COMPARING THE PRODUCTIVE EFFICIENCY OF COOPERATIVES AND PRIVATE ENTERPRISES: THE PORTUGUESE WINE INDUSTRY AS A CASE STUDY

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Abstract

This paper compares the efficiency of cooperatives and private enterprises in the Portuguese wine industry, employing data envelopment analysis (DEA). The use of DEA for the analysis of comparative efficiency within a sector is a key tool in evaluating organizational competitiveness. Competitiveness should be based on benchmarking the different types of organizations that comprise the viniculture sector. We conclude that Portuguese wine cooperatives, on average, are more efficient than their private counterparts. Economic implications arising from the study are discussed.

Key words: cooperatives, private enterprises, technical efficiency, DEA, wine industry, Portugal