

**COLOMBIANS
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THINK**



An experiment by the researcher César Mantilla, professor at the Faculty of Economics of the Universidad del Rosario, shows that you can cooperate and compete at the same time, and Colombians are not as individualistic as many people think. From this study there has emerged a model based on small rewards and group competitions which may help to improve the productivity of businesses and lead to better social conducts.

By: Magda Páez Torres
Photos 123RF, Leonardo Parra

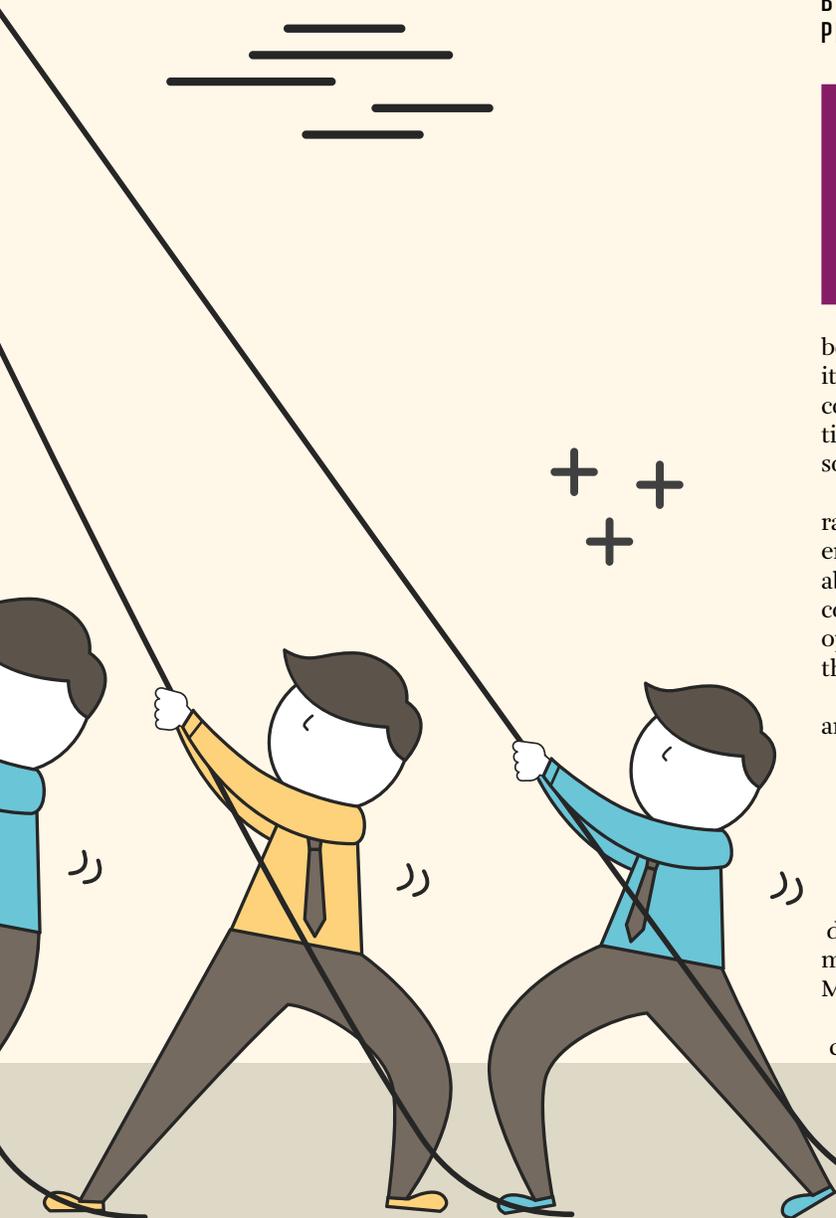
Many societies have a poor view of competition. It is often thought that it heightens selfishness and creates questionable habits which have a negative effect on people's surroundings. However, a study undertaken by Professor César Mantilla, of the Faculty of Economics of the Universidad del Rosario, in conjunction with researchers from the Universidad de los Andes (Bogotá, Colombia) and Heidelberg University in Germany, belies this idea, since it shows that it is possible to cooperate and compete at the same time and, contrary to the deep-rooted myths about the subject, competition can improve results in an organizational ambit and other social scenarios.

The study was based on a test given to 276 students in a laboratory of experimental economics. Seated in front of a computer in separate cubicles, they were asked to deal with a problem about cooperation on the exploitation of a natural resource of common use, like fish. The participants could decide not to cooperate, but many wound up doing so and those who obtained the highest marks received rewards as an incentive.

"The dilemma which each group faced was: If I do not get anything out of the resource, there is more of it for the community, but, individually, it would make more sense for me to exploit the resource, because the rate of the benefits, if I sell the fish, is much higher than the rate of conserving the resource. The big difference is that the rate of conserving the resource benefits everyone, whereas if I sell some fish, it only benefits myself. This is the classic tension between making decisions which are individually rational and beneficial versus making decisions which are collectively beneficial," Professor Mantilla explains.

He makes it clear that these dilemmas are frequent in the case of resources of common use, which range from the classic examples (pastures, fish, forests) to modern ones, like the broadband Internet connection in airports, where the system may collapse if everyone indiscriminately connects to the same network.

This study showed that when the students knew that their group was not competing with oth-



er groups, the rates of cooperation were relatively low, that is, they exploited a lot of the common resource. When, on the other hand, they knew they were competing with other groups, the rates of cooperation rose.

Professor Mantilla notes that even though the bonuses which the participants in the test received for belonging to the best group were very low – around 5% – they were motivated to cooperate, due to the feeling that the group they belonged to was doing well.

In his opinion, this shows that institutions which promote cooperation through the competition between groups, even when the economic incentives are small, may obtain better results. Nevertheless, he points out that bonuses or rewards are not necessary in every case, since altruism plays a key role in some cases. One clear example is donating blood, since, even though the donors do not receive anything in exchange, they feel motivated to do it, because they regard it as a contribution to the society in which they live. If they were paid for it, perhaps it would discourage those who donate their blood for the personal satisfaction they receive.

THE PREMISES OF COOPERATION

According to a Harvard University study, which is cited by Professor Mantilla, there are five premises of cooperation.

The first is based on direct reciprocity: A person cooperates because he expects another person to cooperate with him.

The second is indirect reciprocity: The individual cooperates because he hopes that a second person will see that he is cooperating with the latter and the second person, the beneficiary, in turn, may cooperate with someone else.

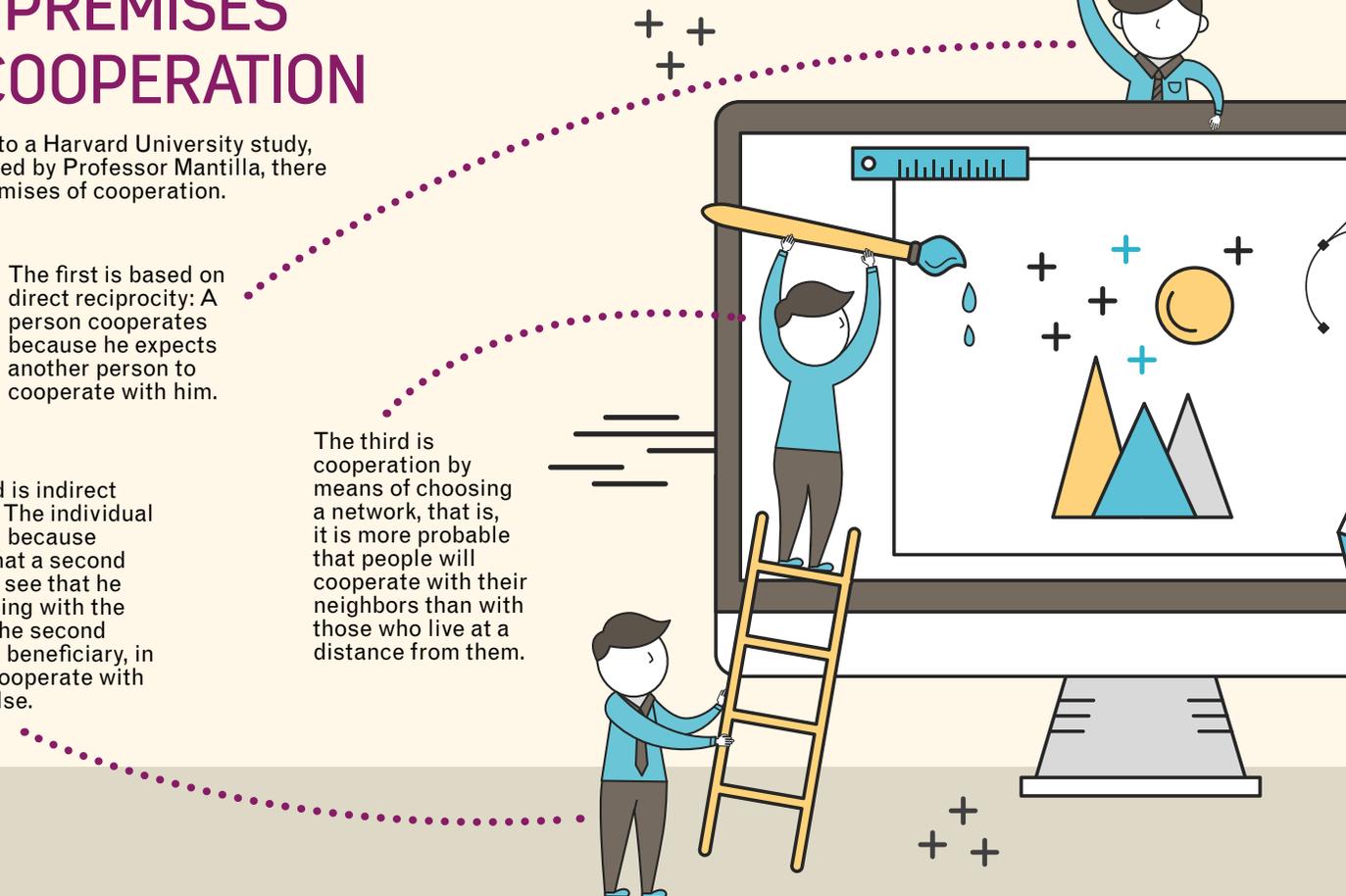
The third is cooperation by means of choosing a network, that is, it is more probable that people will cooperate with their neighbors than with those who live at a distance from them.

Cooperation in society

This experiment also allowed for an analysis of social behavior in scenarios like the TransMilenio, the mass transport system of Bogotá, the capital of Colombia. In those cases, he explains, what quickly shapes people's behavior are not so much personal benefits as social norms.

“Usually, when one thinks about long-term cooperation, one has two mechanisms in mind: One is negative reciprocity and the other is positive reciprocity. A person who does not stand on line because no one else is doing it acts from a negative reciprocity. The more people I see who are not cooperating either, the more I feel that it is less costly for me not to cooperate. There are two reasons for that. First, the individual assumes that since the norm has already been violated, he can enjoy the luxury of failing to cooperate, and the other reason is that he thinks the fewer people who are cooperating, the lower the rewards of cooperating”, Mantilla explains.

Another clear example of these principles is paying taxes. In this case, in contrast with what happens on TransMilenio, which is governed by negative reciprocity, people go beyond wondering if most people pay taxes and decide to pay their own because the priority is the search for the common good, that is, if everyone pays their taxes, there will be more resources for the city and that means better public works for its inhabitants. “In the end, many decisions in life entail cooperating or not cooperating, from deciding whether to pay or not pay the fare on the Transmilenio to whether, once I am on the bus, I should move further along so that more people can fit into it. Most of these acts are not deliberate



or conscious ones. I don't spend all my time thinking about the benefits or costs of cooperating or not cooperating. It is a matter of social norms or acquired behaviors, since we are individuals who live in societies," Professor Mantilla remarks.

One of the mechanisms used to promote cooperation in these kinds of contexts are fines. However, they do not work in all scenarios. Professor Mantilla gives the example of a school in Israel, where an experiment was made in which parents who were late in picking up their children after school were fined. After the sanction was announced, most parents began to pick up their children late, because they thought that it was better to pay the fine and take advantage of that lapse of time to work longer, that is, they regarded the fine as a price paid to the school to look after their children for a longer time. "This is one of those cases where the incentives were poorly designed or the monetary incentives backfired. That is why people say that the road to Hell is paved with good intentions," Mantilla says.

Possible scenarios

The experiment he made enabled him to extrapolate from these situations and apply them, initially, to organizational



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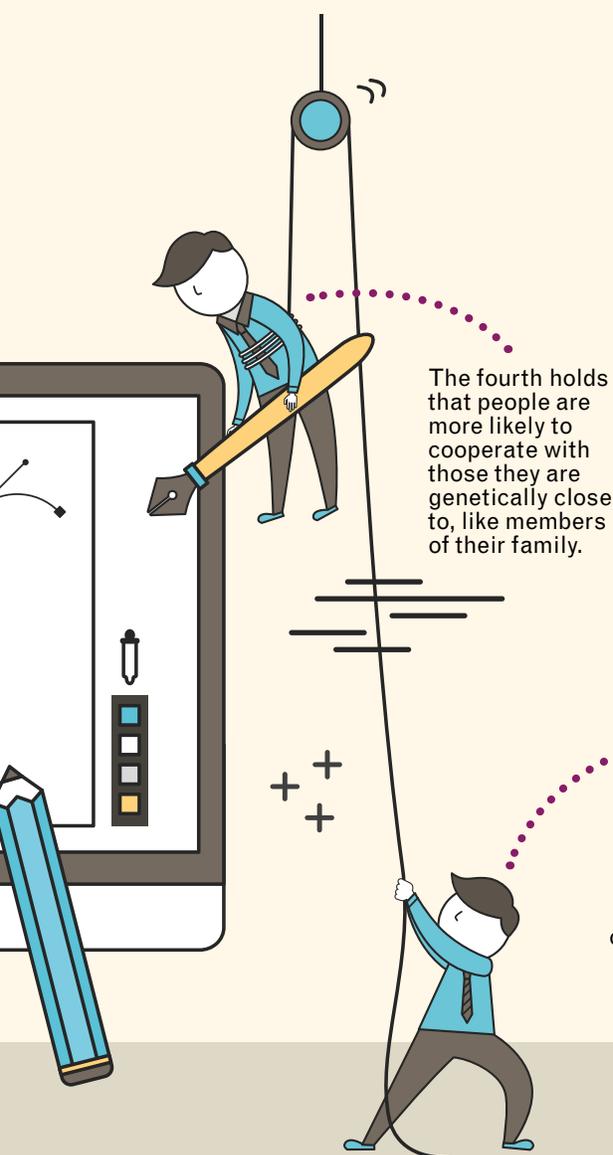
ambits. In his view, it is possible to create incentives and thus improve the work in business groups, so long as you make sure that the competition is not very intense and thus the potential harms will be relatively low.

In countries like Germany, where supermarkets divide their employees into different working groups, it was shown that the offer of bonuses increased sales, but it was obvious that some groups worked harder than others.

Along that line of thought, Mantilla warns that too much competition may damage the unity of the organization and explains that there are several aspects to determining whether competition is good, for example, measuring the profits of one collective against the losses of another. The idea is that the benefit of some is not too costly for the rest, since it would undermine the essence of the policies of competition between different divisions of the same company.

The exercise can also be applied to daily life. In other countries there have been competitions between schools to make children more aware of different situations, like protecting the environment. Mantilla believes that this model could be used in Colombia to encourage conducts to do with saving water and the sound disposal of wastes. For example, competitions of recycling will lead children to behave in a more socially responsible way.

While Professor César Mantilla acknowledges that further tests and studies are needed to make his research more authoritative, he feels that one of the most important achievements of this first experiment is to cast doubts on the widely-held belief that Colombians are no good at working in groups: Rather, it shows that one can encourage the kind of competition which has a positive aim and does not cause any harm to others. ■



The fourth holds that people are more likely to cooperate with those they are genetically close to, like members of their family.

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Finally, choosing a group which is likely to cooperate with the people who make up the same collective. It was precisely this idea of group selection which motivated this investigation, on the hypothesis that the groups which have many cooperators will do better than those who have few.