of indirect cooperation. Examples of indirect cooperation are specialized work, the various functions in a sports team, the tasks of the cooks in a restaurant, etc.

*c) Primary cooperation:* in this category there is evidence of a convergence of interests among the subjects, not only because of pragmatic interests that