

A COMPARISON: COOPERATIVE-ism & OTHER FORMS of BUSINESS ENTERPRISES

Various Aspects	Cooperative	Individual or Partnership	Private Company or Corporation	Government Owned/ Controlled Corporation
Ownership	Members (owned by all consumers)	Individual person or partners	Stockholders	Government
Control	Democratic control (coop principle: one member, one vote regardless of shares)	Individual or partner w/ bigger investment	Stockholders w/ biggest stock or equity holdings (control by capital)	Government through authorized appointed officials
Management	a) Elected Board of Directors (policy-making); Other committees (w/ specific tasks) to represent members; b) Hired professional management team (to run day-to-day business affairs)	Appointed individual or management team	Elected Board of Directors & hired professional management team	Appointed Board of Directors (policy-making) & hired professional management team (day-to-day business affairs)

Aspects	Corporation	Individual/Partner	Company/Corp	Government owned
Capital Structure	Members' common & preferred shares, loans	Individual or partners' Investments, loans	Stockholders common/ preferred stocks, loans	Government investment, loans
Main Purpose(s) or Motive	a) More equitable sharing of ownership, control, resources, profits, income; b) Provide efficient services to members & public	Make profits from investment	Main profits from investment	Serve the public by providing efficient services
Economic Benefits	a) Dividends on members' investments; b) Reasonable costs of services by giving patronage refunds to member-users on paid services	Sharing of profits among owners & partners	Dividends on stockholdings to Stockholders	Government earns profits from investments (may plow this back to the business enterprise to provide better services)
Social Benefits	a) Member-users own and control a democratic business organization that looks primarily after member-users' welfare. Profit-motive plays secondary motive. b) Members help each other to make organization strong for the common good, protect it against dishonesties, corruption & ulterior selfish interests or motives	Primarily for individual or partners' interests. Common good is secondary interest	Primarily for Company or Corporation's interest and its major investors. Common good plays a secondary motive	The public good may be its primary interest, but its operations may be jeopardized by management's selfish interests and politics instead of the public common good
Tax Exemptions	RA 6938 exempts coops from income and other taxes	No tax exemptions	No tax exemptions	Exemption from some taxes



